

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any initiative petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when such person knows he or she is not a registered voter.

County: _____

INITIATIVE PETITION

Page No: _____

To the Honorable John R. Ashcroft, Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and _____ County (or City of St. Louis), respectfully order that the following proposed amendment to the constitution shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the 5th day of November, 2024, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and _____ County (or City of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

[OFFICIAL BALLOT TITLE]

CIRCULATOR'S AFFIDAVIT

STATE OF MISSOURI, COUNTY OF _____ I, _____ being first duly sworn, say (print names of signers)

| | NAME (Signature) | DATE Signed | REGISTERED VOTING ADDRESS (Number)(Street), (City, Town Or Village) | ZIP CODE | CONG. DIST. | NAME (Printed or Typed) |
|-----|---------------------|----------------|--|-------------|----------------|----------------------------|
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signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and _____ County (or city of St. Louis). FURTHERMORE, I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT AND THAT I HAVE NEVER BEEN CONVICTED OF, FOUND GUILTY OF, OR PLED GUILTY TO ANY OFFENSE INVOLVING FORGERY. I am at least 18 years of age. I do ___ do not ___ (check one) expect to be paid for circulating this petition. If paid, list the payer: _____

Subscribed and sworn to before me this _____ day of _____, A.D.

Signature of Affiant (Person obtaining signatures)

Street Address of Affiant

Printed Name of Affiant

City, State and Zip Code of Affiant

Signature of Notary

Address of Notary

(Seal)

NOTICE: The proposed amendment revises Article III of the Constitution by adopting one new section to be known as Article III, Section 39(g).

Be it resolved by the people of the state of Missouri that the Constitution be amended as follows:

Section A. Article III of the Constitution is revised by adopting one new Section to be known as Article III, Section 39(g) to read as follows:

Section 39(g) 1. The people of the state of Missouri hereby find and declare that the interests of the public are best served by a well-regulated sports wagering industry that will provide substantial tax revenue to support educational institutions in Missouri.

2. Notwithstanding any other provision of law to the contrary, any entity licensed by the Commission pursuant to Article III, Section 39(g) may offer sports wagering:

a. through an online sports wagering platform to individuals physically located in this state;

b. at excursion gambling boats; and

c. at any location within each sports district, as approved by each applicable professional sports team that plays its home games in such sports district.

3. A licensee shall not offer sports wagering to individuals who are under twenty-one years of age.

4. a. The Commission shall issue not more than one retail license to operate sports wagering in this state to each qualified applicant that is:

(1) an excursion gambling boat or a sports wagering operator operating on behalf of each such excursion gambling boat that has applied for a retail license to offer sports wagering at such excursion gambling boat; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team that has applied for a retail license to offer sports wagering within the applicable sports district in which such professional sports team plays its home games.

b. The Commission shall issue not more than one mobile license to operate sports wagering in this state to each qualified applicant that is:

(1) an owner of an excursion gambling boat located in this state or a sports wagering operator operating on behalf of each such owner, provided, however, that not more than one sports wagering operator shall be permitted to operate under such mobile license on behalf of any entity, or group of commonly owned or controlled entities, which owns, directly or indirectly, more than one excursion gambling boat located in this state; or

(2) a professional sports team or a sports wagering operator designated by each such professional sports team.

c. The Commission shall issue not more than two mobile licenses to operate sports wagering in this state directly to qualified applicants that are sports wagering operators. Each sports wagering operator shall only be eligible for one mobile license per distinct sports wagering operator brand. For purposes of Article III, Section 39(g) brand shall refer to the name, trade name, licensed trademark, or assumed business name of the sports wagering operator. If there are more than two qualified applicants for a mobile license to be issued by the Commission directly to a sports wagering operator under this section, the Commission shall select the applicant for licensure based on the applicant's ability to satisfy the following criteria:

(1) Expertise in the business of online sports wagering;

(2) Integrity, sustainability, and safety of the applicant's online sports wagering platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) Ability to generate, maximize, and sustain revenues for the state;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's online sports wagering platform.

5. An applicant for a license to conduct sports wagering shall apply to the Commission on a form and in the manner prescribed by the Commission. The Commission shall conduct background checks of each applicant or key persons of such applicant and shall not award a license to any applicant if such applicant or key person of such applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States. If a professional sports team designates a sports wagering operator to operate on its behalf, then that sports wagering operator, rather than the professional sports team, shall submit to the Commission for licensure and shall be considered the licensee for all aspects of Commission oversight and regulatory control.

