***Missouri Constitution***

**Article III
LEGISLATIVE DEPARTMENT
Section 39(b)**

**State lottery, authority to establish--lottery proceeds fund established, purpose.**

**Section 39(b). 1. The general assembly shall have authority to authorize a Missouri state lottery by law. If such legislation is adopted, there shall be created a "State Lottery Commission" consisting of five members who shall be appointed by the governor with the advice and consent of the senate and who may be removed, for cause by the governor and who shall be chosen from the state at large and represent a broad geographic spectrum with no more than one member chosen from each federal congressional district. Each member at the time of his appointment and qualification shall have been a resident of this state for a period of at least five years next preceding his appointment and qualification and shall also be a qualified elector therein and be not less than thirty years of age. No more than three members of the commission shall be members of the same political party. Members of the commission shall have three-year terms as provided by law. Members of the commission shall receive no salary but shall receive their actual expenses incurred in the performance of their responsibilities. The commission shall employ such persons as provided by law. The commission shall have the authority to join other states and jurisdictions for the purpose of conducting joint lottery games.**

**2. The money received by the Missouri State lottery commission from the sale of Missouri lottery tickets, and from all other sources, shall be deposited in the "State Lottery Fund", which is hereby created in the state treasury.**

**3. The monies received from the Missouri state lottery shall be governed by appropriation of the general assembly. Beginning July 1, 1993, monies representing net proceeds after payment of prizes and administrative expenses shall be transferred by appropriation to the "Lottery Proceeds Fund" which is hereby created within the state treasury and such monies in the lottery proceeds fund shall be appropriated solely for public institutions of elementary, secondary and higher education.**

**4. A minimum of forty-five percent of the money received from the sale of Missouri state lottery tickets shall be awarded as prizes.**

**5. The commission shall have the authority to purchase and hold title to any securities of the United States government or its agencies and instrumentalities thereof for prizes, as provided by law.**

**6. Until July 1, 1993, any person possessing a department of revenue retail sales license as provided by law or any chartered civic, fraternal, charitable or political organization or labor organization shall be eligible to obtain a license to act as a lottery ticket sales agent except a license to act as an agent to sell lottery tickets shall not be issued to any person primarily engaged in business as a lottery ticket sales agent. Until July 1, 1993, the general assembly may impose additional qualifications on such persons to obtain a lottery ticket sales agent license as it deems appropriate. Until July 1, 1993, the commission is also authorized to sell lottery tickets at its office and at special events as provided by law. Beginning July 1, 1993, the general assembly shall enact laws governing lottery ticket sales.**

**7. Revenues produced from the conduct of a state lottery shall not be part of "total state revenues" as defined in sections 17 and 18 of article X of this constitution and the expenditure of such revenue shall not be an "expense of state government" under section 20 of article X of this constitution.**

**(Adopted November 6, 1984) (Amended August 2, 1988) (Amended August 4, 1992)**

**(1988) Lottery Commission may participate in multistate lottery. Tichenor v. Missouri State Lottery Commission, 742 S.W.2d 170 (Mo. banc 1988).**

**Missouri Lottery Statutory Provisions**

**(Sections 313.200-313.351, RSMo)**

**Citation of law.**

313.200. Sections 313.200 to 313.350 shall be known and may be cited as the "State Lottery Law".

(L. 1985 S.B. 44 § 1)

Effective 6-11-85

**Definitions.**

313.205. As used in sections 313.200 to 313.350, the following words and terms shall have the meanings ascribed to them in this section unless the context clearly requires otherwise:

(1) "Commission" or "lottery commission", the three-member body appointed by the governor to manage and oversee the lottery and to appoint a director;

(2) "Commissioner", one of the members of the lottery commission appointed by the governor pursuant to the provisions of sections 313.200 to 313.350;

(3) "Director", the director of the state lottery appointed by the commission as the chief administrator of the state lottery;

(4) "Division", the division of the state lottery authorized by sections 313.200 to 313.350;

(5) "Lottery" or "state lottery", the state lottery established and operated pursuant to the provisions of sections 313.200 to 313.350;

(6) "Lottery contractor" or "lottery vendor", a person with whom the division has contracted to provide goods or services for the state lottery;

(7) "Lottery game" or "game", any procedure authorized by written rule of the commission whereby prizes are distributed among persons who have paid, or have unconditionally agreed to pay, for tickets or shares which provide the opportunity to win such prizes;

(8) "Lottery game retailer", any person with whom the lottery commission has contracted to sell tickets or shares in lottery games to the public;

(9) "Person", any natural person, firm, corporation, or other legal entity possessing a department of revenue retail sales license, as provided by law.

