

By: Representatives Clarke, Mayo, Hines,
Thomas

To: Gaming; Ways and Means

HOUSE BILL NO. 1043

1 AN ACT ENTITLED THE "MISSISSIPPI LOTTERY FOR EDUCATION ACT";
2 TO CREATE A STATE LOTTERY TO FUND THE MISSISSIPPI HOPE SCHOLARSHIP
3 TRUST FUND; TO PROVIDE THAT THE STATE LOTTERY SHALL BE
4 ADMINISTERED BY THE MISSISSIPPI GAMING COMMISSION; TO PROVIDE THE
5 POWERS AND DUTIES OF THE MISSISSIPPI GAMING COMMISSION REGARDING
6 THE STATE LOTTERY; TO CREATE THE MISSISSIPPI HOPE SCHOLARSHIP
7 TRUST FUND TO PROVIDE THAT A PERCENTAGE OF THE PROCEEDS COLLECTED
8 FROM THE SALE OF LOTTERY TICKETS WITHIN A COUNTY SHALL BE
9 DISTRIBUTED TO THAT COUNTY; TO PROVIDE THAT, AFTER DEDUCTING
10 CERTAIN ADMINISTRATIVE AND PRIZE EXPENSES, THE REMAINDER OF THE
11 NET PROCEEDS SHALL BE DEPOSITED INTO THE MISSISSIPPI HOPE
12 SCHOLARSHIP TRUST FUND; TO AMEND SECTIONS 37-106-5, 67-1-71,
13 75-76-3, 75-76-5, 97-33-9, 97-33-11, 97-33-13, 97-33-21, 97-33-23,
14 97-33-31, 97-33-33, 97-33-35, 97-33-37, 97-33-39, 97-33-41,
15 97-33-43, 97-33-45, 97-33-47 AND 97-33-49, MISSISSIPPI CODE OF
16 1972, IN CONFORMITY TO THE PROVISIONS OF THIS ACT; TO AMEND
17 SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES
18 TAX THE SALE OF LOTTERY TICKETS; AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** As used in Sections 1 through 3 of this act, the
21 following words and phrases shall have the meanings ascribed in
22 this section unless the context clearly indicates otherwise:

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

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

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

32 (i) The player or players pay or agree to pay
33 something of value for chances, represented and differentiated by
34 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.

SECTION 2. (1) There is created and established a state lottery, to be known as the Mississippi Lottery for Education Act.

(2) The Mississippi Gaming Commission shall administer the state lottery and shall have the authority 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;



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

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

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

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

80 (i) The types of games to be conducted;

81 (ii) The sale price of tickets;

82 (iii) The number and amount of prizes;

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

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

87 (vi) The manner of payment of prizes;

88 (vii) The frequency of games and drawings; and

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

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

93 (h) Take any action necessary for the implementation
94 and administration of the provisions of Sections 1 through 3 of
95 this act and promulgate rules and regulations necessary for the
96 implementation and administration of the provisions of Sections 1
97 through 3 of this act.

98 (3) No ticket shall knowingly be sold to any person under
99 the age of eighteen (18), but this subsection (3) does not
100 prohibit the purchase of a ticket by a person eighteen (18) years



101 of age or older for the purpose of making a gift to any person of
102 any age. In such case, the commission shall direct payment to an
103 adult member of the person's family or the legal guardian of the
104 person on behalf of such person.

105 (4) The proceeds received from the actual sale of lottery
106 tickets, less a reasonable percentage in an amount as determined
107 by the commission up to a maximum amount of one-half (1/2) of one
108 percent (1%) to be retained by a retailer selling a ticket, shall
109 be remitted to the commission on a monthly basis. The commission
110 shall deposit the proceeds into the State Treasury on the day
111 collected. At the end of each month, the commission shall certify
112 the total proceeds collected from the sale of lottery tickets to
113 the State Treasurer who shall distribute such collections as
114 follows:

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

122 (b) A reasonable percentage, in an amount as determined
123 by the commission up to a maximum amount of one-half (1/2) of one
124 percent (1%), of the proceeds collected during the preceding month
125 from the sale of lottery tickets in the state, shall be allocated
126 for distribution to the commission and paid to the commission to
127 defray the costs of administering the provisions of Sections 1
128 through 3 of this act;

129 (c) Four percent (4%) of the proceeds collected during
130 the preceding month from the sale of lottery tickets within a
131 county shall be allocated for distribution to that county and paid
132 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's Hope Scholarship Trust Fund created in Section 3 of this act.

