MISSISSIPPI LEGISLATURE

By: Representative Clarke

REGULAR SESSION 2017

To: Gaming; Revenue and Expenditure General Bills

HOUSE BILL NO. 136

1 AN ACT TO ESTABLISH A STATE LOTTERY TO BE KNOWN AS THE "MISSISSIPPI LOTTERY FOR EDUCATION," A STATE LOTTERY TO BE 2 3 ADMINISTERED BY THE MISSISSIPPI GAMING COMMISSION; TO PROVIDE THE 4 POWERS AND DUTIES OF THE MISSISSIPPI GAMING COMMISSION REGARDING 5 THE ADMINISTRATION OF THE STATE LOTTERY; TO PROVIDE THAT THE 6 PURPOSE OF THE LOTTERY IS TO FUND THE MISSISSIPPI HOPE SCHOLARSHIP PROGRAM; TO CREATE THE MISSISSIPPI HOPE SCHOLARSHIP TRUST FUND; TO 7 PROVIDE FOR THE ALLOCATION OF THE PROCEEDS COLLECTED FROM THE SALE 8 9 OF LOTTERY TICKETS IN THE STATE, AFTER DEDUCTING CERTAIN 10 ADMINISTRATIVE AND PRIZE EXPENSES; TO REQUIRE FORTY-FIVE PERCENT OF THE PROCEEDS COLLECTED FROM THE SALE OF LOTTERY TICKETS IN THE 11 12 STATE TO BE ALLOCATED AS PRIZE MONEY; TO REQUIRE A PERCENTAGE OF 13 THE PROCEEDS FROM THE SALE OF LOTTERY TICKETS WITHIN A COUNTY TO BE DISTRIBUTED TO THAT COUNTY; TO REQUIRE THE REMAINDER OF THE NET 14 PROCEEDS TO BE DEPOSITED INTO THE MISSISSIPPI HOPE SCHOLARSHIP 15 TRUST FUND; TO AMEND SECTIONS 37-106-5, 67-1-71, 75-76-3, 75-76-5, 16 17 97-33-9, 97-33-11, 97-33-13, 97-33-21, 97-33-23, 97-33-31, 97-33-33, 97-33-35, 97-33-37, 97-33-39, 97-33-41, 97-33-43, 18 19 97-33-45, 97-33-47 AND 97-33-49, MISSISSIPPI CODE OF 1972, IN 20 CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR RELATED 21 PURPOSES.

22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

23 **SECTION 1.** As used in this act, the following words and

24 phrases have the meanings ascribed in this section unless the

25 context clearly indicates otherwise:

26

(a) "Commission" means the Mississippi Gaming

27 Commission.

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28 (b) "Distributor" means any person authorized by the 29 Mississippi Gaming Commission to distribute lottery tickets to retailers. A person possessing a gaming license issued under 30 Chapter 76, Title 75, Mississippi Code of 1972, may be a 31 32 distributor if located in a county in which legal gaming has been 33 approved.

34 "Lottery" means any activity approved by the (C) 35 Mississippi Gaming Commission in which:

36 (i) The player or players pay or agree to pay 37 something of value for chances, represented and differentiated by 38 tickets, slips of paper or other physical and tangible 39 documentation upon which appear numbers, symbols, characters or 40 other distinctive marks used to identify and designate the winner 41 or winners;

42 The winning chance or chances are to be (ii) 43 determined by a drawing or similar selection method based predominately upon the element of chance or random selection 44 rather than upon the skill or judgment of the player or players; 45 46 (iii) The holder or holders of the winning chance 47 or chances are to receive a prize or something of valuable

48 consideration; and

49 The activity is conducted and participated in (iv) 50 without regard to geographical location, with the player or 51 players not being required to be present upon any particular

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52 premises or at any particular location in order to participate or 53 to win.

(d) "Person" means any association, corporation, firm,
partnership, trust or other form of business association as well
as a natural person.

(e) "Retailer" means any person authorized by the Mississippi Gaming Commission to sell lottery tickets to the public. A person possessing a gaming license issued under Chapter 60 76, Title 75, Mississippi Code of 1972, may be a retailer if located in a county in which legal gaming has been approved.

62 <u>SECTION 2.</u> (1) There is created a state lottery to be known 63 as the "Mississippi Lottery for Education," to be administered by 64 the Mississippi Gaming Commission. The commission shall:

(a) Prescribe the method and form of application which
an applicant for a distributor's license or retailer's license, or
both, must follow and complete before consideration of his
application by the commission;

69 Prescribe guidelines for the review of applications (b) 70 for licenses and the approval or disapproval of such applications; 71 Require an applicant to pay all or any part of the (C) 72 fees and costs of investigation of such applicant as may be determined by the commission, except that no applicant for an 73 74 initial license shall be required to pay any part of the fees or 75 costs of the investigation of the applicant with regard to the 76 initial license;