(L. 1985 S.B. 44 § 2)

Effective 6-11-85

**Commission established--offices--assignment to department.**

313.210. The "State Lottery Commission" is hereby created. The commission shall control and manage the state lottery. The principal office of the commission shall be located in Jefferson City in quarters provided by the division of design and construction. That division shall also arrange for other needed office space for the commission or its staff. The commission shall be assigned to the department of revenue as a type III division, but the director of the department of revenue has no supervision, authority or control over the actions or decisions of the lottery commission or the director of the state lottery.

(L. 1985 S.B. 44 § 3)

Effective 6-11-85

**Commission members--terms, qualifications--expense reimbursement.**

313.215. The commission shall consist of five members appointed by the governor with advice and consent of the senate, no more than three of whom shall be of the same political party. Members shall be appointed for terms of three years except for the initial members, two of whom shall be appointed for a term of one year, two for a term of two years, and one for a term of three years. No person shall be appointed as a commissioner who has been convicted of a felony or gambling related offense. The commission shall elect one of its members as chairman of the commission. All appointments shall be made within thirty days after expiration of a term. Vacancies shall be filled within thirty days by the governor for the unexpired portion of the term. The governor may remove any commissioner for cause following a hearing. Commissioners shall not be compensated for their services, but shall be reimbursed for actual and necessary expenses incurred in the performance of their duties from the state lottery fund. Each member of the commission at the time of his appointment and qualification shall have been a resident of this state for at least five years next preceding his appointment and qualification and shall also be a registered voter and at least thirty years of age.

(L. 1985 S.B. 44 § 4, A.L. 1988 S.B. 643)

Effective 9-1-88

**Rules and regulations--procedure generally, this chapter--background checks may be required, when.**

313.220. 1. The commission shall promulgate such rules and regulations governing the establishment and operation of a state lottery as it deems necessary and desirable to fully implement the mandate of the people expressed in the approval of the lottery amendment to article III of the Missouri Constitution. Such rules and regulations shall be designed so that a lottery may be initiated at the earliest feasible and practicable time. No rule or portion of a rule promulgated under the authority of this chapter shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

2. The commission shall have the authority to require a fingerprint background check on any person seeking employment or employed by the commission, any person seeking contract with or contracted to the commission and any person seeking license from or licensed by the commission. The background check shall include a check of the Missouri criminal records repository and when the commission deems it necessary to perform a nationwide criminal history check, a check of the Federal Bureau of Investigation's criminal records file. Fingerprints shall be submitted to the Missouri criminal records repository as required. Notwithstanding the provisions of section 610.120, the commission shall have access to closed criminal history information when fingerprints are submitted.

(L. 1985 S.B. 44 § 5, A.L. 1988 S.B. 643, A.L. 1993 S.B. 52, A.L. 1995 S.B. 3, A.L. 2003 S.B. 294)

**Commission meetings--quorum.**

313.225. The commission shall meet at least quarterly in accordance with its rules therefor. No action of the commission shall be binding unless taken at a meeting at which at least three of the five members are present and shall vote in favor thereof.

(L. 1985 S.B. 44 § 6, A.L. 1988 S.B. 643)

Effective 9-1-88

**Duties of commission--nepotism prohibited for employees of lottery and commission.**

313.230. The commission shall:

(1) Issue rules and regulations concerning the operation of the Missouri state lottery. The rules and regulations shall include, but shall not be limited to, the following:

(a) The type of lottery to be conducted, except no lottery may use any coin- or token-operated amusement device and no lottery game shall be based in any form on the outcome of sporting events. However, it shall be legal to use clerk- or player-activated terminals, which are coin- or currency-operated, to dispense lottery tickets;

(b) The price, or prices, of tickets or shares in the lottery;

(c) The numbers and sizes of the prizes on the winning tickets or shares;

(d) The manner of selecting the winning tickets or shares;

(e) The manner of payment of prizes to the holders of winning tickets or shares;

(f) The frequency of the drawings or selections of winning tickets or shares, without limitation;

(g) The types or numbers of locations at which tickets or shares may be sold and the method to be used in selling tickets or shares;