SECTION 3. (1) 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 such funds as provided in Section 2(4)(d) of this act. 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.

(2) The trust fund shall remain inviolate and shall never be expended, except as provided in this section. Beginning in fiscal year 2009 and for 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. Such appropriation shall be for the exclusive purpose of providing funds for the purposes described in Section 4 of this act, but shall not be considered to be the only source for providing funds for such purposes.

SECTION 4. (1) 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)(d). The board shall set the date that will serve as the deadline for applying for an award under 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) at 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) at 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; and

(f) Has not been convicted of a felony offense involving marijuana or a controlled substance, or is not incarcerated.

(2) The annual 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.

(3) 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 institution 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.

(4) The board may conduct annual audits of any institution participating in the program described in 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 this section.

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

37-106-5. 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 is a bona fide resident of Mississippi or an out-of-state student who is enrolled or accepted for attendance at an approved institution located in Mississippi in a course of study including at least six (6) semester hours or the full-time equivalent thereof.



(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 Post-Secondary Education Financial Assistance Board.

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

(d) "Fund" means the Mississippi Eminent Scholars Fund created by Section 37-106-31 or the Mississippi Hope Scholarship Trust Fund created in Section 3 of House Bill No. , 2008 Regular Session, as the case may be.

(e) "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.

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

SECTION 6. Section 67-1-71, Mississippi Code of 1972, is amended as follows:

67-1-71. The commission 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 commission.

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 (1) 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 commission;

(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 this chapter within fifteen (15) days after notice from the commission; 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 illegal gambling device with the knowledge of the permittee. The provisions of this paragraph shall not apply to: (i) the conducting of legal gaming by a person having a gaming license issued under Section 75-76-1 et seq., or (ii) to the operation of any game or lottery authorized by Sections 1 and 2 of House Bill No. , 2008 Regular Session. The commission * * *, in its discretion, may issue on-premises retailer's permits to a common carrier of the nature described in this paragraph.



294 No permit shall be revoked except after a hearing by the
295 commission with reasonable notice to the permittee and an
296 opportunity for him to appear and defend.

297 In addition to the causes specified in this section and other
298 provisions of this chapter, the commission shall be authorized to
299 suspend the permit of any permit holder for being out of
300 compliance with an order for support, as defined in Section
301 93-11-153. The procedure for suspension of a permit for being out
302 of compliance with an order for support, and the procedure for the
303 reissuance or reinstatement of a permit suspended for that
304 purpose, and the payment of any fees for the reissuance or
305 reinstatement of a permit suspended for that purpose, shall be
306 governed by Section 93-11-157 or 93-11-163, as the case may be.
307 If there is any conflict between any provision of Section
308 93-11-157 or 93-11-163 and any provision of this chapter, the
309 provisions of Section 93-11-157 or 93-11-163, as the case may be,
310 shall control.

311 **SECTION 7.** Section 75-76-3, Mississippi Code of 1972, is
312 amended as follows:

313 75-76-3. (1) The provisions of this chapter shall not be
314 construed to legalize any form of gaming which is prohibited under
315 the Mississippi Constitution or the laws of this state. All legal
316 gaming which is conducted in this state and which is otherwise
317 authorized by law shall be regulated and licensed under the
318 provisions of this chapter, unless the Legislature specifically
319 provides otherwise. Nothing in this chapter shall be construed as
320 encouraging the legalization of gambling in this state.

