MISSISSIPPI LEGISLATURE REGULAR SESSION 2019

By: Senator(s) Barnett To: Finance

SENATE BILL NO. 2128

AN ACT TO AUTHORIZE VIDEO GAMING IN THIS STATE; TO PROVIDE THAT THE MISSISSIPPI GAMING COMMISSION SHALL HAVE REGULATORY AUTHORITY OVER THE CONDUCT OF VIDEO GAMING OR RELATED ACTIVITIES AS DESCRIBED IN THIS ACT; TO PROVIDE THAT THE COMMISSION SHALL ENSURE THE INTEGRITY OF THE ACQUISITION AND OPERATION OF VIDEO GAMING TERMINALS, REDEMPTION TERMINALS AND ASSOCIATED EQUIPMENT AND SHALL HAVE SOLE REGULATORY AUTHORITY OVER EVERY ASPECT OF THE CONDUCT OF VIDEO GAMING; TO GRANT THE COMMISSION CERTAIN POWERS AND DUTIES; TO AUTHORIZE THE COMMISSION TO TAKE CERTAIN DISCIPLINARY ACTIONS AND TO PROVIDE FOR APPEALS FROM DECISIONS OF THE COMMISSION; TO REQUIRE THE LICENSING OF VIDEO GAMING OPERATORS AND THE PERSONS EMPLOYED BY VIDEO GAMING OPERATORS; TO REQUIRE THE LICENSING OF MANUFACTURES AND SUPPLIERS OF VIDEO GAMING EQUIPMENT; TO PROVIDE THE REQUIREMENTS FOR LICENSURE UNDER THIS ACT; TO REQUIRE TESTING AND CERTIFYING OF VIDEO GAMING MACHINES BY THE COMMISSION; TO LIMIT THE NUMBER OF VIDEO GAMING MACHINES THAT MAY BE PLACED ON THE PREMISES OF A LICENSEE; TO LIMIT THE MONETARY AMOUNT OF WAGERS MADE; TO PROVIDE CERTAIN CIVIL AND CRIMINAL PENALTIES FOR VIOLATIONS OF THIS ACT; TO ESTABLISH THE FEES FOR THE VARIOUS LICENSES AUTHORIZED UNDER THIS ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. As used in this act:

(a) "Affiliate," "affiliate of" or "person affiliated with" means a person who directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

(b) "Applicant" means a person who, on his own behalf or on behalf of another, applies for permission to engage in an act or activity that is regulated under the provisions of this act.

(c) "Associated equipment" means equipment or a mechanical, electromechanical or electronic contrivance, component or machine used in connection with video gaming terminals or redemption terminals, including replacement parts, hardware and software.

(d) "Background investigation" means a security, criminal, credit and suitability investigation of a person as provided for in this act that includes the status of taxes owed to the United States, the state and its political subdivisions.

(e) "Cash" means United States currency and coin.

(f) "Cash equivalent" means a ticket, token, chip, card or other similar instrument or representation of value that the commission deems a cash equivalent in accordance with this act.

(g) "Central control computer" means a central site computer controlled by the commission and accessible by the commission to which all video gaming terminals communicate for the purpose of auditing capacity, real-time information retrieval of the details of any financial event that occurs in the operation of a video gaming terminal or redemption terminal, including, but not limited to, coin in, coin out, ticket in, ticket out, jackpots, video gaming terminal and redemption terminal door openings and

power failure and remote video gaming terminal or redemption terminal activation and disabling of video gaming terminals or redemption terminals.

(h) "Commission" means the Mississippi Gaming Commission.

(i) "Compensation" means anything of value, money or a financial benefit conferred on or received by a person in return for services rendered or to be rendered whether by the person or another.

(j) "Conduct of video gaming" means the licensed placement, operation and play of video gaming terminals under this act, as authorized and approved by the commission.

(k) "Controlling interest" means any of the following:

(i) For a publicly traded domestic or foreign corporation, the term means a person has a controlling interest in a legal entity, applicant or licensee if a person's sole voting rights under state law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing body or the person holds an ownership or beneficial holding of five percent (5%) or more of the securities of the publicly traded corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted by clear and convincing evidence.

(ii) For a privately held domestic or foreign corporation, partnership, limited liability company or other form of privately held legal entity, the term means the holding of any securities in the legal entity, unless this presumption of control is rebutted by clear and convincing evidence.

(l) "Conviction" means a finding of guilt or a plea of guilty or nolo contendere, whether or not a judgment of sentence has been imposed as determined by the law of the jurisdiction in which the prosecution was held; however, the term does not include a conviction that has been expunged or overturned or for which an individual has been pardoned or had an order of accelerated rehabilitative disposition entered.

(m) "Corporation" includes a publicly traded corporation.

(n) "Establishment license" means a license issued by the commission authorizing a truck stop establishment to permit a terminal operator licensee to place and operate video gaming terminals on the truck stop establishment's premises under this act and the rules and regulations promulgated under this act.

(o) "Establishment licensee" means a truck stop establishment that holds an establishment license.

(p) "Financial backer" means an investor, mortgagee, bondholder, noteholder or other sources of equity or capital provided to an applicant or licensed entity.

(q) "Gambling game" means a game that plays or simulates the play of video poker, reel games, blackjack or other similar game authorized by the commission.

(r) "Gaming employee" means any of the following:

(i) An employee of a terminal operator licensee, establishment licensee or supplier licensee that is not a key employee and is involved in the conduct of video gaming.

(ii) An employee of a supplier licensee whose duties are directly involved with the repair or distribution of video gaming terminals or associated equipment sold or provided to a terminal operator licensee within this state as determined by the commission.

The term does not include nongaming personnel as determined by the commission or an employee of an establishment licensee.

(s) "Gross terminal revenue" means the total of cash or cash equivalents received by a video gaming terminal minus the total of cash or cash equivalents paid out to players as a result of playing a video gaming terminal. The term does not include counterfeit cash or cash taken in a fraudulent act perpetrated against a terminal operator licensee for which the terminal operator licensee is not reimbursed.

(t) "Holding company" means a person, other than an individual, which, directly or indirectly, owns or has the power or right to control or to vote a significant part of the outstanding voting securities of a corporation or other form of

business organization, a holding company indirectly has, holds or owns any such power, right or security if it does so through an interest in a subsidiary or successive subsidiaries.

(u) "Incentive" means consideration, including a promotion or prize, provided to a player or potential player as an enticement to play a video gaming terminal.

(v) "Inducement" means any of the following:

(i) Consideration paid directly or indirectly, from a manufacturer, supplier, terminal operator, procurement agent, gaming employee, employee or another person on behalf of an applicant or anyone licensed under this act, to a truck stop establishment, establishment licensee, establishment licensee owner or an employee of the establishment licensee, directly or indirectly as an enticement to solicit or maintain the establishment licensee or establishment licensee owner's business.

(ii) Cash, incentive, marketing and advertising cost, gift, food, beverage, loan, prepayment of gross terminal revenue and other contribution or payment that offsets an establishment licensee's operational costs, or as otherwise determined by the commission.

The term shall not include costs paid by a terminal operator applicant or terminal operator licensee related to making video gaming terminals operate at the premises of an establishment licensee, including wiring and rewiring, software updates, ongoing video gaming terminal maintenance, redemption terminals, network

connections, site controllers and costs associated with communicating with the central control computer system.

(w) "Institutional investor" means a retirement fund administered by a public agency for the exclusive benefit of federal, state or local public employees, investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 USC Section 80A-1 et seq.), collective investment trust organized by banks under Part Nine of the rules of the Comptroller of the Currency, closed-end investment trust, chartered or licensed life insurance company or property and casualty insurance company, banking and other chartered or licensed lending institution, investment advisor registered under the Investment Advisers Act of 1940 (54 stat. 847, 15 USC Section 80B-1 et seq.) and such other person as the commission may determine consistent with this act.

(x) "Intermediary" means a person, other than an individual, that:

(i) Is a holding company with respect to a corporation or other form of business organization, that holds or applies for a license under this act; and

(ii) Is a subsidiary with respect to a holding company.

(y) "Investigation division" means the investigation division established under Section 75-76-17.

(z) "Key employee" means an individual employed by a manufacturer licensee, supplier licensee, terminal operator licensee or establishment licensee that is determined by the commission to be a director or commission head or otherwise empowered to make discretionary decisions that regulate the conduct of video gaming.

(aa) "Key employee licensee" means an individual who holds a key employee license.

(bb) "Licensed entity" means a terminal operator licensee, establishment licensee, manufacturer licensee or supplier licensee under this act.

(cc) "Licensed entity representative" means a person, including an attorney, agent or lobbyist, acting on behalf of or authorized to represent the interest of an applicant, licensee or other person authorized by the commission to engage in an act or activity that is regulated under this act regarding a matter before or that may reasonably be expected to come before the commission.

(dd) "Licensed gaming establishment" shall have the meaning ascribed to such term in Section 75-76-5.

(ee) "Licensee" means a person licensed under this act.

(ff) "Manufacturer" means a person that manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to a video gaming terminal, redemption terminal or associated equipment for use or

play of video gaming terminals in this state for video gaming purposes.

(gg) "Manufacturer license" mean a license issued by the commission authorizing a manufacturer to manufacture or produce video gaming terminals, redemption terminals or associated equipment for use in this state for video gaming purposes.

(hh) "Manufacturer licensee" means a person that holds a manufacturer license.

(ii) "Minor" means an individual under twenty-one (21) years of age.

(jj) "Municipality" means a city, township, borough or incorporated town.

(kk) "Non-key employee" means an individual employed by a terminal operator licensee who, unless otherwise designated by the commission, is not a key employee.

(ll) "Occupation permit" means a permit authorizing an individual to be employed or to work as a gaming employee.