(h) The method to be used in selling tickets or shares;

(i) The licensing of lottery game retailers to sell tickets or shares;

(j) The manner and amount of compensation, including commissions, ticket discounts, incentives and any other remuneration, to be paid to or retained by lottery game retailers;

(k) The apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources among:

a. The payment of prizes to the holders of winning tickets or shares;

b. The payment of costs incurred in the operation and administration of the lottery, including the expenses of the commission and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials;

c. For the repayment to the general revenue fund of any amount appropriated for initial start-up of the lottery; and

d. For timely transfer to the state lottery fund as provided by law;

(l) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares. The commission may disburse money for payment of lottery prizes;

(2) Amend, repeal, or supplement any such rules and regulations from time to time as it deems necessary or desirable;

(3) Advise and make recommendations to the director regarding the operation and administration of the lottery;

(4) Report quarterly to the governor and the general assembly the total lottery revenues, prize disbursements and other expenses for the preceding quarter, and to make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements and other expenses, to the governor and the general assembly, and including such recommendations for changes in sections 313.200 to 313.350 as it deems necessary or desirable;

(5) Report to the governor and general assembly any matters which shall require immediate changes in the laws of this state in order to prevent abuses and evasions of sections 313.200 to 313.350 or rules and regulations promulgated thereunder or to rectify undesirable conditions in connection with the administration or operation of the lottery;

(6) Carry on a continuous study and investigation of the lottery throughout the state and to make a continuous study and investigation of the operation and the administration of similar laws which may be in effect in other states or countries, any literature on the subject which from time to time may be published or available, any federal laws which may affect the operation of the lottery, and the reaction of Missouri citizens to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of sections 313.200 to 313.350;

(7) Ensure that all employees of the state lottery commission hired after July 12, 1990, shall not be related to any member of the state lottery commission or any employee of the state lottery commission within the third degree of consanguinity or affinity.

(L. 1985 S.B. 44 § 7, A.L. 1988 S.B. 643, A.L. 1990 S.B. 504, A.L. 1993 S.B. 215)

**Director--appointment, qualifications, compensation.**

313.235. The commission shall appoint a director. The director shall perform his duties subject to the direction of the commission. He may be removed by the commission for good cause shown after notice and an opportunity to be heard. He shall be qualified to direct the operations of a state-operated lottery. No person shall be appointed as lottery director who has been convicted of a felony or any gambling-related offense. The director shall receive a salary as set by the commission and subject to appropriation. He shall devote his entire time and attention to the duties of his office, and he shall not engage in any other profession or occupation.

(L. 1985 S.B. 44 § 8)

Effective 6-11-85

**Duties of director.**

313.240. The director shall, subject to the approval of the commission, perform all duties, exercise all powers, and assume and discharge all responsibilities to carry out the purpose of sections 313.200 to 313.350. The director shall act as secretary of the commission and keep all books, records, files and documents of the commission. The director shall supervise and administer the operation of the lottery in accordance with the provisions of sections 313.200 to 313.350 and the rules and regulations promulgated by the commission.

(L. 1985 S.B. 44 § 9)

Effective 6-11-85

**Personnel--employment, qualifications, compensation.**

313.245. The director shall employ such professional, clerical, technical and administrative personnel as may be necessary to carry out the provisions of sections 313.200 to 313.350. No person shall be employed by the lottery who has been convicted of a felony. Any person employed by the lottery in a management or policy-making position shall be a resident of this state or become a Missouri resident within six months of his appointment. Personnel shall be employed without regard to any political affiliation. Personnel shall receive a salary comparable to the salaries received by other state employees doing comparable duties.

(L. 1985 S.B. 44 § 10)

Effective 6-11-85

**Budget preparation.**

313.250. The director shall annually prepare and submit to the commission, for its approval, a proposed budget for the ensuing fiscal year, which budget shall present a complete financial plan setting forth all proposed expenditures and anticipated revenues of the state lottery.