321 (2) The Legislature hereby finds and declares that lotteries
322 and gaming both consist of the material element of chance. The
323 Legislature is * * * permitted by virtue of its inherent powers to
324 legislate upon lotteries and gaming as the occasion arises. The
325 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 lotteries and licensed gaming is
important in order that those activities be 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 under the provisions of this chapter is a
revocable privilege, and no holder acquires any vested right
therein or thereunder.

* * *



SECTION 8. 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.

(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 under the provisions of Section 97-33-51, or any
games or lottery authorized by Sections 1 through 3 of House Bill
No. , 2008 Regular Session.

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



424 system for processing information which can alter the normal
425 criteria of random selection, which affects the operation of any
426 game, or which determines the outcome of a game. The term does
427 not include a system or device which affects a game solely by
428 stopping its operation so that the outcome remains undetermined,
429 and does not include any antique coin machine as defined in
430 Section 27-27-12.

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

- 434 (i) Boxmen;
- 435 (ii) Cashiers;
- 436 (iii) Change personnel;
- 437 (iv) Counting room personnel;
- 438 (v) Dealers;
- 439 (vi) Floormen;
- 440 (vii) Hosts or other persons empowered to extend
441 credit or complimentary services;
- 442 (viii) Keno runners;
- 443 (ix) Keno writers;
- 444 (x) Machine mechanics;
- 445 (xi) Security personnel;
- 446 (xii) Shift or pit bosses;
- 447 (xiii) Shills;
- 448 (xiv) Supervisors or managers; and
- 449 (xv) Ticket writers.

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

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



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

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

465 (i) Cash received as winnings;

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

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

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

473 The term does not include:

474 (i) Counterfeit money or tokens;

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

517 (dd) "Regulation" means a rule, standard, directive or
518 statement of general applicability which effectuates law or policy
519 or which describes the procedure or requirements for practicing
520 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) "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.

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



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

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

563 (ll) "Cheat" means to alter the selection of criteria
564 that determine:

565 (i) The rules of a game; or

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

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

569 97-33-9. If any person shall be guilty of keeping or
570 exhibiting any illegal game or gaming table commonly called A.B.C.
571 or E.O. roulette or rowley-powley, or rouge et noir, roredo, keno,
572 monte, or any faro-bank, or other game, gaming table, or bank of
573 the same or like kind or any other kind or description under any
574 other name whatever, or shall be in any manner either directly or
575 indirectly interested or concerned in any gaming tables, banks, or
576 games, either by furnishing money or articles for the purpose of
577 carrying on the same, being interested in the loss or gain of said
578 table, bank or games, or employed in any manner in conducting,
579 carrying on, or exhibiting said gaming tables, games, or banks,
580 every person so offending and being thereof convicted, shall be
581 fined not less than Twenty-five Dollars (\$25.00) nor more than Two
582 Thousand Dollars (\$2,000.00), or be imprisoned in the county jail
583 not longer than two (2) months, or by both such fine and
584 imprisonment, in the discretion of the court. Nothing in this
585 section shall apply to any person who owns, possesses, controls,
586 installs, procures, repairs or transports any legal gaming or



587 gambling device, machine or equipment in accordance with
588 subsection (4) of Section 97-33-7 or Section 75-76-34, or to the
589 operation of any game or lottery authorized by Sections 1 through
590 3 of House Bill No. , 2008 Regular Session.

591 **SECTION 10.** Section 97-33-11, Mississippi Code of 1972, is
592 amended as follows:

593 97-33-11. It shall not be lawful for any association of
594 persons of the character commonly known as a "club," whether such
595 association be incorporated or not, in any manner, either directly
596 or indirectly, to have any interest or concern in any illegal
597 gambling tables, banks, or games, by means of what is sometimes
598 called a "rake-off" or "take-out," or by means of an assessment
599 upon certain combinations, or hands at cards, or by means of a
600 percentage extracted from players, or an assessment made upon, or
601 a contribution from them, or by any other means, device or
602 contrivance whatsoever. It shall not be lawful for such an
603 association to lend or advance money or any other valuable thing
604 to any person engaged or about to engage in playing any game of
605 chance prohibited by law, or to become responsible directly or
606 indirectly for any money or other valuable thing lost, or which
607 may be lost, by any player in any such game. If any such
608 association shall violate any of the provisions of this section
609 each and every member thereof shall be guilty of a misdemeanor,
610 and, upon conviction thereof shall be fined in a sum not more than
611 Five Hundred Dollars (\$500.00); and unless such fine and costs be
612 immediately paid, shall be imprisoned in the county jail for not
613 less than five (5) nor more than twenty (20) days. Each grand
614 jury shall cause such of the members of such an association as it
615 may choose to appear before them and submit to examination
616 touching the observance or nonobservance by such association of
617 the provisions hereof.



