By: Representatives Clarke, Hines, Johnson (94th), Calhoun, Anderson, Banks, Bell (65th), Blackmon, Burnett, Campbell, Clark, Denton, Dortch, Gibbs, Holloway, Huddleston (30th), Hughes, Karriem, Mickens, Myers, Paden, Thomas, Walker, Watson, Williams-Barnes, Wooten, Young

To: Gaming; Education; Revenue and Expenditure General Bills

HOUSE BILL NO. 175

AN ACT TO PROVIDE FOR A STATEWIDE SPECIAL ELECTION FOR THE PURPOSE OF ALLOWING THE ELECTORATE TO VOTE ON THE ISSUE OF ESTABLISHING A STATE LOTTERY AS A FORM OF LEGALIZED GAMING IN THE STATE OF MISSISSIPPI; TO SET THE DATE OF NOVEMBER 8, 2016, FOR THE STATEWIDE SPECIAL ELECTION; TO REQUIRE THE SECRETARY OF STATE TO PROVIDE THE BALLOTS TO THE ELECTION COMMISSIONERS OF EACH COUNTY; TO REQUIRE THAT ANY INDIVIDUAL OR POLITICAL COMMITTEE MAKING CERTAIN CONTRIBUTIONS OR EXPENDITURES IN SUPPORT OF A STATE LOTTERY MUST FILE CERTAIN REPORTS DISCLOSING THOSE CONTRIBUTIONS AND EXPENDITURES; TO ESTABLISH THE "MISSISSIPPI LOTTERY FOR EDUCATION" IF THE ELECTION ALLOWS IT; TO CREATE A STATE LOTTERY TO FUND THE MISSISSIPPI HOPE SCHOLARSHIP TRUST FUND; TO PROVIDE THAT THE STATE LOTTERY SHALL BE ADMINISTERED BY THE MISSISSIPPI GAMING COMMISSION; TO PROVIDE THE POWERS AND DUTIES OF THE MISSISSIPPI GAMING COMMISSION REGARDING THE STATE LOTTERY; TO CREATE THE MISSISSIPPI HOPE SCHOLARSHIP TRUST FUND TO PROVIDE THAT A PERCENTAGE OF THE PROCEEDS COLLECTED FROM THE SALE OF LOTTERY TICKETS WITHIN A COUNTY SHALL BE DISTRIBUTED TO THAT COUNTY; TO PROVIDE THAT, AFTER DEDUCTING CERTAIN ADMINISTRATIVE AND PRIZE EXPENSES, THE REMAINDER OF THE NET PROCEEDS SHALL BE DEPOSITED INTO THE MISSISSIPPI HOPE SCHOLARSHIP TRUST FUND; TO AMEND SECTIONS 23-15-351, 23-15-355, 23-15-805, 37-106-5, 67-1-71, 75-76-3, 75-76-5, 97-33-9, 97-33-11, 97-33-13, 97-33-21, 97-33-23, 97-33-31, 97-33-33, 97-33-35, 97-33-37, 97-33-39, 97-33-41, 97-33-43, 97-33-45, 97-33-47 AND 97-33-49, MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) There shall be a statewide special election for the purpose of determining whether a state lottery may be

established as a form of legalized gaming in the State of Mississippi, to be held on Tuesday, November 8, 2016, and conducted in the same manner as regular general elections are held, except as otherwise provided in subsections (2) and (5) of this section. The question put before the voters at the election shall read on the ballots as follows:

"THIS PROPOSAL AUTHORIZES A STATE LOTTERY TO BE ESTABLISHED AS A LEGALIZED FORM OF GAMING IN THE STATE OF MISSISSIPPI, KNOWN AS THE "MISSISSIPPI LOTTERY FOR EDUCATION" TO BE ADMINISTERED AND REGULATED BY THE MISSISSIPPI GAMING COMMISSION.

YES..... ( )

NO..... ( )"

The qualified electors may indicate their preference on the line or in the box following the option that they prefer.

The preference of a majority of the qualified electors voting in the election shall determine whether a state lottery may be established as a form of legalized gaming in the State of Mississippi. In addition to the enactment of a state lottery as provided in Section 2 of this act, the Legislature shall take whatever other steps are necessary to effectuate the mandate of the electorate's selection of establishing a state lottery and all other provisions of Section 2 of this act.