77 (d) Prescribe the manner and method of collection and 78 payment of fees and issuance of licenses; 79 Prescribe conditions under which a licensee may be (e) subject to revocation or suspension of his license; 80 81 (f) Prescribe guidelines regarding the conduct of 82 specific lottery games including, but not limited to: 83 The types of games to be conducted; (i) 84 (ii) The sale price of tickets; 85 (iii) The number and amount of prizes; The method and location of selecting or 86 (iv) 87 validating winning tickets; 88 The frequency and means of conducting drawings (V) 89 which must be open to the public; 90 The manner of payment of prizes; (vi) 91 (vii) The frequency of games and drawings; and 92 (viii) Any other matters necessary or desirable 93 for the efficient and effective operation of lottery games; 94 Enter into contracts with distributors for the (q) 95 distribution of lottery tickets to retailers; and 96 Take any action necessary for the implementation (h) 97 and administration of this section and promulgate rules and 98 regulations necessary for its implementation and administration. 99 No ticket may be sold knowingly to any person under the (2)100 age of eighteen (18) years, but this subsection (2) does not prohibit the purchase of a ticket by a person eighteen (18) years 101

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102 of age or older for the purpose of making a gift to any person of 103 any age. In such case, the commission shall direct payment to an 104 adult member of the person's family or the legal guardian of the 105 person on behalf of such person.

106 (3) The proceeds received from the actual sale of lottery 107 tickets, less a reasonable percentage in an amount as determined by the commission up to a maximum amount of one-half of one 108 109 percent (0.5%) to be retained by a retailer selling a ticket, must 110 be remitted to the commission on a monthly basis. The commission 111 shall deposit the proceeds into the State Treasury on the day 112 collected. At the end of each month, the commission shall certify 113 the total proceeds collected from the sale of lottery tickets to 114 the State Treasurer, who shall distribute such collections as 115 follows:

(a) As nearly as practicable, forty-five percent (45%)
of the proceeds collected during the preceding month from the sale
of lottery tickets in the state must be allocated as prize money,
to be distributed by the commission, provided that this provision
does not create any lien, entitlement, cause of action, or other
private right, and any rights of holders of lottery tickets shall
be determined by the commission in administering the lottery;

(b) A reasonable percentage, in an amount as determined by the commission up to a maximum amount of one-half of one percent (0.5%), of the proceeds collected during the preceding month from the sale of lottery tickets in the state, must be

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130 (c) Four percent (4%) of the proceeds collected during 131 the preceding month from the sale of lottery tickets within a 132 county must be allocated for distribution to that county and paid 133 to that county; and

(d) The remainder of the proceeds collected during the preceding month from the sale of lottery tickets in the state must be deposited into the Mississippi Hope Scholarship Trust Fund created in Section 3 of this act.

SECTION 3. (1) There is created in the State Treasury a special fund to be designated as the "Mississippi Hope Scholarship Trust Fund," into which must be deposited the funds as provided in Section 2(3)(d) of this act. All investment earnings or interest earned on amounts in the fund must be deposited to the credit of the fund. Amounts remaining in the fund at the end of a fiscal year may not lapse into the State General Fund.

The trust fund must remain inviolate and may not be expended, except as provided in this section. Beginning in fiscal year 2018 and in each subsequent fiscal year, the Legislature may appropriate from the trust fund an amount not greater than the aggregate investment earnings and interest earned during the preceding fiscal year on amounts in the fund. This appropriation will be for the exclusive purpose of providing funds for the

152 purposes described in subsection (2) of this section, but may not 153 be considered to be the only source for providing funds for those 154 purposes.

155 (2)The special fund will be administered by the Mississippi Postsecondary Education Financial Assistance Board established 156 157 under Section 37-106-9. For purposes of this section, "eligible institution" means any state institution of higher learning or 158 public community or junior college or any regionally accredited, 159 160 state-approved, nonprofit four-year or two-year college or university located in the State of Mississippi, as listed in 161 Section 37-106-29(4). The board shall set the date that will 162 163 serve as the deadline for applying for a scholarship award under 164 subsections (2) through (5) of this section. The board shall 165 award Hope scholarships to each Mississippi student who enrolls as a student for the first time at an eligible institution in 166 167 Mississippi, and who:

(a) (i) Has earned, after seven (7) semester hours, a
minimum cumulative grade point average of 3.0 calculated on a 4.0
scale in high school subjects acceptable for credit toward a
diploma, as certified by the high school principal or other
authorized school official on the application;

(ii) Has completed a home study program meeting state law requirements in lieu of graduating from high school, and has earned a cumulative grade point average of 3.0 in an eligible institution as described in this subsection (2) at the end of the

177 student's first quarter, trimester or semester, at which time the 178 student will be eligible to receive a retroactive Hope 179 scholarship; or

(iii) Has received the general educational development (GED) diploma awarded by the Mississippi Department of Education, and has earned a cumulative grade point average of 3.0 in an eligible institution as described in this subsection (2) at the end of the student's first quarter, trimester or semester, at which time the student will be eligible to receive a retroactive Hope scholarship;

187 (b) Is enrolled, on a full-time basis, at an eligible188 institution;

189 (c) Is a resident of the State of Mississippi and a190 United States citizen;

191 (d) Has complied with the United States Selective
192 Service System requirements for registration, if such requirements
193 are applicable to the student;

(e) Is not in default on a federal or state educational
loan, or does not owe a refund on a federal student financial aid
program or a state student financial aid program;

197 (f) Has not been convicted of a felony offense198 involving marijuana or a controlled substance; and

199 (g) Is not incarcerated.

