

MISSISSIPPI LEGISLATURE
2022 Regular Session
To: Gaming; Ways and Means
By: Representative Burnett

House Bill 184

AN ACT TO AMEND SECTION 75-76-5, MISSISSIPPI CODE OF 1972, TO REVISE THE GAMING CONTROL ACT DEFINITION OF "SPORTS POOL" AND DEFINE "DIGITAL PLATFORM" AS A PERSON OR ENTITY THAT OPERATES A SPORTS POOL OR RACE BOOK OVER THE INTERNET, INCLUDING ON WEBSITES AND MOBILE DEVICES; TO AMEND SECTIONS 75-76-33, 75-76-55, 75-76-79, 75-76-89, 75-76-101 AND 75-76-175, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE USE OF DIGITAL PLATFORMS; TO AMEND SECTION 75-76-177, MISSISSIPPI CODE OF 1972, TO REVISE THE GAMING LICENSE FEES IN REGARDS TO PLATFORM GROSS REVENUES; TO AMEND SECTION 97-33-305, MISSISSIPPI CODE OF 1972, TO REVISE THE FANTASY CONTEST ACT TO DELETE THE PROHIBITION ON OPERATORS OFFERING CONTESTS BASED ON THE PERFORMANCE OF PARTICIPANTS IN COLLEGIATE SPORTS EVENTS; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 75-76-5, Mississippi Code of 1972, is amended as follows:

75-76-5. As used in this chapter, unless the context requires otherwise:

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

(b) "Application" means a request for the issuance of a state gaming license, registration or finding of suitability under the provisions of this chapter or for approval of any act or transaction for which approval is required or permitted under the provisions of this chapter but does not include any

supplemental forms or information that may be required with the application.

(c) "Associated equipment" means any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or with any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines, and devices for weighing or counting money. Associated equipment does not include a personal computer, mobile phone or other device owned and used by an individual to place a sports betting wager via a digital platform.

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

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

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

(g) "Credit instrument" means a writing which evidences a gaming debt owed to a person who holds a license at the time the debt is created, and includes any writing taken in

consolidation, redemption or payment of a prior credit instrument.

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

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

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

(k) Except as otherwise provided by law, "game," or "gambling game" means any banking or percentage game played with cards, with dice or with any mechanical, electromechanical or electronic device or machine for money, property, checks, credit or any representative of value, including, without limiting, the generality of the foregoing, faro, monte, roulette, keno, fan-tan, twenty-one, blackjack, seven-and-a-half, big injun, klondike, craps, poker, chuck-a-luck (dai shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, or any other game or device approved by the commission. However, "game" or "gambling game" shall not include bingo games or raffles which are held pursuant to the provisions of Section 97-33-51, or the illegal gambling activities described in Section 97-33-8.

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

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

(m) "Gaming device" means any mechanical, electromechanical or electronic contrivance, component or machine used in connection with gaming or any game which affects the result of a wager by determining win or loss. The term includes a system for processing information which can alter the normal criteria of random selection, which affects the operation of any game, or which determines the outcome of a game. The term does not include a system or device which affects a game solely by stopping its operation so that the outcome remains undetermined, and does not include any antique coin machine as defined in Section 27-27-12. Gaming device does not include a personal computer, mobile phone or other device owned and used by an individual to place a sports betting wager via a digital platform.

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

- (i) Boxmen;
- (ii) Cashiers;
- (iii) Change personnel;
- (iv) Counting room personnel;
- (v) Dealers;
- (vi) Floormen;

- (vii) Hosts or other persons empowered to extend credit or complimentary services;
- (viii) Keno runners;
- (ix) Keno writers;
- (x) Machine mechanics;
- (xi) Security personnel;
- (xii) Shift or pit bosses;
- (xiii) Shills;
- (xiv) Supervisors or managers; and
- (xv) Ticket writers.

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

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

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

(p) "Gross revenue" means the total of all of the following, less the total of all cash paid out as losses to patrons and those amounts paid to purchase annuities to fund losses paid to patrons over several years by independent financial institutions:

- (i) Cash received as winnings;

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

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

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

The term does not include:

(i) Counterfeit money or tokens;

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

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

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

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

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

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

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

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

seller's or distributor's license.

