

HOUSE BILL 673

Introduced by D. Brown, et al.

2/07	Introduced
2/07	Referred to Judiciary
2/07	First Reading
2/07	Fiscal Note Requested
2/12	Hearing
2/14	Fiscal Note Received
2/15	Fiscal Note Printed
4/01	Committee Report--Bill Not Passed as Amended
4/02	Motion Failed to Reject Adverse Committee Report and Place on 2nd Reading (Motion Requires 3/5 Vote to Pass)
4/02	Adverse Committee Report Adopted

1 *HOUSE* BILL NO. *673*
 2 INTRODUCED BY *Dave Brown Rep.*
 3 BY REQUEST OF THE GAMING ADVISORY COUNCIL
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
 6 PUBLIC GAMBLING LAWS OF MONTANA; PROHIBITING LOCAL
 7 GOVERNMENTS FROM OBTAINING GAMBLING OPERATOR'S LICENSES
 8 EXCEPT UNDER CERTAIN CIRCUMSTANCES; PRORATING GAMBLING
 9 PERMIT FEES; ESTABLISHING A SEASONAL OPERATOR'S LICENSE AND
 10 PERMITS; PROVIDING FOR CARD GAME TOURNAMENTS; ELIMINATING
 11 THE LIVE BINGO AND KENO TAX AND MODIFYING THE LIVE BINGO AND
 12 KENO PERMIT FEE; EXPANDING PROVISIONS GOVERNING SPORTS
 13 POOLS; AUTHORIZING THE LIVE CARD GAME OF BLACKJACK, VIDEO
 14 GAMBLING MACHINE PROMOTIONAL TOURNAMENTS, LIMITED WAGERING
 15 IN PUBLIC PLACES, FANTASY SPORTS LEAGUES, AND CRANE GAMES;
 16 PROVIDING STATUTORY APPROPRIATIONS; AMENDING SECTIONS
 17 17-7-502, 23-5-112, 23-5-114, 23-5-115, 23-5-123, 23-5-136,
 18 23-5-152, 23-5-154, 23-5-158, 23-5-162, 23-5-176, 23-5-177,
 19 23-5-306, 23-5-308, 23-5-309, 23-5-311, 23-5-312, 23-5-313,
 20 23-5-406, 23-5-407, 23-5-412, 23-5-413, 23-5-501, 23-5-503,
 21 23-5-602, 23-5-603, 23-5-608, 23-5-610, 23-5-611, 23-5-612,
 22 23-5-621, 23-5-625, 23-5-631, AND 41-5-203, MCA; REPEALING
 23 SECTION 23-5-409, MCA; AND PROVIDING EFFECTIVE DATES AND A
 24 TERMINATION DATE."
 25

1 STATEMENT OF INTENT
 2 A statement of intent is required for this bill because
 3 [sections 30, 37, 48, and 63] authorize the department of
 4 justice to adopt rules concerning blackjack, sports pools,
 5 video gambling machine promotional tournaments, and crane
 6 games. It is the legislature's intent that rules adopted by
 7 the department provide adequate protection for both the
 8 playing and nonplaying public and ensure the integrity of
 9 fee and tax revenues generated from the games, if
 10 applicable.
 11 (1) Because blackjack is a major new form of gambling
 12 authorized by this bill, the legislature contemplates that
 13 comprehensive rules governing the conduct and regulation of
 14 the game will be adopted. The rules must include but are not
 15 limited to the following provisions:
 16 (a) Blackjack tables must be numbered, have no more
 17 than seven betting spaces, and provide places for tip
 18 betting.
 19 (b) Drop boxes must be numbered and have one lock to
 20 secure the box to the blackjack table and one or two
 21 separate locks to secure the contents placed in the box.
 22 (c) A dealing shoe or shuffling device may not be used
 23 unless approved by the department. The department shall
 24 implement a procedure for a manufacturer to submit a
 25 prototype of the shoe or device to the department for



1 examination.

2 (d) Cards must be designed to diminish the ability of a
3 player to place concealing marks on them.

4 (e) The department may not adopt rules requiring
5 operators to use chips with standardized colors and edge
6 spots. However, the department shall adopt rules requiring
7 that blackjack chips must be distinguishable from chips used
8 in other card games (e.g., poker) to ensure the integrity of
9 blackjack tax revenues.

10 (f) A drop box must be opened and counted by at least a
11 two-person count team.

12 (g) An operator shall maintain daily accounting records
13 documenting the activity at each blackjack table. Daily cash
14 profits must be deposited in the operator's account at a
15 financial institution within 5 days after the day of play.

16 (h) Department rules governing dealing of cards and
17 play of the game must be consistent with the requirements of
18 [section 30(5) and (6)].

19 (2) Section 23-5-501 is amended by revising the
20 definition of a sports pool. This revision eliminates the
21 requirement that sports pools be conducted on a card divided
22 into squares or spaces in which the names of pool
23 participants are written. Therefore, sports pools may take a
24 variety of forms, subject to certain restrictions. The
25 department shall adopt rules describing the various types of

1 sports pools that will qualify. Furthermore, the department
2 shall develop and implement a procedure for reviewing and
3 approving variations of approved sports pools.

4 (3) A video gambling machine promotional tournament in
5 which no money is wagered is intended to serve as a trade
6 stimulant only. The department shall prescribe the
7 tournament permit application form, define the procedure for
8 obtaining a permit, and provide basic rules for conducting a
9 tournament. Procedures for submitting a promotional device
10 to the department for approval, similar to those used for
11 submitting associated equipment, also must be specified. In
12 addition, the rules must describe specifications for a
13 promotional device used to modify a video gambling machine
14 to ensure that the machine's software and hardware
15 capabilities are unaltered when the machine is returned to
16 normal play.

17 (4) [Sections 1 through 3], amending 23-5-112, exempt
18 crane games from the definition of gambling. Rules adopted
19 by the department must ensure that crane games are not used
20 as gambling devices. In developing rules, the department
21 must be mindful that crane game players include children as
22 well as adults. Rules must also describe procedures for
23 obtaining a license and permit and define the department's
24 responsibility for onsite inspection of the machines.
25

1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

2 **Section 1.** Section 23-5-112, MCA, is amended to read:

3 "23-5-112. Definitions. Unless the context requires
4 otherwise, the following definitions apply to parts 1
5 through 6 of this chapter:

6 (1) "Applicant" means a person who has applied for a
7 license or permit issued by the department pursuant to parts
8 1 through 6 of this chapter.

9 (2) "Application" means a written request for a license
10 or permit issued by the department. The department shall
11 adopt rules describing the forms and information required
12 for issuance of a license.

13 (3) "Authorized equipment" means, with respect to live
14 keno or bingo, equipment that may be inspected by the
15 department and that randomly selects the numbers.

16 (4) "Bingo" means a gambling activity played for prizes
17 with a card bearing a printed design of 5 columns of 5
18 squares each, 25 squares in all. The letters B-I-N-G-O must
19 appear above the design, with each letter above one of the
20 columns. No more than 75 numbers may be used. One number
21 must appear in each square, except for the center square,
22 which may be considered a free play. Numbers are randomly
23 drawn using authorized equipment until the game is won by
24 the person or persons who first cover a previously
25 designated arrangement of numbers on the bingo card.

1 (5) "Bingo caller" means a person 18 years of age or
2 older who, using authorized equipment, announces the order
3 of the numbers drawn in live bingo.

4 (6) "Card game table" or "table" means a live card game
5 table authorized by permit and made available to the public
6 on the premises of a licensed gambling operator.

7 (7) "Dealer" means a person with a dealer's license
8 issued under part 3 of this chapter.

9 (8) "Department" means the department of justice.

10 (9) "Distributor" means a person who:

11 (a) purchases or obtains from another person equipment
12 of any kind for use in gambling activities; and

13 (b) sells, leases, or otherwise furnishes the equipment
14 to another person for use in public.

15 (10) "Gambling" or "gambling activity" means risking
16 money, credit, deposit, check, property, or any other thing
17 of value for a gain that is contingent in whole or in part
18 upon lot, chance, or the operation of a gambling device or
19 gambling enterprise. The term does not include the operation
20 of a crane game as governed under [sections 58 through 67].

21 (11) "Gambling device" means a mechanical,
22 electromechanical, or electronic device, machine, slot
23 machine, instrument, apparatus, contrivance, scheme, or
24 system used or intended for use in any gambling activity.

25 (12) "Gambling enterprise" means an activity, scheme, or

1 agreement or an attempted activity, scheme, or agreement to
2 provide gambling or a gambling device to the public.

3 (13) "Gross proceeds" means gross revenue received less
4 prizes paid out.

5 (14) "Illegal gambling device" means a gambling device
6 not specifically authorized by statute or by the rules of
7 the department.

8 (15) "Illegal gambling enterprise" means a gambling
9 enterprise that violates a statute or a rule of the
10 department.

11 (16) "Keno" means a game of chance in which prizes are
12 awarded using a card with 8 horizontal rows and 10 columns
13 on which a player may pick up to 10 numbers. A keno caller,
14 using authorized equipment, shall select at random at least
15 20 numbers out of numbers between 1 and 80, inclusive.

16 (17) "Keno caller" means a person 18 years of age or
17 older who, using authorized equipment, announces the order
18 of the numbers drawn in live keno.

19 (18) "License" means an operator's, dealer's, or
20 manufacturer-distributor's license issued to a person by the
21 department.

22 (19) "Licensee" means a person who has received a
23 license from the department.

24 (20) "Live card game" or "card game" means a card game
25 that is played in public between persons on the premises of

1 a licensed gambling operator.

2 (21) "Lottery" or "gift enterprise" means a scheme, by
3 whatever name known, for the disposal or distribution of
4 property by chance among persons who have paid or promised
5 to pay valuable consideration for the chance of obtaining
6 the property or a portion of it or for a share, or interest
7 in the property upon an agreement, understanding, or
8 expectation that it is to be distributed or disposed of by
9 lot or chance. However, "gift enterprise" does not mean:

10 (a) lotteries authorized under part 10 of this chapter;

11 or

12 (b) cash or merchandise attendance prizes or premiums
13 that the county fair commissioners of agricultural fairs and
14 rodeo associations may give away at public drawings at fairs
15 and rodeos.

16 (22) "Manufacturer" means a person who assembles from
17 raw materials or subparts a completed piece of equipment or
18 pieces of equipment of any kind to be used as a gambling
19 device.

20 (23) "Operator" means a person who purchases, receives,
21 or acquires, by lease or otherwise, and operates or controls
22 for use in public, a gambling device or gambling enterprise
23 authorized under parts 1 through 6 of this chapter.

24 (24) "Permit" means approval from the department to make
25 available for public play a gambling device or gambling

1 enterprise approved by the department pursuant to parts 1
2 through 6 of this chapter.

3 (25) "Person" or "persons" means both natural and
4 artificial persons and all partnerships, corporations,
5 associations, clubs, fraternal orders, and societies,
6 including religious and charitable organizations.

7 (26) "Premises" means the physical building or property
8 within or upon which a licensed gambling activity occurs, as
9 stated on an operator's license application and approved by
10 the department.

11 (27) "Public gambling" means gambling conducted in:

12 (a) a place, building, or conveyance to which the
13 public has access or may be permitted to have access; or

14 (b) a place of public resort, including but not limited
15 to a facility owned, managed, or operated by a partnership,
16 corporation, association, club, fraternal order, or society,
17 including a religious or charitable organization.

18 (28) "Raffle" means a gift enterprise in which each
19 participant buys a chance or chances to win a prize.

20 (29) "Slot machine" means a mechanical, electrical,
21 electronic, or other gambling device, contrivance, or
22 machine that, upon insertion of a coin, currency, token,
23 credit card, or similar object or upon payment of any
24 valuable consideration, is available to play or operate, the
25 play or operation of which, whether by reason of the skill

1 of the operator or application of the element of chance, or
2 both, may deliver or entitle the person playing or operating
3 the gambling device to receive cash, premiums, merchandise,
4 tokens, or anything of value, whether the payoff is made
5 automatically from the machine or in any other manner. This
6 definition does not apply to video gambling machines
7 authorized under part 6 of this chapter.

8 (30) "Video gambling machine" is a gambling device
9 specifically authorized by part 6 of this chapter and the
10 rules of the department."

11 **Section 2.** Section 23-5-112, MCA, is amended to read:

12 "23-5-112. Definitions. Unless the context requires
13 otherwise, the following definitions apply to parts 1
14 through 6 of this chapter:

15 (1) "Applicant" means a person who has applied for a
16 license or permit issued by the department pursuant to parts
17 1 through 6 of this chapter.

18 (2) "Application" means a written request for a license
19 or permit issued by the department. The department shall
20 adopt rules describing the forms and information required
21 for issuance of a license.

22 ~~(3) "Authorized equipment" means, with respect to live~~
23 ~~keno or bingo, equipment that may be inspected by the~~
24 ~~department and that randomly selects the numbers.~~

25 ~~(4)~~(3) "Bingo" means a gambling activity played for

1 prizes with a card bearing a printed design of 5 columns of
 2 5 squares each, 25 squares in all. The letters B-I-N-G-O
 3 must appear above the design, with each letter above one of
 4 the columns. No more than 75 numbers may be used. One number
 5 must appear in each square, except for the center square,
 6 which may be considered a free play. Numbers are randomly
 7 drawn ~~using authorized equipment~~ until the game is won by
 8 the person or persons who first cover a previously
 9 designated arrangement of numbers on the bingo card.

