

By: Representative Moak (By Request)

To: Gaming; Ways and Means

HOUSE BILL NO. 1373

1 AN ACT TO CREATE THE MISSISSIPPI LAWFUL INTERNET GAMING ACT
2 OF 2012; TO MAKE FINDINGS REGARDING THE AUTHORITY OF THE STATE TO
3 REGULATE LAWFUL INTERNET GAMING, IN RESPONSE TO CERTAIN FEDERAL
4 LAWS AND RECENT ACTION BY THE UNITED STATES DEPARTMENT OF JUSTICE;
5 TO SET FORTH DEFINITIONS THAT APPLY TO THE PROVISIONS OF THE ACT;
6 TO PROVIDE A PROCESS WHEREBY THE MISSISSIPPI GAMING COMMISSION MAY
7 ISSUE INTERNET WAGERING PERMITS TO GAMING LICENSEES; TO PROVIDE
8 ADDITIONAL POWERS TO THE COMMISSION, AS NECESSARY TO REGULATE
9 LAWFUL INTERNET GAMING; TO IMPOSE AN ADDITIONAL LICENSE FEE IN THE
10 AMOUNT OF FIVE PERCENT ON THE INTERNET WAGERING GROSS REVENUES PER
11 CALENDAR MONTH; TO PRESCRIBE THE MANNER IN WHICH LAWFUL INTERNET
12 GAMING MAY BE CONDUCTED; TO PROVIDE PENALTIES FOR VIOLATIONS OF
13 THE ACT; TO AMEND SECTIONS 75-76-5, 75-76-33, 75-76-81, 75-76-101,
14 75-76-155, 75-76-157, 75-76-177, 75-76-191, 75-76-195 AND
15 75-76-325, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE
16 PROVISIONS OF THIS ACT; TO BRING FORWARD SECTIONS 75-76-67,
17 75-76-79, 75-76-129, 75-76-267, 75-76-301 AND 75-76-303,
18 MISSISSIPPI CODE OF 1972, FOR PURPOSES OF AMENDMENT; AND FOR
19 RELATED PURPOSES.

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

21 **SECTION 1.** (1) The Legislature finds that since the
22 development of the Internet, millions of people have chosen to
23 engage in online gaming through illegal off-shore operators, and
24 such unlawful gambling is conducted without oversight, regulation,
25 or enforcement, all of which raises significant concerns for the
26 protection of our citizens. Without regulation of online
27 gambling, the public's trust and confidence in legal gaming is
28 impacted.

29 (2) An effective state regulatory and licensing system for
30 online gaming would inhibit underage wagering and otherwise
31 protect vulnerable individuals, ensure that the games offered
32 through the Internet are fair and safe, stop sending much-needed
33 jobs and tax and fee revenue overseas to illegal operators,
34 provide a significant source of taxable revenue, create jobs and



35 economic development, address the concerns of law enforcement, and
36 ensure that only those persons of good character and fitness, who
37 meet strict criteria set forth in law and regulations, are
38 suitable to facilitate and conduct online gaming activities.

39 **SECTION 2.** (1) The provisions of Sections 1 through 18 of
40 this act shall be known and may be cited as the "Mississippi
41 Lawful Internet Gaming Act of 2012."

42 (2) Pursuant to the federal law entitled "Unlawful Internet
43 Gambling Enforcement Act of 2006," known as UIGEA and cited as 31
44 USCS 5301, the State of Mississippi finds that the state
45 regulation of legal gaming in this state, and the provisions of
46 this Mississippi Lawful Internet Gaming Act of 2012, prescribe a
47 lawful exemption to UIGEA and specifically authorize use of the
48 Internet to place, receive, or otherwise knowingly transmit a bet
49 or wager where such Internet wagering complies with the provisions
50 of Title 75, Chapter 76, Mississippi Code of 1972, and the
51 applicable regulations promulgated by the Mississippi Gaming
52 Commission. Further, the State of Mississippi finds that any
53 question regarding the state's authority to regulate lawful
54 Internet gaming that may have resulted from interpretations that
55 such gaming violated certain other federal anti-gambling laws has
56 been vacated by action of the United States Department of Justice
57 on December 23, 2011.

58 **SECTION 3.** For purposes of Sections 1 through 18 of this
59 act, the definitions found in Section 75-76-5 shall apply, and in
60 addition, the following words and phrases shall have the meanings
61 ascribed below, unless the context clearly indicates otherwise.

62 (a) "Customer deposits" - The deposits made by or on
63 behalf of a gaming licensee having an Internet wagering permit, or
64 returns of funds by or on behalf of a gaming licensee to an
65 Internet wagering account.

66 (b) "Internet" - The international computer network of
67 interoperable packet switched data networks, inclusive of such



68 additional technological platforms as mobile, satellite, and other
69 electronic distribution channels approved by the commission.

70 (c) "Internet game" - Any variation or composite of an
71 authorized game that is offered through the Internet, provided
72 that such games, or variations or composites, are found suitable
73 for use by the commission after an appropriate test or
74 experimental period; and any other game which is determined by the
75 commission to be compatible with the public interest and to be
76 suitable for Internet wagering after such appropriate test or
77 experimental period. The term includes gaming tournaments
78 conducted via the Internet in which players compete against one
79 another in one (1) or more of the games authorized herein or by
80 the commission or in approved variations or composites thereof if
81 the tournaments are authorized by the commission.

82 (d) "Internet service provider" - Any one of the
83 following:

84 (i) A person or entity offering the transmission,
85 routing, or providing of connections for online communications,
86 between or among points specified by a user, of material of the
87 user's choosing, without modification to the content of the
88 material as sent or received;

89 (ii) A provider of online services or network
90 access, or the operator of facilities therefore;

91 (iii) A provider of hosting services for online
92 websites, email and other electronic communications, or

93 (iv) A provider of custodial and registration
94 services for Internet domain names.

95 (e) "Internet wagering" - The placing, receiving, or
96 transmission of electronic data with a gaming licensee through the
97 use, at least in part, of the Internet over a secure or dedicated
98 transmission originating and ending within the state or as
99 otherwise permitted under applicable law, which data, once
100 accepted by said gaming licensee within a licensed gaming



101 establishment, shall become a lawful bet or wager on an Internet
102 game, all as approved by the commission.

103 (f) "Internet wagering account" - The formal,
104 electronic statement or system recording the balance of a patron's
105 debits, credits, and other activity relating to Internet wagering.

106 (g) "Internet wagering account agreement" - The
107 agreement entered into between a gaming licensee and an
108 individual, which agreement governs the terms and conditions of
109 said individual's Internet wagering account and the use of the
110 Internet for purposes of placing bets or wagers on Internet games.
111 The Internet wagering account agreement may be executed
112 electronically as approved by the commission.

113 (h) "Internet wagering permit" - The certificate and
114 approval issued by the commission that certifies a gaming
115 licensee's permission to conduct Internet wagering and that said
116 gaming licensee's facilities conform to requirements of the act
117 and applicable regulations.

118 (i) "Significant vendor" - Any person or entity that:

119 (i) On behalf of a gaming licensee, knowingly
120 manages, administers, or controls bets or wagers that are
121 initiated, received, or otherwise made as approved by the
122 commission;

123 (ii) On behalf of a gaming licensee, knowingly
124 manages, administers, or controls the games with which such bets
125 or wagers are associated;

126 (iii) On behalf of a licensee, develops,
127 maintains, or operates the software or other system programs or
128 hardware on which the Internet games or the bets or wagers are
129 managed, administered, or controlled;

130 (iv) Provides the trademarks, trade names, service
131 marks, or similar intellectual property under which a gaming
132 licensee identifies its Internet wagering to its customers;



133 (v) Provides information on individuals who made
134 bets or wagers pursuant to Internet wagering not licensed under
135 this act via a database or customer lists;

136 (vi) Provides any products, services, or assets
137 to, and is paid a percentage of revenue or fees by, the gaming
138 licensee (not including fees to financial institutions and payment
139 providers for facilitating a deposit by a customer); or

140 (vii) With respect to an applicant, proposes to
141 provide any of the activities, services, or items identified in
142 subparagraphs (a) through (e).

143 (j) "Internet wagering gross revenue" -

144 (i) For all Internet games, with the exception of
145 Internet poker, the total of all sums actually received by a
146 gaming licensee from Internet wagering, less the total of all sums
147 actually paid out as winnings to patrons; provided, however, that
148 the cash equivalent value of any merchandise or thing of value
149 included in a jackpot or payout shall not be included in the total
150 of all sums paid out as winnings to patrons for purposes of
151 determining Internet wagering gross revenue.

152 (ii) For Internet poker, the total of all sums
153 actually received by a gaming licensee from Internet poker, or the
154 aggregate, during the relevant period, of the take, tournament
155 fees and all other fees or charges required or received from
156 customers directly as a result of Internet poker, from deposits
157 into any account maintained by the licensee or on behalf of the
158 licensee, less the total of all sums actually paid out as winnings
159 to patrons; provided, however, that the cash equivalent value of
160 any merchandise or thing of value included in a jackpot or payout
161 shall not be included in the total of all sums paid out as
162 winnings to patrons for purposes of determining Internet wagering
163 gross revenue.

164 (iii) For all Internet games, including Internet
165 poker, "Internet wagering gross revenue" shall not include



166 customer deposits nor deposits that reflect promotional credits,
167 incentives from loyalty or similar programs, bonuses, or
168 complimentary amenities provided by or on behalf of the gaming
169 licensee attendant to Internet gaming operations or Internet
170 wagering; or returns of funds by or on behalf of a gaming licensee
171 to an Internet wagering account, charge-back fees or bad debt
172 incurred by the gaming licensee with respect to an Internet
173 wagering account.

174 (k) "Licensed gaming establishment for Internet
175 wagering" - Any room or area within the state approved by the
176 commission to conduct Internet wagering and shall also include,
177 where approved by the commission, redundancy facilities.

178 (l) "Redundancy facilities" - Any and all rooms or
179 areas within the State of Mississippi, used by the gaming licensee
180 for emergency back-up, redundancy or secondary operations
181 attendant to gaming or Internet wagering as approved by the
182 commission.

183 **SECTION 4.** (1) The commission may issue an Internet
184 wagering permit upon satisfaction by a gaming licensee of all
185 terms and conditions required by this chapter and applicable
186 regulations.

187 (2) The commission may establish a separate division to
188 which authority shall be delegated for the administration of
189 Internet wagering, Internet wagering permits, and enforcement of
190 criminal activity conducted, at least in part, through the
191 Internet.

192 (3) Nothing in this section shall be construed to authorize
193 the operation of a place of public accommodation, club or
194 association (including one limited to dues-paying members or
195 similar restricted groups), cafeteria, or similar establishment
196 that allows access to the Internet for gambling, unless licensed
197 under the provisions of Sections 1 through 18 of this act.



198 **SECTION 5.** In the regulation of lawful Internet gaming, the
199 commission shall have the following additional powers with respect
200 to conducting an in rem deactivation of Internet domains.