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

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

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

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

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

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

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

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

(dd) "Regulation" means a rule, standard, directive or statement of general applicability which effectuates law or policy or which describes the procedure or requirements for

practicing before the commission. The term includes a proposed regulation and the amendment or repeal of a prior regulation but does not include:

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

(ii) A declaratory ruling;

(iii) An interagency memorandum;

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

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

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

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

(gg) "Sports pool" means the business of accepting wagers on collegiate, amateur or professional sporting events or

athletic events, including e-sports, or any other event or competition authorized by the commission, by any system or method of wagering other than the system known as the "pari-mutuel method of wagering * * *," including, but not limited to, digital platforms. The term includes, but is not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets and straight bets. The term does not include fantasy contests as defined in Section 97-33-303.

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

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

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

(kk) "Work permit" means any card, certificate or permit issued by the commission, whether denominated as a work permit, registration card or otherwise, authorizing the employment of the holder as a gaming employee. A document issued by any governmental authority for any employment other than gaming is not a valid work permit for the purposes of this chapter.

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

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

- (i) The rules of a game; or
- (ii) The amount or frequency of payment in a game.

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

(oo) "Digital platform" means the operation of a sports pool or race book over the Internet, including on websites and mobile devices, by the holder of a gaming license or by an operator on behalf of the holder of a gaming license. Notwithstanding any provision of the law to the contrary, a digital platform may determine whether to accept or reject wagers, determine the results of wagers and payout winning wagers. The branding for each digital platform shall be determined by the operator.

(pp) "Operator" means an entity licensed as a manufacturer and distributor and authorized by the commission to operate a digital platform on behalf of the holder of a gaming license.

(qq) "Sports pool wagering account" means a financial record established by a gaming licensee or operator for an

individual patron in which the patron may deposit and withdraw funds for sports pool wagering and other authorized purchases, and to which the gaming licensee or operator may credit winnings or other amounts due to that patron or authorized by that patron. Such account can be established and funded by the patron electronically through a digital platform.

SECTION 2. Section 75-76-33, Mississippi Code of 1972, is amended as follows:

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

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

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

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

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

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

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

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

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

(i) Attempt to set the fees at levels that will create a balance in the Mississippi Gaming Commission Fund that does not exceed, at the end of any state fiscal year, two

percent (2%) of the projected amount of funds that will provide the commission with such sufficient revenue; and

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

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

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

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

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

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

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

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

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

(p) Prescribing the manner and procedure by which the executive director on behalf of the commission shall notify a county or a municipality wherein an applicant for a license desires to locate.

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

(3) * * * Except for wagers placed through approved digital platforms, each licensee shall be required to comply with the regulation that no wager may be placed by, or on behalf of, any individual or entity or group, not present on a licensed vessel or cruise vessel.

(4) Gaming licensees and operators shall accept wagers placed from sports pool wagering accounts through digital platforms provided that such wagers are initiated, received and otherwise made within Mississippi unless otherwise determined by the commission in accordance with applicable federal and state law. Consistent with the intent of the United States Congress and as articulated in the federal Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. Sections 5361-5367, the intermediate routing of electronic data related to a lawful intrastate wager authorized under that provision does not determine the location or locations in which the wager is initiated, received or otherwise made.

(* * *5) From and after July 1, 2016, the expenses of this agency shall be defrayed by appropriation from the State

General Fund and all user charges and fees authorized under this section shall be deposited into the State General Fund as authorized by law.

(* * *6) From and after July 1, 2016, no state agency shall charge another state agency a fee, assessment, rent or other charge for services or resources received by authority of this section.

SECTION 3. Section 75-76-55, Mississippi Code of 1972, is amended as follows:

75-76-55. (1) Except for an approved digital platform, or as otherwise provided in Section 75-76-34, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others, without having first procured and thereafter maintaining in effect a state gaming license:

(a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Mississippi any gambling game, including, without limitation, any gaming device, slot machine, race book or sports pool;

(b) To provide or maintain any information service the primary purpose of which is to aid the placing or making of wagers on events of any kind; or

(c) To receive, directly or indirectly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or carrying on any gambling game, including, without limitation, any slot machine, gaming device, race book or sports pool.

(2) Except for an approved digital platform, or as otherwise provided in Section 75-76-34, it is unlawful for any person knowingly to permit any gambling game, including, without limitation, any slot machine, gaming device, race book or sports pool to be conducted, operated, dealt or carried on in any house or building or other premises owned by him, in whole or in part, by a person who is not licensed pursuant to this chapter or by his employee.

SECTION 4. Section 75-76-79, Mississippi Code of 1972, is amended as follows:

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

(b) An operator shall be licensed under this section as a manufacturer and a distributor.