10 †5†(4) "Bingo caller" means a person 18 years of age or
 11 older who, using authorized equipment, announces the order
 12 of the numbers drawn in live bingo.

13 †6†(5) "Card game table" or "table" means a live card
 14 game table authorized by permit and made available to the
 15 public on the premises of a licensed gambling operator.

16 †7†(6) "Dealer" means a person with a dealer's license
 17 issued under part 3 of this chapter.

18 †8†(7) "Department" means the department of justice.

19 †9†(8) "Distributor" means a person who:

20 (a) purchases or obtains from another person equipment
 21 of any kind for use in gambling activities; and

22 (b) sells, leases, or otherwise furnishes the equipment
 23 to another person for use in public.

24 †10†(9) "Gambling" or "gambling activity" means risking
 25 money, credit, deposit, check, property, or any other thing

1 of value for a gain that is contingent in whole or in part
 2 upon lot, chance, or the operation of a gambling device or
 3 gambling enterprise. The term does not include the operation
 4 of a crane game as governed under [sections 58 through 67].

5 †11†(10) "Gambling device" means a mechanical,
 6 electromechanical, or electronic device, machine, slot
 7 machine, instrument, apparatus, contrivance, scheme, or
 8 system used or intended for use in any gambling activity.

9 †12†(11) "Gambling enterprise" means an activity,
 10 scheme, or agreement or an attempted activity, scheme, or
 11 agreement to provide gambling or a gambling device to the
 12 public.

13 †13†(12) "Gross proceeds" means gross revenue received
 14 less prizes paid out.

15 †14†(13) "Illegal gambling device" means a gambling
 16 device not specifically authorized by statute or by the
 17 rules of the department. The term includes but is not
 18 limited to:

19 (a) a ticket or card known by any name containing
 20 concealed numbers or symbols that may match numbers or
 21 symbols designated in advance as prize winners, including a
 22 pull tab, punchboard, push card, tip board, pickle ticket,
 23 break-open, or jar game and not including a ticket or card
 24 issued under part 10 of this title or used in a nongambling
 25 promotional activity approved by the department; and

1 (b) an apparatus, implement, or device known by any
 2 name and specifically designed to be used in conducting an
 3 illegal gambling enterprise, including a faro box, faro
 4 layout, roulette wheel, roulette table, craps table, money
 5 wheel, or slot machine except as provided in 23-5-153.

6 {15}(14) "Illegal gambling enterprise" means a gambling
 7 enterprise that violates or is not specifically authorized
 8 by a statute or a rule of the department. The term includes
 9 but is not limited to:

10 (a) a card game known by any name and involving a bank
 11 or fund from which a participant may win money or other
 12 consideration and that receives money or other consideration
 13 lost by the participant, including the card games of
 14 blackjack, twenty-one, jacks or better, baccarat, and chemin
 15 de fer;

16 (b) a dice game known by any name and in which a
 17 participant wagers on the outcome of the roll of one or more
 18 dice, including craps, hazard, or chuck-a-luck and not
 19 including an activity in which a participant rolls one or
 20 more dice for a chance to obtain a drink or music; and

21 (c) sports betting known by any name and in which a
 22 person places a wager on the outcome of an athletic event,
 23 including bookmaking, parlay bets, sports sweepstakes, and
 24 sultan sports cards and not including those activities
 25 authorized in chapter 4, chapter 5, parts 2 and 5, and

1 [section 52].

2 {16}(15) "Keno" means a game of chance in which prizes
 3 are awarded using a card with 8 horizontal rows and 10
 4 columns on which a player may pick up to 10 numbers. A keno
 5 caller~~-using-authorized-equipment-~~shall-select~~~~ selects at
 6 random at least 20 numbers out of numbers between 1 and 80,
 7 inclusive.

8 {17}(16) "Keno caller" means a person 18 years of age or
 9 older who, using authorized equipment, announces the order
 10 of the numbers drawn in live keno.

11 {18}(17) "License" means an operator's, dealer's, or
 12 manufacturer-distributor's license issued to a person by the
 13 department.

14 {19}(18) "Licensee" means a person who has received a
 15 license from the department.

16 {20}(19) "Live card game" or "card game" means a card
 17 game that is played in public between persons on the
 18 premises of a licensed gambling operator.

19 {21}(20) "Lottery" or "gift enterprise" means a scheme,
 20 by whatever name known, for the disposal or distribution of
 21 property by chance among persons who have paid or promised
 22 to pay valuable consideration for the chance of obtaining
 23 the property or a portion of it or for a share or interest
 24 in the property upon an agreement, understanding, or
 25 expectation that it is to be distributed or disposed of by

1 lot or chance. However, "gift enterprise" does not mean:

2 (a) lotteries authorized under part 10 of this chapter;

3 or

4 (b) cash or merchandise attendance prizes or premiums
5 that the county fair commissioners of agricultural fairs and
6 rodeo associations may give away at public drawings at fairs
7 and rodeos.

8 ~~(22)~~(21) "Manufacturer" means a person who assembles
9 from raw materials or subparts a completed piece of
10 equipment or pieces of equipment of any kind to be used as a
11 gambling device.

12 (22) "Nonprofit organization" means a nonprofit
13 corporation or nonprofit charitable, religious, scholastic,
14 educational, veterans', fraternal, beneficial, civic, or
15 service organization established for purposes other than to
16 conduct a gambling activity.

17 (23) "Operator" means a person who purchases, receives,
18 or acquires, by lease or otherwise, and operates or controls
19 for use in public, a gambling device or gambling enterprise
20 authorized under parts 1 through 6 of this chapter.

21 (24) "Permit" means approval from the department to make
22 available for public play a gambling device or gambling
23 enterprise approved by the department pursuant to parts 1
24 through 6 of this chapter.

25 (25) "Person" or "persons" means both natural and

1 artificial persons and all partnerships, corporations,
2 associations, clubs, fraternal orders, and societies,
3 including religious and charitable organizations.

4 (26) "Premises" means the physical building or property
5 within or upon which a licensed gambling activity occurs, as
6 stated on an operator's license application and approved by
7 the department.

8 (27) "Public gambling" means gambling conducted in:

9 (a) a place, building, or conveyance to which the
10 public has access or may be permitted to have access; or

11 (b) a place of public resort, including but not limited
12 to a facility owned, managed, or operated by a partnership,
13 corporation, association, club, fraternal order, or society,
14 including a religious or charitable organization.

15 (28) "Raffle" means a gift-enterprise form of lottery in
16 which each participant buys--a--chance--or--chances pays
17 valuable consideration for a ticket to become eligible to
18 win a prize. Winners must be determined by a random
19 selection process approved by department rule.

20 (29) "Slot machine" means a mechanical, electrical,
21 electronic, or other gambling device, contrivance, or
22 machine that, upon insertion of a coin, currency, token,
23 credit card, or similar object or upon payment of any
24 valuable consideration, is available to play or operate, the
25 play or operation of which, whether by reason of the skill

1 of the operator or application of the element of chance, or
 2 both, may deliver or entitle the person playing or operating
 3 the gambling device to receive cash, premiums, merchandise,
 4 tokens, or anything of value, whether the payoff is made
 5 automatically from the machine or in any other manner. This
 6 definition does not apply to video gambling machines
 7 authorized under part 6 of this chapter.

8 (30) "Video gambling machine" is a gambling device
 9 specifically authorized by part 6 of this chapter and the
 10 rules of the department."

11 **Section 3.** Section 23-5-112, MCA, is amended to read:

12 **"23-5-112. Definitions.** Unless the context requires
 13 otherwise, the following definitions apply to parts 1
 14 through 6 of this chapter:

15 (1) "Applicant" means a person who has applied for a
 16 license or permit issued by the department pursuant to parts
 17 1 through 6 of this chapter.

18 (2) "Application" means a written request for a license
 19 or permit issued by the department. The department shall
 20 adopt rules describing the forms and information required
 21 for issuance of a license.

22 ~~(3) "Authorized equipment" means, with respect to live~~
 23 ~~keno or bingo equipment that may be inspected by the~~
 24 ~~department and that randomly selects the numbers.~~

25 ~~(4) (3) "Bingo" means a gambling activity played for~~

1 prizes with a card bearing a printed design of 5 columns of
 2 5 squares each, 25 squares in all. The letters B-I-N-G-O
 3 must appear above the design, with each letter above one of
 4 the columns. No more than 75 numbers may be used. One number
 5 must appear in each square, except for the center square,
 6 which may be considered a free play. Numbers are randomly
 7 drawn ~~using authorized equipment~~ until the game is won by
 8 the person or persons who first cover a previously
 9 designated arrangement of numbers on the bingo card.

10 ~~(5) (4) "Bingo caller" means a person 18 years of age or~~
 11 ~~older who, using authorized equipment, announces the order~~
 12 ~~of the numbers drawn in live bingo.~~

13 ~~(5) "Blackjack" means a live card game played by a~~
 14 ~~maximum of seven players and one dealer. The object of the~~
 15 ~~game is for a player to obtain a higher total card count~~
 16 ~~than the dealer by reaching 21 or as close to 21 as possible~~
 17 ~~without exceeding that count.~~

18 (6) "Card game table" or "table" means a live card game
 19 table authorized by permit and made available to the public
 20 on the premises of a licensed gambling operator.

21 (7) "Dealer" means a person with a dealer's license
 22 issued under part 3 of this chapter.

23 (8) "Department" means the department of justice.

24 (9) "Distributor" means a person who:

25 (a) purchases or obtains from another person equipment

1 of any kind for use in gambling activities; and

2 (b) sells, leases, or otherwise furnishes the equipment
3 to another person for use in public.

4 (10) "Drop" means the total amount of money that is paid
5 by a player to a dealer to purchase blackjack chips and that
6 is deposited by the dealer in a drop box.

7 ~~(11)~~ (11) "Gambling" or "gambling activity" means risking
8 money, credit, deposit, check, property, or any other thing
9 of value for a gain that is contingent in whole or in part
10 upon lot, chance, or the operation of a gambling device or
11 gambling enterprise. The term does not include the operation
12 of a crane game as governed under [sections 58 through 67].

13 ~~(12)~~ (12) "Gambling device" means a mechanical,
14 electromechanical, or electronic device, machine, slot
15 machine, instrument, apparatus, contrivance, scheme, or
16 system used or intended for use in any gambling activity.

17 ~~(13)~~ (13) "Gambling enterprise" means an activity,
18 scheme, or agreement or an attempted activity, scheme, or
19 agreement to provide gambling or a gambling device to the
20 public.

21 ~~(14)~~ (14) "Gross proceeds" means gross revenue received
22 less prizes paid out.

23 ~~(15)~~ (15) "Illegal gambling device" means a gambling
24 device not specifically authorized by statute or by the
25 rules of the department. The term includes but is not

1 limited to:

2 (a) a ticket or card known by any name and containing
3 concealed numbers or symbols that may match numbers or
4 symbols designated in advance as prize winners, including a
5 pull tab, punchboard, push card, tip board, pickle ticket,
6 break-open, or jar game and not including a ticket or card
7 issued under part 10 of this title or used in a nongambling
8 promotional activity approved by the department; and

9 (b) an apparatus, implement, or device known by any
10 name and specifically designed to be used in conducting an
11 illegal gambling enterprise, including a faro box, faro
12 layout, roulette wheel, roulette table, craps table, money
13 wheel, or slot machine except as provided in 23-5-153.

14 ~~(16)~~ (16) "Illegal gambling enterprise" means a gambling
15 enterprise that violates or is not specifically authorized
16 by a statute or a rule of the department. The term includes
17 but is not limited to:

18 (a) a card game known by any name and involving a bank
19 or fund from which a participant may win money or other
20 consideration and that receives money or other consideration
21 lost by the participant, including the card games of jacks
22 or better, baccarat, and chemin de fer;

23 (b) a dice game known by any name and in which a
24 participant wagers on the outcome of the roll of one or more
25 dice, including craps, hazard, and chuck-a-luck and not

1 including an activity in which a participant rolls one or
 2 more dice for a chance to obtain a drink or music; and
 3 (c) sports betting known by any name and in which a
 4 person places a wager on the outcome of an athletic event,
 5 including bookmaking, parlay bets, sports sweepstakes, and
 6 sultan sports cards and not including those activities
 7 authorized in chapter 4, chapter 5, parts 2 and 5, and
 8 [section 52].

9 ~~{16}~~(17) "Keno" means a game of chance in which prizes
 10 are awarded using a card with 8 horizontal rows and 10
 11 columns on which a player may pick up to 10 numbers. A keno
 12 caller, ~~using authorized equipment, shall select~~ selects at
 13 random at least 20 numbers out of numbers between 1 and 80,
 14 inclusive.

15 ~~{17}~~(18) "Keno caller" means a person 18 years of age or
 16 older who, using authorized equipment, announces the order
 17 of the numbers drawn in live keno.

18 ~~{18}~~(19) "License" means an operator's, dealer's, or
 19 manufacturer-distributor's license issued to a person by the
 20 department.

21 ~~{19}~~(20) "Licensee" means a person who has received a
 22 license from the department.

23 ~~{20}~~(21) "Live card game" or "card game" means a an
 24 authorized card game that is played in public between
 25 persons on the premises of a licensed gambling operator;

1 (a) between players; or
 2 (b) in the case of blackjack, between a player and a
 3 licensed dealer representing an operator.