201 (1) The commission may commence an in rem action against any
202 domain name or names used by an Internet site if:

203 (a) The domain name is used by an Internet site that is
204 conducting unlawful Internet gambling; and

205 (b) The commission simultaneously sends a notice of the
206 alleged violation and intent to proceed under this subsection to
207 the registrant of the domain name at the postal and email address
208 provided by the registrant to the registrar, if available, and
209 publishes notice of the action as the court may direct promptly
210 after filing the action. For purposes of this section, the
211 actions described above shall constitute lawful service of
212 process.

213 (2) In an in rem action commenced under subsection (1), a
214 domain name shall be deemed to have its situs in the State of
215 Mississippi, provided that:

216 (a) The domain name registrar or registry is located,
217 doing business in, or maintains minimum contacts within the state;
218 or

219 (b) Documents sufficient to establish control and
220 authority regarding the disposition of the registration and use of
221 the domain name are deposited with the court.

222 If the foregoing does not apply to a particular domain name,
223 the in rem action may be brought in the State of Mississippi to
224 prevent and restrain access to the domain by users located within
225 the state if the domain is accessible from users within the state.

226 (3) Service of court orders shall be made as follows:

227 (a) In connection with an order obtained in an action
228 to which subsection (2) applies, the commission or law enforcement
229 officer shall serve any court order issued pursuant to this
230 section on the domain name registrar or, if the domain name



231 registrar is not located within the United States, upon the
232 registry. Upon receipt of such order, the domain name registrar
233 or domain name registry shall suspend operation of, and may lock,
234 the domain name; or

235 (b) For nondomestic domains, in connection with an
236 order obtained in an action to which subsection (2) applies, the
237 commission or law enforcement officer may serve any court order
238 issued pursuant to this section on entities described below.
239 After being served with an order issued pursuant to this section;
240 and, an Internet service provider, or any other operator of a
241 nonauthoritative domain name system server shall, as expeditiously
242 as possible, take technically feasible and reasonable steps
243 designed to prevent a domain name from resolving to that domain
244 name's Internet protocol address, except that (a) such entity
245 shall not be required to modify its network or other facilities to
246 comply with such order, to take any steps with respect to domain
247 name lookups not performed by its own domain name system server;
248 or to continue to prevent access to a domain name to which access
249 has been effectively disabled by other means; and (b) nothing in
250 this paragraph shall affect the limitation on an entity's
251 liability under subsection (5) below.

252 (4) An entity taking an action described in this section
253 shall determine how to communicate such action to the entity's
254 users or customers. For purposes of an action filed under this
255 section, the obligations of an entity described in this subsection
256 shall be limited to the actions set out in each paragraph or
257 subparagraph applicable to such entity, and no order issued
258 pursuant to this section shall impose any additional obligations
259 on, or require additional actions by, such entity.

260 (5) No cause of action shall lie in any court or
261 administrative agency against any entity receiving a court order
262 issued under this section, or against any director, officer,
263 employee, or agent thereof, for any act reasonably designed to



264 comply with this section or reasonably arising from such order,
265 other than in an action pursuant to subsection (4). Any entity
266 receiving an order under this subsection, and any director,
267 officer, employee, or agent thereof, shall not be liable to any
268 party for any acts reasonably designed to comply with this
269 subsection or reasonably arising from such order, other than in an
270 action pursuant to subsection (6), and any actions taken by
271 customers of such entity to circumvent any restriction on access
272 to the Internet domain instituted pursuant to this subsection or
273 any act, failure, or inability to restrict access to an Internet
274 domain that is the subject of a court order issued pursuant to
275 this subsection despite good faith efforts to do so by such entity
276 shall not be used by any person in any claim or cause of action
277 against such entity, other than in an action pursuant to
278 subsection (6). No domain name registry, domain name registrar,
279 or service that provides advertisements to Internet sites shall be
280 liable to any person on account of any action described in this
281 section voluntarily taken if the entity reasonably believes the
282 Internet site is engaged in providing unlawful Internet gambling.

283 (6) To compel compliance with this section, the commission
284 may bring an action for injunctive relief against any party
285 receiving a court order issued pursuant to this section that
286 knowingly and willfully fails to comply with such order. A
287 showing by the defending party in such action that it does not
288 have the technical means to comply with this section, or that the
289 order is inconsistent with this section, shall serve as a defense
290 to such action to the extent of the inability to comply or such
291 inconsistency.

292 (7) At any time after the issuance of a court order under
293 this section:

294 (a) The commission may apply for a modification of the
295 order to expand the order to apply to an Internet site that is
296 reconstituted using a different domain name subsequent to the



297 original order, and to include additional domain names that are
298 used in substantially the same manner as the Internet site against
299 which the action was brought, by providing the court with evidence
300 that the Internet site associated with the requested modification
301 is engaged in unlawful Internet gambling, and is under joint
302 control, ownership, or operation of, or other affiliation with,
303 the domain name subject to the order;

304 (b) A defendant or owner or operator of a domain name
305 subject to the order, or any party required to take action based
306 on the order, may petition the court to modify, suspend, or vacate
307 the order, based on evidence that the Internet site associated
308 with the domain name subject to the order is no longer, or never
309 was, engaged in unlawful Internet gambling, or the interests of
310 justice require that the order be modified, suspended, or vacated;
311 and

312 (c) A registrar or owner, licensee, or operator of a
313 domain name subject to the order may petition the court to vacate
314 the order based on evidence that the registration of the domain
315 name has expired and the domain name has been reregistered by a
316 different party.

317 **SECTION 6.** (1) No Internet wagering shall be allowed,
318 except for testing or pilot purposes, until a gaming licensee
319 obtains an Internet wagering permit. A permit shall be issued by
320 the commission upon a finding that:

321 (a) The gaming licensee's Internet wagering operations
322 comply in all respects with the requirements of this chapter,
323 including any regulations promulgated thereunder;

324 (b) Age and location verification requirements
325 reasonably designed to block access to those under the age of
326 twenty-one (21) years, persons located outside of the state, and
327 those persons excluded or prohibited pursuant to Section 75-76-35;

328 (c) Appropriate data security standards to prevent
329 unauthorized access by any person whose age and location has not



330 been verified in accordance with the regulations promulgated
331 hereunder;

332 (d) Appropriate standards to protect, within a
333 reasonable certainty, the privacy and security of patrons; and

334 (e) The gaming licensee's initial system of internal
335 controls applicable to Internet wagering, and the security and
336 integrity of all financial transactions therein, comply with this
337 chapter and the regulations promulgated thereunder.

338 (2) It shall be an express condition of any Internet
339 wagering permit that a gaming licensee shall collect, report, and
340 pay any and all applicable taxes and fees and shall maintain all
341 books, records, and documents pertaining to said gaming licensee's
342 Internet wagering in a manner and location within this state as
343 approved by the commission, or for books, records, and documents
344 not related to Internet wagering, at such other locations outside
345 the state as approved by the commission. All such books, records
346 and documents shall be immediately available for inspection during
347 all hours of operation in accordance with the regulations of the
348 commission and shall be maintained in such a manner and for such
349 periods of time as the commission shall require.

350 (3) Subject to the power of the commission to deny, revoke,
351 or suspend, an Internet wagering permit may be renewed by the
352 commission for periods of one (1) to five (5) years.

353 **SECTION 7.** (1) All facilities, equipment other than
354 personal electronic equipment owned and possessed by a person, and
355 employees of a gaming licensee's Internet wagering operation
356 shall:

357 (a) Be arranged in a manner promoting appropriate
358 security for Internet wagering;

359 (b) Include a closed circuit visual monitoring system
360 according to rules or specifications approved by the commission,
361 with access to the online portal, signal, or transmission used in
362 connection with Internet wagering;



363 (c) Not be designed in any way that might interfere
364 with or impede the commission in its regulation of Internet
365 wagering; and

366 (d) Comply in all respects with regulations of the
367 commission pertaining thereto.

368 (2) An Internet wagering account shall be designated in the
369 name of a natural person only and may not be in the name of any
370 beneficiary, custodian, joint trust, corporation, partnership or
371 other organization or entity, without the approval of the
372 commission.

373 (3) An Internet wagering account may be executed via the
374 Internet or such other electronic means as approved by the
375 commission, and said account shall comply with the internal
376 controls of the gaming licensee that, at a minimum, require the
377 following:

378 (a) The filing and execution of an Internet wagering
379 account agreement, the form of which having been preapproved by
380 the commission;

381 (b) Proof of age and residency as demonstrated by at
382 least two (2) forms of identification approved by the commission;

383 (c) Physical address of the principal residence of the
384 prospective account holder, electronic mail address of the
385 prospective account holder, and such other contact information, as
386 the commission or gaming licensee may require;

387 (d) Password or other secured identification to access
388 the Internet wagering account, or some other mechanism approved by
389 the commission to authenticate the player as the secured holder to
390 the Internet wagering account; and

391 (e) An acknowledgement under penalty of perjury that
392 false or misleading statements made in regard to an application
393 for an Internet wagering account may subject the applicant to
394 civil and criminal penalties.



395 (4) The licensee may accept or reject an application after
396 receipt and review of the application and proof of age for
397 compliance with the provisions of Sections 1 through 18 of this
398 act. The gaming licensee shall have the right, at any time with
399 or without cause, to suspend or close any Internet wagering
400 account at its sole discretion.

401 (5) In addition to those under the age of twenty-one (21)
402 years, persons located outside of the state, and those persons
403 excluded or prohibited pursuant to Section 75-76-35, a person who
404 is an employee of the gaming licensee conducting Internet wagering
405 is prohibited from obtaining an Internet wagering account with
406 that gaming licensee; however, the person may have an Internet
407 wagering account with another gaming licensee that does not employ
408 the person.

409 (6) Internet wagering accounts shall not be assignable or
410 otherwise transferable, and the gaming licensee may, at any time,
411 declare all or any part of Internet wagering to be closed for
412 wagering.

413 (7) A gaming licensee may accept bets or wagers through
414 Internet wagering as follows:

415 (a) The bet or wager shall be placed directly with the
416 gaming licensee by the holder of the Internet wagering account;

417 (b) The account holder placing the bet or wager shall
418 provide the gaming licensee with authentication information for
419 access to the Internet wagering account;

420 (c) A gaming licensee may not accept a bet or wager in
421 an amount in excess of funds on deposit in the account holder's
422 Internet wagering account; and

423 (d) Only the account holder may access his or her
424 Internet wagering account and place a bet or wager on an Internet
425 game; provided, however, the gaming licensee shall not be
426 responsible for a nonaccount holder accessing an Internet wagering
427 account where the nonaccount holder falsely represented that he or



428 she was the account holder and provides the gaming licensee with
429 authentication information of the account holder for access to the
430 Internet wagering account.

431 (8) Credits to an Internet wagering account may be made as
432 provided in this subsection.

433 (a) The account holder's deposits to the Internet
434 wagering account shall be submitted by the account holder to the
435 gaming licensee and shall be in the form of one of the following:

436 (i) Cash given to the gaming licensee;

437 (ii) Check, money order, negotiable order of
438 withdrawal, or wire or electronic transfer, payable and remitted
439 to the gaming licensee;

440 (iii) Charges made to an account holder's debit or
441 credit card upon the account holder's authorization, which
442 authorization may be given via the Internet or other electronic
443 communication;

444 (iv) Promotional credits, incentives from loyalty
445 or similar programs, bonuses, or complimentary amenities provided
446 by or on behalf of the gaming licensee; or

447 (v) Any other method approved by the commission.