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

(* * *d) The holder of a state gaming license or the holding company of a corporate licensee may, within two (2) years after cessation of business or upon specific approval by the executive director, dispose of by sale in a manner approved

by the executive director, any or all of its gaming devices, including slot machines, without a distributor's license. In cases of bankruptcy of a state gaming licensee or operator or foreclosure of a lien by a bank or other person holding a security interest for which gaming devices are security, in whole or in part, for the lien, the executive director may authorize the disposition of the gaming devices without requiring a distributor's license.

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

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

(* * *g) The commission may exempt, for any purpose, a manufacturer, seller or distributor from the provisions of Sections 75-76-199 through 75-76-265, if the commission determines that the exemption is consistent with the purposes of this chapter.

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

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

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

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

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

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

(3) Failure of a licensee to terminate any association or agreement with a manufacturer or distributor of gaming devices or associated equipment after receiving notice of a determination of unsuitability, the denial of a license or

failure to file a timely application for a license, is an unsuitable method of operation.

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

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

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

This fee is to be paid by the applicant to the * * * Department of Revenue on or before the filing of the application for a manufacturer's, seller's or distributor's license by the applicant. Upon such payment the * * * Commissioner of Revenue shall certify to the executive director that such fee has been paid by the applicant.

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

(5) A manufacturer or distributor of associated equipment who sells, transfers or offers the associated equipment for use or play in Mississippi may be required by the executive director

to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.

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

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

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

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

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

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

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

In addition to all other fees and charges imposed by this chapter, the executive director may determine an inspection fee with regard to each manufacturer, seller or distributor which

must not exceed the actual cost of inspection and investigation. Upon such determination, the executive director shall certify to the * * * Commissioner of Revenue the amount of the inspection fee and the name and address of the applicant. Upon such certification the * * * Department of Revenue shall proceed to assess and collect such inspection fee from the applicant.

SECTION 5. Section 75-76-89, Mississippi Code of 1972, is amended as follows:

75-76-89. (1) Except as otherwise provided in subsection (* * * 2) of this section, all licenses issued to the same person, including a wholly owned subsidiary of that person, for the operation of any game, including a sports pool or race book, which authorize gaming at the same establishment must be merged into a single gaming license. A gaming license may not be issued to any person if the issuance would result in more than one (1) licensed operation at a single establishment, whether or not the profits or revenue from gaming are shared between the licensed operations.

(2) A person who has been issued a gaming license or an operator may establish a sports pool or race book on the premises of the establishment * * * or operate a digital platform through which he or she conducts a gaming operation only after obtaining permission from the executive director.

SECTION 6. Section 75-76-101, Mississippi Code of 1972, is amended as follows:

75-76-101. (1) All gaming must be conducted with chips, tokens or other instrumentalities approved by the executive director or with the legal tender of the United States.

(2) Except for a sports pool conducted through an approved digital platform, no licensee shall permit participation by a person in a game conducted in the licensed gaming establishment if such person is not physically present in the licensed gaming establishment during the period of time when such game is being conducted, and all games and the participation of patrons therein shall be entirely located and conducted on the licensed premises.

SECTION 7. Section 75-76-175, Mississippi Code of 1972, is amended as follows:

75-76-175. (1) A credit instrument accepted on or after June 29, 1991, is valid and may be enforced by legal process.

(2) A licensee or a person acting on the licensee's behalf may accept an incomplete credit instrument which:

(a) Is signed by a patron; and

(b) States the amount of the debt in figures * * *. and may complete the instrument as is necessary for the instrument to be presented for payment.

(3) A licensee or person acting on behalf of a licensee:

(a) May accept a credit instrument that is dated later than the date of its execution if that later date is furnished at the time of the execution of the credit instrument by the patron.

(b) May not accept a credit instrument which is incomplete, except as authorized by subsection (2) of this section.

(c) May accept a credit instrument that is payable to an affiliated company or may complete a credit instrument in the name of an affiliated company as payee if the credit instrument otherwise complies with this subsection and the records of the affiliated company pertaining to the credit instrument are made available to the executive director upon request.

(4) This section does not prohibit the establishment of an account;

(a) By a deposit of cash, recognized traveler's check, or any other instruments which is equivalent to cash; or

(b) Electronically through an approved digital platform.

(5) Any person who violates the provisions of this section is subject only to the penalties provided in Sections 75-76-103 through 75-76-119, inclusive.