(2) The statewide special election for the purpose of determining whether a state lottery may be established as a form of legalized gaming in the State of Mississippi shall be

administered by means of ballots containing a uniform explanation of the proposal to establish a state lottery, which shall be provided by the Secretary of State to the election commissioners of each county. The Secretary of State shall determine whether, in each county, it would be more efficient to administer the election by paper ballots, voting machines, electronic voting systems, optical mark reading equipment or other mechanized equipment. The method used in each county shall be as uniform as practicable when compared to any other county in which the same method is used. The costs incurred in providing the ballots that will include an explanation of the proposal to establish a state lottery shall be borne by the State of Mississippi, and the Legislature shall appropriate the funds necessary for this purpose. All other costs associated with the holding of the statewide special election shall be borne by each individual county.

(3) Every individual who makes contributions to or expenditures in support of or in opposition to a proposition presented to the electorate in the statewide special election, in amounts aggregating in excess of Two Hundred Dollars ($200.00), shall file all reports required to be filed by political committees under Sections 23-15-801 through 23-15-817, in the same manner and at the same time as provided for political committees.

(4) The county election commissioners shall transmit to the Secretary of State, in the same manner as the vote for state

officers is transmitted, a statement of the total number of votes cast for the proposition in the statewide special election. The Secretary of State shall tabulate those returns and certify the results to the Governor and to each house of the Legislature.

(5) The Secretary of State, the circuit clerks of each county and the election commissioners of each county are authorized to take any necessary actions to prepare the official ballots for the statewide special election provided in this act.

SECTION 2. (1) As used in this section, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "Commission" means the Mississippi Gaming Commission.

(b) "Distributor" means any person authorized by the Mississippi Gaming Commission to distribute lottery tickets to retailers. A person possessing a gaming license issued under Section 75-76-1 et seq., may be a distributor if located in a county in which legal gaming has been approved.

(c) "Lottery" means any activity approved by the Mississippi Gaming Commission in which:

(i) The player or players pay or agree to pay something of value for chances, represented and differentiated by tickets, slips of paper or other physical and tangible documentation upon which appear numbers, symbols, characters or

other distinctive marks used to identify and designate the winner or winners;

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

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

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

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

(e) "Retailer" means any person authorized by the Mississippi Gaming Commission to sell lottery tickets to the public. A person possessing a gaming license issued under Section 75-76-1 et seq., may be a retailer if located in a county in which legal gaming has been approved.

(2) There is created a state lottery, to be administered by the Mississippi Gaming Commission. The commission is authorized to:

(a) Prescribe the method and form of application which an applicant for a distributor's license or retailer's license, or both, must follow and complete before consideration of his application by the commission;

(b) Prescribe guidelines for the review of applications for licenses and the approval or disapproval of such applications;

(c) Require an applicant to pay all or any part of the fees and costs of investigation of such applicant as may be determined by the commission, except that no applicant for an initial license shall be required to pay any part of the fees or costs of the investigation of the applicant with regard to the initial license;

(d) Prescribe the manner and method of collection and payment of fees and issuance of licenses;

(e) Prescribe conditions under which a licensee may be subject to revocation or suspension of his license;

(f) Prescribe guidelines regarding the conduct of specific lottery games including, but not limited to:

(i) The types of games to be conducted;

(ii) The sale price of tickets;

(iii) The number and amount of prizes;

(iv) The method and location of selecting or validating winning tickets;

(v) The frequency and means of conducting drawings which shall be open to the public;

(vi) The manner of payment of prizes;

(vii) The frequency of games and drawings; and

(viii) Any other matters necessary or desirable for the efficient and effective operation of lottery games;

(g) Enter into contracts with distributors for the distribution of lottery tickets to retailers; and

(h) Take any action necessary for the implementation and administration of the provisions of this section and promulgate rules and regulations necessary for its implementation and administration.