(L. 1985 S.B. 44 § 11)

Effective 6-11-85

**Licenses--issuance, suspension, revocation--allocation--qualifications of licensees--commission may sell tickets, when--bond.**

313.255. 1. The director shall issue, suspend, revoke, and renew licenses for lottery game retailers pursuant to rules and regulations adopted by the commission. Such rules shall specify that at least ten percent of all licenses awarded to lottery game retailers in constitutional charter cities not within a county and constitutional charter cities with a population of at least four hundred fifty thousand not located wholly within a county of the first class with a charter form of government shall be awarded to minority-owned and -controlled business enterprises. Licensing rules and regulations shall include requirements relating to the financial responsibility of the licensee, the accessibility of the licensee's place of business or activity to the public, the sufficiency of existing licenses to serve the public interest, the volume of expected sales, the security and efficient operation of the lottery, and other matters necessary to protect the public interest and trust in the lottery and to further the sales of lottery tickets or shares. Lottery game retailers shall be selected without regard to political affiliation.

2. The commission may sell lottery tickets at its office and at special events.

3. The commission shall require every retailer to post a bond, a bonding fee or a letter of credit in such amount as may be required by the commission, and upon licensure shall prominently display his license, or a copy thereof, as provided in the rules and regulations of the commission.

4. All licenses for lottery game retailers shall specify the place such sales shall take place.

5. A lottery game retailer license shall not be assignable or transferable.

6. A license shall be revoked upon a finding that the licensee:

(1) Has knowingly provided false or misleading information to the commission or its employees;

(2) Has been convicted of any felony; or

(3) Has endangered the security of the lottery.

7. A license may be suspended, revoked, or not renewed for any of the following causes:

(1) A change of business location;

(2) An insufficient sales volume;

(3) A delinquency in remitting money owed to the lottery; or

(4) Any violation of any rule or regulation adopted pursuant to this section by the commission.

(L. 1985 S.B. 44 § 12, A.L. 1988 S.B. 643)

Effective 9-1-88

**Restrictions for licensees.**

313.260. 1. No license shall be issued to any person to engage in business primarily as a lottery game retailer.

2. No person shall be licensed as a lottery game retailer who:

(1) Has been convicted of a felony;

(2) Is or has been a professional gambler or gambling promoter;

(3) Has been convicted of bookmaking or any other form of illegal gambling;

(4) Has been convicted of a crime involving fraud or misrepresentation;

(5) Has purchased a federal tax stamp for wagering or gambling activity;

(6) Has been convicted of or pleaded nolo contendere to any illegal gambling activity;

(7) Has had his ticket retailer's license revoked by the commission;

(8) Is a lottery contractor or lottery vendor;

(9) Is an employee of the commission or any spouse, child, brother, sister, or parent of an employee of the commission; or

(10) Is under the age of twenty-one;

(11) Is a firm, corporation or organization in which a person defined in subdivision (1), (2), (3), or (4) of this subsection is to participate in the management or sales of lottery tickets or shares.

(L. 1985 S.B. 44 § 13)

Effective 6-11-85

**Denial of license, grounds--cause to be cited.**

313.265. No person otherwise qualified under the provisions of sections 313.200 to 313.350 shall be denied a license as a lottery game retailer except for cause or for refusal to acquire such equipment and materials or meet such minimum sales requirements as the commission may deem necessary for a person to conduct a lottery game on his business premises. The reason for denial of a license shall be specified in writing by the commission.

(L. 1985 S.B. 44 § 14)

Effective 6-11-85

**Purchase of goods and services--minority contracts, expiration date--investigation costs--bond--termination of vendor's contract.**

313.270. 1. The director, pursuant to rules and regulations issued by the commission, may directly purchase or lease such goods or services as are necessary for effectuating the purposes of sections 313.200 to 313.350, including procurements which integrate functions such as lottery game design, supply of goods and services, and advertising. The lottery commission by approved rule may purchase goods made in the United States and sold by a Missouri business to be given away as prizes within the provisions of section 313.321. Contracts shall be awarded to lottery contractors or lottery vendors on the basis of lowest and best bid on an evaluated basis in order to maximize revenues to the lottery fund. The director may also utilize state purchasing procedures. The director shall award at least ten percent of the aggregate dollar amount of all contracts to provide goods and services to the lottery to minority business enterprises as defined by the office of administration and shall award at least five percent of the aggregate dollar amount of all contracts to provide goods and services to the lottery to women business enterprises as defined by the office of administration. No contract awarded or entered into by the director may be assigned by the holder thereof except by specific approval of the commission.

