

HOUSE BILL 919

Introduced by Peterson

2/18	Introduced
2/18	Referred to Taxation
2/18	First Reading
2/18	Fiscal Note Requested
2/23	Fiscal Note Printed [Sic.]
2/23	Fiscal Note Received
3/20	Hearing
3/27	Tabled in Committee

1 House BILL NO. 919
 2 INTRODUCED BY Peterson
 3 BY REQUEST OF THE DEPARTMENT OF JUSTICE
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE GAMBLING
 6 LICENSE AND PERMIT PROVISIONS; CREATING A DISTRIBUTOR'S
 7 LICENSE AND ROUTE OPERATOR'S LICENSE; RENAMING AN OPERATOR'S
 8 LICENSE AS A PREMISES LICENSE; INCREASING CERTAIN LICENSE
 9 AND PERMIT FEES; AMENDING SECTIONS 23-5-112, 23-5-177,
 10 23-5-306, 23-5-308, 23-5-309, 23-5-313, 23-5-406, 23-5-407,
 11 23-5-602, 23-5-603, 23-5-611, 23-5-612, 23-5-625, AND
 12 23-5-631, MCA; AND PROVIDING AN EFFECTIVE DATE."
 13

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

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

16 "23-5-112. **Definitions.** Unless the context requires
 17 otherwise, the following definitions apply to parts 1
 18 through 6 of this chapter:

19 (1) "Applicant" means a person who has applied for a
 20 license or permit issued by the department pursuant to parts
 21 1 through 6 of this chapter.

22 (2) "Application" means a written request for a license
 23 or permit issued by the department. The department shall
 24 adopt rules describing the forms and information required
 25 for issuance of a license.

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

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

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

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

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

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

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

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

1 (b) ~~sells, leases, or otherwise furnishes~~ the equipment
2 to another perso. for use in public.

3 (10) "Gambling" or "gambling activity" means risking
4 money, credit, deposit, check, property, or any other thing
5 of value for a gain that is contingent in whole or in part
6 upon lot, chance, or the operation of a gambling device or
7 gambling enterprise.

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

12 (12) "Gambling enterprise" means an activity, scheme, or
13 agreement or an attempted activity, scheme, or agreement to
14 provide gambling or a gambling device to the public.

15 (13) "Gross proceeds" means gross revenue received less
16 prizes paid out.

17 (14) "Illegal gambling device" means a gambling device
18 not specifically authorized by statute or by the rules of
19 the department.

20 (15) "Illegal gambling enterprise" means a gambling
21 enterprise that violates a statute or a rule of the
22 department.

23 (16) "Keno" means a game of chance in which prizes are
24 awarded using a card with 8 horizontal rows and 10 columns
25 on which a player may pick up to 10 numbers. A keno caller,

1 using authorized equipment, shall select at random at least
2 20 numbers out of numbers between 1 and 80, inclusive.

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

6 (18) "License" means an operator's a premises, dealer's,
7 distributor's, manufacturer's, or manufacturer-distributor's
8 route operator's license issued to a person by the
9 department.

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

12 (20) "Live card game" or "card game" means a card game
13 that is played in public between persons on the a licensed
14 premises of-a-licensed-gambling-operator.

15 (21) "Lottery" or "gift enterprise" means a scheme, by
16 whatever name known, for the disposal or distribution of
17 property by chance among persons who have paid or promised
18 to pay valuable consideration for the chance of obtaining
19 the property or a portion of it or for a share or interest
20 in the property upon an agreement, understanding, or
21 expectation that it is to be distributed or disposed of by
22 lot or chance. However, "gift enterprise" does not mean:

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

24 or

25 (b) cash or merchandise attendance prizes or premiums

1 that the county fair commissioners of agricultural fairs and
2 rodeo associations may give away at public drawings at fairs
3 and rodeos.

4 (22) "Manufacturer" means a person who assembles from
5 raw materials or subparts a completed piece of equipment or
6 pieces of equipment of any kind to be used as a gambling
7 device.

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

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

16 (25) "Person" or "persons" means both natural and
17 artificial persons and all partnerships, corporations,
18 associations, clubs, fraternal orders, and societies,
19 including religious and charitable organizations.

20 (26) "Premises" means the physical building or property
21 within or upon which a licensed gambling activity occurs, as
22 stated on an operator's a premises license application and
23 approved by the department.

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

25 (a) a place, building, or conveyance to which the

1 public has access or may be permitted to have access; or

2 (b) a place of public resort, including but not limited
3 to a facility owned, managed, or operated by a partnership,
4 corporation, association, club, fraternal order, or society,
5 including a religious or charitable organization.

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

8 (29) "Route operator" means an owner of gambling devices
9 or associated equipment who places the devices or equipment
10 in an operator's premises for public use.