(3) No ticket shall be sold knowingly to any person under the age of eighteen (18) years, but this subsection (3) does not prohibit the purchase of a ticket by a person eighteen (18) years of age or older for the purpose of making a gift to any person of any age. In such case, the commission shall direct payment to an adult member of the person's family or the legal guardian of the person on behalf of such person.

(4) The proceeds received from the actual sale of lottery tickets, less a reasonable percentage in an amount as determined by the commission up to a maximum amount of one-half of one percent (0.5%) to be retained by a retailer selling a ticket, shall be remitted to the commission on a monthly basis. The commission shall deposit the proceeds into the State Treasury on the day collected. At the end of each month, the commission shall certify the total proceeds collected from the sale of lottery

tickets to the State Treasurer who shall distribute such collections as follows:

(a) As nearly as practicable, forty-five percent (45%) of the proceeds collected during the preceding month from the sale of lottery tickets in the state shall be allocated as prize money, to be distributed by the commission, provided that this provision shall not create any lien, entitlement, cause of action, or other private right, and any rights of holders of lottery tickets shall be determined by the commission in administering the lottery;

(b) A reasonable percentage, in an amount as determined by the commission up to a maximum amount of one-half of one percent (0.5%), of the proceeds collected during the preceding month from the sale of lottery tickets in the state, shall be allocated for distribution to the commission and paid to the commission to defray the costs of administering the provisions of this section;

(c) Four percent (4%) of the proceeds collected during the preceding month from the sale of lottery tickets within a county shall be allocated for distribution to that county and paid to that county.

(d) The remainder of the proceeds collected during the preceding month from the sale of lottery tickets in the state shall be deposited into the Mississippi Hope Scholarship Trust Fund created in subsection (5) of this section.

(5) There is created in the State Treasury a special fund to be designated as the "Mississippi Hope Scholarship Trust Fund," into which shall be deposited the funds as provided in subsection (4)(d) of this section. All investment earnings or interest earned on amounts in the fund shall be deposited to the credit of the fund. Amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund.

The trust fund shall remain inviolate and shall not be expended, except as provided in this section. Beginning in fiscal year 2017 and in each subsequent fiscal year, the Legislature may appropriate from the trust fund an amount not greater than the aggregate investment earnings and interest earned during the preceding fiscal year on amounts in the fund. This appropriation shall be for the exclusive purpose of providing funds for the purposes described in subsection (6) of this section, but shall not be considered to be the only source for providing funds for those purposes.

(6) The trust fund shall be administered by the Mississippi Postsecondary Education Financial Assistance Board established under Section 37-106-9. For purposes of this section, "eligible institution" means any state institution of higher learning or public community or junior college or any regionally accredited, state-approved, nonprofit four-year or two-year college or university located in the State of Mississippi as listed in Section 37-106-29(4). The board shall set the date that will

serve as the deadline for applying for a scholarship award under subsections (6) through (9) of this section. The board shall award Hope scholarships to each Mississippi student who enrolls as a student for the first time at an eligible institution in Mississippi, and who:

(a) (i) Has earned, after seven (7) semester hours, a minimum cumulative grade point average of 3.0 calculated on a 4.0 scale in high school subjects acceptable for credit toward a diploma, as certified by the high school principal or other authorized school official on the application;

(ii) Has completed a home study program meeting state law requirements in lieu of graduating from high school, and has earned a cumulative grade point average of 3.0 in an eligible institution as described in paragraph (b) of this subsection (2) at the end of the student's first quarter, trimester or semester, at which time the student shall be eligible to receive a retroactive Hope scholarship; or

(iii) Has received the general educational development (GED) diploma awarded by the Mississippi Department of Education, and has earned a cumulative grade point average of 3.0 in an eligible institution as described in paragraph (b) of this subsection (2) at the end of the student's first quarter, trimester or semester, at which time the student shall be eligible to receive a retroactive Hope scholarship;

(b) Is enrolled, on a full-time basis, at an eligible institution;

(c) Is a resident of the State of Mississippi and a United States citizen;

(d) Has complied with the United States Selective Service System requirements for registration, if such requirements are applicable to the student;

(e) Is not in default on a federal or state educational loan, or does not owe a refund on a federal student financial aid program or a state student financial aid program;

(f) Has not been convicted of a felony offense involving marijuana or a controlled substance; and

(g) Is not incarcerated.