2. Any contract awarded to any lottery contractor or vendor shall provide that such contractor or vendor shall award a minimum of ten percent of his subcontracted business to minority business enterprises as defined by the office of administration and shall award a minimum of five percent of his subcontracted business to women business enterprises as defined by the office of administration. This section shall not apply to multistate lottery.

3. Any lottery vendor which enters into a contract to supply lottery materials, services or equipment for use in the operation of the state lottery shall first disclose such information as the commission may require, by rule and regulation, concerning the selection of lottery vendors.

4. The costs of any investigation into the background of the applicant seeking a contract shall be assessed against the applicant and shall be paid by the applicant at the time of billing by the state.

5. Performance bonds shall be posted by each contractor with the commission with a surety acceptable to the commission in an amount as may be required by the commission, but not to exceed the expected total value of the contract. The contract of any lottery contractor who does not comply with such requirements may be terminated by the commission. The commission may terminate the contract of any lottery vendor who:

(1) Is convicted of any felony;

(2) Is convicted of any gambling-related offense;

(3) Is convicted of any crime involving fraud or misrepresentation;

(4) Fails to comply with the rules and regulations of the commission existing at the time the contract was entered into; or

(5) Fails to periodically update any disclosure requirements.

6. The provisions in this section requiring that certain percentages of lottery contracts and subcontracts be awarded to businesses owned and controlled by women or ethnic and racial minorities shall expire on January 1, 2005.

(L. 1985 S.B. 44 § 15, A.L. 1988 S.B. 643, A.L. 2000 S.B. 902)

Expiration date: 1-01-05 for certain contracts

**Financial interests and gifts prohibited.**

313.275. 1. No member of the commission or employee of the commission, including the director, and no member of their immediate families, shall have any personal pecuniary interest in any lottery or in the sale of any lottery tickets or shares or in any corporation, association, or firm contracting with the state to supply gaming equipment or materials for use in the operation of the lottery or in any corporation, association, or firm licensed as a lottery game retailer.

2. No member of the commission or employee of the commission, including the director, and no member of their immediate families, shall receive any gift, gratuity, or other thing of value from any person, corporation, association, or firm contracting with the state to supply gaming equipment or materials for use in the operation of the lottery or from any person, corporation, association, or firm licensed as a lottery game retailer.

3. No member of the commission or employee of the commission, including the director, and no member of their immediate families, shall be eligible to receive any prize awarded in such a lottery.

4. No person, firm, association, or corporation contracting to supply gaming equipment or materials to the state for use in the operation of the state lottery shall be directly connected with any person, firm, association, or corporation licensed as a lottery game retailer or a member of the commission, the director or its employees.

(L. 1985 S.B. 44 § 16)

Effective 6-11-85

**Sale of tickets to minors.**

313.280. No ticket or share shall be sold to any person under the age of eighteen, but this shall not be deemed to prohibit the purchase of a ticket or share for the purpose of making a gift by a person eighteen years of age or older to a person less than that age. The license of any licensee who knowingly sells or offers to sell a lottery ticket or share to any person under the age of eighteen shall be suspended or forfeited as prescribed by the rules adopted by the commission.

(L. 1985 S.B. 44 § 17)

Effective 6-11-85

**Prizes not assignable except to revokable living trusts or personal custodian, requirements--death of prize winner, how prize is paid.**

313.285. 1. No prize, nor any portion of a prize, nor any right of any person to a prize awarded shall be assignable, except that a prize may be paid for the use and benefit of the prize winner to the trustee of a revocable living trust established by the prize winner or a personal custodian appointed by the prize winner under the Missouri personal custodian law, chapter 404. The prize winner's request to the director that payment be made to a trustee or personal custodian shall be submitted in a notarized letter together with a copy of the trust or written agreement with the personal custodian.

2. Any prize or portion thereof remaining unpaid at the death of a prize winner shall be paid as follows:

(1) To the estate of the deceased prize winner;

(2) To the trustee under a revocable living trust established by the deceased prize winner as settlor, provided that a copy of the trust has been filed with the director along with a notarized letter of direction from the settlor and no written notice of revocation has been received by the director prior to the settlor's death; or

(3) To the surviving beneficiaries shown in a written beneficiary designation that has been executed by the prize winner and submitted to the director before the prize winner's death. If a trustee is named a beneficiary, a copy of the will or instrument creating the trust shall be filed with the director before payment is made to the trustee.