11 ~~(29)~~(30) "Slot machine" means a mechanical, electrical,
12 electronic, or other gambling device, contrivance, or
13 machine that, upon insertion of a coin, currency, token,
14 credit card, or similar object or upon payment of any
15 valuable consideration, is available to play or operate, the
16 play or operation of which, whether by reason of the skill
17 of the operator or application of the element of chance, or
18 both, may deliver or entitle the person playing or operating
19 the gambling device to receive cash, premiums, merchandise,
20 tokens, or anything of value, whether the payoff is made
21 automatically from the machine or in any other manner. This
22 definition does not apply to video gambling machines
23 authorized under part 6 of this chapter.

24 ~~(30)~~(31) "Video gambling machine" is a gambling device
25 specifically authorized by part 6 of this chapter and the

1 rules of the department."

2 NEW SECTION. **Section 2. Distributor's license -- fee.**

3 (1) It is a misdemeanor for a person to conduct business as
4 a distributor without first obtaining a distributor's
5 license from the department.

6 (2) (a) Except as provided in subsection (2)(b), the
7 department shall charge an annual license fee of \$2,000 for
8 issuing or renewing a distributor's license. The department
9 shall retain the fee for administrative purposes.

10 (b) The department shall waive the license fee provided
11 for in subsection (2)(a) if the applicant for a
12 distributor's license is licensed as a manufacturer under
13 23-5-625.

14 NEW SECTION. **Section 3. Route operator's license --**
15 **fee.** (1) It is a misdemeanor for a person to conduct
16 business as a route operator without first obtaining a route
17 operator's license from the department.

18 (2) The department shall charge an annual license fee
19 of \$1,000 for issuing or renewing a route operator's
20 license. The department shall retain the fee for
21 administrative purposes.

22 **Section 4.** Section 23-5-177, MCA, is amended to read:

23 **"23-5-177. Operator of gambling establishment --**
24 **premises license -- fee.** (1) It is a misdemeanor for a
25 person who is has not licensed been issued a premises

1 license by the department ~~as-an-operator~~ to make available
2 to the public for play a gambling device or gambling
3 enterprise for which a permit must be obtained from the
4 department.

5 (2) ~~An--operator's~~ A premises license must include the
6 following information:

7 (a) a description of the premises upon which the
8 gambling will take place;

9 (b) the operator's name;

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

15 (d) any other relevant information determined necessary
16 by the department.

17 (3) The operator's premises license must be issued
18 annually along with all other ~~licenses~~ permits for gambling
19 devices or games ~~licensed~~ issued to the operator.

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

24 (5) (a) ~~The~~ Except as provided in subsection (5)(b),
25 the department may--not shall charge a fee of \$125 for the

1 issuance of an operator's a premises license. The department
2 shall retain the fee for administrative purposes.

3 (b) A senior citizen center or retirement home, as
4 defined in 23-5-406, or a long-term care facility, as
5 defined in 50-5-101, is exempt from the premises license fee
6 provided for in subsection (5)(a).

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

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

10 **"23-5-306. Live card game table -- permit -- fees --**
11 **disposition of fees.** (1) A person who has been granted an
12 operator's a premises license under 23-5-177 and a license
13 to sell alcoholic beverages for consumption on the premises
14 may be granted an annual permit for the placement of live
15 card game tables. If one or more live card game tables were
16 legally operated on a premises on January 15, 1989, and the
17 premises were not on that date licensed under 16-4-401(2)
18 but were licensed on that date to sell food, cigarettes, or
19 any other consumable product, an--operator's a premises
20 license and an annual permit for the placement of live card
21 game tables may be granted to the person who legally
22 operated the premises on January 15, 1989.

23 (2) The annual permit fee in lieu of taxes for each
24 live card game table operated in a licensed operator's
25 premises may not be prorated and must be:

1 (a) ~~\$250~~ \$300 for the first table; and

2 (b) ~~\$500~~ \$600 for each additional table.

3 (3) The department shall retain for administrative
4 purposes ~~\$100-of-the~~ \$150 from each fee collected under this
5 part-for-each-live-card-game--table subsection (2)(a) and
6 \$200 from each fee collected under subsection (2)(b).

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

18 **Section 6.** Section 23-5-308, MCA, is amended to read:

19 **"23-5-308. Card game dealers -- license.** (1) A person
20 may not deal cards in a live card game without being
21 licensed annually by the department.

22 (2) The fee for the first year in which the license is
23 effective is ~~\$75~~ \$100, and the annual renewal fee is \$25.
24 The fee may not be prorated.

25 (3) The department shall retain for administrative

1 purposes the license fee charged for the issuance of a
2 dealer's license.