(7) The annual scholarship award to a student shall be the total cost of the student's tuition for the calendar year, excluding nontuition fees and costs of books and other supplies. Payment of the award shall be made payable to the recipient and the educational institution and mailed directly to the institution.

(8) A recipient shall maintain the equivalent of a 3.0 cumulative grade point average on a 4.0 scale, on at least twelve (12) hours per quarter, trimester or semester in order to be eligible for a continuation of the award. No student may receive an award for more than the equivalent quarters, trimesters or semesters required to complete one (1) degree per institution.

The award may be renewed annually upon certification of eligibility by an eligible institution that the recipient meets the necessary qualifications. If any recipient transfers from one (1) eligible college to another, his award will be transferred provided he is eligible for the award. If a student fails to maintain continuous enrollment, he is ineligible to receive the award during the following quarter, trimester or semester of the regular academic year.

(9) The board may conduct annual audits of any college participating in the program described in subsections (2) through (5) of this section. The board may suspend or revoke an institution's eligibility to receive future monies under the program if it finds that the institution has not complied with the provisions of subsections (2) through (5) of this section.

(10) The provisions of Section 2 of this act shall take effect and be in force on January 1, 2017, if the result of the election authorizes the establishment of a state lottery known as the "Mississippi Lottery for Education."

SECTION 3. Section 23-15-351, Mississippi Code of 1972, is amended as follows:

23-15-351. <u>Except as otherwise provided in Section 1 of this act,</u> it shall be the duty of the chairman of the election commission of each county to have printed all necessary ballots for use in elections, except ballots in municipal elections which shall be printed as herein provided by the authorities of the

respective municipalities; and the said election commissioner shall cause the official ballot to be printed by a printer sworn to keep the ballots secret under the penalties prescribed by law. The printer shall deliver to the election commissioners for holding elections, a certificate of the number of ballots printed for each precinct, and shall not print any additional ballots, except on instruction of proper election commissioners; and failure to observe either of these requirements shall be a misdemeanor.

In the case of the statewide special election for the selection of the official state flag provided for in Section 1 of Laws, 2001, Chapter 301, the provisions of this article regarding the printing and distribution of the official ballots, shall be governed by the provisions of Section 1(2) of Laws, 2001, Chapter 301.

SECTION 4. Section 23-15-355, Mississippi Code of 1972, is amended as follows:

23-15-355. <u>Except as otherwise provided in Section 1 of this act,</u> ballots in all elections shall be printed and distributed at public expense and shall be known as "official ballots." The expense of printing such ballots shall be paid out of the county treasury, except that in municipal elections such expenses shall be paid by the respective cities, towns and villages. In the case of the statewide special election for the selection of the official state flag provided for in Section 1 of Laws, 2001,

Chapter 301, the provisions of this section regarding payment of the expenses of printing the official ballots shall be governed by the provisions of Section 1(2) of Laws, 2001, Chapter 301.

SECTION 5. Section 23-15-805, Mississippi Code of 1972, is amended as follows:

23-15-805. (a) Candidates for state, state district, and legislative district offices, and every political committee, which makes reportable contributions to or expenditures in support of or in opposition to a candidate for any such office or makes reportable contributions to or expenditures in support of or in opposition to a statewide ballot measure, shall file all reports required under this article with the Office of the Secretary of State.

(b) Candidates for county or county district office, and every political committee which makes reportable contributions to or expenditures in support of or in opposition to a candidate for such office or makes reportable contributions to or expenditures in support of or in opposition to a countywide ballot measure or a ballot measure affecting part of a county, excepting a municipal ballot measure, shall file all reports required by this section in the office of the circuit clerk of the county in which the election occurs. The circuit clerk shall forward copies of all reports to the Office of the Secretary of State.

(c) Candidates for municipal office, and every political committee which makes reportable contributions to or expenditures

in support of or in opposition to a candidate for such office, or makes reportable contributions to or expenditures in support of or in opposition to a municipal ballot measure shall file all reports required by this article in the office of the municipal clerk of the municipality in which the election occurs. The municipal clerk shall forward copies of all reports to the Office of the Secretary of State.