448 (b) When an account holder wins an Internet game, the
449 gaming licensee shall pay to the account holder electronic chips
450 or other cash equivalents in the appropriate amount pursuant to
451 the rules of that Internet game for that particular type of wager.
452 When the account holder cashes out the electronic chips or other
453 cash equivalents, the gaming licensee shall credit the holder's
454 account in the amount of the electronic chips or other cash
455 equivalents.

456 (c) The gaming licensee shall have the right to refuse,
457 for any valid reason, all or part of any wager or deposit to the
458 Internet wagering account.

459 (d) Funds deposited in the Internet wagering account
460 shall not bear interest to the account holder.



461 (9) Debits to an Internet wagering account may be made as
462 provided by this subsection.

463 (a) When an account holder logs onto an Internet
464 wagering account and exchanges account funds for electronic chips
465 or other cash equivalents, the licensee shall debit the holder's
466 account in the amount of funds exchanged. Upon receipt by a
467 gaming licensee of an account wager or an account purchase order,
468 the gaming licensee shall debit the account holder's electronic
469 chips or other cash equivalents in the amount of the wager or
470 purchase.

471 (b) A gaming licensee may authorize a withdrawal from
472 an Internet wagering account when the account holder submits to
473 the gaming licensee:

474 (i) Proper identification, whether via the
475 Internet or at a gaming;

476 (ii) The correct authentication information for
477 access to the account; and

478 (iii) Such other electronic forms or permissions
479 as required by the commission.

480 Upon receipt of all of the foregoing information, and if
481 there are sufficient funds in the account to cover the withdrawal,
482 the gaming licensee, at the customer's direction, may also send a
483 check payable in the amount requested to the holder at the address
484 specified in the application for the Internet wagering account or
485 shall transmit payment to the account holder electronically, as
486 approved by the commission.

487 (10) The gaming licensee may apply chargeback, inactivity,
488 or other fees or charges against an account holder's Internet
489 wagering account.

490 **SECTION 8.** (1) An Internet service provider shall not be
491 held liable for unlawful Internet gambling, or otherwise hosting
492 an online gaming site permitted by this chapter or other
493 applicable state or federal law, unless the Internet service



494 provider has actual knowledge that the site in question is
495 currently operating in violation of Sections 1 through 18 of this
496 act, of this chapter, or of any other applicable provision of
497 federal or state law.

498 (2) An Internet service provider that takes an action
499 described in this section below with respect to an Internet site
500 shall not be liable to any party for that action if the Internet
501 service provider takes the action because the account holder or
502 purported owner of the site is any one (1) of the following:

503 (a) A person or entity that is included in the list of
504 unlicensed Internet gambling enterprises prepared by the
505 commission;

506 (b) A person or entity that the Internet service
507 provider reasonably believes is included in that list;

508 (c) A person or entity that is included in a list of
509 unlicensed Internet gambling enterprises made available to the
510 Internet service provider by the commission;

511 (d) A person or entity that the Internet service
512 provider reasonably believes is included in a list described in
513 paragraph (3) above;

514 (e) A person or entity that is demonstrated to be an
515 unlicensed Internet gambling enterprise based on information,
516 other than a list described in paragraph (c), that is made
517 available to the Internet service provider transaction provider;
518 or

519 (f) A person or entity that the Internet service
520 provider reasonably believes is demonstrated to be an unlicensed
521 Internet gambling enterprise based on information described in
522 paragraph (e).

523 (3) An Internet service provider takes an action described
524 in this section if the Internet service provider:

525 (a) Blocks or otherwise restricts an account holder's
526 ability to access to the site, its control panel or filing system;



527 (b) Prevents part or all of an Internet site from being
528 accessed by users; or

529 (c) Closes an account or ends a hosting relationship.

530 (4) An Internet service provider that takes an action
531 described in subsection (3) with respect to an Internet site shall
532 not be liable to any party for that action if the Internet service
533 provider takes such action pursuant to valid written notice of the
534 illegal gambling activity, provided by the commission or any other
535 ranking law enforcement official of any jurisdiction where the
536 unlawful Internet gambling is accessible. The form of such notice
537 shall be determined by regulations that shall be prescribed by the
538 commission.

539 (5) On application of the commission or any other law
540 enforcement official of any jurisdiction where unlawful Internet
541 gambling is accessible, the court may issue a temporary
542 restraining order, a preliminary injunction, or an injunction
543 against the domain name used by an Internet site engaging in such
544 unlawful Internet gambling to cease and desist from undertaking
545 any further activity in violation of this act or any other
546 applicable federal or state law. The court may grant injunctive
547 relief with respect to an Internet service provider in one or more
548 of the following forms:

549 (a) An order restraining the Internet service provider
550 from providing access to a particular online site on the
551 provider's system or network;

552 (b) An order restraining the Internet service provider
553 from providing access, by taking reasonable steps specified in the
554 order to block access, to a specific and identified Internet
555 domain that is hosted outside the United States;

556 (c) An order restraining the Internet service provider
557 from providing access, by taking reasonable steps specified in the
558 order to block access, to a specific and identified Internet



559 domain to users residing in a particular jurisdiction specified in
560 the order;

561 (d) An order restraining the Internet service provider
562 from providing access to a subscriber or account holder of the
563 service provider's system or network who is engaging in unlawful
564 Internet gambling and is identified in the order, by terminating
565 the accounts of the subscriber or account holder that are
566 specified in the order;

567 (e) An order restraining the Internet service provider
568 from providing access to a subscriber or account holder of the
569 service provider's system or network who is using the provider's
570 service to engage in unlawful Internet gambling and is identified
571 in the order, by terminating the accounts of the subscriber or
572 account holder that are specified in the order; or

573 (f) Such other injunctive relief as the court may
574 consider necessary to prevent or restrain unlawful Internet
575 gambling, if such relief is the least burdensome to the Internet
576 service provider among the forms of relief comparably effective
577 for that purpose.

578 (6) Injunctive relief under this section shall be available
579 only after notice and an opportunity for the Internet service
580 provider to appear are provided, except for orders ensuring the
581 preservation of evidence or other orders having no material
582 adverse effect on the operation of the service provider's
583 communications network.

584 **SECTION 9.** All bets or wagers made through Internet wagering
585 shall be deemed to be initiated, received or otherwise made within
586 the State of Mississippi, provided that such Internet wagering is
587 conducted by a gaming licensee with an Internet wagering permit
588 and in accordance with this chapter and the regulations adopted by
589 the commission. The intermediate routing of electronic data in
590 connection with Internet wagering shall not determine the location



591 or locations in which a bet or wager is initiated, received, or
592 otherwise made.

593 **SECTION 10.** (1) Each gaming licensee who holds or has
594 applied for an Internet wagering permit shall submit to the
595 commission a description of its initial internal procedures and
596 administrative and accounting controls for Internet wagering that
597 comply with the requirements of this act and the regulations
598 promulgated thereunder, and provide adequate and effective
599 controls for the real-time monitoring of all Internet games. A
600 gaming licensee's initial system of internal controls shall
601 contain both narrative and diagrammatic representations of the
602 internal control system to be utilized by the licensed gaming
603 establishment with regard to Internet wagering, including, but not
604 limited to:

605 (a) Accounting controls, including the standardization
606 of forms and definition of terms to be utilized for Internet
607 wagering;

608 (b) Job descriptions and the system of personnel and
609 chain-of-command, establishing a diversity of responsibility among
610 employees engaged in Internet wagering and identifying areas of
611 responsibility, salary structure, and personnel practices;

612 (c) Procedures for the establishment of Internet
613 wagering accounts, including a procedure for age and location
614 verification;

615 (d) Procedures for the termination of an Internet
616 wagering account by the account holder and the return of any
617 remaining funds in the Internet wagering account to the account
618 holder;

619 (e) Procedures for the termination of a dormant
620 account;

621 (f) Procedures for the log-on and authentication of an
622 account holder and the log-off of the account holder when the
623 account holder has ceased Internet wagering, including a procedure



624 to automatically log-off the holder after a specified period of
625 inactivity;

626 (g) Procedures for the crediting and debiting of
627 Internet wagering accounts;

628 (h) Procedures for the withdrawal of funds from an
629 Internet wagering account by the account holder;

630 (i) The recording of transactions pertaining to
631 Internet wagering;

632 (j) Procedures for the security of information and
633 funds in an Internet wagering account;

634 (k) Procedures for the security of licensed gaming
635 establishments where Internet wagering is conducted;

636 (l) Procedures and security standards for the handling
637 and storage of software, computers and other electronic equipment
638 used to conduct Internet wagering;

639 (m) Procedures and security standards to protect
640 software, computers and other gaming equipment used to conduct
641 Internet wagering from tampering by gaming employees or any other
642 person, from a location inside or outside of the gaming licensee's
643 hotel facility;

644 (n) Procedures for responding to tampering with
645 software, computers and other gaming equipment used to conduct
646 Internet wagering or any gaming-related equipment or hardware used
647 in support of gaming, including partial or complete suspension of
648 Internet wagering operations or the suspension of any or all
649 Internet wagering accounts when warranted;

650 (o) Procedures for the identification and maintenance
651 of agreements pertaining to any person that manages, administers,
652 controls, or otherwise materially affects bets or wagers that are
653 initiated, received, or otherwise made in connection with Internet
654 wagering;



655 (p) Procedures to assist problem and compulsive
656 gamblers including, without limitation, procedures regarding
657 self-exclusion; and

658 (q) Procedures for the use or involvement of
659 significant vendors.

660 (2) The commission shall review the initial submission
661 required by subsection (1) hereof, and shall determine whether it
662 conforms with the requirements of Sections 1 through 18 of this
663 act and whether the system submitted provides adequate and
664 effective controls for Internet wagering of the particular gaming
665 licensee submitting it. If the commission finds any
666 insufficiencies, it shall specify them in writing to the gaming
667 licensee, who shall make appropriate alterations. When the
668 commission determines the initial submission to be adequate in all
669 respects, it shall notify the gaming licensee. Except as
670 otherwise provided in subsection (1) of this section, no gaming
671 licensee shall commence or alter Internet wagering unless and
672 until the initial submission is approved by the commission.

673 (3) It shall be lawful for a gaming licensee to provide
674 marketing information and promotional credits, incentives from
675 loyalty or similar programs, bonuses, and complimentary amenities
676 by means of the Internet to players engaged in Internet wagering.

677 (4) Upon approval by the commission of the initial
678 submission required by subsection (1) hereof, each gaming licensee
679 shall be required to create, maintain, and file with the
680 commission a description of its internal procedures and
681 administrative and accounting controls for Internet wagering that
682 conform to the requirements of paragraphs (a) through (q) of
683 subsection (1) hereof and the regulations promulgated thereunder.
684 Once the procedures and controls set forth in the initial
685 submission are approved by the commission, no further approval of
686 a gaming licensee's internal procedures and administrative and
687 accounting controls for Internet wagering is required.