618 This section shall not apply to the operation of any game or
619 lottery authorized by Sections 1 through 3 of House Bill No. ,
620 2008 Regular Session.

621 **SECTION 11.** Section 97-33-13, Mississippi Code of 1972, is
622 amended as follows:

623 97-33-13. Any owner, lessee, or occupant of any outhouse or
624 other building, who shall knowingly permit or suffer any of the
625 before mentioned tables, banks, or games, or any other game
626 prohibited by law, to be carried on, kept, or exhibited in his
627 said house or other building, or on his lot or premises, being
628 thereof convicted, shall be fined not less than One Hundred
629 Dollars (\$100.00) nor more than Two Thousand Dollars (\$2,000.00).

630 This section shall not apply to the operation of any game or
631 lottery authorized by Sections 1 through 3 of House Bill No. ,
632 2008 Regular Session.

633 **SECTION 12.** Section 97-33-21, Mississippi Code of 1972, is
634 amended as follows:

635 97-33-21. Any person of full age who shall bet any money or
636 thing of any value with a minor, or allow a minor to bet at any
637 game or gaming-table exhibited by him, or in which he is
638 interested or in any manner concerned, on conviction thereof,
639 shall be fined not less than Three Hundred Dollars (\$300.00) and
640 imprisoned not less than three (3) months.

641 This section shall not apply to a minor who receives as a
642 gift a ticket associated with a game or lottery authorized by
643 Sections 1 through 3 of House Bill No. , 2008 Regular Session,
644 that has been purchased by a person who is eighteen (18) years of
645 age or older.

646 **SECTION 13.** Section 97-33-23, Mississippi Code of 1972, is
647 amended as follows:

648 97-33-23. Any person of full age who shall bet any money or
649 thing of value with a minor, knowing such minor to be under the
650 age of twenty-one (21) years, or allowing any such minor to bet at



651 any game or games, or at any gaming-table exhibited by him, or in
652 which he is interested or in any manner concerned, on conviction
653 thereof, shall be punished by imprisonment in the Penitentiary not
654 exceeding two (2) years.

655 This section shall not apply to a minor who receives as a
656 gift a ticket associated with a game or lottery authorized by
657 Sections 1 through 3 of House Bill No. , 2008 Regular Session,
658 that has been purchased by a person who is eighteen (18) years of
659 age or older.

660 **SECTION 14.** Section 97-33-31, Mississippi Code of 1972, is
661 amended as follows:

662 97-33-31. If any person, in order to raise money for himself
663 or another, or for any purpose whatever, shall publicly or
664 privately put up a lottery to be drawn or adventured for, he
665 shall, on conviction, be imprisoned in the Penitentiary not
666 exceeding five (5) years.

667 This section shall not apply to the operation of any game or
668 lottery authorized by Sections 1 through 3 of House Bill No. ,
669 2008 Regular Session.

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

672 97-33-33. If any person shall in any way advertise any
673 lottery whatever, no matter where located, or shall knowingly have
674 in his possession any posters or other lottery advertisements of
675 any kind save a regularly issued newspaper containing such an
676 advertisement without intent to circulate the same as an
677 advertisement he shall, on conviction, be fined not less than
678 Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars
679 (\$100.00), or be imprisoned in the county jail not exceeding three
680 (3) months, or both.

681 This section shall not apply to the operation of any game or
682 lottery authorized by Sections 1 through 3 of House Bill No. ,
683 2008 Regular Session.



SECTION 16. 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.