200 (3) The annual scholarship award to a student will be the 201 total cost of the student's tuition for the calendar year,

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202 excluding nontuition fees and costs of books and other supplies.
203 Payment of the award must be made payable to the recipient and the
204 educational institution and mailed directly to the institution.

205 (4) A recipient shall maintain the equivalent of a 3.0 206 cumulative grade point average on a 4.0 scale, on at least twelve 207 (12) hours per quarter, trimester or semester in order to be 208 eligible for a continuation of the award. No student may receive 209 an award for more than the equivalent quarters, trimesters or 210 semesters required to complete one (1) degree per institution. The award may be renewed annually upon certification of 211 212 eligibility by an eligible institution that the recipient meets 213 the necessary qualifications. If any recipient transfers from one (1) eligible college to another, his award will be transferred 214 215 provided he is eligible for the award. If a student fails to 216 maintain continuous enrollment, he is ineligible to receive the 217 award during the following quarter, trimester or semester of the 218 regular academic year.

(5) The board may conduct annual audits of any college participating in the program described in subsections (2) through (5) of this section. The board may suspend or revoke an institution's eligibility to receive future monies under the program if it finds that the institution has not complied with the provisions of subsections (2) through (5) of this section.

225 SECTION 4. Section 37-106-5, Mississippi Code of 1972, is 226 amended as follows:

227 37-106-5. (1) For purposes of this chapter, the following 228 words shall be defined as follows unless the context requires 229 otherwise:

(a) "Eligible applicant or eligible student" means an
individual who completes an application by the published
application deadline for a given student financial assistance
program, meets all initial or continuing eligibility requirements
for the program and enrolls in an approved institution for the
given program.

(b) "Approved institution" means an institution of
higher learning, public or private, which is accredited by the
Southern Association of Colleges and Secondary Schools, or its
equivalent or a business, vocational, technical or other
specialized school recognized and approved by the Postsecondary
Education Financial Assistance Board.

(c) "Board" means the Postsecondary Education Financial
Assistance Board created by Section 37-106-9 authorized and
empowered to administer the provisions of this chapter.

(d) "Financial need" means anticipated expenses of an eligible student while attending an approved institution which cannot reasonably be met by said student or by the parents thereof as shall be determined according to the criteria established by the rules and regulations of the board. Financial need shall be reevaluated and redetermined at least annually.

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H. B. No. 136 17/HR43/R496 PAGE 10 (CAA\EW) (e) "Agency" means the Board of Trustees of StateInstitutions of Higher Learning.

253 (f) "Renewal applicant or renewal student" means a 254 student who previously received funding for a given program.

(g) "Resident," "resident status" or "residency" shall be defined and determined in the same manner as resident status for tuition purposes as set forth in Sections 37-103-1 through 37-103-29, with the exception of Section 37-103-17. Unless excepted by the rules of a given program, an applicant must be a Mississippi resident to qualify for financial assistance under this chapter.

(h) "Dependent" shall be defined and used in the same
manner as the term "minor" in Sections 37-103-1 through 37-103-29.
The board will follow the federal guidelines for classifying a
student as "dependent" or "independent."

266 (i) "Fund" means the Mississippi Hope Scholarship Trust
267 Fund created in Section 3 of this act.

268 **SECTION 5.** Section 67-1-71, Mississippi Code of 1972, is 269 amended as follows:

270 67-1-71. The department may revoke or suspend any permit 271 issued by it for a violation by the permittee of any of the 272 provisions of this chapter or of the regulations promulgated under 273 it by the department.

274 Permits must be revoked or suspended for the following 275 causes:

H. B. No. 136 **~ OFFICIAL ~** 17/HR43/R496 PAGE 11 (CAA\EW) (a) Conviction of the permittee for the violation ofany of the provisions of this chapter;

(b) Willful failure or refusal by any permittee to
comply with any of the provisions of this chapter or of any rule
or regulation adopted pursuant thereto;

281 (c) The making of any materially false statement in any 282 application for a permit;

(d) Conviction of one or more of the clerks, agents or employees of the permittee, of any violation of this chapter upon the premises covered by such permit within a period of time as designated by the rules or regulations of the department;

(e) The possession on the premises of any retail
permittee of any alcoholic beverages upon which the tax has not
been paid;

(f) The willful failure of any permittee to keep the records or make the reports required by this chapter, or to allow an inspection of such records by any duly authorized person;

(g) The suspension or revocation of a permit issued to the permittee by the federal government, or conviction of violating any federal law relating to alcoholic beverages;

(h) The failure to furnish any bond required by Section
297 27-71-21 within fifteen (15) days after notice from the
298 department; and

(i) The conducting of any form of illegal gambling onthe premises of any permittee or on any premises connected

H. B. No. 136 **~ OFFICIAL ~** 17/HR43/R496 PAGE 12 (CAA\EW) 301 therewith or the presence on any such premises of any gambling 302 device with the knowledge of the permittee.

303 The provisions of <u>this</u> paragraph (i) of this section shall 304 not apply to \* \* \*: <u>the conducting of legal gaming by a person</u> 305 <u>having a gaming license issued under Chapter 76, Title 75,</u> 306 <u>Mississippi Code of 1972, or the operation of the lottery</u> 307 <u>authorized by Section 2 of this act</u>. The department may, in its 308 discretion, issue on-premises retailer's permits to a common 309 carrier of the nature described in this paragraph.