688 **SECTION 11.** (1) The commission shall, by regulation,
689 establish such technical standards for approval of software,
690 computers and other gaming equipment used to conduct Internet
691 wagering, including mechanical, electrical or program reliability,
692 security against tampering, and the comprehensibility of wagering,
693 as it may deem necessary to protect the player from fraud or
694 deception and to insure the integrity of Internet wagering.

695 (2) All equipment used by a gaming licensee to conduct
696 Internet wagering, including, but not limited to, computers,
697 servers, monitoring rooms, and hubs, shall be located, with the
698 prior approval of the commission, in a licensed gaming
699 establishment including, where appropriate, redundancy facilities;
700 provided, however, that such computers, servers, and other
701 equipment not used in connection with Internet wagering may be
702 located in such other locations within or outside of the state as
703 approved by the commission.

704 (3) No software, computer or other gaming equipment shall be
705 used to conduct Internet wagering unless it has been specifically
706 tested and approved by the commission. The commission may, in its
707 discretion, and for the purpose of expediting the approval
708 process, refer testing to any testing laboratory. The commission
709 shall give priority to the testing of software, computers or other
710 gaming equipment which a gaming licensee has certified it will use
711 to conduct Internet wagering in this state.

712 **SECTION 12.** (1) It is unlawful for a person to knowingly
713 alter, tamper, or manipulate software, computers or other
714 equipment used to conduct Internet wagering, in order to alter the
715 odds or the payout of an Internet game, or to disable the Internet
716 game from operating according to the rules of the game as
717 authorized by the Internet wagering permit. Any person who is
718 convicted of violating this provision shall be fined not more than
719 Fifty Thousand Dollars (\$50,000.00) for each violation. In the
720 case of a person other than a natural person, any person who is



721 convicted of violating this provision shall be fined not more than
722 Two Hundred Thousand Dollars (\$200,000.00) for each violation.

723 (2) In addition to the penalties provided in subsection (1),
724 an employee of the gaming licensee who violates this section shall
725 have his or her license revoked and shall be subject to such
726 further penalty as the commission deems appropriate.

727 **SECTION 13.** (1) It is unlawful for a person to knowingly
728 offer, or allow to be offered, any game through Internet wagering
729 that has been altered, tampered, or manipulated in a way that
730 affects the odds or the payout of an Internet game, or disables
731 the Internet game from operating according to the rules of the
732 game as promulgated by the commission. Any person who is
733 convicted of a violation of this section shall be subject to be
734 fined not more than Fifty Thousand Dollars (\$50,000.00) for each
735 violation. In the case of a person other than a natural person,
736 any person who is convicted of violating this provision shall be
737 fined not more than Two Hundred Thousand Dollars (\$200,000.00) for
738 each violation.

739 (2) In addition to the penalties provided in subsection (1),
740 an employee of the gaming licensee who knowingly violates this
741 section shall have his or her license suspended for a period of
742 not less than thirty (30) days.

743 **SECTION 14.** (1) No person under the age of twenty-one (21)
744 years is allowed to open, maintain, or use in any way an Internet
745 wagering account. Any gaming licensee or employee of a gaming
746 licensee who knowingly allows such a person to do so shall be
747 subject to the penalty set forth in the regulations promulgated
748 under this act, except that the establishment of all of the
749 following facts by a licensee or employee allowing any such
750 underage person to maintain an account shall constitute a defense
751 to any regulatory action or penalty:



752 (a) The underage person falsely represented during the
753 application process for an Internet wagering account that he or
754 she was of the permitted age; and

755 (b) The establishment of the Internet wagering account
756 was made in good faith, relying upon such representation, and in
757 the reasonable belief that the underage person was actually the
758 permitted age or older.

759 (2) In addition to the penalties provided in subsection (1)
760 of this section, an employee of the gaming licensee who violates
761 the provisions of this section more than twice may have his or her
762 license revoked.

763 (3) In addition to the penalties provided in subsection (1)
764 of this section, a gaming licensee that violates the provisions of
765 this section may be fined or face such additional sanctions as the
766 commission deems appropriate.

767 **SECTION 15.** (1) The commission shall, by regulation,
768 establish fees for the issuance or renewal of Internet wagering
769 permits. The issuance fee shall be based upon the cost of
770 investigation and consideration of the license application and
771 shall be not less than Two Hundred Thousand Dollars (\$200,000.00).
772 The renewal fee shall be based upon the cost of maintaining
773 enforcement, control, and regulation of Internet wagering and
774 shall not be less than One Hundred Thousand Dollars (\$100,000.00).

775 (2) The commission shall certify actual and prospective
776 costs of the investigative and enforcement functions of the
777 commission, which costs shall be the basis, together with the
778 operating expenses of the commission, for the establishment of
779 annual license issuance and renewal fees.

780 (3) A nonrefundable deposit of at least One Hundred Thousand
781 Dollars (\$100,000.00) shall be posted with each application for an
782 Internet wagering permit and shall be applied to the initial
783 permit fee if the application is approved.



784 (4) Notwithstanding subsections (1) and (3) above, and in
785 addition to the issuance or renewal fees for an Internet wagering
786 permit, a gaming licensee having an Internet wagering permit shall
787 pay to the commission:

788 (a) An amount equal to One Hundred Thousand Dollars
789 (\$100,000.00) annually to be deposited into the State General
790 Fund; and

791 (b) An amount equal to One Hundred Thousand Dollars
792 (\$100,000.00) annually to be deposited into the Mississippi Gaming
793 Commission Fund created in Section 75-76-325, to be used by the
794 commission in combating criminal activity performed through the
795 use of the Internet.

796 **SECTION 16.** (1) Whenever a gaming licensee owes a patron a
797 specific amount of money as the result of a gaming transaction
798 which remains inactive or dormant within a patron's Internet
799 wagering account for such period and under such conditions
800 established by regulation of the commission, regardless of whether
801 the identity of the patron is known, the gaming licensee shall
802 maintain a record of the obligation in accordance with the rules
803 of the commission.

804 (2) If the patron does not claim the money in the account
805 within one (1) year of the last date of activity by a patron with
806 respect to his or her Internet wagering account, which date shall
807 be established in accordance with the rules of the commission, the
808 obligation of the gaming licensee to pay the patron shall expire.
809 Fifty percent (50%) of the money in the account shall be paid by
810 the gaming licensee to the Mississippi Gaming Commission Fund
811 created in Section 75-76-325, and fifty percent (50%) shall be
812 retained by the gaming licensee, provided that the licensee uses
813 the full amount for marketing the State of Mississippi as a
814 tourist destination. A gaming licensee shall attempt to contact
815 the account holder of a dormant or inactive Internet wagering
816 account in accordance with the regulations of the commission



817 before closing or liquidating an Internet wagering account under
818 this subsection.

819 **SECTION 17.** In addition to the license fees imposed in
820 Section 75-76-177, a license fee shall be imposed on the Internet
821 wagering gross revenues per calendar month of a gaming licensee in
822 the amount of five percent (5%) of such revenues. An amount equal
823 to seventy-five percent (75%) of such license fees on Internet
824 wagering gross revenues shall be paid into the Mississippi Gaming
825 Commission Fund created in Section 75-76-325, and an amount equal
826 to twenty-five percent (25%) of such license fees on Internet
827 wagering gross revenues shall be paid into the State General Fund.

828 **SECTION 18.** (1) It is unlawful for any person to offer
829 games into play or displays such games through the Internet
830 without approval of the commission.

831 (2) A person is guilty of unlawful Internet gambling when
832 the person:

833 (a) Knowingly causes, engages in or permits any
834 gambling activity prohibited under Sections 1 through 18 of this
835 act through the Internet from any point within the state, whether
836 the gambling activity is conducted within or without the state; or

837 (b) Manages, supervises, controls, operates or owns any
838 operation that conducts any gambling activity prohibited under
839 Sections 1 through 18 of this act through the Internet from any
840 point within the state, during which time the person knowingly
841 causes or permits any gambling activity prohibited under this
842 chapter, whether the gambling activity is conducted within or
843 without the state.

844 (3) Any person who is convicted of violating the provisions
845 of subsection (2) of this section shall be punished as follows:

846 (a) For a violation of paragraph (a) of subsection (2),
847 he shall be imprisoned in the county jail for up to ninety (90)
848 days or fined up to Ten Thousand Dollars (\$10,000.00), or both.



849 (b) For a violation of paragraph (b) of subsection (2),
850 he shall be imprisoned in the State Penitentiary for up to ten
851 (10) years or fined up to One Hundred Thousand Dollars
852 (\$100,000.00), or both. In the case of a person other than a
853 natural person, for each violation, the person shall be fined up
854 to Two Hundred Fifty Thousand Dollars (\$250,000.00).

855 (4) In addition to fines, imprisonment, or both, any person
856 or entity convicted of an offense under this section shall forfeit
857 to the State of Mississippi such person's or entity's right,
858 title, and interest in and to the following:

859 (a) Any website, domain name, online property, computer
860 systems, hardware, software or other property used in the
861 violation of this act;

862 (b) Any property, real or personal, constituting or
863 traceable to gross profits or other proceeds obtained from such
864 offense; and

865 (c) Any property, real or personal, used or intended to
866 be used to commit or to promote the commission of such offense or
867 any property traceable to such property.

868 **SECTION 19.** Section 75-76-5, Mississippi Code of 1972, is
869 amended as follows:

870 75-76-5. (1) As used in this chapter, unless the context
871 requires otherwise:

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

877 (b) "Application" means a request for the issuance of a
878 state gaming license, registration or finding of suitability under
879 the provisions of this chapter or for approval of any act or
880 transaction for which approval is required or permitted under the



881 provisions of this chapter but does not include any supplemental
882 forms or information that may be required with the application.

883 (c) "Associated equipment" means any equipment or
884 mechanical, electromechanical or electronic contrivance, component
885 or machine used remotely or directly in connection with gaming or
886 with any game, race book or sports pool that would not otherwise
887 be classified as a gaming device, including dice, playing cards,
888 links which connect to progressive slot machines, equipment which
889 affects the proper reporting of gross revenue, computerized
890 systems of betting at a race book or sports pool, computerized
891 systems for monitoring slot machines, and devices for weighing or
892 counting money.

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

898 (e) "Commission" or "Mississippi Gaming Commission"
899 means the Mississippi Gaming Commission.

900 (f) "Commission member" means a member of the
901 Mississippi Gaming Commission.

902 (g) "Credit instrument" means a writing which evidences
903 a gaming debt owed to a person who holds a license at the time the
904 debt is created, and includes any writing taken in consolidation,
905 redemption or payment of a prior credit instrument.

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

909 (i) "Establishment" means any premises wherein or
910 whereon any gaming is done.

911 (j) "Executive director" means the Executive Director
912 of the Mississippi Gaming Commission.