4 ~~{21}~~(22) "Lottery" or "gift enterprise" means a scheme,
 5 by whatever name known, for the disposal or distribution of
 6 property by chance among persons who have paid or promised
 7 to pay valuable consideration for the chance of obtaining
 8 the property or a portion of it or for a share or interest
 9 in the property upon an agreement, understanding, or
 10 expectation that it is to be distributed or disposed of by
 11 lot or chance. However, "gift enterprise" does not mean:

12 (a) lotteries authorized under part 10 of this chapter;
 13 or

14 (b) cash or merchandise attendance prizes or premiums
 15 that the county fair commissioners of agricultural fairs and
 16 rodeo associations may give away at public drawings at fairs
 17 and rodeos.

18 ~~{22}~~(23) "Manufacturer" means a person who assembles
 19 from raw materials or subparts a completed piece of
 20 equipment or pieces of equipment of any kind to be used as a
 21 gambling device.

22 (24) "Nonprofit organization" means a nonprofit
 23 corporation or nonprofit charitable, religious, scholastic,
 24 educational, veterans', fraternal, beneficial, civic, or
 25 service organization, established for purposes other than to

1 conduct a gambling activity.

2 †23†(25) "Operator" means a person who purchases,
3 receives, or acquires, by lease or otherwise, and operates
4 or controls for use in public, a gambling device or gambling
5 enterprise authorized under parts 1 through 6 of this
6 chapter.

7 †24†(26) "Permit" means approval from the department to
8 make available for public play a gambling device or gambling
9 enterprise approved by the department pursuant to parts 1
10 through 6 of this chapter.

11 †25†(27) "Person" or "persons" means both natural and
12 artificial persons and all partnerships, corporations,
13 associations, clubs, fraternal orders, and societies,
14 including religious and charitable organizations.

15 †26†(28) "Premises" means the physical building or
16 property within or upon which a licensed gambling activity
17 occurs, as stated on an operator's license application and
18 approved by the department.

19 †27†(29) "Public gambling" means gambling conducted in:

20 (a) a place, building, or conveyance to which the
21 public has access or may be permitted to have access; or

22 (b) a place of public resort, including but not limited
23 to a facility owned, managed, or operated by a partnership,
24 corporation, association, club, fraternal order, or society,
25 including a religious or charitable organization.

1 †28†(30) "Raffle" means a gift--enterprise form of
2 lottery in which each participant buys a-chance--or--chances
3 pays valuable consideration for a ticket to become eligible
4 to win a prize. Winners must be determined by a random
5 selection process approved by department rule.

6 †29†(31) "Slot machine" means a mechanical, electrical,
7 electronic, or other gambling device, contrivance, or
8 machine that, upon insertion of a coin, currency, token,
9 credit card, or similar object or upon payment of any
10 valuable consideration, is available to play or operate, the
11 play or operation of which, whether by reason of the skill
12 of the operator or application of the element of chance, or
13 both, may deliver or entitle the person playing or operating
14 the gambling device to receive cash, premiums, merchandise,
15 tokens, or anything of value, whether the payoff is made
16 automatically from the machine or in any other manner. This
17 definition does not apply to video gambling machines
18 authorized under part 6 of this chapter.

19 †30†(32) "Video gambling machine" is a gambling device
20 specifically authorized by part 6 of this chapter and the
21 rules of the department."

22 **Section 4.** Section 23-5-114, MCA, is amended to read:

23 "23-5-114. Department employees -- activities
24 prohibited. (1) An employee of the department,--a--former
25 department--employee--during--the--first--365-days-following

1 ~~termination--of--employment,--or--any---peace---officer---or~~
 2 ~~prosecutor~~ directly involved with the prosecution,
 3 investigation, regulation, or licensing of gambling, as
 4 designated by the attorney general, may not:

5 ~~{1}(a)~~ serve as an officer or manager of a corporation
 6 business or organization, other than a nonprofit corporation
 7 or organization, that conducts a gambling activity, other
 8 than as an officer of a nonprofit organization;

9 ~~{2}--receive-or-share-in,--directly--or--indirectly,--any~~
 10 profit-of-a-gambling-activity-regulated-by-the-department;

11 (b) be employed by a licensed operator in a capacity
 12 that requires assisting in conducting a gambling activity
 13 regulated under parts 1 through 6 of this chapter or that
 14 requires maintaining records for the licensed operator's
 15 gambling activity;

16 ~~{3}(c)~~ have a beneficial or pecuniary interest in a
 17 contract for the manufacture, lease, or sale of a gambling
 18 device, the conduct of a gambling activity, or the provision
 19 of independent consultant services in connection with a
 20 gambling activity; or

21 (d) participate in a gambling activity governed by
 22 parts 1 through 6 of this chapter, except in performing
 23 assigned employment duties. An employee may participate in a
 24 gambling activity governed by part 10 of this chapter or
 25 chapter 4.

1 (2) The prohibitions in subsections (1)(a) and (1)(b)
 2 apply to a former department employee during the first year
 3 following termination from employment with the department if
 4 the employee was directly involved with the prosecution,
 5 investigation, regulation, or licensing of gambling
 6 immediately before termination."

7 **Section 5.** Section 23-5-115, MCA, is amended to read:

8 **"23-5-115. Powers and duties of department --**
 9 **licensing. (1)** The department shall administer the
 10 provisions of parts 1 through 6 of this chapter.

11 (2) The department shall adopt rules to administer and
 12 implement parts 1 through 6 of this chapter.

13 (3) The department shall provide licensing procedures,
 14 prescribe necessary application forms, and grant or deny
 15 license applications.

16 (4) The department shall prescribe recordkeeping
 17 requirements for licensees, provide a procedure for
 18 inspection of records, provide a method for collection of
 19 taxes, and establish penalties for the delinquent reporting
 20 and payment of required taxes.

21 (5) The department may suspend, revoke, deny, or place
 22 a condition on a license issued under parts 1 through 6 of
 23 this chapter.

24 (6) (a) The department may not make public or otherwise
 25 disclose information obtained in the application or tax

1 reporting processes, except for general statistical
2 reporting or studies and as provided in subsection (6)(b).

3 (b) The department may disclose the following
4 information from a license or permit application:

5 (i) the applicant's name;

6 (ii) the address of the establishment where the gambling
7 activity is to be conducted;

8 (iii) the name of each person having an ownership
9 interest in the establishment; and

10 (iv) the types of permits requested by the applicant.

11 (7) The department shall assess, collect, and disburse
12 any fees, taxes, or charges authorized under parts 1 through
13 6 of this chapter."

14 **Section 6.** Section 23-5-123, MCA, is amended to read:

15 "23-5-123. Disposal of money confiscated by reason of
16 violation of gambling laws. All fines, penalties,
17 forfeitures, and confiscated money collected by criminal,
18 civil, or administrative process for a violation of a
19 provision of parts 1 through 6 of this chapter or a rule of
20 the department must be deposited--one-half--in-the-state
21 ~~general-fund-and-one-half-in-the-general-fund-of-the-county~~
22 ~~in-which-the-violation-occurred~~ distributed as follows:

23 (1) Funds collected through a criminal proceeding must
24 be distributed according to 3-10-601 or 46-18-235.

25 (2) One-third of the funds collected through a civil or

1 administrative proceeding must be deposited in the state
2 special revenue fund account maintained for funds used by
3 the department in administering parts 1 through 6 of this
4 chapter and related rules and may be used by the department
5 to administer parts 1 through 6 of this chapter and related
6 rules. The remainder must be distributed to the county
7 treasurer or the clerk, financial officer, or treasurer of
8 the city or town in which the violation occurred for deposit
9 in the county or municipal treasury. A county is not
10 entitled to a penalty payment if the violation occurred in
11 an incorporated city or town within the county."

12 **Section 7.** Section 23-5-136, MCA, is amended to read:

13 "23-5-136. Injunction and other remedies. (1) If a
14 person has engaged or is engaging in an act or practice
15 constituting a violation of a provision of parts 1 through 6
16 of this chapter or a rule or order of the department, the
17 department may:

18 (a) issue a temporary order to cease and desist from
19 the gambling activity, act, or practice for a period not to
20 exceed 60 days;

21 (b) following notice and an opportunity for hearing,
22 and with the right of judicial review, under the Montana
23 Administrative Procedure Act:

24 (i) issue a permanent order to cease and desist from
25 the act or practice, which order remains in effect pending

1 judicial review;

2 (ii) place a licensee on probation;

3 (iii) suspend for a period not to exceed 180 days a
4 license or permit for the gambling activity, device, or
5 enterprise involved in the act or practice constituting the
6 violation;

7 (iv) revoke a license or permit for the gambling
8 activity, device, or enterprise involved in the act or
9 practice constituting the violation;

10 (v) impose a civil penalty not to exceed \$10,000 for
11 each violation, whether or not the person is licensed by the
12 department; and

13 (vi) impose any combination of the penalties contained
14 in this subsection (1)(b); and

15 (c) bring an action in district court for relief
16 against the act or practice. The department may not be
17 required to post a bond. On proper showing, the court may:

18 (i) issue a restraining order, a temporary or permanent
19 injunction, or other appropriate writ;

20 (ii) suspend or revoke a license or permit; and

21 (iii) appoint a receiver or conservator for the
22 defendant or the assets of the defendant.

23 (2) The department may issue a warrant for distraint
24 against an operator who fails to pay a civil penalty imposed
25 under subsection (1) or the tax imposed under 23-5-610. The

1 department may issue the warrant for the amount of the
2 unpaid penalty or for the amount of the unpaid tax, plus
3 penalty and accumulated interest on the tax, and shall
4 follow the procedures provided in 15-1-701 through 15-1-708.

5 ~~(2)(3)~~ (a) A civil penalty imposed under this section
6 must be collected by the department and ~~deposited in the~~
7 ~~state's general fund as required by~~ distributed as provided
8 in 23-5-123. The local government portion of the penalty
9 payment is statutorily appropriated to the department, as
10 provided in 17-7-502, for deposit to the county or municipal
11 treasury.

12 (b) If a person fails to pay the civil penalty, the
13 amount due is a lien on the person's licensed premises and
14 gambling devices in the state and may be recovered by the
15 department in a civil action."

16 **Section 8.** Section 23-5-152, MCA, is amended to read:

17 "23-5-152. Possession of illegal gambling device or
18 conducting illegal gambling enterprise prohibited --
19 exception exceptions. (1) Except as provided in 23-5-153 and
20 subsection subsections (2) through (4) of this section, it
21 is a misdemeanor punishable under 23-5-161 for a person to
22 purposely or knowingly:

23 (a) have in his possession or under his control or to
24 ~~purposely--or--knowingly~~ permit to be placed, maintained, or
25 kept in any room, space, enclosure, or building owned,

1 leased, or occupied by him or under his management or
2 control an illegal gambling device; or

3 (b) operate an illegal gambling enterprise.

4 (2) This-section Subsection (1) does not apply to a
5 public officer or to a person coming into possession of an
6 illegal gambling device in or by reason of the performance
7 of an official duty and holding it to be disposed of
8 according to law.

9 ~~(2)~~(3) (a) The department may adopt rules to license
10 persons to manufacture gambling devices that are not legal
11 for public play in the state and are manufactured only for
12 export from the state.

13 (b) A person may not manufacture or possess an illegal
14 gambling device for export from the state without having
15 obtained a license from the department. The department may
16 charge an administrative fee for the license that is
17 commensurate with the cost of issuing the license.

18 (4) An illegal gambling device may be possessed or
19 located in a public museum owned and operated by the state,
20 a county, or a city for display purposes only and not for
21 operation."

22 **Section 9.** Section 23-5-154, MCA, is amended to read:

23 "23-5-154. Soliciting or--persuading--persons--to-play
24 participation in illegal gambling device activity
25 prohibited. A person who purposely or knowingly advertises

1 for or solicits another person to ~~play--or--engage--in--the~~
2 participate in an illegal gambling enterprise or use of an
3 illegal gambling device is guilty of a misdemeanor and is
4 punishable under 23-5-161."

5 **Section 10.** Section 23-5-158, MCA, is amended to read:

6 "23-5-158. Minors not to participate -- penalty --
7 exception. (1) A Except as provided in subsection (3), a
8 person may not purposely or knowingly allow a person under
9 18 years of age to participate in a gambling activity.

10 ~~(2)~~ A person who violates this section subsection (1)
11 is guilty of a misdemeanor and must be punished in
12 accordance with 23-5-161.

13 (2) Except as provided in subsection (3), a person
14 under 18 years of age may not purposely or knowingly
15 participate in a gambling activity. A person who violates
16 this subsection is subject to a civil penalty not to exceed
17 \$50, if the proceedings for violating this subsection are
18 held in a justice's, municipal, or city court. If the
19 proceedings are held in a youth court, the offender must be
20 treated as an alleged youth in need of supervision as
21 defined in 41-5-103. The youth court may enter its judgment
22 under 41-5-523.

23 (3) A person under 18 years of age may sell or buy
24 tickets for or receive prizes from a raffle conducted in
25 compliance with 23-5-413 if proceeds from the raffle, minus

1 administrative expenses and prizes paid, are used to support
 2 charitable activities, scholarships or educational grants,
 3 or community service projects."

4 **Section 11.** Section 23-5-162, MCA, is amended to read:

5 "23-5-162. Criminal liabilities -- felony. (1) A person
 6 who purposely or knowingly violates a provision of parts 1
 7 through 6 of this chapter, the punishment for which is a
 8 felony, may upon conviction be fined not more than \$50,000
 9 or imprisoned for not more than 10 years, or both, for each
 10 violation.