No permit shall be suspended or revoked until after the 310 311 permittee has been provided reasonable notice of the charges 312 against him for which suspension or revocation is sought and the 313 opportunity to a hearing before the Board of Tax Appeals to contest such charges and the suspension or revocation proposed. 314 Opportunity to a hearing is provided without an actual hearing if 315 316 the permittee, after receiving reasonable notice, including notice 317 of his right to a hearing, fails to timely request a hearing. The permittee may also at any time waive his rights to reasonable 318 319 notice and/or to the opportunity to a hearing by agreeing to a 320 suspension or revocation offered by the department. 321 Notwithstanding the requirement above that a permit may not be 322 suspended without notice and opportunity to a hearing, sales of

323 alcoholic beverages by a permittee under a permit for which the 324 bond under Section 27-71-21 has been cancelled shall be suspended 325 from and after issuance of the notice provided in subsection (h)

H. B. No. 136 **\* OFFICIAL \*** 17/HR43/R496 PAGE 13 (CAA\EW) 326 above and shall continue to be suspended until the bond is 327 reinstated, a new bond is posted or sufficient cash or securities 328 as provided under Section 27-71-21 are deposited with the State 329 Treasurer for this permit.

330 In addition to the causes specified in this section and other 331 provisions of this chapter, the department shall be authorized to 332 suspend the permit of any permit holder for being out of 333 compliance with an order for support, as defined in Section 334 93-11-153. The procedure for suspension of a permit for being out 335 of compliance with an order for support, and the procedure for the 336 reissuance or reinstatement of a permit suspended for that 337 purpose, and the payment of any fees for the reissuance or 338 reinstatement of a permit suspended for that purpose, shall be 339 governed by Section 93-11-157 or 93-11-163, as the case may be. If there is any conflict between any provision of Section 340 341 93-11-157 or 93-11-163 and any provision of this chapter, the 342 provisions of Section 93-11-157 or 93-11-163, as the case may be, 343 shall control.

344 **SECTION 6.** Section 75-76-3, Mississippi Code of 1972, is 345 amended as follows:

346 75-76-3. (1) The provisions of this chapter shall not be 347 construed to legalize any form of gaming which is prohibited under 348 the Mississippi Constitution or the laws of this state. All legal 349 gaming which is conducted in this state and which is otherwise 350 authorized by law shall be regulated and licensed pursuant to the

351 provisions of this chapter, unless the Legislature specifically 352 provides otherwise. Nothing in this chapter shall be construed as 353 encouraging the legalization of gambling in this state.

354 The Legislature hereby finds and declares that lotteries (2)and gaming both consist of the material element of chance. 355 The 356 Legislature is **\* \* \*** permitted by virtue of its inherent powers to 357 legislate upon lotteries and gaming as the occasion arises. The 358 Legislature derives its power to legislate upon lotteries and 359 gaming or gambling devices from its inherent authority over the morals and policy of the people \* \* \*. 360

361 (3) The Legislature hereby finds, and declares it to be the 362 public policy of this state, that:

(a) Regulation of licensed <u>lotteries and</u> gaming is
important in order that \* \* <u>those activities are</u> conducted
honestly and competitively, that the rights of the creditors of
licensees are protected and that \* \* <u>those activities are</u> free
from criminal and corruptive elements.

(b) Public confidence and trust can only be maintained
by strict regulation of all persons, locations, practices,
associations and activities related to the operation of <u>lotteries</u>
<u>and</u> licensed gaming establishments and the manufacture or
distribution of gambling devices and equipment.

373 (c) All establishments where <u>lotteries or</u> gaming \* \* \*, 374 <u>or both, are</u> conducted and \* \* \* manufacturers, sellers and 375 distributors of certain \* \* \* lottery and gaming devices and

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376 equipment must therefore be licensed, controlled and assisted to 377 protect the public health, safety, morals, good order and general 378 welfare of the inhabitants of the state.

(4) It is the intent of the Legislature that gaming licensees <u>and any entity authorized to conduct a lottery</u>, to the extent practicable, <u>shall</u> employ residents of Mississippi as \* \* \* employees \* \* \* in the operation of their \* \* \* establishments located in this state.

(5) No applicant for a license or other affirmative commission approval has any right to a license or the granting of the approval sought. Any license issued or other commission approval granted pursuant to the provisions of this chapter is a revocable privilege, and no holder acquires any vested right therein or thereunder.

390 \* \* \*

391 SECTION 7. Section 75-76-5, Mississippi Code of 1972, is 392 amended as follows:

393 75-76-5. As used in this chapter, unless the context 394 requires otherwise:

(a) "Applicant" means any person who has applied for or
is about to apply for a state gaming license, registration or
finding of suitability under the provisions of this chapter or
approval of any act or transaction for which approval is required
or permitted under the provisions of this chapter.

400 (b) "Application" means a request for the issuance of a 401 state gaming license, registration or finding of suitability under 402 the provisions of this chapter or for approval of any act or 403 transaction for which approval is required or permitted under the 404 provisions of this chapter but does not include any supplemental 405 forms or information that may be required with the application.

