

By: Representative Hines

To: Gaming; Ways and Means

HOUSE BILL NO. 184

1 AN ACT TO AUTHORIZE THE MISSISSIPPI LOTTERY CORPORATION BOARD
2 OF DIRECTORS TO AUTHORIZE VIDEO LOTTERY AND VIDEO LOTTERY
3 TERMINALS WITH LIMITATIONS ON TRANSACTION COSTS, MAXIMUM PAYOUTS
4 AND LOCATIONS; TO AMEND SECTIONS 27-115-5, 27-115-17, 27-115-69
5 AND 27-115-83, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE
6 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Video lottery and video lottery terminals may be
9 authorized by the Mississippi Lottery Corporation Board of
10 Directors subject to the following limitations:

11 (1) Terminals may only accept One Cent (1¢) or equivalent
12 value per play of a game;

13 (2) Terminals may only pay out up to Seven Hundred Fifty
14 Dollars (\$750.00) or equivalent value per play of a game;

15 (3) Terminals may only be authorized in truck stops; and

16 (4) A maximum of five (5) truck stops per congressional
17 district may be authorized for video lottery terminals.

18 **SECTION 2.** Section 27-115-5, Mississippi Code of 1972, is
19 amended as follows:



20 27-115-5. As used in this chapter, the following words and
21 phrases shall have the following meanings unless the context
22 clearly requires otherwise:

23 (a) "Corporation" means the Mississippi Lottery
24 Corporation.

25 (b) "Lottery" means any game of chance approved by the
26 corporation and operated pursuant to this chapter, which utilizes
27 the sale of paper tickets for various intrastate and multistate or
28 multisovereign lottery games (such as Pick-3, Pick-4, Mega
29 Millions, Powerball), and "instant tickets" as defined, but
30 specifically excluding any form of "video lottery" or use of
31 "video lottery terminal" as defined except as otherwise authorized
32 under Section 1 of this act.

33 (c) "Major procurement" means any item, product or
34 service in the amount of One Million Dollars (\$1,000,000.00) or
35 more, including, but not limited to, major advertising contracts,
36 annuity contracts, prizes, products, and services unique to the
37 Mississippi lottery.

38 (d) "Net proceeds" means gross lottery revenues minus
39 amounts paid as prizes and expenses of operation of the lottery.

40 (e) "Person" means any individual, corporation,
41 partnership, unincorporated association or other legal entity.

42 (f) "President" means the President of the Mississippi
43 Lottery Corporation, who shall also serve as chief executive
44 officer of the corporation.



45 (g) "Retailer" means any person with whom the
46 corporation has contracted to sell lottery tickets to the public.

47 (h) "Security" means the protection of information that
48 would provide an unfair advantage to any individual involved in
49 the operation of the lottery, protection and preservation of the
50 integrity of lottery games and operations, as well as measures
51 taken to prevent crimes against the corporation and its retailers.

52 (i) "Vendor" means any person who has entered into a
53 contract with the corporation.

54 (j) "Fiscal year" means the fiscal year used by the
55 State of Mississippi government.

56 (k) "Board" means the Mississippi Lottery Corporation
57 Board of Directors.

58 (l) "Instant ticket" means a lottery game in which a
59 player scratches a coating from one or more play areas on a ticket
60 to determine if he or she has won, as indicated by the symbols and
61 words that are revealed.

62 (m) "Video lottery" and "video lottery terminal" means
63 any electronic interactive computerized game machine or device
64 equipped with a video screen and buttons, keys, a keyboard,
65 touchscreen or other input device allowing input by an individual
66 player and into which the player inserts coins, tokens, currency
67 or other representation of value (including, but not limited to,
68 an electronic card, ticket or other thing on which value is
69 recorded electronically) as consideration in order for play of a



70 game to be available, and through which, as a result of the play
71 of a game, the player may receive free games, credits redeemable
72 for cash or a noncash prize, or some other thing of value, whether
73 or not received directly from the device, or nothing, determined
74 wholly or predominantly by chance.

75 **SECTION 3.** Section 27-115-17, Mississippi Code of 1972, is
76 amended as follows:

77 27-115-17. (1) Except as otherwise authorized under Section
78 1 of this act, the board shall not authorize, conduct or
79 administer lottery games involving the use of a "video lottery
80 terminal" as defined or any mobile or Internet-based or
81 monitor-based interactive game, or any simulated casino-style
82 game, including video poker, video roulette, slot machines or
83 video blackjack, or any variant of these prohibited games.

84 (2) The board may adopt administrative rules and regulations
85 for the conduct of specific lottery games and operations,
86 including, but not limited to, administrative rules and
87 regulations specifying:

88 (a) The types of lottery games to be conducted which
89 utilize the sale of paper tickets for various intrastate and
90 multistate or multisoovereign lottery games (such as Pick-3,
91 Pick-4, Mega Millions, Powerball) and "instant tickets" as
92 defined.