11 (2) In addition to any penalty imposed under subsection
 12 (1), the department shall revoke all licenses or permits
 13 issued to the person under parts 1 through 6 of this chapter
 14 and may not issue the person another license or permit."

15 **Section 12.** Section 23-5-176, MCA, is amended to read:

16 "23-5-176. Qualifications for licensure. (1) A person
 17 whom the department determines is qualified to receive a
 18 license under the provisions of this chapter, except for the
 19 provisions of part 10, may, based on information available
 20 to, required by, or supplied to the department under
 21 department rules, be issued a state gambling license.

22 (2) The department shall issue a license unless the
 23 department can demonstrate that the applicant is:

24 (a) is a person whose prior financial or other
 25 activities or criminal record:

1 (i) poses a threat to the public interest of the state
 2 or;

3 (ii) poses a threat to the effective regulation and
 4 control of gambling; or

5 ~~(ii)~~ (iii) creates a danger of illegal practices,
 6 methods, or activities in the conduct of gambling or in the
 7 carrying on of the business and financial arrangements
 8 incidental to gambling; or

9 (b) has been convicted of a felony offense or a
 10 gambling-related misdemeanor within 5 years of the date of
 11 application, is awaiting trial on charges of committing a
 12 felony offense, or is on probation, parole, or deferred
 13 prosecution for committing a felony offense; or

14 ~~(b)~~ (c) is receiving a substantial amount of financing
 15 for the proposed operation from an unsuitable source. A
 16 lender or other source of money or credit that the
 17 department finds to meet the provisions of subsection (2)(a)
 18 may be considered an unsuitable source.

19 (3) The provisions of 37-1-203 and 37-1-205 do not
 20 apply to licensing determinations made under this section."

21 **Section 13.** Section 23-5-177, MCA, is amended to read:

22 "23-5-177. Operator of gambling establishment --
 23 license -- fee. (1) It is a misdemeanor for a person who is
 24 not licensed by the department as an operator to make
 25 available to the public for play a gambling device or

1 gambling enterprise for which a permit must be obtained from
2 the department.

3 (2) An operator's license must include the following
4 information:

5 (a) a description of the premises upon which the
6 gambling will take place;

7 (b) the operator's name;

8 (c) a description of each gambling device or card game
9 table licensed for which a permit has been issued to the
10 operator by the department for play upon the premises,
11 including the type of game and license permit number or
12 decal-number for each licensed game; and

13 (d) any other relevant information determined necessary
14 by the department.

15 (3) Regardless of the number of on-premises alcoholic
16 beverage licenses issued for a premises, the department may
17 issue only one operator's license for the premises. The
18 operator's license must be issued annually along with all
19 other licenses permits for gambling devices or games
20 licensed issued to the operator.

21 (4) The operator's license must be updated each time a
22 gambling device or card game table license permit is newly
23 issued or the device or game is removed from the premises.

24 (5) The department may not charge a fee for the
25 issuance of an operator's license.

1 (6) The operator's license must be prominently
2 displayed upon the premises for which it is issued."

3 NEW SECTION. Section 14. Local government prohibition.

4 (1) Except as provided in subsection (2), the department may
5 not issue an operator's license under 23-5-177 to a city,
6 county, or other political subdivision of the state or to an
7 individual or entity who has leased an alcoholic beverage
8 license from a city, county, or other political subdivision.

9 (2) An operator's license may be issued to a city,
10 county, or other political subdivision that has obtained a
11 publicly owned golf course beer and wine license under
12 16-4-109 or an airport all beverage license under 16-4-208
13 or to an individual or entity who has leased the license
14 from a city, county, or other political subdivision.

15 NEW SECTION. Section 15. Seasonal operator's license
16 and permits. (1) The department may issue a seasonal
17 operator's license to a person who chooses to operate a
18 gambling device or gambling enterprise on his premises for 6
19 consecutive months or less during any 12-month period. The
20 license expires 6 months after the date it is issued by the
21 department.

22 (2) A permit issued for a gambling device or gambling
23 enterprise made available for public play under a seasonal
24 operator's license expires on the same date as the seasonal
25 operator's license. The permit fee is one-half of the annual

1 fee charged for that gambling device or gambling enterprise
2 and may not be prorated. The fee must be distributed in the
3 same proportion and in the same manner as the annual fee.

4 (3) The provisions of 23-5-177 apply to the issuance of
5 a seasonal operator's license and permits.

6 **Section 16.** Section 23-5-306, MCA, is amended to read:

7 ~~"23-5-306. Live card game table -- permit -- fees --~~
8 ~~disposition of fees. (1) (a) A person who has been granted~~
9 ~~an operator's license under 23-5-177 and a license to sell~~
10 ~~alcoholic beverages for consumption on the premises may be~~
11 ~~granted an annual permit for the placement of live card game~~
12 ~~tables.~~

13 (b) The department may issue an annual permit for the
14 placement of live card game tables to a person operating a
15 premises not licensed under 16-4-401(2) if:

16 (i) If one or more live card game tables were legally
17 operated on a the premises on January 15, 1989,--and--the
18 premises--were--not--on--that--date--licensed--under--16-4-401(2)
19 but;

20 (ii) the premises were licensed on that date to sell
21 food, cigarettes, or any other consumable product,--an
22 operator's--license--and--an--annual--permit--for--the--placement--of
23 live--card--game--tables--may--be--granted--to--the--person--who
24 legally--operated--the--premises--on--January--15--1989;

25 (iii) the person has been granted an operator's license

1 under 23-5-177; and

2 (iv) at the time of application for the permit:

3 (A) the person has continuously operated a live card
4 game table on the premises since January 15, 1989; and

5 (B) a majority of the natural persons holding a
6 financial interest in the business operated on the premises
7 remains the same as on January 15, 1989, except as provided
8 in subsection (1)(c).

9 (c) If the spouse or a child of a person granted a
10 permit under subsection (1)(b) acquires controlling
11 financial interest in the business operated on the premises
12 and obtains an operator's license under 23-5-177, the
13 department may grant a permit and annually renew the permit
14 if the spouse or child maintains controlling financial
15 interest in the business. A person seeking a permit under
16 this subsection (c) shall submit to the department
17 sufficient proof of his relationship to the former
18 permitholder.

19 (2) (a) The Except as provided in [sections 15 and 31],
20 an operator who offers the game of panguingue or poker shall
21 pay the following annual permit fee in lieu of taxes for
22 each live card game table operated in a licensed--operator's
23 premises--may--not--be--prorated--and--must--be used to conduct
24 panguingue or poker:

25 (a)(i) \$250 for the first table; and

1 ~~(b)(ii)~~ \$500 for each additional table.

2 (b) The fee imposed in subsection (2)(a) must be
3 prorated on a quarterly basis but may not be prorated to
4 allow a permit to expire before June 30. The department may
5 not grant a refund if a live card game table ceases
6 operation before the permit expires.

7 ~~(3)(c)~~ The department shall retain for administrative
8 purposes \$100 of the fee collected under ~~this---part~~
9 subsection (2)(a) for each live card game table.

10 ~~(4)(d)~~ The department shall forward on a quarterly
11 basis the remaining balance of the fee collected under
12 subsection (2)(a) to the treasurer of the county or the
13 clerk, finance officer, or treasurer of the city or town in
14 which the live card game table is located for deposit to the
15 county or municipal treasury. A county is not entitled to
16 proceeds from fees assessed on live card game tables located
17 in incorporated cities and towns within the county. The
18 local government portion of this fee is statutorily
19 appropriated to the department, as provided in 17-7-502, for
20 deposit to the county or municipal treasury.

21 (3) A permit fee may not be imposed under this section
22 on an operator who does not offer the game of panguingue or
23 poker."

24 **Section 17.** Section 23-5-306, MCA, is amended to read:

25 "23-5-306. Live card game table -- permit -- fees --

1 **disposition of fees.** (1) (a) A person who has been granted
2 an operator's license under 23-5-177 and a license to sell
3 alcoholic beverages for consumption on the premises may be
4 granted an annual permit for the placement of live card game
5 tables.

6 (b) The department may issue an annual permit for the
7 placement of live card game tables for conducting games
8 authorized in 23-5-311, except blackjack, to a person
9 operating a premises not licensed under 16-4-401(2) if:

10 (i) If one or more live card game tables were legally
11 operated on a the premises on January 15, 1989--and-the
12 premises-were-not-on-that-date--licensed-under--16-4-401(2)
13 but--

14 (ii) the premises were licensed on that date to sell
15 food, cigarettes, or any other consumable product--an
16 operator's-license-and-an-annual-permit-for-the-placement-of
17 live-card-game-tables-may--be--granted--to--the--person--who
18 legally-operated-the-premises-on-January-15-1989-;

19 (iii) the person has been granted an operator's license
20 under 23-5-177; and

21 (iv) at the time of application for the permit:

22 (A) the person has continuously operated a live card
23 game table on the premises since January 15, 1989; and

24 (B) the natural persons who together hold the majority
25 financial interest in the business operated on the premises

1 are the same as on January 15, 1989, except as provided in
2 subsection (1)(c).

3 (c) If the spouse or a child of a person granted a
4 permit under subsection (1)(b) acquires controlling
5 financial interest in the business operated on the premises
6 and obtains an operator's license under 23-5-177, the
7 department may grant a permit and annually renew the permit
8 if the spouse or child maintains controlling financial
9 interest in the business. A person seeking a permit under
10 this subsection (c) shall submit to the department
11 sufficient proof of his relationship to the former
12 permitholder.

13 (2) (a) ~~The~~ Except as provided in [sections 15 and 31],
14 an operator who offers the game of panguingue or poker shall
15 pay the following annual permit fee in lieu of taxes for
16 each live card game table operated-in-a-licensed-operator's
17 premises-may-not-be-prorated-and-must--be used to conduct
18 panguingue or poker:

19 (a)(i) \$250 for the first table; and

20 (b)(ii) \$500 for each additional table.

21 (b) The fee imposed in subsection (2)(a) must be
22 prorated on a quarterly basis but may not be prorated to
23 allow a permit to expire before June 30. The department may
24 not grant a refund if a live card game table ceases
25 operation before the permit expires.

1 (3)(c) The department shall retain for administrative
2 purposes \$100 of the fee collected under this--part
3 subsection (2)(a) for each live card game table.

4 (4)(d) The department shall forward on a quarterly
5 basis the remaining balance of the fee collected under
6 subsection (2)(a) to the treasurer of the county or the
7 clerk, finance officer, or treasurer of the city or town in
8 which the live card game table is located for deposit to the
9 county or municipal treasury. A county is not entitled to
10 proceeds from fees assessed on live card game tables located
11 in incorporated cities and towns within the county. The
12 local government portion of this fee is statutorily
13 appropriated to the department, as provided in 17-7-502, for
14 deposit to the county or municipal treasury.

15 (3) A permit fee or tax may not be imposed under this
16 section on an operator who does not offer the game of
17 panguingue or poker."

18 **Section 18.** Section 23-5-308, MCA, is amended to read:

19 **"23-5-308. Card game dealers -- license. (1) A Except**
20 **as provided in [section 31], a person may not deal cards in**
21 **a live card game of panguingue or poker without being**
22 **licensed annually by the department.**

23 **(2) The fee for the first year in which the license is**
24 **effective is \$75, and the annual renewal fee is \$25. The fee**
25 **may not be prorated.**

1 (3) The department shall retain for administrative
2 purposes the license fee charged for the issuance of a
3 dealer's license.

4 (4) A licensed dealer shall have on his person, and
5 display upon request, his dealer's license when he is
6 working as a dealer.

7 (5) The department shall adopt rules to implement
8 temporary licensing procedures until a permanent license is
9 issued to a dealer. The rules must provide that a temporary
10 license may be obtained at the place where a person locally
11 applies for a driver's license and that the receipt received
12 upon mailing an application for a permanent license by
13 certified mail, return receipt requested, also constitutes a
14 temporary license. The department may not assess a fee for
15 the temporary license."

16 **Section 19.** Section 23-5-308, MCA, is amended to read:

17 "23-5-308. Card game dealers -- license. (1) A Except
18 as provided in [section 31], a person may not deal cards in
19 a live card game of blackjack, panguingue, or poker without
20 being licensed annually by the department.

21 (2) The fee for the first year in which the license is
22 effective is \$75, and the annual renewal fee is \$25. The fee
23 may not be prorated.

24 (3) The department shall retain for administrative
25 purposes the license fee charged for the issuance of a

1 dealer's license.

2 (4) A licensed dealer shall have on his person, and
3 display upon request, his dealer's license when he is
4 working as a dealer.

5 (5) The department shall adopt rules to implement
6 temporary licensing procedures until a permanent license is
7 issued to a dealer. The rules must provide that a temporary
8 license may be obtained at the place where a person locally
9 applies for a driver's license and that the receipt received
10 upon mailing an application for a permanent license by
11 certified mail, return receipt requested, also constitutes a
12 temporary license. The department may not assess a fee for
13 the temporary license."

14 **Section 20.** Section 23-5-309, MCA, is amended to read:

15 "23-5-309. Presence and control of dealer. (1) A Except
16 as provided in [section 31], a live card game may-not must
17 be played except on a live card game table in--the--presence
18 and--under--the-control-of-a-licensed-dealer on the premises
19 of a licensed operator.

20 (2) In addition to meeting the requirements of
21 subsection (1), a live card game of panguingue or poker must
22 be played in the presence and under the control of a
23 licensed dealer."