406 "Associated equipment" means any equipment or (C) mechanical, electromechanical or electronic contrivance, component 407 408 or machine used remotely or directly in connection with gaming or with any game, race book or sports pool that would not otherwise 409 be classified as a gaming device, including dice, playing cards, 410 411 links which connect to progressive slot machines, equipment which 412 affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized 413 systems for monitoring slot machines, and devices for weighing or 414 415 counting money.

(d) "Chairman" means the Chairman of the Mississippi Gaming Commission except when used in the term "Chairman of the State Tax Commission." "Chairman of the State Tax Commission" or "commissioner" means the Commissioner of Revenue of the Department of Revenue.

421 (e) "Commission" or "Mississippi Gaming Commission"422 means the Mississippi Gaming Commission.

423 (f) "Commission member" means a member of the 424 Mississippi Gaming Commission.

H. B. No. 136 **~ OFFICIAL ~** 17/HR43/R496 PAGE 17 (CAA\EW) (g) "Credit instrument" means a writing which evidences a gaming debt owed to a person who holds a license at the time the debt is created, and includes any writing taken in consolidation, redemption or payment of a prior credit instrument.

(h) "Enforcement division" means a particular division
supervised by the executive director that provides enforcement
functions.

432 (i) "Establishment" means any premises wherein or433 whereon any gaming is done.

434 (j) "Executive director" means the Executive Director435 of the Mississippi Gaming Commission.

436 Except as otherwise provided by law, "game," or (k) 437 "gambling game" means any banking or percentage game played with 438 cards, with dice or with any mechanical, electromechanical or 439 electronic device or machine for money, property, checks, credit 440 or any representative of value, including, without limiting, the 441 generality of the foregoing, faro, monte, roulette, keno, fan-tan, twenty-one, blackjack, seven-and-a-half, big injun, klondike, 442 443 craps, poker, chuck-a-luck (dai shu), wheel of fortune, chemin de 444 fer, baccarat, pai gow, beat the banker, panguingui, slot machine, 445 or any other game or device approved by the commission. However, "game" or "gambling game" shall not include bingo games or raffles 446 447 which are held pursuant to the provisions of Section 97-33-51, or 448 the illegal gambling activities described in Section 97-33-8, or the lottery authorized by Section 2 of this act. 449

H. B. No. 136 **~ OFFICIAL ~** 17/HR43/R496 PAGE 18 (CAA\EW) The commission shall not be required to recognize any game hereunder with respect to which the commission determines it does not have sufficient experience or expertise.

(1) "Gaming" or "gambling" means to deal, operate,
454 carry on, conduct, maintain or expose for play any game as defined
455 in this chapter.

456 "Gaming device" means any mechanical, (m) 457 electromechanical or electronic contrivance, component or machine 458 used in connection with gaming or any game which affects the 459 result of a wager by determining win or loss. The term includes a 460 system for processing information which can alter the normal 461 criteria of random selection, which affects the operation of any 462 game, or which determines the outcome of a game. The term does 463 not include a system or device which affects a game solely by 464 stopping its operation so that the outcome remains undetermined, 465 and does not include any antique coin machine as defined in Section 27-27-12. 466

(n) "Gaming employee" means any person connected directly with the operation of a gaming establishment licensed to conduct any game, including:

- 470 (i) Boxmen;
- 471 (ii) Cashiers;

472 (iii) Change personnel;

473 (iv) Counting room personnel;

474 (v) Dealers;

H. B. No. 136 **\* OFFICIAL \*** 17/HR43/R496 PAGE 19 (CAA\EW) 475 (vi) Floormen; 476 Hosts or other persons empowered to extend (vii) credit or complimentary services; 477 478 (viii) Keno runners; 479 (ix) Keno writers; 480 (X) Machine mechanics; 481 (xi) Security personnel; 482 (xii) Shift or pit bosses; 483 (xiii) Shills; 484 (xiv) Supervisors or managers; and (xv) Ticket writers. 485 486 The term "gaming employee" also includes employees of 487 manufacturers or distributors of gaming equipment within this 488 state whose duties are directly involved with the manufacture, 489 repair or distribution of gaming equipment. 490 "Gaming employee" does not include bartenders, cocktail 491 waitresses or other persons engaged in preparing or serving food 492 or beverages unless acting in some other capacity. 493 "Gaming license" means any license issued by the  $(\circ)$ 494 state which authorizes the person named therein to engage in

495 gaming.

(p) "Gross revenue" means the total of all of the following, less the total of all cash paid out as losses to patrons and those amounts paid to purchase annuities to fund

499 losses paid to patrons over several years by independent financial
500 institutions:

501 Cash received as winnings; (i) 502 (ii) Cash received in payment for credit extended 503 by a licensee to a patron for purposes of gaming; and 504 (iii) Compensation received for conducting any 505 game in which the licensee is not party to a wager. 506 For the purposes of this definition, cash or the value of 507 noncash prizes awarded to patrons in a contest or tournament are 508 not losses. 509 The term does not include: 510 (i) Counterfeit money or tokens; 511 (ii) Coins of other countries which are received 512 in gaming devices; 513 (iii) Cash taken in fraudulent acts perpetrated 514 against a licensee for which the licensee is not reimbursed; or 515 (iv) Cash received as entry fees for contests or tournaments in which the patrons compete for prizes. 516

517 (q) "Hearing examiner" means a member of the 518 Mississippi Gaming Commission or other person authorized by the 519 commission to conduct hearings.