3. Notwithstanding any other provision of this section, any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. The commission and the director shall be discharged of all further liability upon payment of a prize pursuant to this section. Any ticket or share may be purchased by two or more persons and any prize payable therefor shall be made in accordance with the ownership percentages of such ticket or share.

4. A beneficiary designation submitted by a prize winner is revocable by the beneficiary during lifetime and is governed by the nonprobate transfers law, chapter 461. The rules provided in section 461.062 shall apply in addition to any rules adopted by the director and approved by the commission that are made a part of the beneficiary designation.

5. Persons who begin to receive payment of the prize after the prize winner's death shall be treated as the prize winner for the purpose of this section and may provide for disposition of any portion of the prize remaining unpaid at their death by will, trust or beneficiary designation.

(L. 1985 S.B. 44 § 18, A.L. 1990 S.B. 504, A.L. 1993 S.B. 215)

**Ticket or share prices fixed--counterfeiting prohibited--penalty.**

313.290. 1. No person shall sell a ticket or share at a price other than that fixed by rule or regulation of the commission. No person other than a licensed lottery game retailer shall sell lottery tickets or shares, but nothing in this section shall be construed to prevent any person from giving lottery tickets or shares to another as a gift. Any violation of this section is a class A misdemeanor.

2. Any person who falsely or fraudulently makes, forges, alters or counterfeits, or causes or procures to be made, forged, altered or counterfeited, any state lottery ticket, or any part thereof, or who knowingly and willfully utters, publishes, passes or tenders as true, any forged, altered or counterfeited state lottery ticket is guilty of a class C felony. Any person who with intent to defraud secures, manufactures, or causes to be secured or manufactured, or has in his possession any counterfeit state lottery ticket or device, is guilty of a class D felony.

(L. 1985 S.B. 44 § 19)

Effective 6-11-85

**Payment of prizes to minors and disabled adults under personal custodian law.**

313.295. 1. If the person entitled to a prize, or payment of the prize after the prize winner's death, is\* under the age of eighteen years or is a disabled adult person, the payment of the prize shall be made by delivery of a check or draft payable to the order of the minor's or disabled adult person's conservator, if any.

2. If the minor or disabled adult person does not have a conservator, payments not over ten thousand dollars may be made to a guardian, an adult member of the person's family or a financial institution as custodian for the minor under the Missouri transfers to minors law, or as custodian for the disabled adult person under the Missouri personal custodian law. If the payment is over ten thousand dollars and is not paid to a conservator, trustee or personal custodian designated by the prize winner, or a financial institution, the approval of the probate division of the circuit court shall first be obtained for any payment to a custodian, under subsection 3 of section 404.031, for minors and subsection 2 of section 404.490 for disabled adult persons, and payment shall be made in accordance with the court's order.

3. The commission and the director shall be discharged of all further liability upon payment of a prize to a minor or disabled adult person pursuant to this section.

(L. 1985 S.B. 44 § 20, A.L. 1993 S.B. 215)

\*Word "if" appears in original rolls, an apparent typographical error.

**Unclaimed prizes--moneys to revert to state lottery fund.**

313.300. Unclaimed prize money shall be retained by the commission for the person entitled thereto for one hundred eighty days after the time at which the prize was awarded. If no claim is made for the prize within one hundred eighty days, the prize money shall be reverted to the state lottery fund.

(L. 1985 S.B. 44 § 21, A.L. 1988 S.B. 643, A.L. 2002 S.B. 1248, A.L. 2007 S.B. 613 Revision)

**Duties of attorney general and highway patrol.**

313.310. 1. The attorney general shall provide legal services for the commission. The attorney general shall make reasonable efforts to ensure that there is continuity in the legal services provided, and that the attorneys providing legal services to the commission have expertise in such field. No counsel outside the attorney general's office shall be employed to provide legal services for the commission or director without the expressed approval of the attorney general. The attorney general may hire any expert counsel necessary to protect the state's interest.

2. The commission or director may request that the attorney general make investigations, on behalf of and in the name of the commission, and bring suits or institute proceedings for any of the purposes necessary and proper for carrying out the functions of the division.