93 (b) The sale price of tickets.

94 (c) The number and amount of prizes.



95 (d) The methods to be used in selling tickets for
96 lottery games; provided, however, the corporation shall not permit
97 any lottery game to be played or ticket to be purchased, sold or
98 played by any method involving (i) a video lottery terminal except
99 as otherwise authorized under Section 1 of this act or (ii) by any
100 personal computer, tablet, smartphone, mobile device or other
101 similar equipment or type of device.

102 (e) The methods and location of selecting or validating
103 winning tickets.

104 (f) The frequency and the means of conducting drawings
105 which shall be open to the public.

106 (g) The manner of payment of prizes.

107 (h) The frequency of games and drawings.

108 (i) The manner and amount of compensation to lottery
109 retailers, except all compensation shall be uniform.

110 (j) Any other matters necessary to carry out this
111 chapter and necessary for the efficient and effective operation of
112 the lottery or for the convenience of the public.

113 (3) In all other matters, the board shall advise and make
114 recommendations. In addition, the board shall:

115 (a) Conduct hearings upon complaints charging
116 violations of this chapter or of administrative rules and
117 regulations adopted by the corporation and shall conduct such
118 other hearings as may be provided by administrative rules and
119 regulations.



120 (b) Periodically, review the performance of the
121 corporation and:

122 (i) Advise the president and make recommendations
123 to him or her regarding operations of the corporation; and

124 (ii) Identify potential improvements in this
125 chapter, the administrative rules and regulations of the
126 corporation, and the management of the corporation.

127 (c) Request from the corporation any information the
128 board determines to be relevant to its duties.

129 (4) Nothing in this chapter shall be construed to govern,
130 affect or limit gaming operations at a licensed gaming facility
131 nor shall this chapter be construed to supersede or preempt the
132 authority of the Mississippi Gaming Commission as it relates to
133 gaming operations occurring at a licensed gaming facility.

134 (5) Nothing in this chapter shall prohibit a licensed gaming
135 facility under the Mississippi Gaming Commission from applying and
136 operating as a lottery retailer under this chapter.

137 **SECTION 4.** Section 27-115-69, Mississippi Code of 1972, is
138 amended as follows:

139 27-115-69. (1) The corporation may purchase, lease or
140 lease-purchase such goods or services as are necessary for
141 effectuating the purposes of this chapter. The corporation shall
142 not contract with any person or entity for the total operation and
143 administration of the lottery, but it may make procurements which
144 integrate such functions as lottery game design, lottery ticket



145 distribution to retailers, supply of goods and services, and
146 advertising. In all procurement decisions, the corporation shall
147 take into account the particularly sensitive nature of the lottery
148 and shall act to promote and ensure security, honesty, fairness
149 and integrity in the operation and administration of the lottery
150 and the objectives of raising net proceeds for the benefit of the
151 public.

152 (2) The corporation shall investigate the financial
153 responsibility, security and integrity of any lottery system
154 vendor who submits a bid, proposal or offer. At the time of
155 submitting such bid, proposal or offer to the corporation, the
156 corporation shall require the following items:

157 (a) A disclosure of the vendor's name and address and,
158 as applicable, the name and address of the following:

159 (i) If the vendor is a corporation, the officers,
160 directors and each stockholder in such corporation; however, in
161 the case of owners of equity securities of a publicly traded
162 corporation, only the names and addresses of those known to the
163 corporation to own five percent (5%) or more of such securities
164 need be disclosed.

165 (ii) If the vendor is a trust, the trustee and all
166 persons entitled to receive income or benefits from the trust.

167 (iii) If the vendor is an association, the
168 members, officers and directors.



169 (iv) If the vendor is a partnership or joint
170 venture, all of the general partners, limited partners, or joint
171 venturers.

172 (b) A disclosure of all the states and jurisdictions in
173 which the vendor does business, and the nature of the business for
174 each such state or jurisdiction.

175 (c) A disclosure of all the states and jurisdictions in
176 which the vendor has contracts to supply gaming goods or services,
177 including, but not limited to, lottery goods and services, and the
178 nature of the goods or services involved for each such state or
179 jurisdiction.

180 (d) A disclosure of all the states and jurisdictions in
181 which the vendor has applied for, has sought renewal of, has
182 received, has been denied, has pending, or has had revoked a
183 gaming license of any kind, or had fines or penalties assessed on
184 their license, contract, or operation, and the disposition of such
185 in each such state or jurisdiction. If any lottery license or
186 contract has been revoked or has not been renewed or any lottery
187 license or application has remained pending for more than six (6)
188 months, then it shall be disclosed.