24 **Section 21.** Section 23-5-309, MCA, is amended to read:

25 "23-5-309. Presence and control of dealer. (1) A Except

1 as provided in [section 31], a live card game may--not must
 2 be played except on a live card game table in-the-presence
 3 and-under-the-control-of-a-licensed-dealer on the premises
 4 of a licensed operator.

5 (2) In addition to meeting the requirements of
 6 subsection (1), a live card game of blackjack, panguingue,
 7 or poker must be played in the presence and under the
 8 control of a licensed dealer."

9 **Section 22.** Section 23-5-311, MCA, is amended to read:

10 "23-5-311. **Authorized card games.** (1) The card games
 11 authorized by this part are and are limited to the card
 12 games known as blackjack, bridge, cribbage, hearts,
 13 panguingue, pinochle, pitch, poker, rummy, solo, and whist.

14 (2) A person may conduct or participate in a live card
 15 game or make a live card game table available for public
 16 play of a live card game only if it is specifically
 17 authorized by this part and described by department rules.

18 (3) This part does not apply to games simulated on
 19 electronic video gambling machines authorized under part 6
 20 of this chapter."

21 **Section 23.** Section 23-5-312, MCA, is amended to read:

22 "23-5-312. **Prizes not to exceed three hundred dollars.**
 23 A Except as provided in [section 31], a prize for an
 24 individual live card game may not exceed the value of \$300-
 25 Games, and games may not be combined in any manner so as to

1 increase the value of the ultimate prize awarded."

2 **Section 24.** Section 23-5-313, MCA, is amended to read:

3 "23-5-313. **Rules of play to be posted -- rake-off**
 4 **approved -- exception -- certain participant fees**
 5 **prohibited.** (1) Rules governing the conduct of each game
 6 must be prominently posted within the sight of the players
 7 at a live card game table on the premises of a licensed
 8 operator. The rules must include notice of the maximum
 9 percentage rake-off, if any, and must require that the
 10 person taking the rake-off do so in an obvious manner.

11 (2) An operator conducting a card game other than
 12 blackjack, panguingue, or poker may not take a rake-off or
 13 collect an entrance or administrative fee or any other form
 14 of remuneration from a player."

15 **NEW SECTION. Section 25. Limitation on blackjack**
 16 **tables -- permit fee.** (1) An operator granted a live card
 17 game table permit under 23-5-306 may place a maximum of five
 18 blackjack tables on his premises.

19 (2) The operator shall pay to the department a permit
 20 fee of \$1,000 for each blackjack table placed on his
 21 premises. The department shall retain the permit fee for
 22 administrative purposes.

23 **NEW SECTION. Section 26. Tax on drop -- records --**
 24 **quarterly statement and payment -- distribution.** (1) An
 25 operator issued a live card game table permit under 23-5-306

1 who operates one or more blackjack tables shall pay to the
2 department a quarterly tax equal to 1% of the nominal value
3 of the drop from the operation of each blackjack table on
4 his premises.

5 (2) An operator shall keep a record of the drop in the
6 form required by the department. At any time during the
7 operator's business hours, the department may inspect the
8 records and any activity related to the game.

9 (3) An operator shall, within 15 days after the end of
10 each quarter, complete and deliver to the department a
11 statement showing the total drop from each blackjack table
12 operated by him and the total tax due for the preceding
13 quarter. This statement must contain any other relevant
14 information required by the department.

15 (4) The department shall retain one-half of the tax
16 collected under this section for administrative purposes. Of
17 the remaining amount, the department shall forward one-third
18 to the general fund and two-thirds to the treasurer of the
19 county or clerk, finance officer, or treasurer of the city
20 or town in which the blackjack table is located. A county is
21 not entitled to the local government share of taxes from a
22 blackjack table located in an incorporated city or town. The
23 local government share of the tax collected under this
24 section is statutorily appropriated to the department, as
25 provided in 17-7-502, for deposit in the county or municipal

1 treasury.

2 NEW SECTION. **Section 27. Equipment required for**
3 **blackjack tables.** Each blackjack table placed on an
4 operator's premises must be equipped with a double-locking
5 or triple-locking removable metal box, commonly known as a
6 drop box, into which is deposited cash received from players
7 for the purchase of chips. A table must also be equipped
8 with one of the following devices, which must be approved by
9 the department:

10 (1) a device, commonly known as a dealing shoe, from
11 which cards are dealt and which holds at least two but no
12 more than six shuffled decks of cards; or

13 (2) a mechanical or electronic shuffling device that
14 simultaneously shuffles at least two but no more than six
15 decks of cards and provides randomly selected cards for play
16 without dealer participation in the shuffling process.

17 NEW SECTION. **Section 28. Cash wagers and cash**
18 **gratuities prohibited -- pooling of gratuities required.** (1)
19 A wager made by a player at a blackjack table may be made in
20 approved chips only.

21 (2) A gratuity given to a dealer by a player at a
22 blackjack table may be paid in chips only. Chips received by
23 dealers as gratuities must be pooled and distributed in
24 proportion to the number of hours worked by each dealer.

25 NEW SECTION. **Section 29. Limit on hands played**

1 simultaneously -- maximum initial wager. (1) A player may
2 not play more than two spots at a blackjack table at one
3 time.

4 (2) The maximum amount of the initial wager made by a
5 player during a hand of blackjack is \$10.

6 **NEW SECTION. Section 30.** Rules. The department shall
7 adopt rules for administering [sections 25 through 30]. The
8 rules must address but need not be limited to:

9 (1) physical characteristics of a blackjack table, drop
10 box, dealing shoe, cards, and chips;

11 (2) procedures for converting cash to chips at a
12 blackjack table, including procedures for obtaining chips to
13 ensure the integrity of the tax provided for in [section
14 26];

15 (3) procedures for transporting a drop box and for
16 counting drop box cash;

17 (4) recordkeeping and tax reporting requirements;

18 (5) the method for dealing cards. The rules must
19 require cards to be dealt face up to players and prohibit
20 players from touching the cards.

21 (6) play of the game. The rules must:

22 (i) permit splitting, doubling down, tip betting, and
23 insurance betting;

24 (ii) prohibit the dealer from receiving another card if
25 the count of his hand equals 17 or greater; and

1 (iii) allow the player to retain his wager if the count
2 of the dealer's hand and player's hand is identical.

3 **NEW SECTION. Section 31.** Card game tournaments --
4 application -- fees -- requirements. (1) Subject to the
5 department's approval, a licensed operator who has a permit
6 for placing at least one live card game table on his
7 premises may conduct up to six live card game tournaments a
8 year on his premises. Each tournament may be conducted for a
9 maximum of 10 consecutive days. If an operator conducts more
10 than one tournament a year, at least 7 days must lapse
11 between the conclusion of one tournament and the beginning
12 of the next tournament.

13 (2) (a) At least 10 days before the start of a
14 tournament, the operator shall submit to the department an
15 application for a tournament permit. The permit application
16 must be accompanied by a \$10 fee. The department shall
17 retain the fee for administrative purposes.

18 (b) If a tournament is to be conducted on the premises
19 of more than one licensed operator, each operator shall
20 submit a permit application and fee as provided in
21 subsection (2)(a). The permit is applied toward each
22 operator's annual six-tournament limit.

23 (3) Permits for placement of additional live card game
24 tables as provided in 23-5-306 are not required for
25 additional tables authorized under a tournament permit.

1 (4) Tournament participants must be provided with a
2 copy of the tournament rules before the start of the
3 tournament. A copy of the rules must also be posted in a
4 conspicuous location in each area where the tournament is
5 conducted.

6 (5) A person must be present on the premises during the
7 tournament to oversee the conduct of the card games and to
8 settle disputes among players. This person need not be a
9 dealer licensed under 23-5-308.

10 (6) A licensed operator may charge a tournament
11 participant an entry fee, which may include a fee to cover
12 expenses incurred in conducting the tournament. A
13 participant who has been eliminated from competition during
14 the tournament may reenter the tournament by paying an
15 additional fee if permitted to do so under the tournament's
16 rules. A rake-off may not be taken during a card game.

17 (7) Prizes awarded during a tournament:

18 (a) may exceed the prize limits provided for in
19 23-5-312;

20 (b) are not limited to the total amount collected in
21 entry or other fees; and

22 (c) must be awarded according to tournament rules.

23 (8) The provisions of this chapter and department rules
24 governing live card games apply to live card games conducted
25 as part of a tournament unless otherwise provided.

1 **Section 32.** Section 23-5-406, MCA, is amended to read:

2 **"23-5-406. Exempt charitable organizations and**
3 **facilities. (1) (a) An organization qualified-for granted an**
4 **exemption under 26 U.S.C. 501(c)(3) and, (c)(4), (c)(8), or**
5 **(c)(19):**

6 (i) on or before January 15, 1989, is exempt from the
7 taxation--and--license-fees permit fee imposed by this part-
8 An-organization-qualified-for-exemption-under-that-section;

9 (ii) after that-date January 15, 1989, is exempt from
10 taxation--under--and-need-only-pay one-half the license-fees
11 under--permit fee imposed by this part if the organization
12 carries on gambling activities for no more than 60 days a
13 calendar year. And-if-the-

14 (b) An organization provided for in subsection (1)(a)
15 shall:

16 (i) limit its live bingo and keno activities are
17 limited to its main premises or place of operations and to
18 events at other places operated by other charitable
19 organizations or by a government unit or entity--The
20 organization-shall;

21 (ii) comply with other statutes and rules relating to
22 the operation of live bingo and keno or-raffies--A-qualified
23 organization-shall; and

24 (iii) apply to the department for a cost-free permit to
25 conduct charitable live bingo and or keno games or-raffies.

1 (2) A long-term care facility as defined in 50-5-101 or
 2 a retirement home or senior citizen center as defined in
 3 subsection (4) that has obtained an operator's license and a
 4 permit from the department to operate live bingo or keno is
 5 exempt from the permit fee imposed by this part if the
 6 facility:

7 (a) limits participation in live bingo and keno games
 8 to persons using the facility and their guests;

9 (b) limits live bingo or keno activities to its main
 10 premises or place of operation; and

11 (c) complies with other statutes and rules relating to
 12 the operation of live bingo and keno.

13 (3) The department may revoke or suspend the permit of
 14 a-qualified an organization or a facility provided for in
 15 subsection (1) or (2) if that, after investigation, the
 16 department determines that the organization or facility is
 17 contracting operating or has contracted with a nonqualified
 18 organization to-operate that is operating live bingo or
 19 keno-or-raffies in a predominantly commercial manner.

20 (4) For purposes of this section:

21 (a) "retirement home" means a building in which
 22 sleeping rooms without cooking facilities in each room are
 23 rented to three or more persons who are 60 years of age or
 24 older and who do not need skilled nursing care, intermediate
 25 nursing care, or personal care, as defined in 50-5-101; and

1 (b) "senior citizen center" means a facility operated
 2 by a nonprofit or governmental organization that provides
 3 services to senior citizens in the form of daytime or
 4 evening educational or recreational activities and does not
 5 provide living accommodations to senior citizens or sell
 6 food or beverages under a license furnished by the state.
 7 Services qualifying under this subsection (b) must be
 8 recognized in the state plan on aging adopted by the
 9 department of family services."

10 **Section 33.** Section 23-5-407, MCA, is amended to read:

11 "23-5-407. Live bingo or keno permit -- fees --
 12 disposition of fees. (1) A person who has been granted an
 13 operator's license may be granted an annual permit by the
 14 department to conduct live bingo or keno games on specified
 15 premises. The permit expires June 30 of each year.

16 (2) The Except as provided in [section 15], the permit
 17 fee for each of-the premises in which a live bingo--or keno
 18 game is conducted may-not-be-prorated-and-must-be-\$500 is
 19 \$250.

20 (3) Except as provided in [section 15], the permit fee
 21 for each premises in which a live bingo game is conducted
 22 is:

23 (a) \$250 if any game conducted by the operator has less
 24 than 50 players;

25 (b) \$1,500 if any game conducted by the operator has 50

1 or more players but less than 300 players; and

2 (c) \$3,000 if any game conducted by the operator has
3 300 or more players.

4 (4) A fee collected under this section must be prorated
5 on a quarterly basis but may not be prorated to allow a
6 permit to expire before June 30. The department may not
7 grant a refund if a live bingo or keno game ceases operation
8 before the permit expires.

9 ~~(3)~~(5) The department shall retain the permit fee for
10 administrative costs purposes."

11 **Section 34.** Section 23-5-412, MCA, is amended to read:

12 "23-5-412. Card prices and prizes -- exception. (1) The
13 except as provided in subsection (3):

14 (a) the price for an individual bingo or keno card may
15 not exceed 50 cents;--Bingo--prizes--may--be--paid--in--either
16 tangible--personal--property--or--cash;--A;

17 (b) a prize may not exceed the value of \$100 for each
18 individual bingo award or \$800 for each keno card;--it; and

19 (c) it is unlawful to, in any manner, combine any
20 awards so as to increase the ultimate value of the award.

21 (2) Bingo and keno prizes may be paid in either
22 tangible personal property or cash.

23 (3) A variation of the game of keno, as approved by the
24 department, in which a player selects three or more numbers
25 and places a wager on various combinations of these numbers

1 is permissible if:

2 (a) no more than 50 cents is wagered on each
3 combination of numbers; and

4 (b) a winning combination does not pay off more than
5 \$800.

6 (4) A player may give the a keno caller a card with
7 instructions on the card to play that card and its marked
8 numbers for up to the number of successive games that the
9 house allows and that the player has indicated on the card,
10 upon payment of the price per game times the number of
11 successive games indicated. The player shall remain on the
12 house premises until the card is played or withdrawn. The
13 caller shall keep the card until the end of the number of
14 games indicated, and the department may by rule provide that
15 at that time the caller shall pay the player any prizes
16 won."