3. The Missouri state highway patrol, including the division of drug and crime control, shall have authority to make investigations relative to the operation and administration of Missouri gaming operations as authorized by law and to report suspected violations of state law or federal law to the proper prosecuting authorities. In the event that a violation of state law is reported to the proper prosecuting authority and no prosecution is commenced within thirty days for alleged violations, the attorney general shall have authority to commence prosecution for alleged violations of the state lottery law or other criminal statutes alleged to have been violated. The cost of personnel and related expenses in the Missouri state highway patrol, including the division of drug and crime control, to accomplish the purposes of this section shall be paid within the limits of appropriations from general revenue, or from such other funding as may be authorized by the general assembly.

(L. 1985 S.B. 44 § 23, A.L. 1988 S.B. 643)

Effective 9-1-88

**Duties of state auditor--other audits--reports to be filed.**

313.315. 1. The state auditor shall conduct a biennial audit of all accounts and transactions of the state lottery pursuant to section 29.200 and such other special audits as he may deem necessary. The auditor or his agents conducting an audit shall have access and authority to examine any and all records of the commission, its distributing agencies, lottery vendors or lottery ticket sales agents that relate to the operation, administration, or promotion of the lottery.

2. The commission shall employ an independent firm of accountants to conduct an annual audit of all accounts and transactions of the lottery. Expenses for conducting an audit pursuant to this subsection shall be paid from the state lottery fund.

3. All audit reports shall be presented to the general assembly pursuant to section 181.100 and to the commission, the governor, the commissioner of administration, the state treasurer, attorney general, and the state auditor.

(L. 1985 S.B. 44 § 24)

Effective 6-11-85

**State lottery fund, established--distribution of funds--imprest prize fund, created, uses--collection, investment, use of lottery funds--taxation, set-off of prizes, when--restrictions for licensees.**

313.321. 1. The money received by the Missouri state lottery commission from the sale of Missouri lottery tickets and from all other sources shall be deposited in the "State Lottery Fund", which is hereby created in the state treasury. At least forty-five percent, in the aggregate, of the money received from the sale of Missouri lottery tickets shall be appropriated to the Missouri state lottery commission and shall be used to fund prizes to lottery players. Amounts in the state lottery fund may be appropriated to the Missouri state lottery commission for administration, advertising, promotion, and retailer compensation. The general assembly shall appropriate remaining moneys not previously allocated from the state lottery fund by transferring such moneys to the general revenue fund. The lottery commission shall make monthly transfers of moneys not previously allocated from the state lottery fund to the general revenue fund as provided by appropriation.

2. The commission may also purchase and hold title to any securities issued by the United States government or its agencies and instrumentalities thereof that mature within the term of the prize for funding multiyear payout prizes.

3. The "Missouri State Lottery Imprest Prize Fund" is hereby created. This fund is to be established by the state treasurer and funded by warrants drawn by the office of administration from the state lottery fund in amounts specified by the commission. The commission may write checks and disburse moneys from this fund for the payment of lottery prizes only and for no other purpose. All expenditures shall be made in accordance with rules and regulations established by the office of administration. Prize payments may also be made from the state lottery fund. Prize payouts made pursuant to this section shall be subject to the provisions of section 143.781. Prize payouts made pursuant to this section shall be subject to set off for:

(1) Delinquent child support payments as assessed by a court of competent jurisdiction or pursuant to section 454.410;

(2) Unpaid health care services provided by hospitals and health care providers under the procedure established in section 143.790; and

(3) Unpaid debts to a county jail as provided under section 221.070 and pursuant to the procedure established in section 488.5028.

4. Funds of the state lottery commission not currently needed for prize money, administration costs, commissions and promotion costs shall be invested by the state treasurer in interest-bearing investments in accordance with the investment powers of the state treasurer contained in chapter 30. All interest earned by funds in the state lottery fund shall accrue to the credit of that fund.

5. No state or local sales tax shall be imposed upon the sale of lottery tickets or shares of the state lottery or on any prize awarded by the state lottery. No state income tax or local earnings tax shall be imposed upon any lottery game prizes which accumulate to an amount of less than six hundred dollars during a prize winner's tax year. The state of Missouri shall withhold for state income tax purposes from a lottery game prize or periodic payment of six hundred dollars or more an amount equal to four percent of the prize.

6. The director of revenue is authorized to enter into agreements with the lottery commission, in conjunction with the various state agencies pursuant to sections 143.782 to 143.788, in an effort to satisfy outstanding debts to the state from the lottery winning of any person entitled to receive lottery payments which are subject to federal withholding. The director of revenue is also authorized to enter into agreements with the lottery commission in conjunction with the department of health and senior services pursuant to section 143.790 in an effort to satisfy outstanding debts owed to hospitals and health care providers for unpaid health care services of any person entitled to receive lottery payments which are subject to federal withholding.