(mm) "Party" means the commission or an applicant, licensee, registrant or other person appearing of record in any proceeding before the commission.

(nn) "Permittee" means a holder of a permit issued under this act.

(oo) "Person" means a natural person, corporation, foundation, organization, business trust, estate, limited

liability company, trust, partnership, limited liability partnership, association or other form of legal business entity.

(pp) "Player" means an individual who wagers cash or a cash equivalent in the play or operation of a video gaming terminal and the play or operation of which may deliver or entitle the individual playing or operating the video gaming terminal to receive cash or a cash equivalent from a terminal operator licensee.

(qq) "Principal" means an officer, director, person who directly holds a beneficial interest in or ownership of the securities of an applicant or anyone licensed under this act, person who has a controlling interest in an applicant or anyone licensed under this act or has the ability to elect a majority of the board of directors of a licensee or to otherwise control anyone licensed under this act, procurement agent, lender or other licensed financial institution of an applicant or anyone licensed under this act, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant or anyone licensed under this act or other person or employee of an applicant, terminal operator licensee, manufacturer licensee or supplier licensee deemed to be a principal by the commission, including a procurement agent.

(rr) "Procurement agent" means a person that shares in the gross terminal revenue or is otherwise compensated for the purpose of soliciting or procuring a terminal placement agreement.

(ss) "Progressive payout" means a video game terminal wager payout that increases in a monetary amount based on the amounts wagered in a progressive system.

(tt) "Progressive system" means a computerized system linking video gaming terminals on the premises of an establishment licensee and offering one or more common progressive payouts based on the amounts wagered.

(uu) "Publicly traded corporation" means a person, other than an individual, that:

(i) Has a class or series of securities registered under the Securities Exchange Act of 1934 (48 Stat. 881, 15 USC Section 78a et seq.);

(ii) Is a registered management company under the Investment Company Act of 1940; or

(iii) Is subject to the reporting obligations imposed by Section 15(d) of the Securities Exchange Act of 1934 by reason of having filed a registration statement that has become effective under the Securities Act of 1933 (48 Stat. 74, 15 USC Section 77A et seq.).

(vv) "Redemption terminal" means the collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of cash or a cash

equivalent to a player as a result of playing a video gaming terminal.

(ww) "Slot amusement machine" means any mechanical device or contrivance which is operated, played, worked, manipulated, or used by inserting or depositing any coin, slug, token, or thing of value, in which may be seen any picture or heard any music, or wherein any game may be played, or any form of diversion had.

(xx) "Subsidiary" means a person other than an individual and includes:

(i) A corporation, any significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company;

(ii) A significant interest in a person, other than an individual, which is owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company; or

(iii) A person deemed to be a subsidiary by the commission.

(yy) "Supplier" means a person that sells, leases, offers or otherwise provides, distributes or services any video gaming terminal, redemption terminal or associated equipment to a terminal operator licensee for use or play in this state.

(zz) "Supplier license" means a license issued by the commission authorizing a supplier to provide products or services related to video gaming terminals, redemption terminals or associated equipment to terminal operator licensees for use in this state for the conduct of video gaming.

(aaa) "Supplier licensee" means a person that holds a supplier license.

(bbb) "Terminal operator" means a person that owns, services or maintains video gaming terminals for placement and operation on the premises of an establishment licensee.

(ccc) "Terminal operator license" means a license issued by the commission authorizing a terminal operator to place and operate video gaming terminals in an establishment licensee's premises pursuant to this act and the rules and regulations promulgated under this act.

(ddd) "Terminal operator licensee" means a person that holds a terminal operator license.

(eee) "Terminal placement agreement" means the formal written agreement or contract between an applicant for a terminal operator license or terminal operator licensee and an applicant for an establishment license or establishment or establishment licensee that establishes the terms and conditions regarding the conduct of video gaming.

(fff) "Truck stop establishment" means a premises that:

(i) Is equipped with diesel islands used for fueling commercial motor vehicles.

(ii) Has sold on average fifty thousand (50,000) gallons of diesel or biodiesel fuel each month for the previous twelve (12) months or is projected to sell an average of fifty thousand (50,000) gallons of diesel or biodiesel fuel each month for the next twelve (12) months.

(iii) Has parking spaces dedicated for commercial motor vehicles.

(iv) Has a convenience store.

(v) Is situated on a parcel of land of not less than three (3) acres that the truck stop establishment owns or leases.

(ggg) "Video gaming area" means the area of an establishment licensee's premises where video gaming terminals and redemption terminals are installed for operation and play.

(hhh) "Video gaming employees" includes gaming employees, key employees and non-key employees.

(iii) "Video gaming terminal" means:

(i) A mechanical or electrical contrivance, terminal, machine or other device approved by the commission that, upon insertion of cash or cash equivalents, is available to play or operate one or more gambling games, the play of which utilizes a random number generator:

1. May award a winning player either a free game or credit that shall only be redeemable for cash or cash equivalents at a redemption terminal.

2. May utilize video displays.

3. May use an electronic credit system for receiving wagers and making payouts that are only redeemable at a redemption terminal.

(ii) Associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

The term does not include a slot machine operated at a licensed gaming establishment in accordance or a slot amusement machine.

SECTION 2. (1) The commission shall have general and sole regulatory authority over the conduct of video gaming or related activities as described in this act. The commission shall ensure the integrity of the acquisition and operation of video gaming terminals, redemption terminals and associated equipment and shall have sole regulatory authority over every aspect of the conduct of video gaming.

(2) The commission may employ individuals as necessary to carry out the requirements of this act who shall serve at the commission's pleasure.

(3) The commission shall have the power and duty:

(a) To require background investigations on applicants, licensees, principals, key employees, procurement agents or gaming employees under the jurisdiction of the commission.

(b) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of terminal operator licenses.

(c) At its discretion, to award, revoke, suspend, condition or deny issuance or renewal of establishment licenses.

(d) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of supplier and manufacturer licenses.

(e) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of a license or permit for various classes of employees as required under this act.

(f) At its discretion, to issue, approve, renew, revoke, suspend, condition or deny issuance or renewal of additional licenses, permits or other authorization that may be required by the commission under this act.

(g) At its discretion, to suspend, condition or deny the issuance or renewal of a license or permit or levy a fine or other sanction for a violation of this act.

(h) To require prospective and existing video gaming employees, independent contractors, applicants, permittees and licensees to submit fingerprints, which shall be submitted to the

Federal Bureau of Investigation for purposes of verifying the identity of the individual and obtaining records of criminal arrests and convictions.

(i) To require prospective and existing video gaming employees, independent contractors, applicants, permittees and licensees to submit photographs consistent with a statement of policy developed by the commission.

(j) In addition to the power of the commission relating to license and permit applicants, to determine at its discretion the suitability of a person who furnishes or seeks to furnish to a terminal operator licensee directly or indirectly goods, services or property related to video gaming terminals, redemption terminals or associated equipment.

(k) To approve an application for or issue or renew a license, certificate, registration, permit or other authorization that may be required by the commission, if the commission is satisfied that the person has demonstrated by clear and convincing evidence that the person is of good character, honesty and integrity whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and control of video gaming terminal operations or create or enhance the danger of unsuitable, unfair or illegal practices, methods and activities in the conduct of video gaming or the carrying on of the business and financial arrangements incidental thereto.

(l) To determine, designate and classify employees of a terminal operator licensee as key employees and non-key employees.

SECTION 3. (1) The commission shall have the power and duty:

(a) To deny, deny the renewal, revoke, condition or suspend a license or permit provided for in this act if the commission finds in its sole discretion that an applicant, licensee or permittee under this act or its officers, employees or agents have furnished false or misleading information to the commission or failed to comply with the provisions of this act or the rules and regulations of the commission and that it would be in the public interest to deny, deny the renewal, revoke, condition or suspend the license or permit.

(b) To restrict access to confidential information in the possession of the commission that has been obtained under this act and ensure that the confidentiality of information is maintained and protected.

(c) To prescribe and require periodic financial reporting and internal control requirements for terminal operator licensees.

(d) To require that each terminal operator licensee provide to the commission its annual financial statements, with such additional detail as the commission shall require, which shall be submitted not later than one hundred eighty (180) days after the end of the licensee's fiscal year.

(e) To prescribe the procedures to be followed by terminal operator licensees for a financial event that occurs in the operation and play of video gaming terminals.

(f) To require that each establishment licensee prohibits minors from operating or using video gaming terminals or redemption terminals.

(g) To establish procedures for the inspection and certification of compliance of video gaming terminals, redemption terminals and associated equipment prior to being placed into use on the premises of an establishment licensee by a terminal operator licensee.

(h) To require that no video gaming terminal may be set to pay out less than the theoretical payout percentage, which percentage shall be no less than eighty-five percent (85%), as specifically approved by the commission. The commission shall adopt regulations that define the theoretical payout percentage of a video gaming terminal game based on the total value of the jackpots expected to be paid by a play on a video gaming terminal game divided by the total value of video gaming terminals wagers expected to be made on that play or video gaming terminal game during the same portion of the game cycle. In so doing, the commission shall specify whether the calculation includes a portion of or the entire cycle of a video gaming terminal game.

(i) To require that an establishment license applicant provide detailed site plans of its proposed video gaming area for

review and approval by the commission for the purpose of determining the adequacy of the proposed security and surveillance measures. The applicant shall cooperate with the commission in making changes to the plans suggested by the commission and shall ensure that the plans as modified and approved are implemented. The commission may not require a floor-to-ceiling wall to segregate the video gaming area, but may adopt rules to establish segregation requirements.

(j) To promulgate rules and regulations governing the advertisement of video gaming terminals, provided that the commission shall require all advertisements to display or reference the toll-free problem gambling telephone number maintained by the Mississippi Council on Problem and Compulsive Gambling.