520 (r) "Investigation division" means a particular 521 division supervised by the executive director that provides 522 investigative functions.

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(s) "License" means a gaming license or a manufacturer's, seller's or distributor's license.

525 (t) "Licensee" means any person to whom a valid license 526 has been issued.

527 (u) "License fees" means monies required by law to be 528 paid to obtain or continue a gaming license or a manufacturer's, 529 seller's or distributor's license.

530 (v) "Licensed gaming establishment" means any premises 531 licensed pursuant to the provisions of this chapter wherein or 532 whereon gaming is done.

533 (w) "Manufacturer's," "seller's" or "distributor's" 534 license means a license issued pursuant to Section 75-76-79.

535 (x) "Navigable waters" shall have the meaning ascribed 536 to such term under Section 27-109-1.

537

(y) "Operation" means the conduct of gaming.

(z) "Party" means the Mississippi Gaming Commission and any licensee or other person appearing of record in any proceeding before the commission; or the Mississippi Gaming Commission and any licensee or other person appearing of record in any proceeding for judicial review of any action, decision or order of the commission.

(aa) "Person" includes any association, corporation,
firm, partnership, trust or other form of business association as
well as a natural person.

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547 (bb) "Premises" means land, together with all 548 buildings, improvements and personal property located thereon, and 549 includes all parts of any vessel or cruise vessel.

550 (cc) "Race book" means the business of accepting wagers 551 upon the outcome of any event held at a track which uses the 552 pari-mutuel system of wagering.

(dd) "Regulation" means a rule, standard, directive or statement of general applicability which effectuates law or policy or which describes the procedure or requirements for practicing before the commission. The term includes a proposed regulation and the amendment or repeal of a prior regulation but does not include:

(i) A statement concerning only the internal management of the commission and not affecting the rights or procedures available to any licensee or other person;

562 (ii) A declaratory ruling;

563 (iii) An interagency memorandum;

564 (iv) The commission's decision in a contested case 565 or relating to an application for a license; or

566 (v) Any notice concerning the fees to be charged 567 which are necessary for the administration of this chapter.

568 (ee) "Respondent" means any licensee or other person 569 against whom a complaint has been filed with the commission.

570 (ff) "Slot machine" means any mechanical, electrical or 571 other device, contrivance or machine which, upon insertion of a

H. B. No. 136 **••• OFFICIAL •** 17/HR43/R496 PAGE 23 (CAA\EW) 572 coin, token or similar object, or upon payment of any 573 consideration, is available to play or operate, the play or 574 operation of which, whether by reason of the skill of the operator 575 or application of the element of chance, or both, may deliver or 576 entitle the person playing or operating the machine to receive 577 cash, premiums, merchandise, tokens or anything of value, whether 578 the payoff is made automatically from the machine or in any other 579 manner. The term does not include any antique coin machine as 580 defined in Section 27-27-12.

(gg) "Sports pool" means the business of accepting wagers on sporting events, except for athletic events, by any system or method of wagering other than the system known as the "pari-mutuel method of wagering."

585 (hh) "State Tax Commission" or "department" means the 586 Department of Revenue of the State of Mississippi.

587 (ii) "Temporary work permit" means a work permit which 588 is valid only for a period not to exceed ninety (90) days from its 589 date of issue and which is not renewable.

590 (jj) "Vessel" or "cruise vessel" shall have the 591 meanings ascribed to such terms under Section 27-109-1.

592 (kk) "Work permit" means any card, certificate or 593 permit issued by the commission, whether denominated as a work 594 permit, registration card or otherwise, authorizing the employment 595 of the holder as a gaming employee. A document issued by any

H. B. No. 136 **\* OFFICIAL ~** 17/HR43/R496 PAGE 24 (CAA\EW) 596 governmental authority for any employment other than gaming is not 597 a valid work permit for the purposes of this chapter.

(11) "School or training institution" means any school
or training institution which is licensed by the commission to
teach or train gaming employees pursuant to Section 75-76-34.

601 (mm) "Cheat" means to alter the selection of criteria 602 that determine:

603

(i) The rules of a game; or

604 The amount or frequency of payment in a game. (ii) "Promotional activity" means an activity or event 605 (nn) 606 conducted or held for the purpose of promoting or marketing the 607 individual licensed gaming establishment that is engaging in the 608 promotional activity. The term includes, but is not limited to, a 609 game of any kind other than as defined in paragraph (k) of this section, a tournament, a contest, a drawing, or a promotion of any 610 611 kind.

612 SECTION 8. Section 97-33-9, Mississippi Code of 1972, is 613 amended as follows:

97-33-9. Except as otherwise provided in Section 97-33-8, if any person shall be guilty of keeping or exhibiting any <u>illegal</u> game or gaming table commonly called A.B.C. or E.O. roulette or rowley-powley, or rouge et noir, roredo, keno, monte, or any faro-bank, or other game, gaming table, or bank of the same or like kind or any other kind or description under any other name whatever, or shall be in any manner either directly or indirectly

621 interested or concerned in any gaming tables, banks, or games, 622 either by furnishing money or articles for the purpose of carrying on the same, being interested in the loss or gain of said table, 623 624 bank or games, or employed in any manner in conducting, carrying 625 on, or exhibiting said gaming tables, games, or banks, every 626 person so offending and being thereof convicted, shall be fined 627 not less than Twenty-five Dollars (\$25.00) nor more than Two Thousand Dollars (\$2,000.00), or be imprisoned in the county jail 628 629 not longer than two (2) months, or by both such fine and imprisonment, in the discretion of the court. Nothing in this 630 631 section shall apply to any person who owns, possesses, controls, 632 installs, procures, repairs or transports any legal gaming or 633 gambling device, machine or equipment in accordance with 634 subsection (4) of Section 97-33-7 or Section 75-76-34 or to the 635 operation of the lottery authorized by Section 2 of this act.

