

By: Senator(s) Michel

To: Judiciary, Division A

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2616

1 AN ACT TO CREATE NEW SECTION 75-76-58, MISSISSIPPI CODE OF
2 1972, TO REQUIRE THE GAMING COMMISSION TO COORDINATE WITH THE
3 DEPARTMENT OF HUMAN SERVICES TO PROMULGATE RULES AND REGULATIONS
4 PROVIDING FOR THE WITHHOLDING OF PAYMENTS OF PROGRESSIVE SLOT
5 MACHINE ANNUITIES AND CASH GAMING WINNINGS OF PERSONS WHO HAVE
6 OUTSTANDING CHILD-SUPPORT ARREARAGES AS REPORTED TO THE GAMING
7 COMMISSION, FOR ANY AND ALL PAYMENTS FOR WHICH AN ENTITY LICENSED
8 OR PERMITTED UNDER THE GAMING CONTROL ACT IS REQUIRED TO FILE FORM
9 W2-G, OR A SUBSTANTIALLY EQUIVALENT FORM, WITH THE UNITED STATES
10 INTERNAL REVENUE SERVICE; TO AUTHORIZE ANY LICENSED OR PERMITTED
11 GAMING ENTITY TO DEDUCT AN ADMINISTRATIVE FEE FROM EACH PAYMENT OF
12 A PROGRESSIVE SLOT MACHINE ANNUITY, BEGINNING WITH THE SECOND
13 ANNUITY PAYMENT, OR CASH GAMING WINNINGS OF PERSONS WHO HAVE
14 OUTSTANDING CHILD-SUPPORT ARREARAGES OR OWE CHILD-SUPPORT
15 OVERPAYMENTS PER SINGULAR OR PERIODIC PAYMENT, NOT TO EXCEED
16 \$35.00; TO REQUIRE THE GAMING COMMISSION TO ADOPT PROCEDURES
17 DESIGNED TO PREVENT EMPLOYEES FROM WILLFULLY FAILING TO WITHHOLD
18 PAYMENTS OF PROGRESSIVE SLOT MACHINE ANNUITIES OR CASH GAMING
19 WINNINGS FROM PERSONS WHO HAVE OUTSTANDING CHILD-SUPPORT
20 ARREARAGES OR CHILD-SUPPORT OVERPAYMENTS, BASED UPON THE
21 INFORMATION PROVIDED BY THE DEPARTMENT OF HUMAN SERVICES THAT
22 ALLOWS THE LICENSEE TO IDENTIFY SUCH PERSONS; TO REQUIRE THE
23 GAMING COMMISSION AND THE DEPARTMENT OF HUMAN SERVICES TO
24 INSTITUTE PROCEDURES FOR EXCHANGING INFORMATION FOR EFFECTUATING
25 THE PURPOSES OF THIS ACT; TO AMEND SECTION 75-76-3, MISSISSIPPI
26 CODE OF 1972, TO ADD A STATEMENT OF LEGISLATIVE INTENT IN
27 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

29 **SECTION 1.** The following shall be codified as Section
30 75-76-58, Mississippi Code of 1972:



31 75-76-58. (1) The commission shall coordinate with the
32 Department of Human Services to promulgate rules and regulations
33 providing for the withholding of payments of progressive slot
34 machine annuities and cash gaming winnings of persons who have
35 outstanding child-support arrearages as reported to the
36 commission, for any and all payments for which an entity licensed
37 or permitted under Chapter 76 of Title 75, Mississippi Code of
38 1972, is required to file Form W2-G, or a substantially equivalent
39 form, with the United States Internal Revenue Service.

40 (2) The commission may require any agency reporting current
41 child-support arrearages to the commission to provide information
42 relating to such arrearages in a manner, format or record approved
43 by the commission.

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

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



55 (5) The commission shall also require that the entity
56 licensed or permitted under Chapter 76 of Title 75, Mississippi
57 Code of 1972, adopt procedures designed to prevent employees from
58 willfully failing to withhold payments of progressive slot machine
59 annuities or cash gaming winnings from persons who have
60 outstanding child-support arrearages or child-support
61 overpayments, based upon the information provided by the
62 Department of Human Services that allows the licensee to identify
63 such persons.

64 (6) Not later than July 1, 2023, the commission and the
65 Department of Human Services shall institute the procedures for
66 exchanging information and institute rulemaking procedures and
67 processes as necessary to implement the provisions of this
68 section.

69 **SECTION 2.** Section 75-76-3, Mississippi Code of 1972, is
70 amended as follows:

71 75-76-3. (1) The provisions of this chapter shall not be
72 construed to legalize any form of gaming which is prohibited under
73 the Mississippi Constitution or the laws of this state. All legal
74 gaming which is conducted in this state and which is otherwise
75 authorized by law shall be regulated and licensed pursuant to the
76 provisions of this chapter, unless the Legislature specifically
77 provides otherwise. Nothing in this chapter shall be construed as
78 encouraging the legalization of gambling in this state.



79 (2) The Legislature hereby finds and declares that lotteries
80 and gaming both consist of the material element of chance. The
81 Legislature is prohibited from legislating upon lotteries and
82 permitted by virtue of its inherent powers to legislate upon
83 gaming as the occasion arises. The Legislature derives its power
84 to legislate upon gaming or gambling devices from its inherent
85 authority over the morals and policy of the people and such power
86 shall not be considered to conflict with the constitutional
87 prohibition of lotteries.

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

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

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

99 (c) All establishments where gaming is conducted and
100 where gambling devices are operated, and manufacturers, sellers
101 and distributors of certain gambling devices and equipment must
102 therefore be licensed, controlled and assisted to protect the



103 public health, safety, morals, good order and general welfare of
104 the inhabitants of the state.

105 (d) Children are adversely affected when parents who
106 have outstanding child-support obligations divert their financial
107 support to gaming. Therefore, a parent's winnings should be
108 applied to the parent's outstanding child-support obligations.

109 (4) It is the intent of the Legislature that gaming
110 licensees, to the extent practicable, employ residents of
111 Mississippi as gaming employees and other employees in the
112 operation of their gaming establishments located in this state.

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

119 (6) The Legislature recognizes that Section 98 of the
120 Mississippi Constitution of 1890 prohibits the conducting of any
121 lottery in this state and that, while not defining the term
122 "lottery," Section 98 clearly contemplates, as indicated by
123 specific language contained therein, that a lottery involves the
124 sale of tickets and a drawing in order to determine the winner.
125 The Legislature also recognizes that Section 98 of the Mississippi
126 Constitution of 1890 directs the Legislature to provide by law for
127 the enforcement of its provisions. Therefore, in carrying out its



128 duties under the Constitution and effectuating the intent of
129 Section 98, the Legislature hereby finds that a lottery, as
130 prohibited by the Constitution, does not include all forms of
131 gambling but means any activity in which:

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

137 (b) The winning chance or chances are to be determined
138 by a drawing or similar selection method based predominately upon
139 the element of chance or random selection rather than upon the
140 skill or judgment of the player or players; and

141 (c) The holder or holders of the winning chance or
142 chances are to receive a prize or something of valuable
143 consideration; and

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

149 **SECTION 3.** This act shall take effect and be in force from
150 and after July 1, 2022, and shall stand repealed on June 30, 2022.