(k) To enter into contracts with persons for the purposes of carrying out the powers and duties of the commission under this act.

(l) To review and approve all cash and cash equivalent handling policies and procedures employed by terminal operator licensees.

(m) To promulgate rules and regulations governing the placement of automated teller machines within video gaming areas.

(n) To establish age-verification procedures for establishment licensees and their employees to ensure minors do

not access a video gaming area, video gaming terminal or redemption terminal.

(o) To promulgate rules and regulations governing the interconnection of video gaming terminals within the premises of an establishment licensee for a progressive system.

(p) To promulgate rules and regulations necessary for the administration and enforcement of this act.

(2) Except as provided in Section 4 of this act, regulations shall be adopted in accordance with the Mississippi Administrative Procedures Law.

SECTION 4. (1) In order to facilitate the prompt implementation of this act, regulations promulgated by the commission shall be deemed temporary regulations which shall expire no later than two (2) years following the publication of the temporary regulations.

(2) Except for temporary regulations related to security and surveillance, the authority provided to the commission to adopt temporary regulations in subsection (1) of this section shall expire two (2) years following the publication of the temporary regulations. Regulations adopted after that date shall be promulgated as provided by law.

SECTION 5. Disciplinary actions and appeals by an applicant, licensee or permittee from disciplinary actions taken by the commission involving the approval, issuance, denial, revocation, nonrenewal, suspension or conditioning or any other disciplinary

actions, of a license, permit or authorization under this act shall be in accordance with the provisions of Sections 75-76-103 through 75-76-127 of the Mississippi Gaming Control Act.

SECTION 6. (1) The commission shall maintain files and records deemed necessary for the administration and enforcement of this act.

(2) Applications, returns and information contained in applications and returns filed or furnished under this act shall be confidential, and except in accordance with proper judicial order or as otherwise authorized by this act, it shall be unlawful for members of the Department of Revenue, the commission or employees of the Mississippi Department of Information Technology Services, or any former employee thereof to divulge or make known in any manner the amount of income or any particulars set forth or disclosed on any application, report or return required. The term "proper judicial order" shall not include subpoenas or subpoenas duces tecum but shall include only those orders entered by a court of record in this state after furnishing notice and a hearing to the taxpayer and the Department of Revenue. The court shall not authorize the furnishing of such information unless it is satisfied that the information is needed to pursue pending litigation wherein the return itself is in issue, or the judge is satisfied that the need for furnishing the information outweighs the rights of the taxpayer to have such information secreted.

(3) Information contained on the application, returns or reports from the licensee or the commission may be furnished to:

(a) Members and employees of the Department of Revenue for the purpose of auditing, comparing and correcting returns;

(b) The Attorney General, or any other attorney representing the state in any action in respect to the amount of tax under the provisions of state law;

(c) The commission; or

(d) The revenue department of the other states or the federal government when the states of federal government grants a like comity to Mississippi.

(4) The State Auditor and the employees of his office shall have the right to examine only such tax returns as are necessary for auditing the Department of Revenue or the commission, and the same prohibitions against disclosure which apply to the Department of Revenue shall apply to the State Auditor and his office.

(5) Nothing in this section shall prohibit the Chairman of the Department of Revenue from making available information necessary to recover taxes, fees, fines or damages owing the state pursuant to the authority granted in Section 27-75-16.

(6) No claim of confidentiality may be made regarding criminal history record information that is available to the public under Section 45-27-1 et seq.

(7) Except as otherwise provided in this section, no claim of confidentiality may be made regarding a record in possession of

the commission that is otherwise publicly available from the commission under the Mississippi Public Records Act of 1983.

(8) The commission may seek a voluntary waiver of confidentiality from an applicant, licensee or permittee but may not require an applicant, licensee or permittee to waive the confidentiality provided under this section as a condition for the approval of an application, renewal of a license or other action of the commission.

(9) Notice of the contents of information, except to a duly authorized law enforcement agency pursuant to this section, shall be given to an applicant, licensee or permittee in a manner prescribed by the rules and regulations adopted by the commission.

(10) Files, records, reports and other information in the possession of the commission pertaining to an applicant, licensee or permittee shall be made available to the commission as may be necessary to the effective administration of this act.

SECTION 7. (1) To facilitate the auditing and security programs critical to the integrity of video gaming terminals in this state, the commission shall have overall control of video gaming terminals that:

(a) Shall be linked, at an appropriate time to be determined by the commission, to a central control computer accessible by the commission to provide auditing program capacity and individual terminal information as approved by the commission.

(b) Shall include real-time information retrieval and terminal activation and disabling programs.

(2) The central control computer shall provide:

(a) A fully operational statewide video gaming terminal control system that has the capability of supporting up to the maximum number of video gaming terminals that is permitted to be in operation under this act.

(b) The employment of a widely accepted gaming industry protocol to facilitate a video gaming terminal manufacturers' ability to communicate with the statewide system.

(c) The delivery of a system that has the ability to verify software, detect alterations in payout and detect other methods of fraud in all aspects of the operation of video gaming terminals.

(d) The delivery of a system that has the capability to support progressive video gaming terminals as approved by the commission.

(e) The delivery of a system that does not alter the statistical awards of video gaming terminal games as designed by the manufacturer and approved by the commission.

(f) The delivery of a system that provides redundancy so that each component of the network is capable of operating independently from any component of the network, including the central control computer, fails or cannot be operated for any reason, and to assure that all transactional data is captured and

secured. Costs associated with a computer system to operate within a video gaming area, whether independent or as part of the central control computer, shall be paid by the terminal operator licensee. The computer system shall be controlled by and accessible to the commission.

(g) The ability to meet all reporting and control requirements as prescribed by the commission.

(h) The delivery of a system that provides centralized issuance of cash redemption tickets and facilitates the acceptance of the tickets by video gaming terminals and redemption terminals.

(i) Other capabilities as determined by the commission.

(3) The central control computer may not provide for the monitoring or reading of personal or financial information concerning a patron of a terminal operator licensee.

(4) Notwithstanding any other provision of law to the contrary and in order to facilitate the prompt implementation of this act, initial contracts entered into by the commission for a central control computer, including necessary computer hardware, software, licenses or related services shall be exempt from the provisions of Section 31-7-13. Contracts made pursuant to the provisions of this section may not exceed five (5) years.

SECTION 8. No person may offer or otherwise make available for play in this state a video gaming terminal unless the person is licensed under this act and according to regulations promulgated by the commission under this act.

SECTION 9. (1) An application for a terminal operator license shall be on the form required by the commission and shall include, at a minimum, all of the following:

(a) The name, address and photograph of the applicant and of all directors and owners and key employees and their positions within the corporation or organization, as well as additional financial information required by the commission.

(b) Evidence satisfactory to the commission that current on all federal and state tax obligations.

(c) The details of any gaming license applied for, granted to or denied to the applicant by another jurisdiction where the form of gaming is legal and the consent for the commission to acquire copies of the application submitted or license issued in connection with the application.

(d) The details of any loan obtained from a financial institution or not obtained from a financial institution.

(e) The consent to conduct a background investigation by the commission, the scope of which investigation shall be determined by the commission in its discretion consistent with the provisions of this act, and a release signed by all persons subject to the investigation of all information required to complete the investigation.

(f) Any information concerning maintenance and operation of video gaming terminals in any other jurisdiction.

(g) Proof that the applicant has or will establish a place of business in this state. A terminal operator licensee shall maintain its place of business in this state to remain eligible for licensure.

(h) Any other information determined to be appropriate by the commission.

(2) An application for a terminal operator license shall include such information, documentation and assurances as may be required to establish by clear and convincing evidence of the applicant's suitability, including good character, honesty and integrity. The application shall include, without limitation, information pertaining to family, habits, character, reputation, criminal history background, business activities, financial affairs and business, professional and personal associates, covering at least the ten-year period immediately preceding the filing date of the application.

(3) An applicant shall notify the commission of any civil judgment obtained against the applicant pertaining to laws of the federal government, this state or another state, jurisdiction, province or country.

(4) In order to be eligible for a terminal operator license under this act, the principals and key employees of the applicant must obtain a license to meet the character requirements of this section or other eligibility requirements established by the commission.

(5) The commission shall develop a classification system for other agents, employees or persons who directly or indirectly hold or are deemed to be holding debt or equity securities or other financial interest in the applicant and for other persons that the commission considers appropriate for review under this section.

(6) (a) Except as provided in paragraph (b) of this subsection, no person shall be eligible to receive a terminal operator license unless the principals and key employees of each intermediary or holding company of the person meet the requirements of subsection (4) of this section.

(b) The commission may require that lenders and underwriters of intermediaries, subsidiaries or holding companies of a terminal operator license applicant meet the requirements of subsection (4) of this section if the commission determines that the suitability of a lender or underwriter is at issue and necessary to consider a pending application for a terminal operator license.

(7) The issuance or renewal of a license or other authorization by the commission under this section shall be a revocable privilege.

(8) The commission may waive the requirements of subsection (4) of this section for a person directly or indirectly holding ownership of securities in a publicly traded corporation if the commission determines that the holder of the securities does not

have the ability to control the corporation or elect one or more directors thereof.

(9) A person applying for a license or other authorization under this act shall continue to provide information required by the commission or the commission and cooperate in any inquiry or investigation.

(10) The commission may conduct a criminal history record check on a person for whom a waiver is granted under this section.

(11) The commission shall require an applicant for a terminal operator license to produce the information, documentation and assurances concerning financial background and resources as the commission deems necessary to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant, its affiliate, intermediary, subsidiary or holding company, including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies and business and personal accounting and check records and ledgers. An applicant shall in writing authorize the examination of all bank accounts and records as may be deemed necessary by the commission.