17 **Section 35.** Section 23-5-413, MCA, is amended to read:

18 "23-5-413. Raffle prizes -- permits -- exception. (1)
19 Raffle--prizes--may--not--exceed--the--value--of--\$5,000--for--each
20 individual--raffle--ticket;--it--is--unlawful--to,--in--any--manner,
21 combine--any--awards--so--as--to--increase--the--ultimate--value--of
22 the--prize--awarded--for--each--ticket;

23 ~~(2)~~(1) (a) A Except as provided in subsection (1)(b), a
24 separate permit must be issued by the board of county
25 commissioners for each raffle conducted within its

1 jurisdiction. The permit must be issued before the raffle
 2 may be conducted. The board of county commissioners may not
 3 charge a permit fee or an investigative fee for a raffle
 4 conducted by a religious corporation sole or nonprofit
 5 organization if it presents sufficient documentation of its
 6 nonprofit status.

7 (b) If tickets for a raffle are to be sold in more than
 8 one county, a permit must be obtained only in the county
 9 where the winners of the raffle are to be selected.

10 (2) Except for a religious corporation sole or
 11 nonprofit organization, a person or organization conducting
 12 a raffle shall own all prizes to be awarded as part of the
 13 raffle before the sale of any tickets.

14 (3) A person who has conducted a raffle must submit an
 15 accounting to the board of county commissioners within 30
 16 days following the completion of the raffle.

17 (4) The sale of raffle tickets authorized by this part
 18 is restricted to events and participants within the
 19 geographic confines of the state.

20 (5) The value of a prize awarded for an individual
 21 ticket for a raffle conducted by a person or an
 22 organization, other than a religious corporation sole or
 23 nonprofit organization may not exceed \$5,000. The prize may
 24 be in the form of cash, other intangible personal property,
 25 tangible personal property, or real property. Prizes may not

1 be combined in any manner so as to increase the ultimate
 2 value of the prize awarded for each ticket.

3 ~~(3)--(a) The restrictions of subsection (1) do not apply~~
 4 ~~to a raffle conducted by a~~

5 (6) (a) In addition to complying with the requirements
 6 of subsections (1) through (5), a nonprofit corporation,
 7 religious corporation sole, or other nonprofit organization
 8 as defined in 23-5-112 if the corporation or organization is
 9 permitted by the board of county commissioners to conduct
 10 the raffle, the board of county commissioners may not charge
 11 a permit fee or an investigative fee for a raffle conducted
 12 by a nonprofit veterans' organization.

13 ~~(b)--The nonprofit organization or corporation seeking~~
 14 ~~permission under subsection (3)(a) shall apply provide the~~
 15 following information to the board of county commissioners
 16 when applying for the a raffle permit and provide the
 17 following information:

- 18 (i) the cost and number of raffle tickets to be sold;
 19 (ii) the charitable purposes the proceeds of the raffle
 20 are intended to benefit; and
 21 (iii) the proposed prizes and their value.

22 ~~(c)--A veterans' organization seeking exemption from the~~
 23 ~~permit fee or an investigative fee shall present evidence of~~
 24 the organization's nonprofit status to the board of county
 25 commissioners.

~~(d)(b)~~ The proceeds from the sale of the raffle tickets for a raffle conducted by a religious corporation sole or a nonprofit organization may be used only for charitable purposes or to pay for prizes. ~~The raffle prize must be in tangible personal property only and not in money, cash, stock, bonds, evidence of indebtedness, or other intangible personal property. None of the proceeds~~ Proceeds may not be used for the administrative cost of conducting the raffle.

~~(c)~~ The value of a prize awarded for an individual ticket for a raffle conducted by a religious corporation sole or nonprofit organization may equal or exceed \$5,000 if the prize is in the form of tangible personal property. If the value of the prize is less than \$5,000, the prize may be in the form of cash, other intangible personal property, tangible personal property, or real property.

Section 36. Section 23-5-501, MCA, is amended to read:

"23-5-501. **Definitions** Definition. As used in this part, unless the context clearly requires otherwise, the following definitions apply:

~~(1) "Nonprofit organization" means a charitable, religious, scholastic, educational, veterans', fraternal, beneficial, civic, or service organization, other than one established for the purpose of conducting or participating in a sports pool;~~

~~(2) "Sports "sports pool" means a card divided into~~

~~squares or spaces, with the names of the participants in the pool written within such squares or spaces, for gambling activity, other than an activity governed under chapter 4 or chapter 5, part 2 of this title in which consideration in a person wagers money is paid by the person playing for each square or space for the chance to win money or other items of value based on any the outcome of a sports event or series of sports events wherein the participants competitors in such the sports event or series of sports events are natural persons or animals."~~

NEW SECTION. Section 37. Sports pool design -- department rules. (1) A sports pool must be designed to ensure that:

(a) there is at least one winner from among the participants in the pool; and

(b) each participant has an equal chance to win the pool.

(2) Competitors in a sports event or series of sports events may be randomly assigned to each participant in the sports pool or selected by the participants.

(3) The department shall by rule describe the types of sports pools authorized by this part. Variations in the authorized sports pools must be submitted to the department for review and approval before they are made available for public play.

1 **Section 38.** Section 23-5-503, MCA, is amended to read:

2 "23-5-503. Rules. (1) The card or other device used for
3 recording the sports pool and--upon--which--the--squares--or
4 spaces--appear--shall must clearly indicate in advance of the
5 sale of any chances the number of chances to be sold in that
6 specific pool, the name of the event or series of events,
7 the consideration to be paid for each chance, and the total
8 amount or percentage to be paid to the winners.

9 ~~(2) A chance to participate in a sports pool may not be~~
10 ~~sold other than upon the premises in which the sports pool~~
11 ~~is conducted. An individual~~ Each chance to participate in a
12 sports pool ~~may not~~ must be sold for ~~a consideration in~~
13 ~~excess of~~ the same amount, which may not exceed \$5, and the
14 total amount ~~to be~~ paid to the all winners of any individual
15 sports pool may not exceed the value of \$500.

16 (3) (a) Except as provided in subsection (3)(b), the
17 winner winner of any sports pool shall receive a 100%
18 payout of the value of the sports pool.

19 ~~(3)(b)~~ (b) A nonprofit organization that maintains records
20 and opens the records to inspection upon reasonable demand
21 records to verify that the retained portion is used to
22 support charitable activities, scholarships or educational
23 grants, or community service projects may retain up to 50%
24 of the value of a sports pool.

25 (4) A person or nonprofit organization conducting a

1 sports pool may purchase chances to participate in the
2 sports pool but may not:

3 (a) retain any portion of the amount wagered in the
4 sports pool, except as provided in subsection (3)(b);

5 (b) charge a fee for participating in the sports pool;
6 or

7 (c) use the sports pool in any manner to establish odds
8 or handicaps or to allow betting or booking against the
9 person or nonprofit organization conducting the pool."

10 **Section 39.** Section 23-5-602, MCA, is amended to read:

11 "23-5-602. Definitions. As used in this part, the
12 following definitions apply:

13 (1) "Associated equipment" means all proprietary
14 devices, machines, or parts used in the manufacture or
15 maintenance of a video gambling machine or promotional
16 device, including but not limited to integrated circuit
17 chips, printed wired assembly, printed wired boards,
18 printing mechanisms, video display monitors, metering
19 devices, and cabinetry.

20 (2) "Bingo machine" means an electronic video gambling
21 machine that, upon insertion of cash, is available to play
22 bingo as defined by rules of the department. The machine
23 utilizes a video display and microprocessors in which, by
24 the skill of the player, by chance, or both, the player may
25 receive free games or credits that may be redeemed for cash.

1 The term does not include a slot machine or a machine that
2 directly dispenses coins, cash, tokens, or anything else of
3 value.

4 (3) "Draw poker machine" means an electronic video
5 gambling machine that, upon insertion of cash, is available
6 to play or simulate the play of the game of draw poker as
7 defined by rules of the department. The machine utilizes a
8 video display and microprocessors in which, by the skill of
9 the player, by chance, or both, the player may receive free
10 games or credits that may be redeemed for cash. The term
11 does not include a slot machine or a machine that directly
12 dispenses coins, cash, tokens, or anything else of value.

13 (4) "Keno machine" means an electronic video gambling
14 machine that, upon insertion of cash, is available to play
15 keno as defined by rules of the department. The machine
16 utilizes a video display and microprocessors in which, by
17 the skill of the player, by chance, or both, the player may
18 receive free games or credits that may be redeemed for cash.
19 The term does not include a slot machine or a machine that
20 directly dispenses coins, cash, tokens, or anything else of
21 value.

22 (5) "~~Net-machine~~ Gross income" means money put into a
23 video gambling machine minus credits paid out in cash.

24 (6) "Promotional device" means a device that
25 temporarily modifies a bingo, draw poker, or keno machine to

1 permit play without insertion of cash.

2 (7) "Promotional tournament" means an activity
3 conducted by a licensed operator in which two or more
4 players compete against each other for a defined period of
5 time by playing one or more video gambling machines that
6 have been modified by a promotional device.

7 (8) "Video gambling machine
8 manufacturer-distributor" means a person who assembles,
9 produces, makes, or supplies video gambling machines,
10 promotional devices, or associated equipment for sale, use,
11 or distribution in the state."

12 **Section 40** Section 23-5-603, MCA, is amended to read:

13 "23-5-603. Video gambling machines -- possession --
14 play -- restriction. (1) A person licensed operator may make
15 available for public play only the number of approved video
16 gambling machines specifically authorized by this part.

17 (2) The video gambling machines specifically authorized
18 by this part are bingo, keno, and draw poker machines. Only
19 the number of approved machines for which permits have been
20 granted under 23-5-612 may be made available for play by the
21 public on the premises of a licensed operator. The
22 department shall adopt rules allowing a video gambling
23 machine that needs repair to be temporarily replaced while
24 it is being repaired with a video gambling machine that is
25 approved under the permit provisions of this part. A fee may

1 not be charged for the replacement machine.

2 (3) Machines on premises licensed to sell alcoholic
3 beverages for on-premises consumption ~~on-the--premises~~ must
4 be placed:

5 (a) in the a room, area, or other part of the premises
6 in which the alcoholic beverages are permitted to be sold
7 and--normally or consumed as determined by the department of
8 revenue when issuing the alcoholic beverages license; and

9 (b) within sight and control of the licensed operator
10 or his employees for the purpose of preventing access to the
11 machines by persons under 18 years of age."

12 **Section 41.** Section 23-5-608, MCA, is amended to read:

13 "23-5-608. Limitation on amount of money played and
14 value of prizes -- payment of credits in cash. (1) A Except
15 as provided in [section 48], a video gambling machine may
16 not allow more than \$2 to be played on a game or award free
17 games or credits in excess of ~~the-following-amounts:~~

18 (a) ~~--\$100-a-game-for-a-video-draw-poker-machine;--and~~

19 (b) \$800 a game ~~for-a-video-keno-or-bingo-machine.~~

20 (2) A licensee shall pay in cash all credits owed to a
21 player as shown on a valid ticket voucher."

22 **Section 42.** Section 23-5-610, MCA, is amended to read:

23 "23-5-610. Video gambling machine net gross income tax
24 -- records -- distribution -- quarterly statement and
25 payment. (1) An A licensed operator issued a permit under

1 this part shall pay to the department a video gambling
2 machine tax of 15% of ~~net-machine~~ the gross income from each
3 video gambling machine licensed under this part.

4 (2) An A licensed operator issued a permit under this
5 part shall keep a record of ~~net--machine~~ the gross income
6 from each machine in such form as the department may
7 require. The records must at all times during the business
8 hours of the licensee be subject to inspection by the
9 department.

10 (3) An A licensed operator issued a permit under this
11 part shall, within 15 days after the end of each quarter,
12 complete and deliver to the department a statement showing
13 the total ~~net-machine~~ gross income from each video gambling
14 machine licensed to him, together with the total amount due
15 the state as video gambling machine net gross income tax for
16 the preceding quarter. The statement must contain other
17 relevant information as the department may require.

18 (4) (a) The department shall forward one-third of the
19 tax collected under subsection (3) to the general fund.

20 (b) The department shall forward the remaining
21 two-thirds of the tax collected under subsection (3) to the
22 treasurer of the county or the clerk, finance officer, or
23 treasurer of the city or town in which the licensed machine
24 is located, for deposit to the county or municipal treasury.
25 Counties are not entitled to proceeds from taxes on income

1 from video gambling machines located in incorporated cities
2 and towns. The two-thirds local government portion of tax
3 collected under subsection (3) is statutorily appropriated
4 to the department as provided in 17-7-502 for deposit to the
5 county or municipal treasury."

6 **Section 43.** Section 23-5-611, MCA, is amended to read:

7 **"23-5-611. Machine permit qualifications --**
8 **limitations.** (1) (a) A person who has been granted an
9 operator's license under 23-5-177 and a license to sell
10 alcoholic beverages for consumption on the premises may be
11 granted a permit for the placement of video gambling
12 machines in his premises

13 (b) If video keno or bingo gambling machines were
14 legally operated on a premises on January 15, 1989, and the
15 premises were not on that date licensed to sell alcoholic
16 beverages for consumption on the premises or operated for
17 the principal purpose of gaming and there is an operator's
18 license for the premises under 23-5-177, a permit for the
19 same number of video keno or bingo gambling machines as were
20 operated on the premises on that date may be granted to the
21 person who held the permit for such machines on those
22 premises on that date except as provided in subsections
23 (1)(d) and (1)(e).