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

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

15 **Section 7.** Section 23-5-309, MCA, is amended to read:

16 "23-5-309. **Presence and control of dealer.** A live card
17 game may not be played except on a live card game table in
18 the presence and under the control of a licensed dealer on
19 the in a licensed premises of-a-licensed-operator."

20 **Section 8.** Section 23-5-313, MCA, is amended to read:

21 "23-5-313. **Rules of play to be posted -- rake-off**
22 **approved.** Rules governing the conduct of each game must be
23 prominently posted within the sight of the players at a live
24 card game table on the licensed premises of--a--licensed
25 operator. The rules must include notice of the maximum

1 percentage rake-off, if any, and must require that the
2 person taking the rake-off do so in an obvious manner."

3 **Section 9.** Section 23-5-406, MCA, is amended to read:

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

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

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

17 (b) An organization provided for in subsection (1)(a)
18 shall:

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

24 (ii) comply with other statutes and rules relating to
25 the operation of live bingo and keno ~~or-raffies--A-qualified~~

1 organization-shall; and

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

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

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

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

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

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

23 (4) For purposes of this section:

24 (a) "retirement home" means a building in which
25 sleeping rooms without cooking facilities in each room are

1 rented to three or more persons who are 60 years of age or
2 older and who do not need skilled nursing care, intermediate
3 nursing care, or personal nursing care, as defined in
4 50-5-101; and

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

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

15 **"23-5-407. Live bingo or keno permit -- fees --**
16 **disposition of fees. (1) A person who has been granted an**
17 **operator's a premises license may be granted an annual**
18 **permit by the department to conduct live bingo or keno games**
19 **on specified premises.**

20 **(2) The permit fee for each of-the live bingo operation**
21 **and each live keno operation conducted on a premises in**
22 **which--a--live--bingo--or--keno--game--is--conducted--may--not--be**
23 **prorated--and--must--be--\$500 is \$1,000. The fee may not be**
24 **prorated.**

25 **(3) The department shall retain the permit fee for**

1 administrative costs."

2 **Section 11.** Section 23-5-602, MCA, is amended to read:

3 **"23-5-602. Definitions.** As used in this part, the
4 following definitions apply:

5 (1) "Associated equipment" means all proprietary
6 devices, machines, or parts used in the manufacture or
7 maintenance of a video gambling machine, including but not
8 limited to integrated circuit chips, printed wired assembly,
9 printed wired boards, printing mechanisms, video display
10 monitors, metering devices, and cabinetry.

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

20 (3) "Draw poker machine" means an electronic video
21 gambling machine that, upon insertion of cash, is available
22 to play or simulate the play of the game of draw poker as
23 defined by rules of the department. The machine utilizes a
24 video display and microprocessors in which, by the skill of
25 the player, by chance, or both, the player may receive free

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

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

13 (5) "Net machine income" means money put into a video
14 gambling machine minus credits paid out in cash.

15 ~~(6) "Video gambling machine manufacturer distributor"~~
16 ~~means a person who assembles, produces, makes, or supplies~~
17 ~~video gambling machines or associated equipment for sale,~~
18 ~~use, or distribution in the state."~~

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

20 **"23-5-603. Video gambling machines -- possession --**
21 **play -- restriction.** (1) A person may make available for
22 public play only the number of approved video gambling
23 machines specifically authorized by this part.

24 (2) The video gambling machines specifically authorized
25 by this part are bingo, keno, and draw poker machines. Only

1 the number of approved machines for which permits have been
 2 granted under 23-5-612 may be made available for play by the
 3 public on the a licensed premises ~~of-a-licensed-operator~~.
 4 The department shall adopt rules allowing a video gambling
 5 machine that needs repair to be temporarily replaced while
 6 it is being repaired with a video gambling machine that is
 7 approved under the permit provisions of this part. A fee may
 8 not be charged for the replacement machine.

9 (3) Machines on premises licensed to sell alcoholic
 10 beverages for consumption on the premises must be placed in
 11 the room, area, or other part of the premises in which the
 12 alcoholic beverages are sold and normally consumed."

13 **Section 13.** Section 23-5-611, MCA, is amended to read:

14 "23-5-611. Machine permit qualifications --
 15 limitations. (1) (a) A person who has been granted an
 16 operator's a premises license under 23-5-177 and a license
 17 to sell alcoholic beverages for consumption on the premises
 18 may be granted a permit for the placement of video gambling
 19 machines in his premises.

20 (b) If video keno or bingo gambling machines were
 21 legally operated on a premises on January 15, 1989, and the
 22 premises were not on that date licensed to sell alcoholic
 23 beverages for consumption on the premises or operated for
 24 the principal purpose of gaming and there is an-operator's a
 25 premises license for the premises under 23-5-177, a permit

1 for the same number of video keno or bingo gambling machines
 2 as were operated on the premises on that date may be granted
 3 to the person who held the permit for such machines on those
 4 premises on that date.