(12) (a) The commission shall require an applicant for a terminal operator license to produce the information, documentation and assurances as may be necessary to establish by clear and convincing evidence the integrity of all financial

backers, institutional investors, investors, mortgagees, bondholders and holders of indentures, notes or other evidences of indebtedness, either in effect or proposed.

(b) The commission may waive the qualification requirements for banking or lending institution and institutional investors.

(c) A banking or lending institution or institutional investor shall produce for the commission upon request any document or information that bears relation to the proposal submitted by the applicant or applicants.

(d) The integrity of the financial sources shall be judged upon the same standards as the applicant. Any such person or entity shall produce for the commission upon request any document or information which bears any relation to the application.

(e) The applicant shall produce whatever information, documentation or assurances the commission requires to establish by clear and convincing evidence the adequacy of financial resources.

(13) The commission shall require an applicant for a terminal operator license to produce the information, documentation and assurances as the commission may require to establish by clear and convincing evidence that the applicant has sufficient business ability and experience to create and maintain a successful, efficient operation. An applicant shall produce the

names of all proposed key employees and a description of their respective or proposed responsibilities as they become known.

(14) In addition to other information required by this act, a person applying for a terminal operator license shall provide the following information:

(a) The organization, financial structure and nature of all businesses operated by the person, including any affiliate, intermediary, subsidiary or holding companies, the names and personal employment and criminal histories of all officers, directors and key employees of the corporation; the names of all holding, intermediary, affiliate and subsidiary companies of the corporation; and the organization, financial structure and nature of all businesses operated by such holding, intermediary and subsidiary companies as the commission may require, including names and personal employment and criminal histories of such officers, directors and principal employees of such corporations and companies as the commission may require.

(b) The extent of securities held in the corporation by all officers, directors and underwriters and their remuneration in the form of salary, wages, fees or otherwise.

(c) Copies of all management and service contracts.

(15) Upon being satisfied that the requirements of this section have been met, the commission may approve the application and issue the applicant a terminal operator license consistent with all of the following:

(a) (i) The license shall be valid for a period of three (3) years.

(ii) Nothing in this paragraph shall be construed to relieve a licensee of the affirmative duty to notify the commission of any changes relating to the status of its license or to any information contained in the application materials on file with the commission.

(b) The license shall be nontransferable.

(c) Any other condition established by the commission.

(16) (a) At least three (3) months prior to expiration of a terminal operator license, the terminal operator licensee seeking renewal of its license shall submit a renewal application to the commission.

(b) If the renewal application satisfies the requirements of this section, the commission may renew the licensee's terminal operator license.

(c) If the commission receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the terminal operator license, the terminal operator license shall continue in effect until acted upon by the commission.

SECTION 10. (1) All principals shall obtain a principal license from the commission.

(2) A principal license application shall be in a form prescribed by the commission and shall include the following:

(a) Verification of status as a principal from a terminal operator licensee, manufacturer licensee or supplier licensee.

(b) A description of responsibilities as a principal.

(c) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(d) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(e) Additional information required by the commission.

(3) Following review of the application and the background investigation, the commission may issue a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a principal.

(4) A license issued under this section shall be nontransferable.

(5) An individual who receives a principal license need not obtain a key employee license.

SECTION 11. (1) All key employees shall obtain a key employee license from the commission.

(2) A key employee license application shall be in a form prescribed by the commission and shall include the following:

(a) Verification of status as a key employee from a terminal operator licensee, establishment licensee, manufacturer licensee or supplier licensee.

(b) A description of employment responsibilities.

(c) All releases necessary to obtain information from governmental agencies, employers and other organizations.

(d) Details relating to a similar license or other authorization obtained in another jurisdiction.

(e) Additional information required by the commission.

(3) Following review of the application and the background investigation, the commission may issue a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(4) A license issued under this section shall be nontransferable.

SECTION 12. (1) In the event that any establishment license application, terminal operator license application, supplier license application or manufacturer license application is not approved by the commission based on a finding that an individual who is a principal or has an interest in the person applying for the license does not meet the character requirements of this act or any of the eligibility requirements under this act or a person who purchases a controlling interest in the applicant in violation of Section 22 of this act, the commission may afford the individual the opportunity to completely divest his interest in the person, its affiliate, intermediary, subsidiary or holding company seeking the license and, after such divestiture,

reconsider the person's or applicant's suitability for licensure in an expedited proceeding and may, after such proceeding, issue the person or applicant a terminal operator license. The commission shall approve the terms and conditions of any divestiture under this section.

(2) Under no circumstances shall any divestiture be approved by the commission if the compensation for the divested interest exceeds the cost of the interest.

SECTION 13. (1) A manufacturer that elects to contract with a supplier under this act shall ensure that the supplier is appropriately licensed under this section.

(2) A person seeking to provide video gaming terminals, redemption terminals or associated equipment to a terminal operator licensee within this state through a contract with a licensed manufacturer must apply to the commission for the appropriate supplier license.

(3) An application for a supplier license shall be on the form required by the commission and shall include all of the following:

(a) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies; the principals and key employees of each business; and a list of employees and their positions within each business, as well as financial information required by the commission.

(b) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees.

(c) Proof that the applicant has or will establish a place of business in this state. A supplier licensee shall maintain its place of business in this state to remain eligible for licensure.

(d) The consent to a background investigation by the commission of the applicant, its principals and key employees or other persons required by the commission and a release to obtain the information necessary for the completion of the background investigation.

(e) The details of any supplier license issued by the commission to the applicant, if applicable.

(f) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this act are permitted.

(g) The type of goods and services to be supplied and whether those goods and services will be provided through purchase, lease, contract or otherwise.

(h) Other information determined by the commission to be appropriate.

(4) Upon being satisfied that the requirements of this section have been met, the commission may approve the application

and issue the applicant a supplier license consistent with all of the following:

(a) (i) The license shall be valid for a period of three (3) years.

(ii) Nothing in this paragraph shall be construed to relieve a licensee of the affirmative duty to notify the commission of a change relating to the status of its license or to information contained in the application materials on file with the commission.

(b) The license shall be nontransferable.

(c) Other conditions established by the commission.

(5) (a) At least three (3) months prior to expiration of a supplier license, the supplier licensee seeking renewal of its license shall submit a renewal application to the commission.

(b) If the renewal application satisfies the requirements of this section, the commission may renew the licensee's supplier license.

(c) If the commission receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the supplier license, the supplier license shall continue in effect until acted upon by the commission.

SECTION 14. (1) A person seeking to manufacture video gaming terminals, redemption terminals and associated equipment for use in this state must apply to the commission for a manufacturer license.

(2) An application for a manufacturer license shall be on the form required by the commission and shall include all of the following:

(a) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies; the principals and key employees of each business; and a list of employees and their positions within each business, as well as financial information required by the commission.

(b) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees.

(c) The consent to a background investigation by the commission of the applicant, its principals, its key employees, its intermediaries, its subsidiaries or other persons required by the commission and a release to obtain the information necessary for the completion of the background investigation.

(d) The details of any equivalent license granted or denied by other jurisdictions where gaming activities as authorized by this act are permitted.

(e) The details of any manufacturer license issued by the commission to the applicant, if applicable.

(f) The type of video gaming terminals, redemption terminals or associated equipment to be manufactured or repaired.

(g) Other information determined by the commission to be appropriate.

(3) Upon being satisfied that the requirements of subsection (2) of this section have been met, the commission may approve the application and grant the applicant a manufacturer license consistent with all of the following:

(a) (i) The license shall be valid for a period of three (3) years.

(ii) Nothing in this paragraph shall be construed to relieve the licensee of the affirmative duty to notify the commission of a change relating to the status of its license or to other information contained in application materials on file with the commission.

(b) The license shall be nontransferable.

(c) Other conditions established by the commission.

(4) (a) At least three (3) months prior to expiration of a manufacturer license, the manufacturer licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the commission.

(b) If the renewal application satisfies the requirements of subsection (2) of this section, the commission may renew the licensee's manufacturer license.

(c) If the commission receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the manufacturer license, the manufacturer

license shall continue in effect until acted upon by the commission.

(5) The following shall apply to a licensed manufacturer:

(a) A manufacturer or its designee, as licensed by the commission, may supply or repair a video gaming terminal, redemption terminal or associated equipment manufactured by the manufacturer, provided the manufacturer holds the appropriate manufacturer license.

(b) A manufacturer of video gaming terminals or redemption terminals may contract with a supplier under this act, redemption terminals or associated equipment to a terminal operator licensee within this state, provided the supplier is licensed to supply video gaming terminals, redemption terminals or associated equipment.

(6) (a) No person may manufacture video gaming terminals, redemption terminals or associated equipment for use within this state by a terminal operator licensee unless the person has been issued the appropriate manufacturer license under this section.

(b) No person issued a license under this section may apply for or be issued a terminal operator license or establishment license under this act.

SECTION 15. (1) (a) A person who desires to be a gaming employee and has a bona fide offer of employment from a terminal operator licensee, establishment licensee or supplier licensee shall apply to the commission for an occupation permit.

(b) A person may not be employed as a gaming employee unless and until that person holds an appropriate occupation permit issued under this section.

(c) The commission may promulgate regulations to reclassify a category of nongaming employees or gaming employees upon a finding that the reclassification is in the public interest and consistent with the objectives of this act.

(2) The application for an occupation permit shall include, at a minimum:

(a) The name and home address of the person.

(b) The previous employment history of the person.

(c) The criminal history record of the person, as well as the person's consent for the commission to conduct a background investigation.

(d) A photograph of the person.

(e) Evidence of the offer of employment and the nature and scope of the proposed duties of the person, if known.

(f) The details of an occupation permit or similar license granted or denied to the applicant in other jurisdictions.

(g) Other information determined by the commission to be appropriate.

(3) No terminal operator licensee may employ or permit a person under twenty-one (21) years of age to render service in a video gaming area.