This section shall not apply to the operation of any game or lottery authorized by Sections 1 through 3 of House Bill No. , 2008 Regular Session.

SECTION 17. 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.

This section shall not apply to the operation of any game or lottery authorized by Sections 1 through 3 of House Bill No. , 2008 Regular Session.

SECTION 18. 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



717 country, he shall, on conviction, be fined not less than
718 Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars
719 (\$100.00), or imprisoned in the county jail not less than ten (10)
720 days nor more than sixty (60) days, or both.

721 This section shall not apply to the operation of any game or
722 lottery authorized by Sections 1 through 3 of House Bill No. ,
723 2008 Regular Session.

724 **SECTION 19.** Section 97-33-41, Mississippi Code of 1972, is
725 amended as follows:

726 97-33-41. If any person shall buy in this state any lottery
727 ticket, whether the lottery be in or out of this state, or of or
728 in any other state, territory, district, or country, he shall, on
729 conviction, be fined not less than Five Dollars (\$5.00) nor more
730 than Twenty-five Dollars (\$25.00), or be imprisoned in the county
731 jail not exceeding ten (10) days, or both.

732 This section shall not apply to the operation of any game or
733 lottery authorized by Sections 1 through 3 of House Bill No. ,
734 2008 Regular Session.

735 **SECTION 20.** Section 97-33-43, Mississippi Code of 1972, is
736 amended as follows:

737 97-33-43. If any railroad company shall suffer or permit the
738 sale of a lottery ticket of any kind on its cars, or at its depots
739 or depot grounds, or by its employees, no matter where the lottery
740 is located, it shall be guilty of a misdemeanor, and, on
741 conviction shall be fined not less than Twenty Dollars (\$20.00)
742 nor more than One Hundred Dollars (\$100.00) for every such ticket
743 so sold.

744 This section shall not apply to the operation of any game or
745 lottery authorized by Sections 1 through 3 of House Bill No. ,
746 2008 Regular Session.

747 **SECTION 21.** Section 97-33-45, Mississippi Code of 1972, is
748 amended as follows:



749 97-33-45. If the owner or owners of any steamboat shall
750 suffer or permit the sale of a lottery ticket of any kind on his
751 or their boat, or by his or their employees, no matter where the
752 lottery is located, he or they shall be guilty of a misdemeanor,
753 and shall, on conviction, be punished as prescribed in Section
754 97-33-43.

755 This section shall not apply to the operation of any game or
756 lottery authorized by Sections 1 through 3 of House Bill No. ,
757 2008 Regular Session.

758 **SECTION 22.** Section 97-33-47, Mississippi Code of 1972, is
759 amended as follows:

760 97-33-47. If any person shall act as agent for any lottery
761 or lottery company, no matter where domiciled or located, or if he
762 shall assume to so act as agent, or if he receive any money or
763 other thing for any such lottery or lottery company, or deliver to
764 any person any ticket or tickets, prize or prizes, or other thing
765 from such lottery or lottery company, he shall, on conviction, be
766 fined not less than One Hundred Dollars (\$100.00), nor more than
767 Five Hundred Dollars (\$500.00), and be imprisoned in the county
768 jail not less than three (3) months nor more than six (6) months.

769 This section shall not apply to the operation of any game or
770 lottery authorized by Sections 1 through 3 of House Bill No. ,
771 2008 Regular Session.

772 **SECTION 23.** Section 97-33-49, Mississippi Code of 1972, is
773 amended as follows:

774 97-33-49. Except as otherwise provided in Section 97-33-51,
775 if any person, in order to raise money for himself or another,
776 shall publicly or privately put up or in any way offer any prize
777 or thing to be raffled or played for, he shall, on conviction, be
778 fined not more than Twenty Dollars (\$20.00), or be imprisoned not
779 more than one (1) month in the county jail.



This section shall not apply to the operation of any game or lottery authorized by Sections 1 through 3 of House Bill No. , 2008 Regular Session.