7. In addition to the restrictions provided in section 313.260, no person, firm, or corporation whose primary source of income is derived from the sale or rental of sexually oriented publications or sexually oriented materials or property shall be licensed as a lottery game retailer and any lottery game retailer license held by any such person, firm, or corporation shall be revoked.

(L. 1986 H.B. 1652, A.L. 1988 S.B. 643, A.L. 2007 H.B.818, A.L. 2013 S.B. 42)

**Commission may contract operation of lottery to private organization, how.**

313.322. Notwithstanding the provisions of sections 313.200 to 313.350, the lottery commission may contract the operation of the state lottery and any multistate lottery to a private organization on the basis of public bids, the best bid being to the organization which, under bond, can guarantee the state the highest return to the general revenue fund or public expenditure funds as may be designated in sections 313.200 to 313.350.

(L. 1988 S.B. 643)

Effective 9-1-88

**Commission may subpoena records and witnesses--failure to obey.**

313.325. The commission may issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records and other evidence before it in any matter over which it has jurisdiction, control or supervision. The commission may administer oaths and affirmations to persons whose testimony is required. If a person subpoenaed to attend in any such proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in any such proceeding or hearing refuses, without lawful cause, to be examined or to answer a legal or pertinent question or to exhibit any book, account, record or other document when ordered so to do by the commission, the commission may apply to any judge of the circuit court, upon proof by affidavit of the facts, for an order returnable in not more than ten days, or as the court shall prescribe, directing such person to show cause before the court why he should not comply with such subpoena or such order. Upon return of the order, the court before whom the matter shall come on for hearing shall examine such person under oath, and if the court shall determine, after giving such person an opportunity to be heard, that he refused without legal excuse to comply with such subpoena or such order of the director, the court may order such person to comply therewith forthwith and any failure to obey the order of the court may be punished as a contempt of the court.

(L. 1985 S.B. 44 § 26)

Effective 6-11-85

**Constitutional prohibition construed--no denial of liquor license.**

313.340. 1. Notwithstanding any other provision of law to the contrary, participation by a person, firm, corporation or organization in any aspect of the state lottery in accordance with sections 313.200 to 313.350 shall not be construed to be a lottery or gift enterprise in violation of article III, section 39 of the Constitution of Missouri.

2. The sale of lottery tickets or shares in accordance with sections 313.200 to 313.350 shall not constitute a valid reason to refuse to issue or renew or to revoke or suspend any license or permit issued under the provisions of chapter 311.

(L. 1985 S.B. 44 § 29, A.L. 2009 H.B. 132)

**Licenses and contracts may be denied to persons owing debt to state.**

313.345. No license or contract shall be granted to any person in default in the payment of any obligation or debt due the state, provided no applicant shall be deemed in default in the payment of any obligation or debt due to the state as long as there is pending a hearing of any kind relevant to such matter.

(L. 1985 S.B. 44 § 30)

Effective 6-11-85

**Venue for civil actions--advancement on docket.**

313.350. Any civil action brought on any question in connection with the lottery shall be filed in the circuit court of Cole County, and all such suits shall be given priority and advanced on the court docket and shall be heard and decided by the court as quickly as possible.

(L. 1985 S.B. 44 § 31)

Effective 6-11-85

**Lottery commission to submit plan, how approved.**

313.351. Prior to implementing any plan to allow state lottery prize winners who are currently receiving annuity payments to receive a single cash payment in lieu of remaining annuity payments, the state lottery commission shall submit to the president pro tempore of the senate, the speaker of the house of representatives, and the commissioner of the office of administration the details of the plan and its estimated effect on the level of total state revenues as defined in article X, section 17 of the Missouri Constitution as well as the benefits of allowing financial institutions which are FDIC insured to participate in such plan. No such plan which permits the option of receiving a single cash payment in lieu of remaining annuity payments shall be implemented unless approved by the general assembly by concurrent resolution and submitted to the governor in accordance with the provisions of article IV, section 8 of the Missouri Constitution.

(L. 1999 S.B. 386 § 3)

CROSS REFERENCE:

Commission may allow pre-October 22, 1998, lottery winners receiving annual payments to elect to receive a single cash payment, expiration date.