913 (k) Except as otherwise provided by law, "game," or
914 "gambling game" means any banking or percentage game played with
915 cards, with dice or with any mechanical, electromechanical or
916 electronic device or machine for money, property, checks, credit
917 or any representative of value, including, without limiting, the
918 generality of the foregoing, faro, monte, roulette, keno, fan-tan,
919 twenty-one, blackjack, seven-and-a-half, big injun, klondike,
920 craps, poker, chuck-a-luck (dai shu), wheel of fortune, chemin de
921 fer, baccarat, pai gow, beat the banker, panguingui, slot machine,
922 Internet game as provided for in Sections 1 through 18 of this
923 act, or any other game or device approved by the commission.
924 However, "game" or "gambling game" shall not include bingo games
925 or raffles which are held pursuant to the provisions of Section
926 97-33-51.

927 The commission shall not be required to recognize any game
928 hereunder with respect to which the commission determines it does
929 not have sufficient experience or expertise.

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

933 (m) "Gaming device" means any mechanical,
934 electromechanical or electronic contrivance, component or machine
935 used in connection with gaming or any game which affects the
936 result of a wager by determining win or loss. The term includes a
937 system for processing information which can alter the normal
938 criteria of random selection, which affects the operation of any
939 game, or which determines the outcome of a game. The term does
940 not include a system or device which affects a game solely by
941 stopping its operation so that the outcome remains undetermined,
942 and does not include any antique coin machine as defined in
943 Section 27-27-12.



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

- 947 (i) Boxmen;
- 948 (ii) Cashiers;
- 949 (iii) Change personnel;
- 950 (iv) Counting room personnel;
- 951 (v) Dealers;
- 952 (vi) Floormen;
- 953 (vii) Hosts or other persons empowered to extend
954 credit or complimentary services;
- 955 (viii) Keno runners;
- 956 (ix) Keno writers;
- 957 (x) Machine mechanics;
- 958 (xi) Security personnel;
- 959 (xii) Shift or pit bosses;
- 960 (xiii) Shills;
- 961 (xiv) Supervisors or managers; and
- 962 (xv) Ticket writers.

963 The term "gaming employee" also includes employees of
964 manufacturers or distributors of gaming equipment within this
965 state whose duties are directly involved with the manufacture,
966 repair or distribution of gaming equipment.

967 "Gaming employee" does not include bartenders, cocktail
968 waitresses or other persons engaged in preparing or serving food
969 or beverages unless acting in some other capacity.

970 (o) "Gaming license" means any license issued by the
971 state which authorizes the person named therein to engage in
972 gaming.

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



976 losses paid to patrons over several years by independent financial
977 institutions:

978 (i) Cash received as winnings;

979 (ii) Cash received in payment for credit extended
980 by a licensee to a patron for purposes of gaming; and

981 (iii) Compensation received for conducting any
982 game in which the licensee is not party to a wager.

983 For the purposes of this definition, cash or the value of
984 noncash prizes awarded to patrons in a contest or tournament are
985 not losses.

986 The term does not include:

987 (i) Counterfeit money or tokens;

988 (ii) Coins of other countries which are received
989 in gaming devices;

990 (iii) Cash taken in fraudulent acts perpetrated
991 against a licensee for which the licensee is not reimbursed; or

992 (iv) Cash received as entry fees for contests or
993 tournaments in which the patrons compete for prizes.

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

997 (r) "Investigation division" means a particular
998 division supervised by the executive director that provides
999 investigative functions.

1000 (s) "License" means a gaming license or a
1001 manufacturer's, seller's or distributor's license.

1002 (t) "Licensee" means any person to whom a valid license
1003 has been issued.

1004 (u) "License fees" means monies required by law to be
1005 paid to obtain or continue a gaming license or a manufacturer's,
1006 seller's or distributor's license.



1007 (v) "Licensed gaming establishment" means any premises
1008 licensed pursuant to the provisions of this chapter wherein or
1009 whereon gaming is done.

1010 (w) "Manufacturer's," "seller's" or "distributor's"
1011 license means a license issued pursuant to Section 75-76-79.

1012 (x) "Navigable waters" shall have the meaning ascribed
1013 to such term under Section 27-109-1.

1014 (y) "Operation" means the conduct of gaming.

1015 (z) "Party" means the Mississippi Gaming Commission and
1016 any licensee or other person appearing of record in any proceeding
1017 before the commission; or the Mississippi Gaming Commission and
1018 any licensee or other person appearing of record in any proceeding
1019 for judicial review of any action, decision or order of the
1020 commission.

1021 (aa) "Person" includes any association, corporation,
1022 firm, partnership, trust or other form of business association as
1023 well as a natural person.

1024 (bb) "Premises" means land, together with all
1025 buildings, improvements and personal property located thereon, and
1026 includes all parts of any vessel or cruise vessel.

1027 (cc) "Race book" means the business of accepting wagers
1028 upon the outcome of any event held at a track which uses the
1029 pari-mutuel system of wagering.

1030 (dd) "Regulation" means a rule, standard, directive or
1031 statement of general applicability which effectuates law or policy
1032 or which describes the procedure or requirements for practicing
1033 before the commission. The term includes a proposed regulation
1034 and the amendment or repeal of a prior regulation but does not
1035 include:

1036 (i) A statement concerning only the internal
1037 management of the commission and not affecting the rights or
1038 procedures available to any licensee or other person;

1039 (ii) A declaratory ruling;



1040 (iii) An interagency memorandum;

1041 (iv) The commission's decision in a contested case
1042 or relating to an application for a license; or

1043 (v) Any notice concerning the fees to be charged
1044 which are necessary for the administration of this chapter.

1045 (ee) "Respondent" means any licensee or other person
1046 against whom a complaint has been filed with the commission.

1047 (ff) "Slot machine" means any mechanical, electrical or
1048 other device, contrivance or machine which, upon insertion of a
1049 coin, token or similar object, or upon payment of any
1050 consideration, is available to play or operate, the play or
1051 operation of which, whether by reason of the skill of the operator
1052 or application of the element of chance, or both, may deliver or
1053 entitle the person playing or operating the machine to receive
1054 cash, premiums, merchandise, tokens or anything of value, whether
1055 the payoff is made automatically from the machine or in any other
1056 manner. The term does not include any antique coin machine as
1057 defined in Section 27-27-12.

1058 (gg) "Sports pool" means the business of accepting
1059 wagers on sporting events, except for athletic events, by any
1060 system or method of wagering other than the system known as the
1061 "pari-mutuel method of wagering."

1062 (hh) "State Tax Commission" or "department" means the
1063 Department of Revenue of the State of Mississippi.

1064 (ii) "Temporary work permit" means a work permit which
1065 is valid only for a period not to exceed ninety (90) days from its
1066 date of issue and which is not renewable.

1067 (jj) "Vessel" or "cruise vessel" shall have the
1068 meanings ascribed to such terms under Section 27-109-1.

1069 (kk) "Work permit" means any card, certificate or
1070 permit issued by the commission, whether denominated as a work
1071 permit, registration card or otherwise, authorizing the employment
1072 of the holder as a gaming employee. A document issued by any



1073 governmental authority for any employment other than gaming is not
1074 a valid work permit for the purposes of this chapter.

1075 (ll) "School or training institution" means any school
1076 or training institution which is licensed by the commission to
1077 teach or train gaming employees pursuant to Section 75-76-34.

1078 (mm) "Cheat" means to alter the selection of criteria
1079 that determine:

1080 (i) The rules of a game; or

1081 (ii) The amount or frequency of payment in a game.

1082 (nn) "Promotional activity" means an activity or event
1083 conducted or held for the purpose of promoting or marketing the
1084 individual licensed gaming establishment that is engaging in the
1085 promotional activity. The term includes, but is not limited to, a
1086 game of any kind other than as defined in paragraph (k) of this
1087 section, a tournament, a contest, a drawing, or a promotion of any
1088 kind.

1089 (2) In addition to the definitions set forth in subsection
1090 (1) of this section, the definitions set forth in Section 3 of
1091 this act shall apply to lawful Internet gaming as authorized in
1092 Sections 1 through 18 of this act.

1093 **SECTION 20.** Section 75-76-33, Mississippi Code of 1972, is
1094 amended as follows:

1095 75-76-33. (1) The commission shall, from time to time,
1096 adopt, amend or repeal such regulations, consistent with the
1097 policy, objects and purposes of this chapter, as it may deem
1098 necessary or desirable in the public interest in carrying out the
1099 policy and provisions of this chapter. The commission shall
1100 comply with the Mississippi Administrative Procedures Law when
1101 adopting, amending or repealing any regulations authorized under
1102 this section or under any other provision of this chapter.

1103 (2) These regulations shall, without limiting the general
1104 powers herein conferred, include the following:



1105 (a) Prescribing the method and form of application
1106 which any applicant for a license or for a manufacturer's,
1107 seller's or distributor's license must follow and complete before
1108 consideration of his application by the executive director or the
1109 commission.

1110 (b) Prescribing the information to be furnished by any
1111 applicant or licensee concerning his antecedents, habits,
1112 character, associates, criminal record, business activities and
1113 financial affairs, past or present.

1114 (c) Prescribing the information to be furnished by a
1115 licensee relating to his employees.

1116 (d) Requiring fingerprinting of an applicant or
1117 licensee, and gaming employees of a licensee, or other methods of
1118 identification and the forwarding of all fingerprints taken
1119 pursuant to regulation of the Federal Bureau of Investigation.

1120 (e) Prescribing the manner and procedure of all
1121 hearings conducted by the commission or any hearing examiner of
1122 the commission, including special rules of evidence applicable
1123 thereto and notices thereof.

1124 (f) Requiring any applicant to pay all or any part of
1125 the fees and costs of investigation of such applicant as may be
1126 determined by the commission under paragraph (g) of this
1127 subsection (2).

1128 (g) Prescribing the amounts of investigative fees only
1129 as authorized by regulations of the commission under paragraph (f)
1130 of this subsection, and collecting those fees. The commission
1131 shall adopt regulations setting the amounts of those fees at
1132 levels that will provide the commission with sufficient revenue,
1133 when combined with any other monies as may be deposited into the
1134 Mississippi Gaming Commission Fund created in Section 75-76-325,
1135 to carry out the provisions of this chapter without any state
1136 general funds. In calculating the amount of such fees, the
1137 commission shall:



1138 (i) Attempt to set the fees at levels that will
1139 create a balance in the Mississippi Gaming Commission Fund that
1140 does not exceed, at the end of any state fiscal year, two percent
1141 (2%) of the projected amount of funds that will provide the
1142 commission with such sufficient revenue; and

1143 (ii) Demonstrate the reasonableness of the
1144 relationship between a fee and the actual costs of the
1145 investigative activity for which the fee is being prescribed.

1146 (h) Prescribing the manner and method of collection and
1147 payment of fees and issuance of licenses.

1148 (i) Prescribing under what conditions a licensee may be
1149 deemed subject to revocation or suspension of his license.

1150 (j) Requiring any applicant or licensee to waive any
1151 privilege with respect to any testimony at any hearing or meeting
1152 of the commission, except any privilege afforded by the
1153 Constitution of the United States or this state.

1154 (k) Defining and limiting the area, games and devices
1155 permitted, and the method of operation of such games and devices,
1156 for the purposes of this chapter.