SECTION 24. Section 27-65-111, Mississippi Code of 1972, is amended as follows:

27-65-111. The exemptions from the provisions of this chapter which are not industrial, agricultural or governmental, or which do not relate to utilities or taxes, or which are not properly classified as one of the exemption classifications of this chapter, shall be confined to persons or property exempted by this section or by the Constitution of the United States or the State of Mississippi. No exemptions as now provided by any other section, except the classified exemption sections of this chapter set forth herein, shall be valid as against the tax herein levied. Any subsequent exemption from the tax levied hereunder, except as indicated above, shall be provided by amendments to this section.

No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

The tax levied by this chapter shall not apply to the following:

(a) Sales of tangible personal property and services to hospitals or infirmaries owned and operated by a corporation or association in which no part of the net earnings inures to the benefit of any private shareholder, group or individual, and which are subject to and governed by Sections 41-7-123 through 41-7-127.

Only sales of tangible personal property or services which are ordinary and necessary to the operation of such hospitals and infirmaries are exempted from tax.

(b) Sales of daily or weekly newspapers, and periodicals or publications of scientific, literary or educational organizations exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of March 31, 1975, and subscription sales of all magazines.



813 (c) Sales of coffins, caskets and other materials used
814 in the preparation of human bodies for burial.

815 (d) Sales of tangible personal property for immediate
816 export to a foreign country.

817 (e) Sales of tangible personal property to an
818 orphanage, old men's or ladies' home, supported wholly or in part
819 by a religious denomination, fraternal nonprofit organization or
820 other nonprofit organization.

821 (f) Sales of tangible personal property, labor or
822 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
823 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
824 corporation or association in which no part of the net earnings
825 inures to the benefit of any private shareholder, group or
826 individual.

827 (g) Sales to elementary and secondary grade schools,
828 junior and senior colleges owned and operated by a corporation or
829 association in which no part of the net earnings inures to the
830 benefit of any private shareholder, group or individual, and which
831 are exempt from state income taxation, provided that this
832 exemption does not apply to sales of property or services which
833 are not to be used in the ordinary operation of the school, or
834 which are to be resold to the students or the public.

835 (h) The gross proceeds of retail sales and the use or
836 consumption in this state of drugs and medicines:

837 (i) Prescribed for the treatment of a human being
838 by a person authorized to prescribe the medicines, and dispensed
839 or prescription filled by a registered pharmacist in accordance
840 with law; or

841 (ii) Furnished by a licensed physician, surgeon,
842 dentist or podiatrist to his own patient for treatment of the
843 patient; or



844 (iii) Furnished by a hospital for treatment of any
845 person pursuant to the order of a licensed physician, surgeon,
846 dentist or podiatrist; or

847 (iv) Sold to a licensed physician, surgeon,
848 podiatrist, dentist or hospital for the treatment of a human
849 being; or

850 (v) Sold to this state or any political
851 subdivision or municipal corporation thereof, for use in the
852 treatment of a human being or furnished for the treatment of a
853 human being by a medical facility or clinic maintained by this
854 state or any political subdivision or municipal corporation
855 thereof.

856 "Medicines," as used in this paragraph (h), shall mean and
857 include any substance or preparation intended for use by external
858 or internal application to the human body in the diagnosis, cure,
859 mitigation, treatment or prevention of disease and which is
860 commonly recognized as a substance or preparation intended for
861 such use; provided that "medicines" do not include any auditory,
862 prosthetic, ophthalmic or ocular device or appliance, any dentures
863 or parts thereof or any artificial limbs or their replacement
864 parts, articles which are in the nature of splints, bandages,
865 pads, compresses, supports, dressings, instruments, apparatus,
866 contrivances, appliances, devices or other mechanical, electronic,
867 optical or physical equipment or article or the component parts
868 and accessories thereof, or any alcoholic beverage or any other
869 drug or medicine not commonly referred to as a prescription drug.

870 Notwithstanding the preceding sentence of this paragraph (h),
871 "medicines" as used in this paragraph (h), shall mean and include
872 sutures, whether or not permanently implanted, bone screws, bone
873 pins, pacemakers and other articles permanently implanted in the
874 human body to assist the functioning of any natural organ, artery,
875 vein or limb and which remain or dissolve in the body.