SECTION 16. (1) (a) The commission may determine whether the licensing standards of another jurisdiction within the United States in which an applicant, its affiliate, intermediary, subsidiary or holding company for a terminal operator license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this section.

(b) If the commission makes that determination, it may issue a terminal operator license to an applicant who holds a terminal operator license in the other jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the commission, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the commission may incorporate such information in whole or in part into the commission's evaluation of the applicant.

(2) (a) In the event an applicant for a terminal operator license is licensed in another jurisdiction, the commission may determine to use an alternate process requiring only that information determined by the commission to be necessary to consider the issuance of a license, including financial viability of the licensee, to such an applicant.

(b) Nothing in this section shall be construed to waive fees associated with obtaining a license through the normal application process.

(3) In the event an applicant for a terminal operator license under this act holds a gaming license under the Mississippi Gaming Control Act, the commission may determine to use an abbreviated process requiring only that information determined by the commission to be necessary to consider the issuance of a license, including financial viability of the applicant.

SECTION 17. (1) (a) The commission may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a manufacturer license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this act.

(b) If the commission makes that determination, it may issue a manufacturer license to an applicant who holds a similar manufacturer license in the other jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the commission, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the commission may incorporate such information in whole or in part into the commission's evaluation of the applicant.

(2) (a) In the event an applicant for a manufacturer license is licensed in another jurisdiction, the commission may determine to use an abbreviated process requiring only that information determined by the commission to be necessary to

consider the issuance of a license, including financial viability of the applicant.

(b) Nothing in this section shall be construed to waive fees associated with obtaining a license through the normal application process.

(3) In the event an applicant for a manufacturer license under this act holds a manufacturer license under the Mississippi Gaming Control Act, the commission may determine to use an abbreviated process requiring only that information determined by the commission to be necessary to consider the issuance of a license, including financial viability of the applicant.

SECTION 18. (1) (a) The commission may determine whether the licensing standards of another jurisdiction within the United States in which an applicant for a supplier's license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as required by this act.

(b) If the commission makes that determination, it may issue a supplier license to an applicant who holds a similar supplier license in another jurisdiction after conducting an evaluation of the information relating to the applicant from the other jurisdictions, as updated by the commission, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed, the commission may incorporate the information in whole or in part into its evaluation of the applicant.

(2) (a) In the event an applicant for a supplier license is licensed in another jurisdiction, the commission may determine to use an abbreviated process requiring only that information determined by the commission to be necessary to consider the issuance of a license, including financial viability of the applicant.

(b) Nothing in this section shall be construed to waive any fees associated with obtaining a license through the normal application process.

(3) In the event an applicant for a supplier license under this act holds a supplier license under the Mississippi Gaming Control Act, the commission may determine to use an abbreviated process requiring only that information determined by the commission to be necessary to consider the issuance of a license, including financial viability of the applicant.

SECTION 19. (1) A truck stop establishment that submits an application for an establishment license shall include at a minimum:

(a) The name, address and photograph of the applicant and additional financial information required by the commission.

(b) A description of the proposed surveillance and security measures to ensure the security of the proposed video gaming area.

(c) Evidence satisfactory to the commission that current on all federal and state tax obligations.

(d) The criminal history record of the applicant, principal and key employees and a consent for the commission to conduct a background investigation on the applicant, principals and key employees.

(e) Other information determined to be appropriate by the commission.

(2) A license issued under this section shall be nontransferable.

(3) An establishment applying for a license under this section shall continue to provide information required by the commission or the commission and cooperate in any inquiry or investigation.

(4) Upon being satisfied that the requirements of subsection (1) of this section have been met, the commission may approve the application and issue the applicant an establishment license consistent with all of the following:

(a) (i) The license shall be valid for a period of three (3) years.

(ii) Nothing in this paragraph shall be construed to relieve a licensee of the affirmative duty to notify the commission of a change relating to the status of its license or to information contained in application materials on file with the commission.

(b) The license shall be nontransferable.

(c) Other conditions established by the commission.

(5) (a) At least three (3) months prior to expiration of an establishment license, the establishment licensee seeking renewal of its license shall submit a renewal application accompanied by the renewal fee to the commission.

(b) If the renewal application satisfies the requirements of subsection (4) of this section, the commission may renew the licensee's establishment license.

(c) If the commission receives a complete renewal application but fails to act upon the renewal application prior to the expiration of the establishment license, the establishment license shall continue in effect until acted upon by the commission.

SECTION 20. (1) The commission shall be prohibited from granting a license under this act to any applicant who has been convicted of a felony offense in any jurisdiction.

(2) In addition to the prohibition under subsection (1) of this section, the commission shall be prohibited from granting the following:

(a) A principal license or key employee license to an individual who has been convicted in a jurisdiction of a misdemeanor offense for gambling, sale of alcoholic beverages to minors, prostitution or procuring or inducing individuals to engage in prostitution.

(b) A gaming employee permit or a license other than a principal license or key employee license to an individual who has

been convicted in a jurisdiction of a misdemeanor offense for gambling, sale of alcoholic beverages to minors, prostitution or procuring or inducing individuals to engage in prostitution.

(c) An establishment license to an applicant who has been convicted in a jurisdiction of a misdemeanor offense for gambling, sale of alcoholic beverages to minors, prostitution or procuring or inducing individuals to engage in prostitution.

(3) In determining whether to issue a license or permit, the commission shall consider the following factors:

(a) The nature and duties of the applicant's position with the licensed entity.

(b) The nature and seriousness of the offense or conduct.

(c) The circumstances under which the offense or conduct occurred.

(d) The age of the applicant when the offense or conduct was committed.

(e) Whether the offense or conduct was an isolated or a repeated incident.

(f) Evidence of rehabilitation, including good conduct in the community, counseling or psychiatric treatment received and the recommendation of persons who have substantial contact with the applicant.

(4) For purposes of this section, a felony offense is any of the following:

(a) An offense classified as a felony or punishable under the laws of this state by imprisonment for more than five (5) years.

(b) An offense which, under the laws of another jurisdiction, is:

(i) Classified as a felony; or

(ii) Punishable by imprisonment for more than five (5) years.

(c) An offense under the laws of another jurisdiction which, if committed in this state, would be subject to imprisonment for more than five (5) years.

SECTION 21. (1) (a) In addition to any other criteria provided under this act, any terminal operator, truck stop establishment, supplier, manufacturer, gaming employee, key employee, principal or other person that the commission approves as qualified to receive a license, permit or other authorization under this act shall be issued a license or permit upon the payment of the appropriate fee and upon the fulfillment of conditions required by the commission or provided for in this act.

(b) Nothing contained in this act is intended or shall be construed to create an entitlement to a license, permit or other authorization by a person.

(2) (a) All permits and licenses issued under this act unless otherwise provided shall be subject to renewal every three (3) years.

(b) The application for renewal of a license or permit, unless otherwise provided, shall be submitted at least one hundred eighty (180) days prior to the expiration of the permit or license and shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required by this act.

(c) Nothing in this subsection shall be construed to relieve a licensee or permittee of the affirmative duty to notify the commission of a change relating to the status of its license or permit or to other information contained in the application materials on file with the commission.

(3) (a) In addition to other sanctions imposed under this act, the commission may at its discretion suspend, revoke or deny renewal of a permit or license issued under this act if it receives information from any source that the applicant or any of its officers, directors, owners or key employees is in violation of any provision of this act, that the applicant has furnished the commission with false or misleading information or that the information contained in the applicant's initial application or renewal application is no longer true and correct such that the applicant is no longer eligible.

(b) In the event of a revocation or failure to renew, the licensee's authorization to conduct the previously approved activity shall immediately cease the activity and all fees paid in connection with the license shall be deemed to be forfeited.

(c) In the event of a suspension, the applicant's authorization to conduct the previously approved activity shall immediately cease until the commission has notified the applicant that the suspension is no longer in effect.

(4) (a) A license issued by the commission is a grant of the privilege to conduct a business in this state.

(b) Except as permitted by Section 22 of this act, no license granted or renewed pursuant to this act may be sold, transferred or assigned to another person.

(c) No licensee may pledge or otherwise grant a security interest in or lien on the license.

(d) The commission has the sole discretion to issue, renew, condition or deny the issuance of a license based upon the requirements of this act.

(e) Nothing contained in this act is intended or shall be construed to create in any person an entitlement to a license.

SECTION 22. (1) (a) A terminal operator licensee shall promptly notify the commission of a proposed or contemplated change of ownership of the terminal operator licensee by a person or group of persons acting in concert which involves any of the following:

(i) More than five percent (5%) of a terminal operator licensee's securities or other ownership interests.

(ii) More than five percent (5%) of the securities or other ownership interests of a corporation or other form of

business entity that owns directly or indirectly at least twenty percent (20%) of the voting or other securities or other ownership interests of the licensee.

(iii) The sale of all or substantially all of a licensee's assets.

(iv) Other transaction or occurrence deemed by the commission to be relevant to license qualifications.

(b) (i) Notwithstanding the provisions of paragraph (a) of this subsection, no terminal operator licensee may be required to notify the commission of an acquisition by an institutional investor under paragraph (a)(i) or (ii) of this subsection if the institutional investor holds less than ten percent (10%) of the securities or other ownership interests referred to in paragraph (a)(i) or (ii) of this subsection, the securities or interests are publicly traded securities and its holdings of the securities were purchased for investment purposes only and the institutional investor files with the commission a certified statement to the effect that it has no intention of influencing or affecting, directly or indirectly, the affairs of the licensee; however, it shall be permitted to vote on matters put to the vote of the outstanding security holders.

(ii) Notice to the commission and commission approval shall be required prior to completion of any proposed or contemplated change of ownership of a terminal operator licensee that meets the criteria of this section.