24 (c) A Except as provided in subsections (1)(d) and
25 (1)(e), a person who legally operated an establishment on

1 January 15, 1989, for the principal purpose of gaming and
2 has been granted an operator's license under 23-5-177 may be
3 granted a permit for the placement of bingo and keno
4 machines in his premises.

5 (d) Except as provided in subsection (1)(e), a permit
6 issued under subsection (1)(b) or (1)(c) may be renewed
7 annually only if a majority of the natural persons who had a
8 5% or greater financial interest in the business operated on
9 the premises on January 15, 1989, remain the same.

10 (e) If the spouse or a child of a person granted a
11 permit under subsection (1)(b) or (1)(c) acquires
12 controlling financial interest in the business operated on
13 the premises and obtains an operator's license under
14 23-5-177, the department may grant a permit and annually
15 renew the permit if the spouse or child maintains
16 controlling financial interest in the business. A person
17 seeking a permit under this subsection (e) shall submit to
18 the department sufficient proof of his relationship to the
19 former permitholder.

20 (2) An applicant for a permit shall disclose on the
21 application form to the department any information required
22 by the department consistent with the provisions of
23 23-5-176.

24 (3) A licensee may not have on the premises or make
25 available for play on the premises more than 20 machines of

1 any combination and no more than 10 may be draw poker
2 machines."

3 **Section 44.** Section 23-5-612, MCA, is amended to read:

4 "23-5-612. Machine permits -- fee. (1) The department,
5 upon payment of the fee provided in subsection (2) and in
6 conformance with rules adopted under this part, shall issue
7 to the operator a an annual permit for an approved video
8 gambling machine.

9 (2) The Except as provided in [section 15], the
10 department shall charge an annual permit fee of \$200 for
11 each video gambling machine permit. The fee must be prorated
12 on a quarterly basis but may not be prorated to allow a
13 permit to expire before June 30. The department may not
14 grant a refund if the video gambling machine ceases
15 operation before the permit expires.

16 (3) The department shall retain ~~9100~~ 50% of the total
17 permit fee collected under subsection (2) for purposes of
18 administering this part. The remaining-\$100 balance must be
19 returned on a quarterly basis to the local government
20 jurisdiction in which the gambling machine is located. The
21 local government portion of the fee is statutorily
22 appropriated to the department, as provided in 17-7-502, for
23 deposit in the local government treasury.

24 ~~(3)--The permit expires on June 30 of each year, and the~~
25 ~~fee may not be prorated.~~

1 ~~(4)--A--used--keno--machine--may--be--licensed--under~~
2 ~~subsection-(1)-without-meeting-the-requirements-of--23-5-609~~
3 ~~{as--that--section--read--on--September--30,--1989}--if--the~~
4 ~~applicant-for-licensure-can-establish-to-the-satisfaction-of~~
5 ~~the--department-that,--on-the-date-of-application,--he-owns-or~~
6 ~~possesses-a-machine-that-was-owned-or-operated-in-the--state~~
7 ~~prior--to--June--30,--1987.--A--license--issued--under--this~~
8 ~~subsection--expires--for-all-purposes-no-later-than-June-30,~~
9 ~~1989."~~

10 **Section 45.** Section 23-5-621, MCA, is amended to read:

11 "23-5-621. Video gambling machine specifications --
12 rules. (1) The department shall adopt rules describing the
13 video gambling machines authorized by this part and stating
14 the specifications for video gambling machines authorized by
15 this part. ~~The---specifications---in---the---rules---must~~
16 ~~substantially---follow---the---specifications---contained---in~~
17 ~~23-5-606-and-23-5-609-as-those-sections--read--on--September~~
18 ~~30,--1989.~~ Rules adopted by the department must provide, at a
19 minimum, that a video gambling machine must:

20 (a) use a random selection process to determine the
21 outcome of each game;

22 (b) accept only coins, paper currency, or both;

23 (c) be permitted to contain a mechanism that accepts
24 cash in the form of bills not to exceed \$20;

25 (d) prevent access to the inside of the machine except

1 through locks;

2 (e) use a printer device to print a ticket voucher for
3 a winning player upon completion of play. The printer device
4 must create a duplicate copy of tickets printed, which must
5 be retained in the machine.

6 (f) have both electronic and mechanical meters. The
7 electronic meter readings must be able to be printed by the
8 printing device and displayed on the video screen.

9 (g) have a nonremovable identification plate providing
10 the manufacturer's name, machine model, date of manufacture,
11 and unique machine serial number;

12 (h) use a surge protector;

13 (i) issue, by activation of an external switch, an
14 accounting ticket containing a performance synopsis of the
15 machine;

16 (j) have nonvolatile memory storage for all required
17 accounting ticket information; and

18 (k) exhibit total immunity to human body electrostatic
19 discharges.

20 (2) The department shall adopt rules allowing video
21 gambling machines to be imported into this state and used
22 for the purposes of trade shows, exhibitions, and similar
23 activities."

24 **Section 46.** Section 23-5-625, MCA, is amended to read:

25 **"23-5-625. Video gambling machine**

1 **manufacturer-distributor -- license -- fees. (1) (a) It**
2 **Except as provided in subsections (2) and (3), it is**
3 **unlawful for any person to assemble, produce, manufacture,**
4 **or supply any video gambling machine, promotional device, or**
5 **associated equipment for use or play in the state without**
6 **having first been issued a video gambling machine**
7 **manufacturer-distributor's license by the department. A**
8 **licensed manufacturer-distributor may supply a video**
9 **gambling machine only to another licensed**
10 **manufacturer-distributor or a licensed operator.**

11 **(2)(b) The department shall charge an annual license**
12 **fee of \$1,000 for the issuance or renewal of a video**
13 **gambling machine manufacturer-distributor's license.**

14 **(3)(c) In addition to other license fees, the**
15 **department may charge the applicant a one-time video**
16 **gambling machine manufacturer-distributor's license**
17 **application processing fee. The processing fee may not**
18 **exceed the department's actual costs for processing an**
19 **application.**

20 **(4)(d) All video gambling machine**
21 **manufacturer-distributor's licenses expire on June 30 of**
22 **each year, and the license fee may not be prorated.**

23 **(5)(e) The department shall retain the license and**
24 **processing fees collected for purposes of administering this**
25 **part, unless otherwise provided.**

1 (2) A licensed operator who is not licensed as a
 2 manufacturer-distributor may sell up to 20 video gambling
 3 machines in a calendar year if the operator:

4 (a) had obtained permits for the machines and legally
 5 operated them prior to the sale; and

6 (b) sells the machines to another licensed operator or
 7 a licensed manufacturer-distributor.

8 (3) A lienholder who acquires title to video gambling
 9 machines through a foreclosure action involving a licensed
 10 operator or manufacturer-distributor may sell the machines
 11 to a licensed operator or licensed
 12 manufacturer-distributor."

13 **Section 47.** Section 23-5-631, MCA, is amended to read:

14 "23-5-631. Examination and approval of new video
 15 gambling machines, promotional devices, and associated
 16 equipment -- fee. (1) The department shall examine and may
 17 approve a new video gambling machine, or promotional device,
 18 and associated equipment which--are that is manufactured,
 19 sold, or distributed for use in the state before the video
 20 gambling machine, promotional device, or associated
 21 equipment is sold, played, or used.

22 (2) A video gambling machine, promotional device, or
 23 associated equipment may not be examined or approved by the
 24 department until the video gambling machine
 25 manufacturer-distributor is licensed as required in

1 23-5-625.

2 (3) All video gambling machines approved by the
 3 department of commerce prior to October 1, 1989, must be
 4 considered approved under this part.

5 (4) The department shall require the
 6 manufacturer-distributor seeking the examination and
 7 approval of a new video gambling machine, promotional
 8 device, or associated equipment to pay the anticipated
 9 actual costs of the examination in advance and, after the
 10 completion of the examination, shall refund overpayments or
 11 charge and collect amounts sufficient to reimburse the
 12 department for underpayments of actual costs.

13 (5) The department may inspect and test and approve,
 14 disapprove, or place a condition upon a video gambling
 15 machine or promotional device prior to its distribution and
 16 placement for play by the public."

17 **NEW SECTION. Section 48. Promotional tournaments.** (1)

18 A licensed operator may apply to the department for a permit
 19 to conduct a promotional tournament. The application for a
 20 promotional tournament permit must be submitted to the
 21 department at least 20 days before the scheduled start of
 22 the tournament and must be accompanied by a \$30 fee. The
 23 department shall retain the fee to cover the cost of
 24 processing the permit.

25 (2) Each video gambling machine used in a promotional

1 tournament must have a permit as provided in 23-5-612 and is
2 subject to the limitation provided in 23-5-611(3).

3 (3) An operator may not charge a player a fee to
4 participate in a promotional tournament.

5 (4) An operator shall provide each player with a copy
6 of the tournament rules before the start of the promotional
7 tournament. A copy of the rules must be prominently posted
8 in a conspicuous location in the area where the tournament
9 is conducted.

10 (5) Prizes awarded during a promotional tournament may
11 exceed the prize limits provided for in 23-5-608.

12 (6) The department shall adopt rules for the conduct of
13 promotional tournaments. The rules must address but are not
14 limited to:

- 15 (a) tournament permit procedures and application form;
- 16 (b) promotional device approval procedures and
17 application form; and
- 18 (c) specifications for promotional devices.

19 **Section 49.** Section 17-7-502, MCA, is amended to read:

20 ***17-7-502. Statutory appropriations -- definition --**
21 **requisites for validity.** (1) A statutory appropriation is an
22 appropriation made by permanent law that authorizes spending
23 by a state agency without the need for a biennial
24 legislative appropriation or budget amendment.

25 (2) Except as provided in subsection (4), to be

1 effective, a statutory appropriation must comply with both
2 of the following provisions:

3 (a) The law containing the statutory authority must be
4 listed in subsection (3).

5 (b) The law or portion of the law making a statutory
6 appropriation must specifically state that a statutory
7 appropriation is made as provided in this section.

8 (3) The following laws are the only laws containing
9 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
10 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
11 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;
12 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;
13 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;
14 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;
15 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;
16 20-9-361; 23-5-136; 23-5-306; ~~23-5-409~~; 23-5-610; 23-5-612;
17 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504;
18 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205;
19 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103;
20 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613;
21 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws
22 of 1985.

23 (4) There is a statutory appropriation to pay the
24 principal, interest, premiums, and costs of issuing, paying,
25 and securing all bonds, notes, or other obligations, as due,

1 that have been authorized and issued pursuant to the laws of
 2 Montana. Agencies that have entered into agreements
 3 authorized by the laws of Montana to pay the state
 4 treasurer, for deposit in accordance with 17-2-101 through
 5 17-2-107, as determined by the state treasurer, an amount
 6 sufficient to pay the principal and interest as due on the
 7 bonds or notes have statutory appropriation authority for
 8 such payments. (In subsection (3), pursuant to sec. 10, Ch.
 9 664, L. 1987, the inclusion of 39-71-2504 terminates June
 10 30, 1991.)"

11 **Section 50.** Section 17-7-502, MCA, is amended to read:

12 "17-7-502. **Statutory appropriations -- definition --**
 13 **requisites for validity.** (1) A statutory appropriation is an
 14 appropriation made by permanent law that authorizes spending
 15 by a state agency without the need for a biennial
 16 legislative appropriation or budget amendment.

17 (2) Except as provided in subsection (4), to be
 18 effective, a statutory appropriation must comply with both
 19 of the following provisions:

20 (a) The law containing the statutory authority must be
 21 listed in subsection (3).

22 (b) The law or portion of the law making a statutory
 23 appropriation must specifically state that a statutory
 24 appropriation is made as provided in this section.

25 (3) The following laws are the only laws containing

1 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
 2 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
 3 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;
 4 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;
 5 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;
 6 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;
 7 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;
 8 20-9-361; 23-5-136; 23-5-306; [section 26]; ~~23-5-409~~;
 9 23-5-510; 23-5-612; 23-5-1016; 23-5-1027; 27-12-206;
 10 37-51-501; 39-71-2504; 53-6-150; 53-24-206; 61-2-406;
 11 61-5-121; 67-3-205; 75-1-1101; 75-5-1108; 75-11-313;
 12 76-12-123; 80-2-103; 82-11-136; 82-11-161; 90-3-301;
 13 90-4-215; 90-4-613; 90-6-331; 90-9-306; and section 13,
 14 House Bill No. 861, Laws of 1985.

15 (4) There is a statutory appropriation to pay the
 16 principal, interest, premiums, and costs of issuing, paying,
 17 and securing all bonds, notes, or other obligations, as due,
 18 that have been authorized and issued pursuant to the laws of
 19 Montana. Agencies that have entered into agreements
 20 authorized by the laws of Montana to pay the state
 21 treasurer, for deposit in accordance with 17-2-101 through
 22 17-2-107, as determined by the state treasurer, an amount
 23 sufficient to pay the principal and interest as due on the
 24 bonds or notes have statutory appropriation authority for
 25 such payments. (In subsection (3), pursuant to sec. 10, Ch.

1 664, L. 1987, the inclusion of 39-71-2504 terminates June
2 30, 1991.)"