1157 (l) Prescribing under what conditions the nonpayment of
1158 a gambling debt by a licensee shall be deemed grounds for
1159 revocation or suspension of his license.

1160 (m) Governing the use and approval of gambling devices
1161 and equipment.

1162 (n) Prescribing the qualifications of, and the
1163 conditions under which, attorneys, accountants and others are
1164 permitted to practice before the commission.

1165 (o) Restricting access to confidential information
1166 obtained under this chapter and ensuring that the confidentiality
1167 of such information is maintained and protected.

1168 (p) Prescribing the manner and procedure by which the
1169 executive director on behalf of the commission shall notify a



1170 county or a municipality wherein an applicant for a license
1171 desires to locate.

1172 (q) Prescribing the manner and procedure for an
1173 objection to be filed with the commission and the executive
1174 director by a county or municipality wherein an applicant for a
1175 license desires to locate.

1176 (3) Notwithstanding any other provision of law, each
1177 licensee shall be required to comply with the following
1178 regulations:

1179 (a) No wagering shall be allowed on the outcome of any
1180 athletic event, nor on any matter to be determined during an
1181 athletic event, nor on the outcome of any event, which does not
1182 take place on the premises, except as may be otherwise permitted
1183 under Sections 1 through 18 of this act pertaining to lawful
1184 Internet gaming.

1185 (b) No wager may be placed by, or on behalf of, any
1186 individual or entity or group, not present on a licensed vessel or
1187 cruise vessel.

1188 **SECTION 21.** Section 75-76-67, Mississippi Code of 1972, is
1189 brought forward as follows:

1190 75-76-67. (1) Any person who the commission determines is
1191 qualified to receive a license or be found suitable under the
1192 provisions of this chapter, having due consideration for the
1193 proper protection of the health, safety, morals, good order and
1194 general welfare of the inhabitants of the State of Mississippi and
1195 the declared policy of this state, may be issued a state gaming
1196 license or found suitable. The burden of proving his
1197 qualification to receive any license or be found suitable is on
1198 the applicant.

1199 (2) An application to receive a license or be found suitable
1200 shall not be granted unless the commission is satisfied that the
1201 applicant is:

1202 (a) A person of good character, honesty and integrity;



1203 (b) A person whose prior activities, criminal record,
1204 if any, reputation, habits and associations do not pose a threat
1205 to the public interest of this state or to the effective
1206 regulation and control of gaming, or create or enhance the dangers
1207 of unsuitable, unfair or illegal practices, methods and activities
1208 in the conduct of gaming or the carrying on of the business and
1209 financial arrangements incidental thereto; and

1210 (c) In all other respects qualified to be licensed or
1211 found suitable consistent with the declared laws of the state.

1212 (3) No person shall be granted a license or found suitable
1213 under the provisions of this chapter who has been convicted of a
1214 felony in any court of this state, another state, or the United
1215 States; and no person shall be granted a license or found suitable
1216 hereunder who has been convicted of a crime in any court of
1217 another state or the United States which, if committed in this
1218 state, would be a felony; and no person shall be granted a license
1219 or found suitable under the provisions of this chapter who has
1220 been convicted of a misdemeanor in any court of this state or of
1221 another state, when such conviction was for gambling, sale of
1222 alcoholic beverages to minors, prostitution, or procuring or
1223 inducing individuals to engage in prostitution.

1224 (4) A license to operate a gaming establishment shall not be
1225 granted unless the applicant has satisfied the commission that:

1226 (a) He has adequate business probity, competence and
1227 experience, in gaming or generally; and

1228 (b) The proposed financing of the entire operation is:

1229 (i) Adequate for the nature of the proposed
1230 operation; and

1231 (ii) From a suitable source. Any lender or other
1232 source of money or credit which the commission finds does not meet
1233 the standards set forth in subsection (2) may be deemed
1234 unsuitable.



1235 (5) An application to receive a license or be found suitable
1236 constitutes a request for a determination of the applicant's
1237 general character, integrity and ability to participate or engage
1238 in, or be associated with gaming. Any written or oral statement
1239 made in the course of an official proceeding of the commission or
1240 the executive director or any witness testifying under oath which
1241 is relevant to the purpose of the proceeding is absolutely
1242 privileged and does not impose liability for defamation or
1243 constitute a ground for recovery in any civil action.

1244 (6) The commission may, in its discretion, grant a license
1245 to a corporation which has complied with the provisions of this
1246 chapter.

1247 (7) The commission may, in its discretion, grant a license
1248 to a limited partnership which has complied with the provisions of
1249 this chapter.

1250 (8) No limited partnership, except one whose sole limited
1251 partner is a publicly traded corporation which has registered with
1252 the commission, or business trust or organization or other
1253 association of a quasi-corporate character is eligible to receive
1254 or hold any license under this chapter unless all persons having
1255 any direct or indirect interest therein of any nature whatsoever,
1256 whether financial, administrative, policymaking or supervisory,
1257 are individually qualified to be licensed under the provisions of
1258 this chapter.

1259 (9) The commission may, by regulation, limit the number of
1260 persons who may be financially interested and the nature of their
1261 interest in any corporation or other organization or association
1262 licensed under this chapter, and may establish such other
1263 qualifications of licenses as the commission, in its discretion,
1264 deems to be in the public interest and consistent with the
1265 declared policy of the state.

1266 **SECTION 22.** Section 75-76-79, Mississippi Code of 1972, is
1267 brought forward as follows:



1268 75-76-79. (1) (a) Except as otherwise provided in
1269 paragraphs (b) and (c) of this subsection, it is unlawful for any
1270 person, either as owner, lessee or employee, whether for hire or
1271 not, to operate, carry on, conduct or maintain any form of
1272 manufacture, selling or distribution of any gaming device for use
1273 or play in Mississippi or for distribution outside of Mississippi
1274 without first procuring and maintaining all required federal and
1275 state licenses.

1276 (b) A lessor who specifically acquires equipment for a
1277 capital lease is not required to be licensed under this section.

1278 (c) The holder of a state gaming license or the holding
1279 company of a corporate licensee may, within two (2) years after
1280 cessation of business or upon specific approval by the executive
1281 director, dispose of by sale in a manner approved by the executive
1282 director, any or all of its gaming devices, including slot
1283 machines, without a distributor's license. In cases of bankruptcy
1284 of a state gaming licensee or foreclosure of a lien by a bank or
1285 other person holding a security interest for which gaming devices
1286 are security in whole or in part for the lien, the executive
1287 director may authorize the disposition of the gaming devices
1288 without requiring a distributor's license.

1289 (d) Any person whom the commission determines is a
1290 suitable person to receive a license under the provisions of this
1291 section may be issued a manufacturer's or distributor's license.
1292 The burden of proving his qualification to receive or hold a
1293 license under this section is at all times on the applicant or
1294 licensee.

1295 (e) Every person who must be licensed pursuant to this
1296 section is subject to the provisions of Sections 75-76-199 through
1297 75-76-265, unless exempted from those provisions by the
1298 commission.

1299 (f) The commission may exempt, for any purpose, a
1300 manufacturer, seller or distributor from the provisions of



1301 Sections 75-76-199 through 75-76-265, if the commission determines
1302 that the exemption is consistent with the purposes of this
1303 chapter.

1304 (g) As used in this section, "holding company" has the
1305 meaning ascribed to it in Section 75-76-199.

1306 (2) If the commission determines that a manufacturer or
1307 distributor is unsuitable to receive or hold a license:

1308 (a) No new gaming device or associated equipment
1309 manufactured by the manufacturer or distributed by the distributor
1310 may be approved;

1311 (b) Any previously approved device or associated
1312 equipment manufactured by the manufacturer or distributed by the
1313 distributor is subject to revocation of approval if the reasons
1314 for the denial of the license also apply to that device or
1315 associated equipment;

1316 (c) No new device or associated equipment manufactured
1317 by the manufacturer or distributed by the distributor may be sold,
1318 transferred or offered for use or play in Mississippi; and

1319 (d) Any association or agreement between the
1320 manufacturer or distributor and a licensee must be terminated,
1321 unless otherwise provided by the commission. An agreement between
1322 such a manufacturer or distributor of gaming devices or associated
1323 equipment and a licensee shall be deemed to include a provision
1324 for its termination without liability on the part of the licensee
1325 upon a finding by the commission that the manufacturer is
1326 unsuitable to be associated with a gaming enterprise. Failure to
1327 include that condition in the agreement is not a defense in any
1328 action brought pursuant to this section to terminate the
1329 agreement.

1330 (3) Failure of a licensee to terminate any association or
1331 agreement with a manufacturer or distributor of gaming devices or
1332 associated equipment after receiving notice of a determination of



1333 unsuitability, the denial of a license or failure to file a timely
1334 application for a license, is an unsuitable method of operation.

1335 (4) There is hereby imposed and levied on each applicant for
1336 a manufacturer's, seller's or distributor's license under this
1337 section an annual license fee in the following amount:

1338 (a) For the issuance or continuation of a
1339 manufacturer's license, One Thousand Dollars (\$1,000.00).

1340 (b) For the issuance or continuation of a seller's or
1341 distributor's license, Five Hundred Dollars (\$500.00).

1342 This fee is to be paid by the applicant to the State Tax
1343 Commission on or before the filing of the application for a
1344 manufacturer's, seller's or distributor's license by the
1345 applicant. Upon such payment the Chairman of the State Tax
1346 Commission shall certify to the executive director that such fee
1347 has been paid by the applicant.

1348 Except for those amounts that a person issued a
1349 manufacturer's license under this section may charge for goods
1350 supplied or services rendered, the person holding the
1351 manufacturer's license may not be directly reimbursed by a holder
1352 of a gaming license for the cost of any fee paid by the person for
1353 the issuance or continuation of such a license, whether imposed
1354 under this section or any other provision of this chapter.

1355 (5) A manufacturer or distributor of associated equipment
1356 who sells, transfers or offers the associated equipment for use or
1357 play in Mississippi may be required by the executive director to
1358 file an application for a finding of suitability to be a
1359 manufacturer or distributor of associated equipment.

1360 Any person who directly or indirectly involves himself in the
1361 sale, transfer or offering for use or play in Mississippi of
1362 associated equipment who is not otherwise required to be licensed
1363 as a manufacturer or distributor may be required by the executive
1364 director to file an application for a finding of suitability to be
1365 a manufacturer or distributor of associated equipment.



1366 If an application for a finding of suitability is not
1367 submitted within thirty (30) days after demand by the executive
1368 director, he may pursue any remedy or combination of remedies
1369 provided in this chapter.

1370 (6) The executive director and his employees may inspect
1371 every gaming device which is manufactured, sold or distributed:

1372 (a) For use in this state, before the gaming device is
1373 put into play.

1374 (b) In this state for use outside this state, before
1375 the gaming device is shipped out of this state.

1376 The executive director may inspect every gaming device which
1377 is offered for play within this state by a licensee.

1378 The executive director may inspect all associated equipment
1379 which is manufactured, sold or distributed for use in this state
1380 before the equipment is installed or used by a gaming licensee.