876 "Hospital," as used in this paragraph (h), shall have the
877 meaning ascribed to it in Section 41-9-3, Mississippi Code of
878 1972.

879 Insulin furnished by a registered pharmacist to a person for
880 treatment of diabetes as directed by a physician shall be deemed
881 to be dispensed on prescription within the meaning of this
882 paragraph (h).

883 (i) Retail sales of automobiles, trucks and
884 truck-tractors if exported from this state within forty-eight (48)
885 hours and registered and first used in another state.

886 (j) Sales of tangible personal property or services to
887 the Salvation Army and the Muscular Dystrophy Association, Inc.

888 (k) From July 1, 1985, through December 31, 1992,
889 retail sales of "alcohol blended fuel" as such term is defined in
890 Section 75-55-5. The gasoline-alcohol blend or the straight
891 alcohol eligible for this exemption shall not contain alcohol
892 distilled outside the State of Mississippi.

893 (l) Sales of tangible personal property or services to
894 the Institute for Technology Development.

895 (m) The gross proceeds of retail sales of food and
896 drink for human consumption made through vending machines serviced
897 by full line vendors from and not connected with other taxable
898 businesses.

899 (n) The gross proceeds of sales of motor fuel.

900 (o) Retail sales of food for human consumption
901 purchased with food stamps issued by the United States Department
902 of Agriculture, or other federal agency, from and after October 1,
903 1987, or from and after the expiration of any waiver granted
904 pursuant to federal law, the effect of which waiver is to permit
905 the collection by the state of tax on such retail sales of food
906 for human consumption purchased with food stamps.



907 (p) Sales of cookies for human consumption by the Girl
908 Scouts of America no part of the net earnings from which sales
909 inures to the benefit of any private group or individual.

910 (q) Gifts or sales of tangible personal property or
911 services to public or private nonprofit museums of art.

912 (r) Sales of tangible personal property or services to
913 alumni associations of state-supported colleges or universities.

914 (s) Sales of tangible personal property or services to
915 chapters of the National Association of Junior Auxiliaries, Inc.

916 (t) Sales of tangible personal property or services to
917 domestic violence shelters which qualify for state funding under
918 Sections 93-21-101 through 93-21-113.

919 (u) Sales of tangible personal property or services to
920 the National Multiple Sclerosis Society, Mississippi Chapter.

921 (v) Retail sales of food for human consumption
922 purchased with food instruments issued the Mississippi Band of
923 Choctaw Indians under the Women, Infants and Children Program
924 (WIC) funded by the United States Department of Agriculture.

925 (w) Sales of tangible personal property or services to
926 a private company, as defined in Section 57-61-5, which is making
927 such purchases with proceeds of bonds issued under Section 57-61-1
928 et seq., the Mississippi Business Investment Act.

929 (x) The gross collections from the operation of
930 self-service, coin-operated car washing equipment and sales of the
931 service of washing motor vehicles with portable high-pressure
932 washing equipment on the premises of the customer.

933 (y) Sales of tangible personal property or services to
934 the Mississippi Technology Alliance.

935 (z) Sales of tangible personal property to nonprofit
936 organizations that provide foster care, adoption services and
937 temporary housing for unwed mothers and their children if the
938 organization is exempt from federal income taxation under Section
939 501(c)(3) of the Internal Revenue Code.



940 (aa) Sales of tangible personal property to nonprofit
941 organizations that provide residential rehabilitation for persons
942 with alcohol and drug dependencies if the organization is exempt
943 from federal income taxation under Section 501(c)(3) of the
944 Internal Revenue Code.

945 (bb) Sales of lottery tickets by a retailer as
946 authorized by Sections 1 through 3 of House Bill No. , 2008
947 Regular Session.

948 **SECTION 25.** Sections 3 and 4 of this act shall be codified
949 in Chapter 106, Title 37, Mississippi Code of 1972.

950 **SECTION 26.** This act shall take effect and be in force from
951 and after July 1, 2008.