(2) (a) The purchaser of all or substantially all of the assets of a terminal operator licensee shall, if not already a terminal operator licensee, independently qualify for a license in accordance with this act and shall pay the license fee required by this act.

(b) A change in control of a terminal operator licensee shall require that the terminal operator licensee independently qualify for a license in accordance with this act, and the terminal operator licensee shall pay a new license fee as required by Section 34 of this act, except as otherwise required by the commission pursuant to this section.

(c) The new license fee shall be paid upon the assignment and actual change of control or ownership of the terminal operator license.

(3) For purposes of this section, a change in control of a terminal operator licensee shall mean the acquisition by a person or group of persons acting in concert of more than twenty percent (20%) of a terminal operator licensee's securities or other ownership interests, with the exception of any ownership interest of the person that existed at the time of initial licensing and payment of the initial slot machine license fee, or more than twenty percent (20%) of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least twenty percent (20%) of the

voting or other securities or other ownership interests of the licensee.

(4) The commission may in its discretion eliminate the need for qualification or proportionately reduce, but not eliminate, the new license fee otherwise required pursuant to this section in connection with a change of control of a licensee, depending upon the type of transaction, the relevant ownership interests and changes to the interests resulting from the transaction and other considerations deemed relevant by the commission.

(5) Failure to comply with this section may cause the license issued under this act to be revoked or suspended by the commission unless the purchase of the assets or the change in control that meets the criteria of this section has been independently qualified in advance by the commission and any required license fee has been paid.

SECTION 23. (1) A manufacturer may not be licensed as a terminal operator or own, manage or control an establishment licensee or terminal operator licensee, but may also be licensed as a supplier.

(2) A supplier may not be licensed as a terminal operator or own, manage or control an establishment licensee or terminal operator licensee.

(3) A terminal operator may not be licensed as a manufacturer or supplier or own, manage or control an

establishment licensee or own, manage or control premises used by an establishment licensee.

(4) An establishment licensee may not be licensed as a manufacturer, supplier or terminal operator.

SECTION 24. (1) (a) Within ninety (90) days after the effective date of this act, the commission shall make applications for establishment licenses available to applicants.

(b) The commission shall issue a conditional license to an applicant for an establishment license if the applicant satisfies, as determined by the commission, all of the following criteria:

(i) The applicant has never been convicted of a felony in any jurisdiction.

(ii) The applicant is current on all state taxes.

(iii) The applicant has submitted a completed application for an establishment license in accordance with this act, which may be submitted concurrently with the applicant's request for a conditional license.

(iv) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(c) (i) The commission shall issue a conditional license to an applicant for an establishment license, within sixty (60) days after the completed application has been received by the commission, provided that the commission determines that the

criteria contained in paragraph (b) of this subsection has been satisfied.

(ii) If the commission determines that the criteria contained in paragraph (b) of this subsection has not been satisfied, the commission shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(d) A conditional license shall be valid until:

(i) The commission either approves or denies the applicant's application for licensure;

(ii) The conditional license is terminated for a violation of this act; or

(iii) One (1) calendar year has passed since the conditional license was issued.

(e) The commission may extend the duration of the conditional license for one (1) calendar year.

(f) An applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this section or any other provision of this act.

(g) A request for conditional licensure under this subsection shall include payment of a fee in the amount of One Hundred Dollars ($100.00), which fee shall be in addition to the applicable fee required under Section 34 of this act.

SECTION 25. (1) (a) Within ninety (90) days after the effective date of this act, the commission shall make applications for terminal operator licenses available to applicants.

(b) The commission shall issue a conditional license to an applicant for a terminal operator license if the applicant satisfies, as determined by the commission, all of the following criteria:

(i) The applicant has never been convicted of a felony in any jurisdiction.

(ii) The applicant is current on all state taxes.

(iii) The applicant has submitted a completed application for a terminal operator license which may be submitted concurrently with the applicant's request for a conditional license.

(iv) The applicant has never had its terminal operator license or similar gaming license denied or revoked in another jurisdiction.

(v) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(c) (i) The commission shall issue a conditional license to an applicant for a terminal operator license, within sixty (60) days after the completed application has been received by the commission, provided that the commission determines that the criteria contained in paragraph (b) of this subsection has been satisfied.

(ii) If the commission determines that the criteria contained in paragraph (b) of this subsection has not been satisfied, the commission shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(d) A conditional license shall be valid until:

(i) The commission either approves or denies the applicant's application for licensure;

(ii) The conditional license is terminated for a violation of this act; or

(iii) One (1) calendar year has passed since the conditional license was issued.

(e) The commission may extend the duration of the conditional license for one (1) calendar year.

(f) An applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this act.

(g) A request for conditional licensure under this subsection shall include payment of a fee in the amount of One Hundred Dollars ($100.00), which fee shall be in addition to the fee required under Section 34 of this act.

(2) (a) Within ninety (90) days after the effective date of this act, the commission shall make applications available for manufacturer and supplier license.

(b) The commission shall issue a conditional license to an applicant for a manufacturer or supplier license if the applicant satisfies, as determined by the commission, all of the following criteria:

(i) The applicant has never been convicted of a felony.

(ii) The applicant is current on all state taxes.

(iii) The applicant has submitted a completed application a manufacturer or supplier license, which may be submitted concurrently with the applicant's request for a conditional license.

(iv) The applicant has never had its manufacturer, supplier or similar gaming license denied or revoked in another jurisdiction.

(v) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(c) (i) The commission shall issue a conditional license to an applicant for a manufacturer or supplier license within sixty (60) days after the completed application has been received by the commission, provided that the commission determines that the criteria contained in paragraph (b) of this subsection has been satisfied.

(ii) If the commission determines that the criteria contained in paragraph (b) of this subsection has not been satisfied, the commission shall give a written explanation to

the applicant as to why it has determined the criteria has not been satisfied.

(d) A conditional license shall be valid until:

(i) The commission either approves or denies the applicant's application for licensure;

(ii) The conditional license is terminated for a violation of this act; or

(iii) One (1) calendar year has passed since the conditional license was issued.

(e) The commission may extend the duration of the conditional license for one (1) calendar year.

(f) An applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this act.

(g) A request for a conditional license under this subsection shall include payment of a fee in the amount of One Thousand Dollars ($1,000.00), which fee shall be in addition to the other fees required by this act.

(3) (a) Within ninety (90) days after the effective date of this act, the commission shall make applications available for any other license required under this act.

(b) The commission shall issue a conditional license to an applicant if the applicant satisfies, as determined by the commission, all of the following criteria:

(i) The applicant has never been convicted of a felony in any jurisdiction.

(ii) The applicant is current on all state taxes.

(iii) The applicant has submitted a completed application for licensure, which may be submitted concurrently with the applicant's request for a conditional license.

(iv) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(c) (i) The commission shall issue a conditional license to an applicant within sixty (60) days after the completed application has been received by the commission, provided that the commission determines that the criteria contained in paragraph (b) of this subsection have been satisfied.

(ii) If the commission determines that the criteria contained in paragraph (b) of this subsection has not been satisfied, the commission shall give a written explanation to the applicant as to why it has determined the criteria has not been satisfied.

(d) A conditional license shall be valid until:

(i) The commission either approves or denies the applicant's application for licensure;

(ii) The conditional license is terminated for a violation of this act; or

(iii) One (1) calendar year has passed since the conditional license was issued.

(e) The commission may extend the duration of the conditional license for one (1) calendar year.

(f) An applicant shall attest by way of affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure according to the requirements of this subsection or any other provision of this act.

(g) A request for conditional licensure under this subsection shall include payment of a fee in the amount of One Hundred Dollars ($100.00), which fee shall be in addition to the other fees required this act.

(4) (a) The commission may not utilize the alternative licensing standards for a terminal operator license, manufacturer license or a supplier license authorized under this act to prioritize the issuance of a terminal operator, manufacturer or supplier license under this act.

(b) The commission shall ensure that applications made to the commission according to the alternative standards authorized under this act are not approved or denied in a time period that is less than the time period in which an application for a conditional license is approved or denied under this section.

(5) If the commission receives an application that is incomplete, the commission shall, within seven (7) days of receiving the incomplete application, notify the applicant of additional information required by the commission.

SECTION 26. (1) No video gaming terminal or redemption terminal or associated equipment may be made available for use in this state prior to being tested and certified by the commission in accordance with this section.

(2) Video gaming terminals shall be tested and certified to meet the following specifications:

(a) The video gaming terminal shall have the ability to be linked to the central control computer.

(b) The video gaming terminal shall be marked with an irremovable identification plate that is placed in a conspicuous location on the exterior of the video gaming terminal. The identification plate shall contain the name of the manufacturer and the serial and model numbers of the video gaming terminal.

(c) The video gaming terminal shall prominently display the rules of play either on the video gaming terminal face or screen.

(d) The video gaming terminal may not have the ability to dispense cash, tokens or anything of value, except redemption tickets which shall only be exchangeable for cash at a redemption terminal or reinserted into another video gaming terminal located in the same video gaming area as the video gaming terminal.

(e) The cost of a credit shall only be One cent (1¢), Five Cents (5¢), Ten Cents (10¢) or Twenty-five Cents (25¢).

(f) The maximum wager per individual game shall not exceed Five Dollars ($5.00).

(g) The maximum prize per individual game shall not exceed One Thousand Dollars ($1,000.00).

(h) The video gaming terminal shall be designed and manufactured with total accountability to include gross proceeds, net profits, winning percentages and other information the commission requires.

(i) The video gaming terminal shall pay out a minimum of eighty-five percent (85%) of the amount wagered.

(j) Other specifications the commission requires.

(3) Redemption terminals shall be tested and certified to meet the following specifications:

(a) The redemption terminal shall be marked with an irremovable identification plate that is placed in a conspicuous location on the exterior of the redemption terminal. The identification plate shall contain the name of the manufacturer and the serial and model numbers of the redemption terminal

(b) The redemption terminal shall only accept redemption tickets from video gaming terminals located in the same video gaming area.