3 **Section 51.** Section 41-5-203, MCA, is amended to read:

4 "41-5-203. Jurisdiction of the court. (1) Except as
5 provided in subsection (2), the court has exclusive original
6 jurisdiction of all proceedings under the Montana Youth
7 Court Act in which a youth is alleged to be a delinquent
8 youth, a youth in need of supervision, or a youth in need of
9 care or concerning any person under 21 years of age charged
10 with having violated any law of the state or ordinance of
11 any city or town other than a traffic or fish and game law
12 prior to having become 18 years of age.

13 (2) Justice, municipal, and city courts have concurrent
14 jurisdiction with the youth court over all alcoholic
15 beverage and gambling violations alleged to have been
16 committed by a youth."

17 **NEW SECTION. Section 52. Wagering between persons.** (1)

18 Two or more natural persons in a public place may wager
19 against each other on the outcome of a contest, exhibition,
20 or other event in which they are not participants if:

21 (a) the persons are physically in the presence of each
22 other at the time the wagers are placed and a person is not
23 serving as an agent for another person;

24 (b) a person, including a licensed operator, does not
25 receive or have a right to receive, directly or indirectly,

1 a profit, remuneration, or compensation from the wagering,
2 except any amount that the person may win as a participant
3 on the same basis as other participants; and

4 (c) the wagering is conducted in a fair and honest
5 manner and is not designed, devised, or adapted to permit
6 predetermination of the winner or prevent a person from
7 winning.

8 (2) A licensed operator may hold wagers placed by
9 persons under subsection (1) until completion of the
10 contest, exhibition, or other event.

11 (3) This section does not apply to gambling activities
12 conducted under chapter 4 or chapter 5, part 2 or 5, of this
13 title.

14 **NEW SECTION. Section 53. Fantasy sports leagues**
15 **defined.** As used in [sections 53 through 57], a "fantasy
16 sports league" means a gambling activity conducted in the
17 following manner:

18 (1) A fantasy sports league consists of a limited
19 number of persons or groups of persons who pay an entrance
20 fee for membership in the league. The entrance fee may
21 include an administrative fee.

22 (2) Each league member creates a fictitious team
23 composed of athletes from a given professional sport, such
24 as baseball, basketball, or football. Player selection is
25 conducted through random drawings or a bidding process.

1 (3) After the initial teams are selected, interim
2 replacement of players may occur by trade or purchase. A
3 specific fee, which may not exceed the total entrance fee,
4 is charged for each transaction.

5 (4) A method, as defined by league rules, is devised to
6 permit each team to compete against other teams in the
7 league. Points are awarded to a team according to the
8 performance of individual players or teams or both during a
9 designated time period.

10 (5) A member may be eligible to receive a payout based
11 on the number of points accumulated. Payouts, which may be
12 in the form of cash or prizes, are awarded according to
13 league rules.

14 (6) Rules governing the conduct of the fantasy sports
15 league must be provided in writing to each member.

16 NEW SECTION. Section 54. Fantasy sports leagues
17 authorized. It is lawful to conduct or participate in a
18 fantasy sports league.

19 NEW SECTION. Section 55. Payouts -- administrative
20 fees charged by commercial establishments. (1) The total
21 value of payouts to all league members must equal the amount
22 collected for entrance, administrative, and transactions
23 fees, minus payment for administrative expenses.

24 (2) If a commercial establishment charges an
25 administrative fee for conducting a fantasy sports league,

1 the fee for each participant may not be more than 15% of the
2 amount charged as a participant's entrance fee.

3 NEW SECTION. Section 56. Sports betting prohibited --
4 applicability. [Sections 53 through 57] do not:

5 (1) authorize betting or wagering on the outcome of an
6 individual sports event; or

7 (2) apply to gambling activities governed under chapter
8 4 or chapter 5, part 2 or 5, of this title.

9 NEW SECTION. Section 57. Violations. A person who
10 purposefully or knowingly violates or procures, aids, or abets
11 in a violation of [sections 53 through 57] is guilty of a
12 misdemeanor punishable under 23-5-161.

13 NEW SECTION. Section 58. Definitions. Unless the
14 context requires otherwise, the following definitions apply
15 to [sections 58 through 67]:

16 (1) "Crane game" means a device activated by the
17 insertion of a coin or token by which the player uses one or
18 more buttons, control sticks, or similar means of control or
19 a combination of those means of control to position a
20 mechanical or electromechanical claw or other retrieval
21 device over a prize and attempts to retrieve it.

22 (2) "Department" means the department of justice as
23 provided for in 2-15-2001.

24 (3) "Person" means a natural or artificial person,
25 partnership, corporation, or association.

NEW SECTION. Section 59. License and permit required.

A person may not make a crane game available for public play in this state without obtaining an annual crane game operator's license and an annual crane game permit.

NEW SECTION. Section 60. License application

procedure. (1) To obtain a crane game operator's license, a person shall submit a completed application on a form prescribed and furnished by the department along with any other relevant information requested.

(2) The department shall approve an application unless the applicant fails to supply the requested information or for reasons set forth in 23-5-176.

(3) If the application is approved, the department shall issue to the applicant a crane game operator's license. The department may place reasonable conditions on the license.

(4) A crane game operator's license is effective January 1 through December 31 and must be renewed annually. The department may deny a renewal if the operator has violated [sections 58 through 67] or a department rule.

NEW SECTION. Section 61. Crane game permit -- fee. (1)

After obtaining a crane game operator's license under [section 60], a licensee shall annually apply to the department on a form prescribed and furnished by the department for a permit for each crane game he intends to

make available for public play. The application must specify the locations where the crane game is to be located and must be accompanied by a permit fee of \$35. The department shall retain the fee, which may not be prorated, upon issuance of the permit.

(2) The department shall approve an application unless the applicant fails to supply the requested information or permit fee or for reasons set forth in 23-5-176.

(3) If the application is approved, the department shall issue to the applicant a crane game permit, which must be affixed to the game.

(4) A permit is effective January 1 through December 31 and must be renewed annually. The department may deny a renewal if the operator has violated [sections 58 through 67] or a department rule.

(5) If a crane game is moved to a location other than one of the locations specified in the permit application, the operator shall notify the department of the new location.

NEW SECTION. Section 62. Crane game requirements. A

crane game may be made available for public play if:

(1) a license and permit is obtained under [sections 58 through 67];

(2) the amount paid for the right to play the crane game does not exceed \$2;

1 (3) a cash prize is not awarded and a merchandise prize
2 is not redeemable for cash;

3 (4) the system for awarding prizes does not require
4 forfeiture of a previously won prize unless the prize is
5 traded for a prize of equal or greater value;

6 (5) the claw or retrieval device within the crane game
7 is capable of reaching, lifting, and dispensing all prizes
8 within the machine;

9 (6) the controls for the crane game are clearly labeled
10 as to function and instructions for operating the game are
11 conspicuously posted; and

12 (7) the crane game does not contain a variable resistor
13 or any turnscrew, knob, potentiometer, or similar device
14 that may be used to alter the closing strength of the game's
15 claw or retrieval device.

16 NEW SECTION. Section 63. Rules. The department shall
17 adopt rules to implement [sections 58 through 67]. The rules
18 must address but are not limited to license and permit
19 procedures and inspection of crane games.

20 NEW SECTION. Section 64. Authority of local
21 governments. A local government may not license or regulate
22 a crane game governed under [sections 58 through 67] or
23 assess or charge any fees or taxes unless specifically
24 authorized by statute.

25 NEW SECTION. Section 65. Violations. A person who

1 purposely or knowingly violates or who procures, aids, or
2 abets in a violation of [sections 58 through 67] is guilty
3 of an offense punishable by a fine not to exceed \$10,000,
4 imprisonment in the county jail for a term not to exceed 1
5 year, or both. A penalty imposed under this section may be
6 in addition to a penalty imposed under [section 67].

7 NEW SECTION. Section 66. Prosecution. A violation of
8 [sections 58 through 67] or a department rule must be
9 prosecuted in the same manner as provided in 23-5-172.

10 NEW SECTION. Section 67. Administrative remedies --
11 judicial review. (1) If a person has engaged in or is
12 engaging in an act or practice in violation of [sections 58
13 through 67] or a department rule or order, the department
14 may exercise any of the administrative remedies provided for
15 in 23-5-136.

16 (2) A person aggrieved by a final order of the
17 department may obtain a review of the order in district
18 court in accordance with 23-5-137.

19 NEW SECTION. Section 68. Repealer. Section 23-5-409,
20 MCA, is repealed.

21 NEW SECTION. Section 69. Codification instruction. (1)
22 [Sections 14, 15, 31, 37, 48, and 52 through 57] are
23 intended to be codified as an integral part of Title 23,
24 chapter 5, parts 1 through 6, and the provisions of Title
25 23, chapter 5, parts 1 through 6, apply to [sections 14, 15,

1 31, 37, 48, and 52 through 57].

2 (2) [Sections 25 through 30] are intended to be
3 codified as an integral part of Title 23, chapter 5, part 3,
4 and the provisions of Title 23, chapter 5, part 3, apply to
5 [sections 25 through 30].

6 NEW SECTION. Section 70. Severability. If a part of
7 [this act] is invalid, all valid parts that are severable
8 from the invalid part remain in effect. If a part of [this
9 act] is invalid in one or more of its applications, the part
10 remains in effect in all valid applications that are
11 severable from the invalid applications.

12 NEW SECTION. Section 71. Effective dates --
13 termination. (1) (a) [Sections 1, 30, 58 through 67, 69, 70,
14 and this section] are effective on passage and approval.

15 (b) [Sections 32, 33, and 68] are effective July 1,
16 1991.

17 (c) [Sections 3, 12, 17, 19, 21, 22, 25 through 29, and
18 50] are effective January 1, 1992.

19 (d) The remaining sections are effective October 1,
20 1991.

21 (2) [Sections 58 through 67] terminate December 31,
22 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HBO673, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to generally revise the public gambling laws of Montana.

ASSUMPTIONS:

1. Penalties for violations of public gambling laws will remain approximately the same during the 1993 biennium as in FY90.
2. 600 blackjack tables will be licensed in Montana, beginning January 1, 1992, with average annual "drop" per table to be \$380,000. Total annual tax and permit fee revenue from 600 tables is \$2,880,000. If 1,200 tables were to be licensed with the same average "drop" per table, the total annual revenue would be \$5,760,000.
3. 1,500 new dealers will be licensed to deal blackjack. \$75 is charged for the first annual license and \$25 for annual renewals.
4. Proration of video machine permits will mean that 82% of the machines will be licensed for 4 quarters of each year; 7% for 3 quarters; 6% for two; and 5% for 1 quarter.
5. Two changes from current law, allowing video machines to accept \$20 bills, and raising the poker machine limit payout to \$800 may have an impact on revenue, but it is impossible to measure that impact at this time.
6. The bill repeals the live bingo and keno tax, revises annual permit fees from \$500 to \$250 for a live keno game, and establishes a range of permit fees for live bingo games depending upon the number of players for each premises.
7. 19.00 FTE, including 10.00 FTE Grade 16 investigators, are added to the Gambling Control Division of the Department of Justice for regulatory purposes. It is assumed that these FTE will be filled during all of FY92 although the effective date for blackjack is January 1, 1992.
8. Operating expenses are estimated at 33% of personal services expenses. State-up equipment purchases are reflected in FY92 only.
9. Current law is represented by the executive base budget for the Gambling Control Division.

FISCAL IMPACT:

see next page

 2-13-91

ROD SUNDSTED, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE

DAVE BROWN, PRIMARY SPONSOR

DATE

Fiscal Note for HBO673, as introduced

HB 673

FISCAL IMPACT:
Department of Justice-Gambling Control Division
Expenditures:

	FY '92			FY '93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	31,00	50.00	19.00	31.00	50.00	19.00
Personal Services	963,700	1,520,200	556,500	963,700	1,549,800	586,100
Operating Costs	397,000	583,000	186,000	398,400	584,400	186,000
Equipment	90,200	452,800	362,600	90,400	90,400	0
Total	1,450,900	2,556,000	1,105,100	1,452,500	2,224,600	772,100
<u>Funding:</u>						
Gambling Lic Fees (02)	1,450,900	1,450,900	0	1,452,500	1,452,500	0
Blackjack permits/tax (02)	0	1,105,100	1,105,100	0	772,100	772,100
Total	1,450,900	2,556,000	1,105,100	1,452,500	2,224,600	772,100
<u>Revenues:</u>						
Gambling Fines (01)	52,500	0	(52,500)	52,500	0	(52,500)
Gambling Fines (02)	0	35,000	35,000	0	35,000	35,000
Fines/Local Government	52,500	70,000	17,500	52,500	70,000	17,500
Blackjack tables (02)	0	600,000	600,000	0	600,000	600,000
Blackjack dealers (02)	0	112,500	112,500	0	37,500	37,500
Blackjack tax (01)	0	190,000	190,000	0	380,000	380,000
Blackjack tax (02)	0	570,000	570,000	0	1,140,000	1,140,000
Blackjack tax/local govt.	0	380,000	380,000	0	760,000	760,000
Live/video bingo/keno (02)	1,257,500	1,176,500	(81,000)	1,257,500	1,176,500	(81,000)
Bingo/keno local govt.	1,243,000	1,098,000	(145,000)	1,243,000	1,098,000	(145,000)
Total	2,605,500	4,232,000	1,626,500	2,605,500	5,297,000	2,691,500
General Fund Impact			137,500			327,500

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The various revenue changes contained in the bill, primarily the introduction of blackjack, are expected to increase revenue to cities and counties by about \$250,000 in FY92 and \$630,000 in FY93.

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