636 SECTION 9. Section 97-33-11, Mississippi Code of 1972, is 637 amended as follows:

638 97-33-11. It shall not be lawful for any association of 639 persons of the character commonly known as a "club," whether such 640 association be incorporated or not, in any manner, either directly 641 or indirectly, to have any interest or concern in any gambling 642 tables, banks, or games, by means of what is sometimes called a 643 "rake-off" or "take-out," or by means of an assessment upon 644 certain combinations, or hands at cards, or by means of a 645 percentage extracted from players, or an assessment made upon, or

646 a contribution from them, or by any other means, device or 647 contrivance whatsoever. It shall not be lawful for such an association to lend or advance money or any other valuable thing 648 649 to any person engaged or about to engage in playing any game of 650 chance prohibited by law, or to become responsible directly or 651 indirectly for any money or other valuable thing lost, or which 652 may be lost, by any player in any such game. If any such 653 association shall violate any of the provisions of this section 654 each and every member thereof shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined in a sum not more 655 than Five Hundred Dollars (\$500.00); and unless such fine and 656 657 costs be immediately paid, shall be imprisoned in the county jail 658 for not less than five (5) nor more than twenty (20) days. Each 659 grand jury shall cause such of the members of such an association 660 as it may choose to appear before them and submit to examination 661 touching the observance or nonobservance by such association of 662 the provisions hereof.

663 The provisions of this section do not apply to the operation 664 of the lottery authorized by Section 2 of this act.

665 SECTION 10. Section 97-33-13, Mississippi Code of 1972, is 666 amended as follows:

667 97-33-13. Any owner, lessee, or occupant of any outhouse or 668 other building, who shall knowingly permit or suffer any of the 669 before mentioned tables, banks, or games, or any other game 670 prohibited by law, to be carried on, kept, or exhibited in his

said house or other building, or on his lot or premises, being
thereof convicted, shall be fined not less than One Hundred
Dollars (\$100.00) nor more than Two Thousand Dollars (\$2,000.00).
<u>The provisions of this section do not apply to the operation</u>

675 of the lottery authorized by Section 2 of this act.

676 SECTION 11. Section 97-33-21, Mississippi Code of 1972, is 677 amended as follows:

97-33-21. Any person of full age who shall bet any money or thing of any value with a minor, or allow a minor to bet at any game or gaming-table exhibited by him, or in which he is interested or in any manner concerned, on conviction thereof, shall be fined not less than Three Hundred Dollars (\$300.00) and imprisoned not less than three (3) months.

The provisions of this section do not apply to a minor who receives as a gift a ticket associated with the lottery authorized by Section 2 of this act when the ticket has been purchased by a person who is eighteen (18) years of age or older.

688 SECTION 12. Section 97-33-23, Mississippi Code of 1972, is 689 amended as follows:

690 97-33-23. Any person of full age who shall bet any money or 691 thing of value with a minor, knowing such minor to be under the 692 age of twenty-one (21) years, or allowing any such minor to bet at 693 any game or games, or at any gaming table exhibited by him, or in 694 which he is interested or in any manner concerned, on conviction

H. B. No. 136 **~ OFFICIAL ~** 17/HR43/R496 PAGE 28 (CAA\EW) 695 thereof, shall be punished by imprisonment in the Penitentiary not 696 exceeding two (2) years.

697 <u>The provisions of this section do not apply to a minor who</u> 698 <u>receives as a gift a ticket associated with the lottery authorized</u> 699 <u>by Section 2 of this act when the ticket has been purchased by a</u> 700 <u>person who is eighteen (18) years of age or older.</u>

701 SECTION 13. Section 97-33-31, Mississippi Code of 1972, is
702 amended as follows:

97-33-31. If any person, in order to raise money for himself or another, or for any purpose whatever, shall publicly or privately put up a lottery to be drawn or adventured for, he shall, on conviction, be imprisoned in the Penitentiary not exceeding five (5) years.