(c) The redemption terminal shall be designed and manufactured with total accountability to record information the commission requires.

(d) Other specifications the commission requires.

(4) (a) The commission may determine, in its discretion, whether the video gaming terminal or redemption terminal testing

and certification standards of another jurisdiction within the United States in which a manufacturer licensee is licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this act.

(b) If the commission makes the determination under paragraph (a) of this subsection, the commission may permit a manufacturer licensee to deploy those video gaming terminals or redemption terminals which have met the video gaming terminal or redemption terminal testing and certification standards in such other jurisdictions without undergoing the full testing and certification process by the commission's testing facility.

(c) In the event video gaming terminals or redemption terminals of a manufacturer licensee are licensed in the other jurisdiction, the commission may determine to use an abbreviated process requiring only that information determined by the commission to be necessary to consider the issuance of a video gaming terminal or redemption terminal certification to such an applicant.

(5) The commission may, in its discretion, rely upon the certification of a video gaming terminal or redemption terminal that has met the testing and certification standards of one or more commission-approved independent private testing and certification facilities.

(6) (a) A fee for the testing and certification of a video gaming terminal or redemption terminal shall be paid by the

manufacturer licensee submitting the terminal, which fee shall be an amount established by the commission according to a schedule adopted by the commission.

(b) Fees established by the commission shall be exempt from any fee limitation contained in Section 34 of this act.

(7) The commission shall ensure that all video gaming terminals certified and approved for use in this state are compatible and comply with the central control computer and protocol specifications approved by the commission.

SECTION 27. (1) An establishment licensee may offer video gaming terminals for play within its premises, subject to the following:

(a) No more than five (5) video gaming terminals may be placed on the premises of the establishment licensee.

(b) Redemption tickets shall only be exchanged for cash through a redemption terminal or reinserted into another video gaming terminal in the same video gaming area or as otherwise authorized by the commission in the event of a failure or malfunction in a redemption terminal, and at least one (1) redemption terminal shall be located in the video gaming area.

(c) Video gaming terminals located on the premises of the establishment licensee shall be placed and operated by a terminal operator licensee pursuant to a terminal placement agreement.

(d) No video gaming area may be located in an area that is not properly segregated from minors.

(e) The entrance to the video gaming area shall be secure and easily seen and observed by at least one (1) employee of the establishment licensee.

(f) The video gaming area shall at all times be monitored by an employee of the establishment licensee either directly or through live monitoring of video surveillance. The employee must be at least twenty-one (21) years of age and have completed the mandatory training program required in this act.

(g) No establishment licensee may provide an incentive.

(h) No minor shall be permitted to play a video gaming terminal or enter the video gaming area.

(i) No visibly intoxicated person shall be permitted to play a video gaming terminal.

(j) No establishment licensee may extend credit or accept a credit card or debit card for play of a video gaming terminal.

(k) No establishment licensee may make structural alterations or significant renovations to a video gaming area unless the establishment licensee has notified the terminal operator licensee and obtained prior approval from the commission.

(l) No establishment licensee may move a video gaming terminal or redemption terminal after installation by a terminal operator licensee.

(2) A terminal operator licensee may place and operate video gaming terminals on the premises of an establishment licensee, subject to the following:

(a) No more than five (5) video gaming terminals may be placed on the premises of the establishment licensee.

(b) Redemption tickets shall only be exchanged for cash through a redemption terminal located within the same video gaming area or reinserted into another video gaming terminal located in the same video gaming area as the video gaming terminal.

(c) Video gaming terminals located on the premises of the establishment licensee shall be placed and operated pursuant to a terminal placement agreement.

(d) No terminal operator licensee may provide an incentive.

(e) No terminal operator licensee may extend credit or accept a credit card or debit card for play of a video gaming terminal.

(f) No terminal operator licensee may give or offer to give, directly or indirectly, any type of inducement to a truck stop establishment to secure or maintain a terminal placement agreement.

(g) No terminal operator licensee may give an establishment licensee a percentage of gross terminal revenue other than thirty-three percent (33%) of the gross terminal

revenue of the video gaming terminals operating in the establishment licensee's premises.

(h) A terminal operator licensee shall only operate, install or otherwise make available for public use a video gaming terminal or redemption terminal that has been obtained from a manufacturer licensee or supplier licensee.

(i) No terminal operator licensee may move a video gaming terminal or redemption terminal after installation unless prior approval is obtained from the commission.

SECTION 28. (1) No terminal operator licensee may place and operate video gaming terminals on the premises of an establishment licensee unless pursuant to a terminal placement agreement approved by the commission. Approval shall be presented upon connection of one or more video gaming terminals at the establishment licensee to the central control computer.

(2) The commission shall establish through regulation minimum standards for terminal placement agreements.

(3) Terminal placement agreements shall be valid for a minimum term of sixty (60) months but shall not exceed a term of one hundred twenty (120) months.

(4) A terminal placement agreement shall include provisions that:

(a) Render the agreement invalid if either the terminal operator license or terminal operator application or the

establishment license or establishment licensee application is denied, revoked, not renewed, withdrawn or surrendered.

(b) Provide the establishment licensee no more or less than thirty-three percent (33%) of gross terminal revenue from each video gaming terminal located on the premises of the establishment licensee.

(c) Identify who solicited the terminal placement agreement on behalf of a terminal operator licensee or applicant.

(5) Only an establishment licensee or applicant may sign or agree to sign a terminal placement agreement with an applicant for a terminal operator license or a terminal operator licensee.

(6) An agreement entered into by a truck stop establishment prior to the effective date of this act with a person or entity for the placement, operation, service or maintenance of video gaming terminals, including an agreement granting a person or entity the right to enter into an agreement or match any offer made after the effective date of this section shall be void and may not be approved by the commission.

(7) No terminal placement agreement may be transferred or assigned unless the individual or entity making the assignment is either a terminal operator applicant or terminal operator licensee and the individual or entity receiving the assignment of the terminal placement agreement is either a terminal operator applicant or terminal operator licensee under this act.

SECTION 29. A person issued a license under this act shall:

(a) Provide assistance or information required by the commission and to cooperate in inquiries, investigations and hearings.

(b) Consent to inspections, searches and seizures.

(c) Inform the commission of actions that the person believes would constitute a violation of this act.

(d) Inform the commission of arrests for crimes and offenses.

SECTION 30. (1) An establishment licensee shall conspicuously post signs similar to the following statement:

(a) If you or someone you know has a gambling problem, help is available. Call (toll-free telephone number) or text (toll-free telephone number).

(b) At least one (1) sign shall be posted within the video gaming area and at least one (1) sign shall be posted within five (5) feet of each automated teller machine located within the establishment licensee's premises, if applicable.

(2) The toll-free telephone number required to be posted in subsection (1) of this section shall be the same number maintained by the Mississippi Council on Problem and Compulsive Gambling.

(3) (a) An establishment licensee shall have available on its premises access to materials regarding compulsive and problem gambling assistance.

(b) The available materials required by paragraph (1) shall be a uniform, statewide handout developed by the commission

in consultation with the commission of drug and alcohol programs or successor agency.

(c) The available materials required by paragraph (a) of this subsection shall be displayed conspicuously at least within the video gaming area.

(d) An establishment licensee that fails to fulfill the requirements of this section shall be assessed by the commission an administrative penalty and may have its establishment license suspended. When determining the penalty and number of suspension days, the commission shall consider the length of time in which the materials were not available

SECTION 31. (1) The commission shall have the following powers and duties:

(a) Enforce the provisions of this act.

(b) Investigate and review applicants and applications for a license or registration. The commission shall be prohibited from disclosing any portion of a background investigation report to a member of the commission prior to the submission of the commission's final background investigation report relating to the applicant's suitability for licensure to the commission. The executive director, on behalf of the commission, shall prepare the final background investigation report for inclusion in a final report relating to the applicant's suitability for licensure.

(c) Investigate licensees, registrants and other persons regulated by the commission under this act for noncriminal

violations of this act, including potential violations referred to the commission by the commission or other person.

(d) Monitor video gaming operations to ensure compliance with this act.

(e) Inspect and examine licensed entities. Inspections may include the review and reproduction of documents or records.

(f) Conduct reviews of a licensed entity as necessary to ensure compliance with this act. A review may include the review of accounting, administrative and financial records, management control systems, procedures and other records utilized by a licensed entity.

(g) Cooperate in the investigation and prosecution of criminal violations related to this act.

(2) The commission shall at all times have the power of access to examine and audit equipment and records relating to all aspects of the operation of video gaming terminals and redemption terminals under this act.

(3) (a) The district attorneys of the several counties and the Attorney General shall have authority to investigate and to institute criminal proceedings for a violation of this act.

(b) A person charged with a violation of this act by the Attorney General shall not have standing to challenge the authority of the Attorney General to investigate or prosecute the case, and, if any such challenge is made, the challenge shall be

dismissed and no relief shall be available in the courts of this state to the person making the challenge.

(4) Nothing in subsection (3) of this section shall be construed to limit the existing regulatory or investigative authority of an agency or the state whose functions relate to persons or matters within the scope of this act.

(5) (a) The commission, shall have the authority without notice and without warrant to do all of the following in the performance of their duties under this act:

(i) Inspect and examine all premises where video gaming operations are conducted; where video gaming terminals, redemption terminals and associated equipment are manufactured, sold, distributed or serviced; or where records of these activities are prepared or maintained.

(ii) Inspect all equipment and supplies in, about, upon or around premises referred to in subparagraph (i) of this paragraph.

(iii) Seize, summarily remove and impound equipment and supplies from premises referred to in subparagraph (i) of this paragraph for the purposes of examination and inspection.