(d) The Secretary of State, the circuit clerks and the municipal clerks shall make all reports received under this subsection available for public inspection and copying and shall preserve such reports for a period of five (5) years.

(e) The provisions of this section applicable to the reporting by a political committee of contributions and expenditures regarding statewide ballot measures shall apply to the statewide special election for the purpose of establishing the official state flag provided for in Section 1 of Laws, 2001, Chapter 301.

(f) The provisions of this section applicable to the reporting by a political committee of contributions and expenditures regarding statewide ballot measures shall apply to the statewide special election held for the purpose of determining whether a state lottery may be established as a form of legalized gaming in the State of Mississippi, as provided for in Section 1 of this act.

SECTION 6. Section 37-106-5, Mississippi Code of 1972, is amended as follows:

37-106-5. (1) For purposes of this chapter, the following words shall be defined as follows unless the context requires otherwise:

(a) "Eligible applicant or eligible student" means an individual who completes an application by the published application deadline for a given student financial assistance program, meets all initial or continuing eligibility requirements for the program and enrolls in an approved institution for the given program.

(b) "Approved institution" means an institution of higher learning, public or private, which is accredited by the Southern Association of Colleges and Secondary Schools, or its equivalent or a business, vocational, technical or other specialized school recognized and approved by the Postsecondary Education Financial Assistance Board.

(c) "Board" means the Postsecondary Education Financial Assistance Board created by Section 37-106-9 authorized and empowered to administer the provisions of this chapter.

(d) "Financial need" means anticipated expenses of an eligible student while attending an approved institution which cannot reasonably be met by said student or by the parents thereof as shall be determined according to the criteria established by

the rules and regulations of the board. Financial need shall be reevaluated and redetermined at least annually.

(e) "Agency" means the Board of Trustees of State Institutions of Higher Learning.

(f) "Renewal applicant or renewal student" means a student who previously received funding for a given program.

(g) "Resident," "resident status" or "residency" shall be defined and determined in the same manner as resident status for tuition purposes as set forth in Sections 37-103-1 through 37-103-29, with the exception of Section 37-103-17. Unless excepted by the rules of a given program, an applicant must be a Mississippi resident to qualify for financial assistance under this chapter.

(h) "Dependent" shall be defined and used in the same manner as the term "minor" in Sections 37-103-1 through 37-103-29. The board will follow the federal guidelines for classifying a student as "dependent" or "independent."

(i) "Fund" means the Mississippi Hope Scholarship Trust Fund created in Section 2 of this act.

SECTION 7. Section 67-1-71, Mississippi Code of 1972, is amended as follows:

67-1-71. The department may revoke or suspend any permit issued by it for a violation by the permittee of any of the provisions of this chapter or of the regulations promulgated under it by the department.

Permits must be revoked or suspended for the following causes:

(a) Conviction of the permittee for the violation of any of the provisions of this chapter;

(b) Willful failure or refusal by any permittee to comply with any of the provisions of this chapter or of any rule or regulation adopted pursuant thereto;

(c) The making of any materially false statement in any application for a permit;

(d) Conviction of one or more of the clerks, agents or employees of the permittee, of any violation of this chapter upon the premises covered by such permit within a period of time as designated by the rules or regulations of the department;

(e) The possession on the premises of any retail permittee of any alcoholic beverages upon which the tax has not been paid;

(f) The willful failure of any permittee to keep the records or make the reports required by this chapter, or to allow an inspection of such records by any duly authorized person;

(g) The suspension or revocation of a permit issued to the permittee by the federal government, or conviction of violating any federal law relating to alcoholic beverages;

(h) The failure to furnish any bond required by Section 27-71-21 within fifteen (15) days after notice from the department; and

(i) The conducting of any form of illegal gambling on the premises of any permittee or on any premises connected therewith or the presence on any such premises of any gambling device with the knowledge of the permittee.

The provisions of this paragraph (i) of this section shall not apply to * * *: the conducting of legal gaming by a person having a gaming license issued under Section 75-76-1 et seq., or the operation of the lottery authorized by Section 2 of this act. The department may, in its discretion, issue on-premises retailer's permits to a common carrier of the nature described in this paragraph.