(6) The commission may adopt regulations prescribing the conditions under which a credit instrument may be redeemed or presented to a bank for collection or payment.

SECTION 8. Section 75-76-177, Mississippi Code of 1972, is amended as follows:

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

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

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

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

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

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

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

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

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

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

SECTION 9. Section 97-33-305, Mississippi Code of 1972, is amended as follows:

97-33-305. (1) Fantasy contests are legal in this state. A fantasy contest operator must comply with the provisions of this section if the operator's total player roster for all fantasy contests consists of one hundred (100) or more members of the general public.

(2) A fantasy contest operator must implement commercially reasonable procedures for fantasy contests with an entry fee to:

(a) Prevent employees of the operator, and relatives living in the same household with an employee of an operator, from competing in fantasy contests offered to the public by an operator in which the operator offers a cash prize;

(b) Prevent sharing with third parties of confidential information that could affect fantasy contest play until the information is made publicly available;

(c) Prevent the operator from participating in a fantasy contest offered by the operator;

(d) Verify that a fantasy contest player is eighteen (18) years of age or older except as required in Section 97-33-

307(5);

(e) Ensure that individuals who participate or officiate in a sporting event or who own, manage or coach a team or player who participates in a sporting event will not knowingly be allowed to enter a fantasy contest that is determined, in whole or in part, on accumulated statistical results that include a sporting event in which the individual could be involved as an athlete, official, owner, manager or coach;

(f) Allow individuals to restrict themselves from entering a fantasy contest upon request and provide reasonable steps to prevent the person from entering fantasy contests offered by the operator;

(g) Disclose the number of entries that a player may submit to each fantasy contest and provide reasonable steps to prevent players from submitting more than the allowable number;

(h) Restrict the number of entries submitted by a single player for any contest as follows:

(i) An operator shall not allow a player to submit more than one (1) entry in a contest involving twelve (12) or fewer players.

(ii) If the number of players in a contest is more than twelve (12) but fewer than thirty-seven (37), an operator shall not allow a player to submit more than two (2) entries.

(iii) If the number of players in a contest is at least thirty-seven (37) but no more than one hundred (100), an

operator shall not allow a player to submit more than three (3) entries.

(iv) In any contest involving more than one hundred (100) players, an operator shall not allow a player to submit more than the lesser of:

1. Three percent (3%) of all entries; or
2. One hundred fifty (150) entries.

(v) For all advertised fantasy contests, the operator must prominently include information about the maximum number of entries that may be submitted for that contest.

(vi) An operator may establish fantasy contests in which there is no restriction on the number of entries, if those contests constitute less than two percent (2%) of the total number of contests it offers, and if the operator clearly discloses:

1. That there are no limits on the number of entries by each player in the contest; and

2. That the cost of participating in such a contest is Fifty Dollars (\$50.00) or more per entry;

(i) Offer introductory procedures for players that are prominently displayed on the main page of the operator's platform to explain contest play and how to identify a highly experienced player;

(j) Identify all highly experienced players in every fantasy contest by a symbol attached to the players' usernames, or by other easily visible means, on all platforms supported by the operator; and

(k) Segregate fantasy contest player funds from operational funds or maintain a reserve in the form of cash, cash equivalents, payment processor reserves and receivables, an irrevocable letter of credit, a bond, or a combination thereof, in the amount of the total account balances of the fantasy contest players for the benefit and protection of the funds held in the accounts.

(3) An operator shall not offer contests based on the performance of participants in * * * high school or youth sports events.

(4) A fantasy contest operator offering fantasy contests with an entry fee in this state shall comply with audit procedures adopted by the commission to ensure compliance with this section.

(5) (a) Advertisements for contests and prizes offered by an operator shall not target prohibited participants, minors, or self-excluded persons.

(b) Representations or implications about average winnings from contests shall not be unfair or misleading. Such representations shall include, at a minimum:

(i) The median and mean net winnings of all players participating in contests offered by the operator; and

(ii) The percentage of winnings awarded by the operator to highly experienced players participating in contests offered by the operator within the preceding calendar year.

(6) Operators shall prohibit the use of third-party scripts or scripting programs for any contest and ensure that

measures are in place to deter, detect and, to the extent reasonably possible, prevent cheating, including collusion, and the use of cheating devices, including use of software programs that submit entry fees or adjust the athletes selected by a player.

(7) The values of all prizes and awards offered to winning players must be established and made known to the players in advance of the contest.

SECTION 10. This act shall take effect and be in force from and after July 1, 2022.