(iv) Inspect, examine and audit all books, records and documents pertaining to a terminal operator licensee's video gaming operation.

(v) Seize, impound or assume physical control of any book, record, ledger or device related to video gaming operations or the video gaming terminals or redemption terminals.

(b) The provisions of paragraph (a) of this subsection shall not be construed to limit warrantless inspections except in accordance with constitutional requirements.

(c) To further effectuate the purposes of this act, the commission may obtain administrative warrants for the inspection and seizure of property possessed, controlled, bailed or otherwise held by an applicant, licensee, intermediary, subsidiary, affiliate or holding company.

(6) With respect to the administration, supervision and enforcement of this act, the commission, may obtain or provide pertinent information regarding applicants or licensees from or to law enforcement entities or gaming authorities of the state and other domestic, foreign or federally approved jurisdictions, including the Federal Bureau of Investigation, and may transmit the information to each other electronically.

SECTION 32. (1) The provisions of Section 97-5-59, 97-7-35 or 97-7-10 shall apply to a person providing information or making a statement, whether written or oral, to the commission, as required by this act.

(2) It shall be unlawful for a person to willfully:

(a) Fail to report, pay or truthfully account for and pay over a license fee, authorization fee, tax or assessment imposed under this act; or

(b) Attempt in any manner to evade or defeat a license fee, authorization fee, tax or assessment imposed under this act.

(3) It shall be unlawful for a licensed entity, gaming employee, key employee or any other person to permit a video gaming terminal to be operated, transported, repaired or opened on the premises of an establishment licensee by a person other than a person licensed or permitted by the commission pursuant to this act.

(4) It shall be unlawful for a licensed entity or other person to manufacture, supply or place video gaming terminals, redemption terminals or associated equipment into play or display video gaming terminals, redemption terminals or associated equipment on the premises of an establishment licensee without the authority of the commission.

(5) It shall be unlawful for a licensed entity or other person to manufacture, supply, operate, carry on or expose for play a video gaming terminal or associated equipment after the person's license has expired or failed to be renewed in accordance with this act.

(6) It shall be unlawful for an individual while on the premises of an establishment licensee to knowingly use currency other than lawful coin or legal tender of the United States or a

coin not of the same denomination as the coin intended to be used in the video gaming terminal or use a counterfeit or altered redemption tickets with the intent to cheat or defraud a terminal operator licensee or the state or damage the video gaming terminal or redemption terminal.

(7) (a) Except as set forth in paragraph (b) of this subsection, it shall be unlawful for an individual to knowingly possess or use while on the premises of an establishment licensee a key or device designed for the purpose of and suitable for opening or entering a video gaming terminal or redemption terminal that is located on the premises of the establishment licensee.

(b) An authorized employee of a licensee or a member of the commission may possess and use a device referred to in paragraph (a) of this subsection in the performance of the duties of employment.

(8) It shall be unlawful for a person or licensed entity to possess a device, equipment or material which the person or licensed entity knows has been manufactured, distributed, sold, tampered with or serviced in violation of this act with the intent to use the device, equipment or material as though it had been manufactured, distributed, sold, tampered with or serviced pursuant to this act.

(9) It shall be unlawful for a person to sell, offer for sale, represent or pass off as lawful any device, equipment or material that the person or licensed entity knows has been

manufactured, distributed, sold, tampered with or serviced in violation of this act.

(10) It shall be unlawful for an individual to work or be employed in a position the duties of which would require licensing under this act without first obtaining the requisite license issued under this act.

(11) It shall be unlawful for a licensed entity to employ or continue to employ an individual in a position the duties of which require a license under this act if the individual:

(a) Is not licensed under this act.

(b) Is prohibited from accepting employment from a licensee.

(12) It shall be unlawful for a minor to enter and remain in any video gaming area, except that a minor of age employed by a terminal operator licensee, an establishment licensee, the commission or another regulatory or emergency response agency may enter and remain in the area while engaged in the performance of the individual's employment duties.

(13) It shall be unlawful for a minor to wager, play or attempt to play a video gaming terminal or submit a redemption ticket into a redemption terminal.

(14) It shall be unlawful for a terminal operator licensee to require a video gaming terminal wager to be less than the stated minimum wager or greater than the stated maximum wager.

(15) An individual who engages in conduct prohibited by Section 97-31-27 on the premises of an establishment licensee commits a nongambling offense.

(16) It shall be unlawful for an individual to claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a video gaming terminal or redemption terminal with the intent to defraud, or to claim, collect or take an amount greater than the amount won, or to manipulate with the intent to cheat, a component of a video gaming terminal or redemption terminal in a manner contrary to the designed and normal operational purpose.

SECTION 33. (1) In addition to any other penalty authorized by law, the commission may impose, without limitation, the following sanctions:

(a) Revoke the license of a person convicted of a criminal offense under this act or regulations promulgated under this act or committing any other offense or violation of this act or applicable law that would otherwise disqualify the person from holding the license.

(b) Revoke the license of a person determined to have violated a provision of this act or regulations promulgated under this act that would otherwise disqualify the person from holding the license.

(c) Revoke the license of a person for willfully and knowingly violating or attempting to violate an order of the commission directed to the person.

(d) Subject to subsection (4) of this section, assess administrative penalties as necessary to punish violations of this act.

(e) Order restitution of money or property unlawfully obtained or retained by a licensee.

(f) Enter cease and desist orders which specify the conduct which is to be discontinued, altered or implemented by a licensee.

(g) Issue letters of reprimand or censure, which letters shall be made a permanent part of the file of the licensee so sanctioned.

(2) (a) If the commission refuses to issue or renew a license, suspends or revokes a license, assesses civil penalties, orders restitution, enters a cease and desist order or issues a letter of reprimand or censure, the commission shall provide the applicant or licensee with written notification of its decision, including a statement of the reasons for its decision, by certified mail within five (5) business days of the decision of the commission.

(b) The applicant or licensee shall have the right to appeal the decision as provided by law.

(3) Any equipment, device or apparatus, money, material, gaming proceeds or substituted proceeds or real or personal property used, obtained or received or an attempt to use, obtain or receive the device, apparatus, money, material, proceeds or real or personal property in violation of this act shall be subject to seizure, confiscation, destruction or forfeiture.

(4) (a) Administrative penalties assessed by the commission on an establishment licensee shall not exceed Five Thousand Dollars ($5,000.00) for each noncriminal violation of this act.

(b) When imposing an administrative penalty on an establishment licensee for a noncriminal violation of this act, the commission shall take into consideration the establishment licensee's annual taxable income and whether the penalty amount would cause the establishment licensee to cease nonvideo gaming operations.

(5) Fines imposed and collected by the commission under this section shall be deposited into the General Fund.

SECTION 34. (1) The following nonrefundable application fees shall accompany an application for the following licenses or permits applied for under this act:

(a) For a manufacturer or supplier license, Fifty Thousand Dollars ($50,000.00).

(b) For a terminal operator license, Twenty-five Thousand Dollars ($25,000.00).

(c) For an establishment license, One Thousand Dollars ($1,000.00).

(d) For a key employee or principal license, Five Hundred Dollars ($500.00).

(e) For any other authorization or permit authorized by this act, an amount established by the commission, through regulation, which may not exceed One Hundred Dollars ($100.00).

(2) The following nonrefundable fees shall be required upon issuance of an initial license and shall accompany an application for renewal for the following licenses or permits under this act:

(a) For a manufacturer or supplier license, Ten Thousand Dollars ($10,000.00).

(b) For a terminal operator license, Five Thousand Dollars ($5,000.00).

(c) For an establishment license, an amount equal to Two Hundred Fifty Dollars ($250.00) for each video gaming terminal in operation at the premises of the establishment licensee.

(d) For a key employee, procurement agent license or principal license, Five Hundred Dollars ($500.00).

(e) For any other authorization or license authorized by this act, an amount established by the commission, through regulation, which may not exceed One Hundred Dollars ($100.00).

(3) An establishment licensee that increases the total number of video gaming terminals within the establishment after submission of the renewal fee required in subsection (2) of this

section shall provide the commission with a Two Hundred Fifty ($250.00) renewal fee for each additional video gaming terminal added to the establishment within sixty (60) days of installation of each additional video gaming terminal.

(4) Fees collected under this section shall be deposited into the General Fund.

SECTION 35. (1) There is established in the State Treasury the Video Gaming Fund into which shall be deposited the revenue collected from the tax imposed by this section. Money in the fund shall be appropriated by the Legislature to provide funds for the Mississippi Gaming Commission to carry out its responsibilities under this act.

(2) (a) Each terminal operator licensee shall pay on a bimonthly basis a tax of thirty-four percent (34%) of its gross terminal revenue from all video gaming terminals operated by the terminal operator licensee within this state.

(b) All money owed under this section shall be held in trust by the terminal operator licensee until the money is paid or transferred to the Video Gaming Fund.

(c) Unless otherwise agreed to by the commission, a terminal operator licensee shall establish a separate bank account to maintain gross terminal revenue until such time as the money is paid or transferred under this section.

SECTION 36. (1) Under the Gambling Devices Transportation Act (64 Stat. 1134, 15 USC Section 1171 et seq.), the state declares that it is exempt from Section 2 of that act.

(2) All shipments of gambling devices, as defined in Section 1 of the Gambling Devices Transportation Act, into this state, the registering, recording and labeling of which has been effected by the manufacturer and supplier of those devices in accordance with Sections 3 and 4 of the Gambling Devices Transportation Act, shall be deemed legal shipments of gambling devices into this state.

SECTION 37. (1) Video gaming terminals shall be exempt from taxes levied under any statute that confers taxing authority to a political subdivision.

(2) Video gaming terminals are exempt from local licensing fees.

SECTION 38. This act shall take effect and be in force from and after July 1, 2019.