No permit shall be suspended or revoked until after the permittee has been provided reasonable notice of the charges against him for which suspension or revocation is sought and the opportunity to a hearing before the Board of Tax Appeals to contest such charges and the suspension or revocation proposed. Opportunity to a hearing is provided without an actual hearing if the permittee, after receiving reasonable notice, including notice of his right to a hearing, fails to timely request a hearing. The permittee may also at any time waive his rights to reasonable notice and/or to the opportunity to a hearing by agreeing to a suspension or revocation offered by the department. Notwithstanding the requirement above that a permit may not be suspended without notice and opportunity to a hearing, sales of alcoholic beverages by a permittee under a permit for which the

bond under Section 27-71-21 has been cancelled shall be suspended from and after issuance of the notice provided in subsection (h) above and shall continue to be suspended until the bond is reinstated, a new bond is posted or sufficient cash or securities as provided under Section 27-71-21 are deposited with the State Treasurer for this permit.

In addition to the causes specified in this section and other provisions of this chapter, the department shall be authorized to suspend the permit of any permit holder for being out of compliance with an order for support, as defined in Section 93-11-153. The procedure for suspension of a permit for being out of compliance with an order for support, and the procedure for the reissuance or reinstatement of a permit suspended for that purpose, and the payment of any fees for the reissuance or reinstatement of a permit suspended for that purpose, shall be governed by Section 93-11-157 or 93-11-163, as the case may be. If there is any conflict between any provision of Section 93-11-157 or 93-11-163 and any provision of this chapter, the provisions of Section 93-11-157 or 93-11-163, as the case may be, shall control.

SECTION 8. Section 75-76-3, Mississippi Code of 1972, is amended as follows:

75-76-3. (1) The provisions of this chapter shall not be construed to legalize any form of gaming which is prohibited under the Mississippi Constitution or the laws of this state. All legal

gaming which is conducted in this state and which is otherwise authorized by law shall be regulated and licensed pursuant to the provisions of this chapter, unless the Legislature specifically provides otherwise. Nothing in this chapter shall be construed as encouraging the legalization of gambling in this state.

(2) The Legislature hereby finds and declares that lotteries and gaming both consist of the material element of chance. The Legislature is *** * *** permitted by virtue of its inherent powers to legislate upon lotteries and gaming as the occasion arises. The Legislature derives its power to legislate upon lotteries and gaming or gambling devices from its inherent authority over the morals and policy of the people *** * ***.

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

(a) Regulation of licensed lotteries and gaming is important in order that *** * *** those activities are conducted honestly and competitively, that the rights of the creditors of licensees are protected and that *** * *** those activities are free from criminal and corruptive elements.

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

(c) All establishments where lotteries or gaming * * *, or both, are conducted and * * * manufacturers, sellers and distributors of certain * * * lottery and gaming devices and equipment must therefore be licensed, controlled and assisted to protect the public health, safety, morals, good order and general welfare of the inhabitants of the state.

(4) It is the intent of the Legislature that gaming licensees and any entity authorized to conduct a lottery, to the extent practicable, shall employ residents of Mississippi as * * * employees * * * in the operation of their * * * establishments located in this state.

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

* * *

SECTION 9. 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.

(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, or the lottery that may be authorized by Sections 1 and 2 of this act.

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.

(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 sporting events, except for athletic events, by any system or method of wagering other than the system known as the "pari-mutuel method of wagering."

(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.

SECTION 10. Section 97-33-9, Mississippi Code of 1972, is amended as follows:

97-33-9. Except as otherwise provided in Section 97-33-8, if any person shall be guilty of keeping or exhibiting any <u>illegal</u> game or gaming table commonly called A.B.C. or E.O. roulette or

rowley-powley, or rouge et noir, roredo, keno, monte, or any faro-bank, or other game, gaming table, or bank of the same or like kind or any other kind or description under any other name whatever, or shall be in any manner either directly or indirectly interested or concerned in any gaming tables, banks, or games, either by furnishing money or articles for the purpose of carrying on the same, being interested in the loss or gain of said table, bank or games, or employed in any manner in conducting, carrying on, or exhibiting said gaming tables, games, or banks, every person so offending and being thereof convicted, shall be fined not less than Twenty-five Dollars ($25.00) nor more than Two Thousand Dollars ($2,000.00), or be imprisoned in the county jail not longer than two (2) months, or by both such fine and imprisonment, in the discretion of the court. Nothing in this section shall apply to any person who owns, possesses, controls, installs, procures, repairs or transports any legal gaming or gambling device, machine or equipment in accordance with subsection (4) of Section 97-33-7 or Section 75-76-34 or to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 11. Section 97-33-11, Mississippi Code of 1972, is amended as follows:

97-33-11. It shall not be lawful for any association of persons of the character commonly known as a "club," whether such association be incorporated or not, in any manner, either directly

or indirectly, to have any interest or concern in any gambling tables, banks, or games, by means of what is sometimes called a "rake-off" or "take-out," or by means of an assessment upon certain combinations, or hands at cards, or by means of a percentage extracted from players, or an assessment made upon, or a contribution from them, or by any other means, device or contrivance whatsoever. It shall not be lawful for such an association to lend or advance money or any other valuable thing to any person engaged or about to engage in playing any game of chance prohibited by law, or to become responsible directly or indirectly for any money or other valuable thing lost, or which may be lost, by any player in any such game. If any such association shall violate any of the provisions of this section each and every member thereof shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined in a sum not more than Five Hundred Dollars ($500.00); and unless such fine and costs be immediately paid, shall be imprisoned in the county jail for not less than five (5) nor more than twenty (20) days. Each grand jury shall cause such of the members of such an association as it may choose to appear before them and submit to examination touching the observance or nonobservance by such association of the provisions hereof.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 12. Section 97-33-13, Mississippi Code of 1972, is amended as follows:

97-33-13. Any owner, lessee, or occupant of any outhouse or other building, who shall knowingly permit or suffer any of the before mentioned tables, banks, or games, or any other game prohibited by law, to be carried on, kept, or exhibited in his said house or other building, or on his lot or premises, being thereof convicted, shall be fined not less than One Hundred Dollars ($100.00) nor more than Two Thousand Dollars ($2,000.00).

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 13. Section 97-33-21, Mississippi Code of 1972, is amended as follows:

97-33-21. Any person of full age who shall bet any money or thing of any value with a minor, or allow a minor to bet at any game or gaming-table exhibited by him, or in which he is interested or in any manner concerned, on conviction thereof, shall be fined not less than Three Hundred Dollars ($300.00) and imprisoned not less than three (3) months.

The provisions of this section shall not apply to a minor who receives as a gift a ticket associated with the lottery that may be authorized by Sections 1 and 2 of this act, when the ticket has been purchased by a person who is eighteen (18) years of age or older.

SECTION 14. Section 97-33-23, Mississippi Code of 1972, is amended as follows:

97-33-23. Any person of full age who shall bet any money or thing of value with a minor, knowing such minor to be under the age of twenty-one (21) years, or allowing any such minor to bet at any game or games, or at any gaming table exhibited by him, or in which he is interested or in any manner concerned, on conviction thereof, shall be punished by imprisonment in the Penitentiary not exceeding two (2) years.

The provisions of this section shall not apply to a minor who receives as a gift a ticket associated with the lottery that may be authorized by Sections 1 and 2 of this act, when the ticket has been purchased by a person who is eighteen (18) years of age or older.

SECTION 15. Section 97-33-31, Mississippi Code of 1972, is amended as follows:

97-33-31. If any person, in order to raise money for himself or another, or for any purpose whatever, shall publicly or privately put up a lottery to be drawn or adventured for, he shall, on conviction, be imprisoned in the Penitentiary not exceeding five (5) years.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 16. Section 97-33-33, Mississippi Code of 1972, is amended as follows:

97-33-33. If any person shall in any way advertise any lottery whatever, no matter where located, or shall knowingly have in his possession any posters or other lottery advertisements of any kind *** * ***, save a regularly issued newspaper containing such an advertisement without intent to circulate the same as an advertisement *** * ***, he shall, on conviction, be fined not less than Twenty-five Dollars ($25.00) nor more than One Hundred Dollars ($100.00), or be imprisoned in the county jail not exceeding three (3) months, or both.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 17. Section 97-33-35, Mississippi Code of 1972, is amended as follows:

97-33-35. If any newspaper published or circulated in this state shall contain an advertisement of any lottery whatever, or any matter intended to advertise a lottery, no matter where located, the editor or editors, publisher or publishers, and the owner or owners thereof permitting the same, shall be guilty of a misdemeanor and, on conviction, shall be fined not less than One Hundred Dollars ($100.00) nor more than One Thousand Dollars ($1,000.00), and be imprisoned in the county jail not less than ten (10) days nor more than three (3) months, for each offense.

The issuance of each separate daily or weekly edition of the newspaper that shall contain such an advertisement shall be considered a separate offense.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 18. Section 97-33-37, Mississippi Code of 1972, is amended as follows:

97-33-37. If any newsdealer or other person shall, directly or indirectly, sell or offer for sale any newspaper or other publication containing a lottery advertisement, he shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than Ten Dollars ($10.00) or imprisoned not less than ten (10) days, or both.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 19. Section 97-33-39, Mississippi Code of 1972, is amended as follows:

97-33-39. If any person shall sell, or offer or expose for sale, any lottery ticket, whether the lottery be in or out of this state, or for or in any other state, territory, district, or country, he shall, on conviction, be fined not less than Twenty-five Dollars ($25.00) nor more than One Hundred Dollars

($100.00), or imprisoned in the county jail not less than ten (10) days nor more than sixty (60) days, or both.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 20. Section 97-33-41, Mississippi Code of 1972, is amended as follows:

97-33-41. If any person shall buy in this state any lottery ticket, whether the lottery be in or out of this state, or of or in any other state, territory, district, or country, he shall, on conviction, be fined not less than Five Dollars ($5.00) nor more than Twenty-five Dollars ($25.00), or be imprisoned in the county jail not exceeding ten (10) days, or both.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 21. Section 97-33-43, Mississippi Code of 1972, is amended as follows:

97-33-43. If any railroad company shall suffer or permit the sale of a lottery ticket of any kind on its cars, or at its depots or depot grounds, or by its employees, no matter where the lottery is located, it shall be guilty of a misdemeanor and, on conviction, shall be fined not less than Twenty Dollars ($20.00) nor more than One Hundred Dollars ($100.00) for every such ticket so sold.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 22. Section 97-33-45, Mississippi Code of 1972, is amended as follows:

97-33-45. If the owner or owners of any steamboat shall suffer or permit the sale of a lottery ticket of any kind on his or their boat, or by his or their employees, no matter where the lottery is located, he or they shall be guilty of a misdemeanor and shall, on conviction, be punished as prescribed in Section 97-33-43.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 23. Section 97-33-47, Mississippi Code of 1972, is amended as follows:

97-33-47. If any person shall act as agent for any lottery or lottery company, no matter where domiciled or located, or if he shall assume to so act as agent, or if he receive any money or other thing for any such lottery or lottery company, or deliver to any person any ticket or tickets, prize or prizes, or other thing from such lottery or lottery company, he shall, on conviction, be fined not less than One Hundred Dollars ($100.00), nor more than Five Hundred Dollars ($500.00), and be imprisoned in the county jail not less than three (3) months nor more than six (6) months.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 24. Section 97-33-49, Mississippi Code of 1972, is amended as follows:

97-33-49. Except as otherwise provided in Section 97-33-51, if any person, in order to raise money for himself or another, shall publicly or privately put up or in any way offer any prize or thing to be raffled or played for, he shall, on conviction, be fined not more than Twenty Dollars ($20.00), or be imprisoned not more than one (1) month in the county jail.

The provisions of this section shall not apply to the operation of the lottery that may be authorized by Sections 1 and 2 of this act.

SECTION 25. Sections 1, 3, 4 and 5 of this act shall take effect and be in force from and after its passage. Section 2 and Sections 6 through 24 of this act shall take effect and be in force from and after January 1, 2017, if the result of the election authorizes the establishment of a state lottery known as the "Mississippi Lottery for Education."