6. Retail and mobile license applicants shall be required to pay a license fee as follows:

a. An applicant for a retail license shall be required to pay a license fee prescribed by the Commission, not to exceed \$250,000. Retail licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$250,000.

b. An applicant for a mobile license shall be required to pay a license fee prescribed by the Commission, not to exceed \$500,000. Mobile licensees shall be required to pay a license renewal fee every five years, as prescribed by the Commission, not to exceed \$500,000.

7. All sports wagering fees prescribed by the Commission and collected by the state shall be appropriated as follows:

a. to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering; and

b. to the extent all reasonable expenses incurred by the Commission have been reimbursed, the remaining fees shall be deposited in the Compulsive Gaming Prevention Fund.

8. Subject to and consistent with the terms of this section, the Commission shall have the power to adopt and enforce commercially reasonable rules, including emergency rules, to implement the provisions of this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of Chapter 536. The Commission shall examine the rules implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework, including, but not limited to:

a. Standards governing the security and integrity of sports wagering, including requiring the use of official league data from each applicable sports governing body headquartered in the United States solely for the purposes of determining the outcome of tier two sports wagers on a professional athlete or sporting event, but only if made available to licensees on commercially reasonable terms. Sports wagering operators may use any data source for determining the results of any and all tier one sports wagers on any and all sporting events, and the results of any and all tier two sports wagers on sporting events of an organization that is not headquartered in the United States;

b. Standards for the use and distribution of monies from the Compulsive Gaming Prevention Fund shall include, but not be limited to research, detection, and prevention of compulsive gaming, the implementation of treatment and recovery programs, or services related to compulsive gaming in this state;

c. Requiring licensees to cooperate with investigations conducted by law enforcement agencies, regulatory bodies, and sports governing bodies;

d. Requiring licensees and sports wagering operators to use commercially and technologically reasonable means to ensure that marketing and advertisements do not purposefully target minors or individuals who have self-excluded from sports wagering, are not false, misleading or deceptive, and clearly disclose the material terms of any offer included in any promotion or advertisement;

e. Establishing fines, placing licensees on probation, and revoking licenses for violations of this section. The Commission may impose fines upon any person holding, or required to hold, a license or approval under this section or the rules subsequently adopted. Fines shall not exceed

\$50,000 per violation or \$100,000 resulting from violation of the same occurrence of events. The Commission shall promulgate rules relating to procedures for disciplinary hearings, including that any such decision may be appealed to circuit court;

f. Prohibiting all sports wagering activity, including sports wagering promotional and advertising activity, within a sports district, unless approved by the professional sports team that plays its home games within the district, except such rules shall not prohibit any licensee from offering sports wagering through an online sports wagering platform to persons physically located within a sports district; and

g. Establishing a start date for all sports wagering that is not later than December 1, 2025. No sports wagering, either retail or mobile, shall be offered in the state before such start date established by the Commission. No category of license shall be given an earlier launch date over any other category of license.

9. a. Notwithstanding any other provision of law, including Article III Section 39(d), to the contrary, a wagering tax of 10% is imposed on the adjusted gross revenue received from sports wagering conducted by each licensee and each sports wagering operator acting on behalf of a licensee.

b. The annual revenues received from such tax shall be appropriated for institutions of elementary, secondary, and higher education in this state; provided, however, that an appropriation to such educational institutions shall be made only after such annual wagering tax revenues are appropriated as follows:

(1) to reimburse the reasonable expenses incurred by the Commission to regulate sports wagering in the state to the extent that the Commission has not been fully reimbursed for such expenses from the sports wagering fees collected by the state; and

(2) the greater of 10% of such annual tax revenues or \$5,000,000 to the Compulsive Gaming Fund.

c. Such revenues shall not be included within the definition of “total state revenues” in Section 17 of Article X of this Constitution.

d. The state auditor shall perform an annual audit of the revenues received and appropriated pursuant to this section to ensure they are being used only for authorized purposes. The state auditor shall make such audit available to the public, the governor, and the general assembly.

10. A mobile licensee shall maintain in this state, or any other location approved by the Commission and consistent with federal law, the computer server or servers used to receive transmissions of requests to place wagers and that transmit confirmation of acceptance of wagers on sports events placed by customers physically present in this state.