708 The provisions of this section do not apply to the operation 709 of the lottery authorized by Section 2 of this act.

710 SECTION 14. Section 97-33-33, Mississippi Code of 1972, is
711 amended as follows:

97-33-33. If any person shall in any way advertise any lottery whatever, no matter where located, or shall knowingly have in his possession any posters or other lottery advertisements of any kind \* \* \*, save a regularly issued newspaper containing such an advertisement without intent to circulate the same as an advertisement \* \* \*, he shall, on conviction, be fined not less than Twenty-five Dollars (\$25.00) nor more than One Hundred

719 Dollars (\$100.00), or be imprisoned in the county jail not 720 exceeding three (3) months, or both.

721 The provisions of this section do not apply to the operation 722 of the lottery authorized by Section 2 of this act.

723 SECTION 15. Section 97-33-35, Mississippi Code of 1972, is 724 amended as follows:

725 97-33-35. If any newspaper published or circulated in this 726 state shall contain an advertisement of any lottery whatever, or 727 any matter intended to advertise a lottery, no matter where located, the editor or editors, publisher or publishers, and the 728 729 owner or owners thereof permitting the same, shall be quilty of a 730 misdemeanor and, on conviction, shall be fined not less than One 731 Hundred Dollars (\$100.00) nor more than One Thousand Dollars 732 (\$1,000.00), and be imprisoned in the county jail not less than 733 ten (10) days nor more than three (3) months, for each offense. 734 The issuance of each separate daily or weekly edition of the 735 newspaper that shall contain such an advertisement shall be 736 considered a separate offense.

737 The provisions of this section do not apply to the operation
738 of the lottery authorized by Section 2 of this act.

739 SECTION 16. Section 97-33-37, Mississippi Code of 1972, is
740 amended as follows:

741 97-33-37. If any newsdealer or other person shall, directly 742 or indirectly, sell or offer for sale any newspaper or other 743 publication containing a lottery advertisement, he shall be guilty

H. B. No. 136 **~ OFFICIAL ~** 17/HR43/R496 PAGE 30 (CAA\EW) 744 of a misdemeanor and, upon conviction, shall be fined not less 745 than Ten Dollars (\$10.00) or imprisoned not less than ten (10) 746 days, or both.

747 The provisions of this section do not apply to the operation 748 of the lottery authorized by Section 2 of this act.

749 SECTION 17. Section 97-33-39, Mississippi Code of 1972, is
750 amended as follows:

97-33-39. If any person shall sell, or offer or expose for sale, any lottery ticket, whether the lottery be in or out of this state, or for or in any other state, territory, district, or country, he shall, on conviction, be fined not less than Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars (\$100.00), or imprisoned in the county jail not less than ten (10) days nor more than sixty (60) days, or both.

758 The provisions of this section do not apply to the operation 759 of the lottery authorized by Section 2 of this act.

760 SECTION 18. Section 97-33-41, Mississippi Code of 1972, is
761 amended as follows:

97-33-41. If any person shall buy in this state any lottery ticket, whether the lottery be in or out of this state, or of or in any other state, territory, district, or country, he shall, on conviction, be fined not less than Five Dollars (\$5.00) nor more than Twenty-five Dollars (\$25.00), or be imprisoned in the county jail not exceeding ten (10) days, or both.

H. B. No. 136 **~ OFFICIAL ~** 17/HR43/R496 PAGE 31 (CAA\EW) 768 The provisions of this section do not apply to the operation
769 of the lottery authorized by Section 2 of this act.

770 SECTION 19. Section 97-33-43, Mississippi Code of 1972, is 771 amended as follows:

97-33-43. If any railroad company shall suffer or permit the sale of a lottery ticket of any kind on its cars, or at its depots or depot grounds, or by its employees, no matter where the lottery is located, it shall be guilty of a misdemeanor and, on conviction, shall be fined not less than Twenty Dollars (\$20.00) nor more than One Hundred Dollars (\$100.00) for every such ticket so sold.

779 The provisions of this section do not apply to the operation 780 of the lottery authorized by Section 2 of this act.

781 SECTION 20. Section 97-33-45, Mississippi Code of 1972, is 782 amended as follows:

97-33-45. If the owner or owners of any steamboat shall suffer or permit the sale of a lottery ticket of any kind on his or their boat, or by his or their employees, no matter where the lottery is located, he or they shall be guilty of a misdemeanor and shall, on conviction, be punished as prescribed in Section 97-33-43.

789 The provisions of this section do not apply to the operation
790 of the lottery authorized by Section 2 of this act.

791 SECTION 21. Section 97-33-47, Mississippi Code of 1972, is
792 amended as follows:

793 97-33-47. If any person shall act as agent for any lottery 794 or lottery company, no matter where domiciled or located, or if he 795 shall assume to so act as agent, or if he receive any money or 796 other thing for any such lottery or lottery company, or deliver to 797 any person any ticket or tickets, prize or prizes, or other thing 798 from such lottery or lottery company, he shall, on conviction, be 799 fined not less than One Hundred Dollars (\$100.00), nor more than 800 Five Hundred Dollars (\$500.00), and be imprisoned in the county 801 jail not less than three (3) months nor more than six (6) months. 802 The provisions of this section do not apply to the operation of the lottery authorized by Section 2 of this act. 803

804 SECTION 22. Section 97-33-49, Mississippi Code of 1972, is 805 amended as follows:

97-33-49. Except as otherwise provided in Section 97-33-51, if any person, in order to raise money for himself or another, shall publicly or privately put up or in any way offer any prize or thing to be raffled or played for, he shall, on conviction, be fined not more than Twenty Dollars (\$20.00), or be imprisoned not more than one (1) month in the county jail.

812 The provisions of this section do not apply to the operation 813 of the lottery authorized by Section 2 of this act.

814 SECTION 23. This act shall take effect and be in force from 815 and after July 1, 2017.

H. B. No. 136~ OFFICIAL ~17/HR43/R496ST: Gaming; create state lottery to fund higher<br/>education scholarship program.