189 (e) A disclosure of the details of any finding of a
190 plea, conviction or adjudication for guilt, in a state or federal
191 court, of the vendor for any felony or any other criminal offense
192 other than a traffic violation.



193 (f) A disclosure of the details of any bankruptcy,
194 insolvency, reorganization, corporate or individual purchase or
195 takeover of another corporation, including bonded indebtedness, or
196 any pending litigation of the vendor.

197 (g) Such additional disclosures and information as the
198 corporation may determine to be appropriate for the procurement
199 involved. If the vendor subcontracts any substantial portion of
200 the work to be performed under the contract to a subcontractor,
201 the vendor shall disclose all of the information required by this
202 subsection for the subcontractor as if the subcontractor were
203 itself a vendor.

204 (3) In no case shall the corporation enter into a contract
205 for a procurement of any video lottery or video lottery terminal
206 except as otherwise authorized under Section 1 of this act or any
207 other illegal lottery device, and shall only enter into a contract
208 for a procurement for any lottery system with a vendor who has
209 complied with the disclosures required by the corporation and
210 described in subsection (2) of this section, and any contract with
211 such a vendor is void and unenforceable. Any contract with a
212 vendor who does not comply with such requirements for periodically
213 updating such disclosures during the tenure of a contract as may
214 be specified in such contract is voidable and may be terminated by
215 the corporation. The provisions of this section shall be
216 construed broadly and liberally to achieve the ends of full
217 disclosure of all information necessary to allow for a full and



218 complete evaluation by the corporation of the competence,
219 integrity, background and character of vendors.

220 (4) (a) A contract shall not be entered into with any
221 vendor who has been found guilty of a felony related to the
222 security or integrity of the lottery in this or any other
223 jurisdiction or with any vendor who is found to be in possession
224 of any illegal lottery device.

225 (b) A contract shall not be entered into with any
226 vendor who has not first obtained a signed tax clearance from the
227 Commissioner of Revenue indicating that the vendor is current in
228 filing all applicable tax returns and in payment of all taxes,
229 interest and penalties owed to the State of Mississippi, excluding
230 items under formal appeal pursuant to applicable statutes.

231 (5) The corporation may require that each vendor shall, at
232 the execution of the contract with the corporation, post a
233 performance bond or letter of credit from a bank acceptable to the
234 corporation, in an amount established by the corporation subject
235 to the provisions of Section 27-115-61. In lieu of the bond, a
236 vendor may, to assure the faithful performance of its obligations,
237 deposit and maintain with the corporation securities that are
238 interest-bearing or accruing and that are rated in one (1) of the
239 three (3) highest classifications by an established nationally
240 recognized investment rating service. Securities eligible under
241 this subsection are limited to:



242 (a) Certificates of deposit issued by solvent banks or
243 savings associations approved by the corporation and which are
244 organized and existing under the laws of this state or under the
245 laws of the United States.

246 (b) United States bonds, notes, and bills for which the
247 full faith and credit of the government of the United States is
248 pledged for the payment of principal and interest.

249 (c) Corporate bonds approved by the corporation. The
250 corporation which issued the bonds shall not be an affiliate or
251 subsidiary of the depositor. Such securities shall be held in
252 trust.

253 (6) Every contract entered into by the corporation pursuant
254 to this section shall contain a provision for payment of
255 liquidated damages to the corporation for any breach of contract
256 by the vendor.

257 (7) Each vendor shall be qualified to do business in this
258 state and shall file appropriate tax returns as provided by the
259 laws of this state. All contracts under this section shall be
260 governed by the laws of this state.

261 **SECTION 5.** Section 27-115-83, Mississippi Code of 1972, is
262 amended as follows:

263 27-115-83. (1) Illegal lottery devices as described in this
264 section are considered gambling devices and contraband.

265 (2) As used in this section, the term "illegal lottery
266 device" means:



267 (a) Forged, counterfeit, or stolen, or improperly
268 issued or illegally possessed lottery tickets.

269 (b) Any device or equipment that is in itself or is
270 being used as part of any sort of a video lottery terminal except
271 as otherwise authorized under Section 1 of this act.

272 (c) Any tickets, payouts, receipts or the like which
273 are generated by, taken from or are related to any sort of a video
274 lottery terminal except as otherwise authorized under Section 1 of
275 this act.

276 (3) All law enforcement officers of municipal police forces,
277 sheriff's departments, and the state shall confiscate and preserve
278 all illegal lottery devices that come to their attention for
279 evidence in the prosecution of those individuals in possession of
280 same. Any such illegal lottery device will be subject to
281 confiscation and destruction.

282 (4) Neither the state nor any political subdivision, agency,
283 agent, or enforcement officer thereof shall be liable civilly or
284 criminally for the destruction of any illegal lottery device.

285 **SECTION 6.** This act shall take effect and be in force from
286 and after July 1, 2024.