1381 In addition to all other fees and charges imposed by this
1382 chapter, the executive director may determine an inspection fee
1383 with regard to each manufacturer, seller or distributor which must
1384 not exceed the actual cost of inspection and investigation. Upon
1385 such determination, the executive director shall certify to the
1386 Chairman of the State Tax Commission the amount of the inspection
1387 fee and the name and address of the applicant. Upon such
1388 certification the State Tax Commission shall proceed to assess and
1389 collect such inspection fee from the applicant.

1390 **SECTION 23.** Section 75-76-81, Mississippi Code of 1972, is
1391 amended as follows:

1392 75-76-81. Except as otherwise provided in this section, the
1393 Chairman of the State Tax Commission shall assess and collect all
1394 taxes, fees, licenses, interest, penalties, damages and fines
1395 imposed by this chapter, and is hereby empowered to promulgate
1396 rules and regulations to administer such collections. Any records
1397 or other documents submitted by the licensee, or on his behalf, to
1398 the Mississippi Gaming Commission or executive director shall be



1399 made available to the Chairman of the State Tax Commission or his
1400 authorized agent upon written request.

1401 The gross revenue fees levied by this chapter shall be due
1402 and payable on or before the twentieth day of the month next
1403 succeeding the month in which the fees accrue except as otherwise
1404 provided. The licensee shall make a return showing the gross
1405 revenue and compute the fee due for the period.

1406 Except for fees imposed under Section 75-76-33(2)(f), all
1407 administrative provisions of the sales tax law, and amendments
1408 thereto, including those which provide for collection and
1409 administrative appeals procedures, fix damages, penalties and
1410 interest for failure to comply with the provisions of said sales
1411 tax law, and all other requirements and duties imposed upon any
1412 licensee or taxpayer, shall apply to all persons liable for taxes,
1413 fees and all other monies imposed under the provisions of this
1414 chapter. However, fines or other assessments levied by the
1415 Mississippi Gaming Commission or the executive director will not
1416 be considered due and payable until thirty (30) days after final
1417 determination of such fines or assessments. The Chairman of the
1418 State Tax Commission shall exercise all power and authority and
1419 perform all duties with respect to licensees or taxpayers under
1420 this chapter as are provided in said sales tax law, except where
1421 there is conflict, then the provisions of this chapter shall
1422 control.

1423 The Mississippi Gaming Commission shall assess and collect
1424 all fees imposed under Section 75-76-33(2)(f) and shall deposit
1425 the funds received from the fees into the Mississippi Gaming
1426 Commission Fund created in Section 75-76-325. The commission
1427 shall also assess and collect all fees imposed under Sections 1
1428 through 18 of this act and shall deposit the funds received from
1429 the fees in the manner prescribed under Sections 1 through 18 of
1430 this act.



1431 The determination and/or assessment of any taxes, fees,
1432 licenses, interest, penalties, damages and fines under this
1433 chapter by the Chairman of the State Tax Commission, the Executive
1434 Director of the Mississippi Gaming Commission or the Mississippi
1435 Gaming Commission shall be prima facie correct.

1436 **SECTION 24.** Section 75-76-101, Mississippi Code of 1972, is
1437 amended as follows:

1438 75-76-101. (1) Except as otherwise provided in Sections 1
1439 through 18 of this act, all gaming must be conducted with chips,
1440 tokens or other instrumentalities approved by the executive
1441 director or with the legal tender of the United States.

1442 (2) Except as otherwise provided in Sections 1 through 18 of
1443 this act, no licensee shall permit participation by a person in a
1444 game conducted in the licensed gaming establishment if such person
1445 is not physically present in the licensed gaming establishment
1446 during the period of time when such game is being conducted, and
1447 all games and the participation of patrons therein shall be
1448 entirely located and conducted on the licensed premises.

1449 **SECTION 25.** Section 75-76-129, Mississippi Code of 1972, is
1450 brought forward as follows:

1451 **[Through June 30, 2022, this section shall read as follows:]**

1452 75-76-129. On or before the last day of each month all
1453 taxes, fees, interest, penalties, damages, fines or other monies
1454 collected by the State Tax Commission during that month under the
1455 provisions of this chapter, with the exception of (a) the local
1456 government fees imposed under Section 75-76-195, and (b) an amount
1457 equal to Three Million Dollars (\$3,000,000.00) of the revenue
1458 collected pursuant to the fee imposed under Section
1459 75-76-177(1)(c) shall be paid by the State Tax Commission to the
1460 State Treasurer to be deposited in the State General Fund. The
1461 local government fees shall be distributed by the State Tax
1462 Commission pursuant to Section 75-76-197. An amount equal to
1463 Three Million Dollars (\$3,000,000.00) of the revenue collected



1464 during that month pursuant to the fee imposed under Section
1465 75-76-177(1)(c) shall be deposited by the State Tax Commission
1466 into the bond sinking fund created in Section 65-39-3.

1467 **[From and after July 1, 2022, this section shall read as**
1468 **follows:]**

1469 75-76-129. On or before the last day of each month, all
1470 taxes, fees, interest, penalties, damages, fines or other monies
1471 collected by the State Tax Commission during that month under the
1472 provisions of this chapter, with the exception of the local
1473 government fees imposed under Section 75-76-195, shall be paid by
1474 the State Tax Commission to the State Treasurer to be deposited in
1475 the State General Fund. The local government fees shall be
1476 distributed by the State Tax Commission pursuant to Section
1477 75-76-197.

1478 **SECTION 26.** Section 75-76-155, Mississippi Code of 1972, is
1479 amended as follows:

1480 75-76-155. (1) A person under the age of twenty-one (21)
1481 years shall not:

1482 (a) Play, be allowed to play, place wagers, or collect
1483 winnings, whether personally or through an agent, from any gaming
1484 authorized under this chapter.

1485 (b) Be employed as a gaming employee.

1486 (2) Except as otherwise provided in Sections 1 through 18 of
1487 this act, any licensee, employee, dealer or other person who
1488 violates or permits the violation of any of the provisions of this
1489 section, and any person under twenty-one (21) years of age who
1490 violates any of the provisions of this section shall, upon
1491 conviction, be punished by a fine of not more than One Thousand
1492 Dollars (\$1,000.00) or imprisoned in the county jail not more than
1493 six (6) months, or by both such fine and imprisonment.

1494 (3) Except as otherwise provided in Sections 1 through 18 of
1495 this act, in any prosecution or other proceeding for the violation
1496 of any of the provisions of this section, it is no excuse for the



1497 licensee, employee, dealer or other person to plead that he
1498 believed the person to be twenty-one (21) years old or over.

1499 **SECTION 27.** Section 75-76-157, Mississippi Code of 1972, is
1500 amended as follows:

1501 75-76-157. (1) Except as provided in Sections 75-76-159
1502 through 75-76-165, and in Sections 1 through 18 of this act,
1503 inclusive, gaming debts not evidenced by a credit instrument are
1504 void and unenforceable and do not give rise to any administrative
1505 or civil cause of action.

1506 (2) Except as otherwise provided in Sections 1 through 18 of
1507 this act, a claim by a patron of a licensee for payment of a
1508 gaming debt not evidenced by a credit instrument, and a dispute
1509 between a licensee and a patron associated with a promotional
1510 activity as defined in Section 75-76-5(mm), shall be resolved by
1511 the executive director in accordance with Sections 75-76-159
1512 through 75-76-165, inclusive. The resolution of such a claim or
1513 dispute by the executive director shall include any claims for
1514 alleged winnings or losses, or the award or distribution of cash,
1515 prizes, benefits, tickets or any other item of value associated
1516 with the promotional activity, or the manner in which the specific
1517 event at which the award or distribution from the promotional
1518 activity is conducted; however, the authority granted under this
1519 subsection (2) regarding a promotional activity does not provide
1520 the executive director or the commission with any additional
1521 authority, not otherwise granted by law, to regulate the
1522 promotional activity with regard to those matters pertaining
1523 exclusively to the operational or administrative aspects of the
1524 promotional activity that occur in advance of such specific event
1525 at which the award or distribution is conducted.

1526 **SECTION 28.** Section 75-76-177, Mississippi Code of 1972, is
1527 amended as follows:



1528 75-76-177. (1) From and after August 1, 1990, there is
1529 hereby imposed and levied on each gaming licensee a license fee
1530 based upon all the gross revenue of the licensee as follows:

1531 (a) Four percent (4%) of all the gross revenue of the
1532 licensee which does not exceed Fifty Thousand Dollars (\$50,000.00)
1533 per calendar month;

1534 (b) Six percent (6%) of all the gross revenue of the
1535 licensee which exceeds Fifty Thousand Dollars (\$50,000.00) per
1536 calendar month and does not exceed One Hundred Thirty-four
1537 Thousand Dollars (\$134,000.00) per calendar month; and

1538 (c) Eight percent (8%) of all the gross revenue of the
1539 licensee which exceeds One Hundred Thirty-four Thousand Dollars
1540 (\$134,000.00) per calendar month.

1541 (2) All revenue received from any game or gaming device
1542 which is leased for operation on the premises of the
1543 licensee-owner to a person other than the owner thereof or which
1544 is located in an area or space on such premises which is leased by
1545 the licensee-owner to any such person, must be attributed to the
1546 owner for the purposes of this section and be counted as part of
1547 the gross revenue of the owner. The lessee is liable to the owner
1548 for his proportionate share of such license fees.

1549 (3) If the amount of license fees required to be reported
1550 and paid pursuant to this section is later determined to be
1551 greater or less than the amount actually reported and paid by the
1552 licensee, the Commissioner of Revenue shall:

1553 (a) Assess and collect the additional license fees
1554 determined to be due, with interest thereon until paid; or

1555 (b) Refund any overpayment, with interest thereon, to
1556 the licensee.

1557 Interest must be computed, until paid, at the rate of one
1558 percent (1%) per month from the first day of the first month
1559 following either the due date of the additional license fees or
1560 the date of overpayment.



1561 (4) Failure to pay the fees provided for in this section
1562 when they are due for continuation of a license shall be deemed a
1563 surrender of the license.

1564 (5) All fees imposed under the provisions of Sections 1
1565 through 18 of this act shall be in addition to the fees imposed
1566 under this section.

1567 **SECTION 29.** Section 75-76-191, Mississippi Code of 1972, is
1568 amended as follows:

1569 75-76-191. (1) In addition to any other state gaming
1570 license fees provided for in this chapter, from and after August
1571 1, 1990, there is hereby imposed and levied on each applicant for
1572 a state gaming license a license fee to be determined on the basis
1573 of the following annual rates:

1574 (a) From establishments operating or to operate ten
1575 (10) games or less:

1576 (i) Those establishments operating or to operate
1577 one (1) game, the sum of Fifty Dollars (\$50.00).

1578 (ii) Those establishments operating or to operate
1579 two (2) games, the sum of One Hundred Dollars (\$100.00).

1580 (iii) Those establishments operating or to operate
1581 three (3) games, the sum of Two Hundred Dollars (\$200.00).

1582 (iv) Those establishments operating or to operate
1583 four (4) games, the sum of Three Hundred Seventy-five Dollars
1584 (\$375.00).

