MISSISSIPPI LEGISLATURE

By: Representative McLean

To: Judiciary A

HOUSE BILL NO. 1081

AN ACT TO CREATE NEW SECTION 75-76-58, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE GAMING COMMISSION AND THE DEPARTMENT OF HUMAN SERVICES TO COORDINATE EFFORTS TO OBTAIN CHILD SUPPORT ARREARAGES FROM GAME WINNINGS; TO AMEND SECTION 75-76-3, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PRECEDING SECTION; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
8 SECTION 1. The following shall be codified as Section
9 75-76-58, Mississippi Code of 1972:

75-76-58. (1) The commission shall coordinate with the 10 11 Department of Human Services to promulgate rules and regulations 12 to withhold the payments of progressive slot machine annuities, 13 compensation from games, gaming devices and cash gaming winnings from any person who has outstanding child support arrearages as 14 reported to the commission, for any and all payments for which an 15 entity licensed or permitted under Chapter 76, Title 75, 16 Mississippi Code of 1972, is required to file Form W2-G, or a 17 18 substantially equivalent form, with the United States Internal 19 Revenue Service.

H. B. No. 1081 G1/2 22/HR26/R1701 PAGE 1 (GT\KW) 20 (2) The commission may require any agency reporting current 21 child support arrearages to the commission to provide information 22 relating to such arrearages in a manner, format or record approved 23 by the commission.

(3) The commission and any entity licensed or permitted
under Chapter 76, Title 75, Mississippi Code of 1972, shall not be
liable for withholding funds based upon child support arrearage
information provided to it.

(4) Any entity licensed or permitted under Chapter 76, Title
75, Mississippi Code of 1972, may deduct an administrative fee
from each payment of a progressive slot machine annuity, beginning
with the second annuity payment, or cash gaming winnings, of
persons who have outstanding child support arrearages or owe child
support overpayments per singular or periodic payment, not to
exceed Thirty-five Dollars (\$35.00).

35 (5)The commission shall also require that the entity 36 licensed or permitted under Chapter 76, Title 75, Mississippi Code of 1972, adopt procedures designed to prevent employees from 37 38 willfully failing to withhold payments of progressive slot machine 39 annuities, compensation from games, gaming devices or cash gaming 40 winnings from persons who have outstanding child support arrearages or child support overpayments, based upon the 41 information provided by the Department of Human Services that 42 43 allows the licensee to identify such persons.

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44 (6) Not later than July 1, 2023, the commission and
45 Department of Human Services shall institute the procedures for
46 exchanging information and institute rulemaking procedures and
47 processes as necessary to implement the provisions of this
48 section.

49 SECTION 2. Section 75-76-3, Mississippi Code of 1972, is
50 amended as follows:

The provisions of this chapter shall not be 51 75-76-3. (1) 52 construed to legalize any form of gaming which is prohibited under the Mississippi Constitution or the laws of this state. All legal 53 54 gaming which is conducted in this state and which is otherwise 55 authorized by law shall be regulated and licensed pursuant to the provisions of this chapter, unless the Legislature specifically 56 57 provides otherwise. Nothing in this chapter shall be construed as 58 encouraging the legalization of gambling in this state.

59 (2) The Legislature hereby finds and declares that lotteries 60 and gaming both consist of the material element of chance. The Legislature is prohibited from legislating upon lotteries and 61 62 permitted by virtue of its inherent powers to legislate upon 63 gaming as the occasion arises. The Legislature derives its power 64 to legislate upon gaming or gambling devices from its inherent 65 authority over the morals and policy of the people and such power shall not be considered to conflict with the constitutional 66 67 prohibition of lotteries.

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68 (3) The Legislature hereby finds, and declares it to be the69 public policy of this state, that:

(a) Regulation of licensed gaming is important in order that licensed gaming is conducted honestly and competitively, that the rights of the creditors of licensees are protected and that gaming is free from criminal and corruptive elements.

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

(c) All establishments where gaming is conducted and where gambling devices are operated, and manufacturers, sellers and distributors of certain gambling devices and equipment must therefore be licensed, controlled and assisted to protect the public health, safety, morals, good order and general welfare of the inhabitants of the state.

85 (d) Children are adversely affected when parents who 86 have outstanding child support obligations divert their financial 87 support to gaming. Therefore, a parent's winnings should be 88 applied to the parent's outstanding child support obligations. 89 It is the intent of the Legislature that gaming (4) licensees, to the extent practicable, employ residents of 90 91 Mississippi as gaming employees and other employees in the operation of their gaming establishments located in this state. 92

H. B. No. 1081 **~ OFFICIAL ~** 22/HR26/R1701 PAGE 4 (GT\KW) 93 (5) No applicant for a license or other affirmative 94 commission approval has any right to a license or the granting of 95 the approval sought. Any license issued or other commission 96 approval granted pursuant to the provisions of this chapter is a 97 revocable privilege, and no holder acquires any vested right 98 therein or thereunder.

99 The Legislature recognizes that Section 98 of the (6) Mississippi Constitution of 1890 prohibits the conducting of any 100 101 lottery in this state and that, while not defining the term 102 "lottery," Section 98 clearly contemplates, as indicated by 103 specific language contained therein, that a lottery involves the 104 sale of tickets and a drawing in order to determine the winner. 105 The Legislature also recognizes that Section 98 of the Mississippi 106 Constitution of 1890 directs the Legislature to provide by law for 107 the enforcement of its provisions. Therefore, in carrying out its 108 duties under the Constitution and effectuating the intent of 109 Section 98, the Legislature hereby finds that a lottery, as prohibited by the Constitution, does not include all forms of 110 111 gambling but means any activity in which:

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

H. B. No. 1081 22/HR26/R1701 PAGE 5 (GT\KW) (b) The winning chance or chances are to be determined by a drawing or similar selection method based predominately upon the element of chance or random selection rather than upon the skill or judgment of the player or players; and

121 (c) The holder or holders of the winning chance or 122 chances are to receive a prize or something of valuable 123 consideration; and

(d) The activity is conducted and participated in without regard to geographical location, with the player or players not being required to be present upon any particular premises or at any particular location in order to participate or to win.

129 **SECTION 3.** This act shall take effect and be in force from 130 and after July 1, 2022.