There is hereby created in the state treasury the “Compulsive Gaming Prevention Fund”, which shall consist of taxes and fees collected under this section. The state treasurer shall be custodian of the fund, and he or she shall invest monies in the fund in the same manner as other funds are invested. Any interest and monies earned on such investments shall be credited to the fund. Notwithstanding any other provision of law to the contrary, any monies remaining in the fund at the end of a biennium shall not revert to the credit of the general revenue fund. The fund shall be a dedicated fund and shall be utilized by the Commission for the purposes of:

a. providing counseling and other support services for compulsive and problem gamers;

b. developing and implementing problem gaming treatment and prevention programs; and

c. providing grants to supporting organizations that provide assistance to compulsive gamers.

11. As used in this section the following terms shall mean:

a. “Adjusted gross revenue,” the total of all cash and cash equivalents received by a licensee from sports wagering minus the total of:

(1) All cash and cash equivalents paid out as winnings to sports wagering customers;

(2) The actual costs paid by a licensee for anything of value provided to and redeemed by customers, including merchandise or services distributed to sports wagering customers to incentivize sports wagering;

(3) Voided or cancelled wagers;

(4) The costs of free play or promotional credits provided to and redeemed by the applicable licensee's customers, provided that the aggregate amount of such costs of free play or promotional credits that may be deducted under this paragraph in any calendar month shall not exceed twenty-five percent of the total of all cash and cash equivalents received by the applicable licensee for such calendar month;

(5) Any sums paid as a result of any federal tax, including federal excise tax; and

(6) Uncollectible sports wagering receivables, not to exceed two percent of the total of all sums, less the amount paid out as winnings to sports wagering customers.

(7) If the amount of adjusted gross receipts in a calendar month is a negative figure, the licensee shall remit no sports wagering tax for that calendar month. Any negative adjusted gross receipts shall be carried over and calculated as a deduction in the subsequent calendar months until the negative figure has been brought to a zero balance.

b. "Commission," means the Missouri Gaming Commission;

c. "Excursion gambling boat," means an excursion gambling boat or floating facility as described in Article III, Section 39(e);

d. "License," means any retail license or mobile license.

e. "Licensee," means the holder of any retail or mobile license.

f. "Mobile license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering, through an online sports wagering platform, to individuals physically located in this state.

g. "Online sports wagering platform," means an online-enabled application, Internet website, or other electronic or digital technology used to offer, conduct, or operate mobile sports wagering.

h. "Professional sports team," means a team located in this state that is a member of the National Football League, Major League Baseball, the National Hockey League, the National Basketball Association, Major League Soccer, the Women's National Basketball Association, or the National Women's Soccer League.

i. "Retail license," means a license, granted by the Commission, authorizing the licensee to offer sports wagering in person to individuals at such locations described in paragraphs (b) and (c) of Article III, Section 39(g)(2), as applicable.

j. "Sports district," means the premises of a facility located in this state with a capacity of 11,500 people or more, at which one or more professional sports teams plays its home games, and the surrounding area within 400 yards of such premises;

k. "Sports wagering," means wagering on professional or collegiate athletic, sporting, and other competitive events and awards involving human participants including, but not limited to, esports, or any other events as approved by the Commission. The term sports wagering shall include, but not be limited to, bets or wagers made on: portions of athletic and sporting events or on the individual statistics of professional or collegiate athletes in a sporting event or compilation of sporting events.

Sports wagering shall not include:

(1) a fantasy sports contest comprising multiple participants competing against one another in which winning outcomes reflect the relative knowledge and skill of the participants and are predominantly determined by the accumulated statistical performance of athletes or individuals. A fantasy sports contest operator shall not qualify as a "participant" for purposes of this section;

(2) wagering on the performance or nonperformance of any individual athlete participating in a single game or match of a collegiate sporting event in which a collegiate team from this state is a participant; and

(3) wagering on youth or high school events.

l. "Sports wagering operator," means an entity that offers sports wagering or has been organized for the purpose of offering sports wagering.

m. "Tier one sports wager," means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

n. "Tier two sports wager," means a sports wager that is not a tier one sports wager.

12. Notwithstanding any other provision of law, including Article III, Section 39(9), to the contrary, the general assembly may enact laws consistent with this section.

13. All provisions of this section are severable. If any provision of this section is found by a court of competent jurisdiction to be unconstitutional or unconstitutionally enacted, the remaining provisions of this section shall be and remain valid.