1585 (v) Those establishments operating or to operate
1586 five (5) games, the sum of Eight Hundred Seventy-five Dollars
1587 (\$875.00).

1588 (vi) Those establishments operating or to operate
1589 six (6) or seven (7) games, the sum of One Thousand Five Hundred
1590 Dollars (\$1,500.00).

1591 (vii) Those establishments operating or to operate
1592 eight (8), nine (9) or ten (10) games, the sum of Three Thousand
1593 Dollars (\$3,000.00).



1594 (b) From establishments operating or to operate more
1595 than ten (10) games:

1596 (i) For each game up to and including sixteen (16)
1597 games, the sum of Five Hundred Dollars (\$500.00).

1598 (ii) For each game from seventeen (17) to
1599 twenty-six (26) games, inclusive, the sum of Four Thousand Eight
1600 Hundred Dollars (\$4,800.00).

1601 (iii) For each game from twenty-seven (27) to
1602 thirty-five (35) games, inclusive, the sum of Two Thousand Eight
1603 Hundred Dollars (\$2,800.00).

1604 (iv) For each game more than thirty-five (35)
1605 games, the sum of One Hundred Dollars (\$100.00).

1606 (2) The license fee imposed by this section is to be paid by
1607 the applicant to the Department of Revenue on or before the filing
1608 of the application for issuance of a gaming license by the
1609 applicant, and is to be paid annually thereafter for continuation
1610 of the gaming license. Upon such payment, the Chairman of the
1611 Department of Revenue shall certify to the executive director that
1612 such fee has been paid by the applicant, and the amount of the fee
1613 paid.

1614 (3) Card games, that is, stud or draw poker, bridge, whist,
1615 solo, low ball, and panguingui for money, and slot machines, when
1616 not utilized as an adjunct to or a unit of any banking, percentage
1617 or mechanical device or machine, are not gambling games under the
1618 provisions of this section.

1619 (4) All games operated or conducted in one (1) room or a
1620 group of rooms in the same or a contiguous building or vessel are
1621 considered one (1) operation, and the license to be paid must be
1622 determined on the aggregate number of games in each room or group
1623 of rooms in the same or a contiguous building or vessel.

1624 (5) All fees imposed under the provisions of Sections 1
1625 through 18 of this act shall be in addition to the fees imposed
1626 under this section.



1627 **SECTION 30.** Section 75-76-195, Mississippi Code of 1972, is
1628 amended as follows:

1629 75-76-195. (1) Except as otherwise provided in subsection
1630 (6) of this section, in addition to any state gaming license fees
1631 or taxes, from and after August 1, 1990, (a) a municipality may
1632 impose a fee upon a licensee located within the municipality for
1633 conducting, carrying on or operating any gambling game, slot
1634 machine or other game of chance based upon all the gross revenue
1635 of the licensee derived from his establishment within the
1636 municipality, and (b) a county may impose a fee upon a licensee
1637 located within the unincorporated area of the county for
1638 conducting, carrying on or operating any gambling game, slot
1639 machine or other game of chance based upon all the gross revenue
1640 of the licensee derived from his establishment within the
1641 unincorporated area of the county, as follows:

1642 (i) Four-tenths percent (.4%) of all the gross
1643 revenue which does not exceed Fifty Thousand Dollars (\$50,000.00)
1644 per calendar month;

1645 (ii) Six-tenths percent (.6%) of all the gross
1646 revenue which exceeds Fifty Thousand Dollars (\$50,000.00) per
1647 calendar month and does not exceed One Hundred Thirty-four
1648 Thousand Dollars (\$134,000.00) per calendar month; and

1649 (iii) Eight-tenths percent (.8%) of all the gross
1650 revenue of the licensee which exceeds One Hundred Thirty-four
1651 Thousand Dollars (\$134,000.00) per calendar month.

1652 (2) Whenever a municipality or county imposes a fee under
1653 this section, it shall not become effective until the first day of
1654 the month following the month in which the municipality or county
1655 adopts the ordinance imposing the fee.

1656 (3) All revenue received from any game or gaming device
1657 which is leased for operation on the premises of the
1658 licensee-owner to a person other than the owner thereof or which
1659 is located in an area or space on such premises which is leased by



1660 the licensee-owner to any such person must be attributed to the
1661 owner for the purposes of this section and be counted as part of
1662 the gross revenue of the owner. The lessee is liable to the owner
1663 for his proportionate share of such fees.

1664 (4) If the amount of fees required to be reported and paid
1665 pursuant to this section is later determined to be greater or less
1666 than the amount actually reported and paid by the licensee, the
1667 State Tax Commission on behalf of the local government shall:

1668 (a) Assess and collect the additional fees determined
1669 to be due, with interest thereon until paid; or

1670 (b) Refund any overpayment, with interest thereon, to
1671 the licensee.

1672 Interest must be computed, until paid, at the rate of one
1673 percent (1%) per month from the first day of the month following
1674 either the due date of the additional fees or the date of
1675 overpayment.

1676 (5) Failure to pay the fees provided for in this section
1677 when they are due for continuation of a license shall be deemed a
1678 surrender of the license.

1679 (6) A gaming licensee is not required to pay the fees
1680 provided for in this section with regard to the operation of
1681 lawful Internet gaming as authorized in Sections 1 through 18 of
1682 this act.

1683 **SECTION 31.** Section 75-76-267, Mississippi Code of 1972, is
1684 brought forward as follows:

1685 75-76-267. (1) Conviction by a court of competent
1686 jurisdiction of a person for a violation of, an attempt to
1687 violate, or a conspiracy to violate any of the provisions of this
1688 chapter shall act as an immediate revocation of all licenses which
1689 have been issued to the violator, and, in addition, the court may,
1690 upon application of the district attorney of the county or of the
1691 commission, order that no new or additional license under this
1692 chapter be issued to the violator, or be issued to any person for



1693 the room or premises in which the violation occurred, for one (1)
1694 year after the date of the revocation.

1695 (2) Any person who willfully fails to report, pay or
1696 truthfully account for and pay over any license fee or tax imposed
1697 by the provisions of this chapter, or willfully attempts in any
1698 manner to evade or defeat any such license fee, tax or payment
1699 thereof, shall be punished by commitment to the custody of the
1700 Department of Corrections for not less than one (1) year nor more
1701 than six (6) years, or by a fine of not more than Five Thousand
1702 Dollars (\$5,000.00), or by both fine and imprisonment.

1703 (3) Except as provided in subsection (4), any person who
1704 willfully violates, attempts to violate, or conspires to violate
1705 any of the provisions of subsection (1) of Section 75-76-57, shall
1706 be punished by commitment to the custody of the Department of
1707 Corrections for not less than one (1) year nor more than twenty
1708 (20) years, by a fine of not more than Fifty Thousand Dollars
1709 (\$50,000.00), or by both fine and imprisonment.

1710 (4) A licensee who puts additional games or slot machines
1711 into play or displays additional games or slot machines in a
1712 public area without first obtaining all required licenses and
1713 approval is subject only to the penalties provided in Sections
1714 75-76-93 and 75-76-103 and in any applicable ordinance of the
1715 county or municipality.

1716 (5) The violation of any of the provisions of this chapter,
1717 the penalty for which is not specifically fixed in this chapter,
1718 is a misdemeanor.

1719 **SECTION 32.** Section 75-76-301, Mississippi Code of 1972, is
1720 brought forward as follows:

1721 75-76-301. It is unlawful for any person:

1722 (a) To alter or misrepresent the outcome of a game or
1723 other event on which wagers have been made after the outcome is
1724 made sure but before it is revealed to the players.



1725 (b) To place, increase or decrease a bet or to
1726 determine the course of play after acquiring knowledge, not
1727 available to all players, of the outcome of the game or any event
1728 that affects the outcome of the game or that is the subject of the
1729 bet or to aid anyone in acquiring such knowledge for the purpose
1730 of placing, increasing or decreasing a bet or determining the
1731 course of play contingent upon that event or outcome.

1732 (c) To claim, collect or take, or attempt to claim,
1733 collect or take, money or anything of value in or from a gambling
1734 game, with intent to defraud, without having made a wager
1735 contingent thereon, or to claim, collect or take an amount greater
1736 than the amount won.

1737 (d) Knowingly to entice or induce another to go to any
1738 place where a gambling game is being conducted or operated in
1739 violation of the provisions of this chapter, with the intent that
1740 the other person play or participate in the gambling game.

1741 (e) To place or increase a bet after acquiring
1742 knowledge of the outcome of the game or other event that is the
1743 subject of the bet, including past-posting and pressing bets.

1744 (f) To reduce the amount wagered or cancel the bet
1745 after acquiring knowledge of the outcome of the game or other
1746 event that is the subject of the bet, including pinching bets.

1747 (g) To manipulate, with the intent to cheat, any
1748 component of a gaming device in a manner contrary to the designed
1749 and normal operational purpose for the component, including, but
1750 not limited to, varying the pull of the handle of a slot machine,
1751 with knowledge that the manipulation affects the outcome of the
1752 game or with knowledge of any event that affects the outcome of
1753 the game.

1754 **SECTION 33.** Section 75-76-303, Mississippi Code of 1972, is
1755 brought forward as follows:



1756 75-76-303. It is unlawful for any person at a licensed
1757 gaming establishment to use, or possess with the intent to use,
1758 any device to assist:

1759 (a) In projecting the outcome of the game;

1760 (b) In keeping track of the cards played;

1761 (c) In analyzing the probability of the occurrence of
1762 an event relating to the game; or

1763 (d) In analyzing the strategy for playing or betting to
1764 be used in the game, except as permitted by the commission.

1765 **SECTION 34.** Section 75-76-325, Mississippi Code of 1972, is
1766 amended as follows:

1767 75-76-325. (1) There is created in the State Treasury a
1768 special fund to be designated as the "Mississippi Gaming
1769 Commission Fund." The special fund shall consist of monies
1770 deposited therein under Section 75-76-81 and Sections 1 through 18
1771 of this act and monies from any other source designated for
1772 deposit into the fund. Unexpended amounts remaining in the
1773 special fund at the end of a fiscal year shall not lapse into the
1774 State General Fund, and any interest earned or investment earnings
1775 on amounts in the fund shall be deposited to the credit of the
1776 fund.

1777 (2) Monies in the special fund may be used by the
1778 commission, upon appropriation by the Legislature, only for the
1779 purposes of carrying out the provisions of this chapter.
1780 Unexpended amounts remaining in the special fund at the end of a
1781 fiscal year shall be used by the commission in calculating the
1782 amounts of fees to be imposed under Section 75-76-33(2)(f) during
1783 the next succeeding state fiscal year that will be necessary to
1784 provide the commission with sufficient revenue, when combined with
1785 other monies deposited into the special fund, to carry out the
1786 provisions of this chapter without any State General Funds.



1787 **SECTION 35.** The provisions of Sections 1 through 18 of this
1788 act shall be codified as a separate article in Title 75, Chapter
1789 76, Mississippi Code of 1972.

1790 **SECTION 36.** This act shall take effect and be in force from
1791 and after July 1, 2012.