5 (c) A person who legally operated an establishment on
 6 January 15, 1989, for the principal purpose of gaming and
 7 has been granted an-operator's a premises license under
 8 23-5-177 may be granted a permit for the placement of bingo
 9 and keno machines in his premises.

10 (2) An applicant for a permit shall disclose on the
 11 application form to the department any information required
 12 by the department consistent with the provisions of
 13 23-5-176.

14 (3) A licensee may not have on the premises or make
 15 available for play on the premises more than 20 machines of
 16 any combination and no more than 10 may be draw poker
 17 machines."

18 **Section 14.** Section 23-5-612, MCA, is amended to read:

19 "23-5-612. Machine permits -- fee. (1) The department,
 20 upon payment of the fee provided in subsection (2) and in
 21 conformance with rules adopted under this part, shall issue
 22 to the operator a permit for an approved video gambling
 23 machine.

24 (2) The department shall charge an annual permit fee of
 25 \$200 \$275 for each video gambling machine permit. The

1 department shall retain ~~\$100~~ \$175 of the total permit fee
 2 collected for purposes of administering this part. The
 3 remaining \$100 must be returned on a quarterly basis to the
 4 local government jurisdiction in which the gambling machine
 5 is located. The local government portion of the fee is
 6 statutorily appropriated to the department, as provided in
 7 17-7-502, for deposit in the local government treasury.

8 (3) The permit expires on June 30 of each year, and the
 9 fee may not be prorated.

10 (4) A used keno machine may be licensed under
 11 subsection (1) without meeting the requirements of 23-5-609
 12 [as that section read on September 30, 1989] if the
 13 applicant for licensure can establish to the satisfaction of
 14 the department that, on the date of application, he owns or
 15 possesses a machine that was owned or operated in the state
 16 prior to June 30, 1987. A license issued under this
 17 subsection expires for all purposes no later than June 30,
 18 1989."

19 **Section 15.** Section 23-5-625, MCA, is amended to read:

20 **"23-5-625. Video gambling machine**
 21 **manufacturer-distributor manufacturer -- license -- fees.**

22 (1) It is unlawful for any person to assemble, produce, or
 23 manufacture ~~or supply~~ any video gambling machine or
 24 associated equipment for use or play in the state without
 25 having first been issued a video gambling machine

1 **manufacturer-distributor's manufacturer's license by the**
 2 **department.**

3 (2) The department shall charge an annual license fee
 4 of ~~\$1,000~~ \$3,000 for the issuance or renewal of a video
 5 gambling machine **manufacturer-distributor's manufacturer's**
 6 **license.**

7 (3) In addition to other license fees, the department
 8 may charge the applicant a one-time video gambling machine
 9 **manufacturer-distributor's manufacturer's license**
 10 **application processing fee.** The processing fee may not
 11 exceed the department's actual costs for processing an
 12 application.

13 (4) All video gambling machine
 14 **manufacturer-distributor's manufacturer's licenses** expire on
 15 June 30 of each year, and the license fee may not be
 16 prorated.

17 (5) The department shall retain the license and
 18 processing fees collected for purposes of administering this
 19 part, unless otherwise provided."

20 **Section 16.** Section 23-5-631, MCA, is amended to read:

21 **"23-5-631. Examination and approval of new video**
 22 **gambling machines and associated equipment -- fee.** (1) The
 23 department shall examine and may approve a new video
 24 gambling machine and associated equipment which are
 25 manufactured, sold, or distributed for use in the state

1 before the video gambling machine or associated equipment is
2 sold, played, or used.

3 (2) A video gambling machine or associated equipment
4 may not be examined or approved by the department until the
5 video gambling machine ~~manufacturer-distributor~~ manufacturer
6 is licensed as required in 23-5-625.

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

10 (4) The department shall require the
11 ~~manufacturer-distributor~~ manufacturer seeking the
12 examination and approval of a new video gambling machine or
13 associated equipment to pay the anticipated actual costs of
14 the examination in advance and, after the completion of the
15 examination, shall refund overpayments or charge and collect
16 amounts sufficient to reimburse the department for
17 underpayments of actual costs.

18 (5) The department may inspect and test and approve,
19 disapprove, or place a condition upon a video gambling
20 machine prior to its distribution and placement for play by
21 the public."

22 NEW SECTION. **Section 17.** Codification instruction.
23 [Sections 2 and 3] are intended to be codified as an
24 integral part of Title 23, chapter 5, parts 1 through 6, and
25 the provisions of Title 23, chapter 5, parts 1 through 6,

1 apply to [sections 2 and 3].

2 NEW SECTION. **Section 18.** Effective date. [This act] is
3 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0919, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the gambling license and permit provisions.

ASSUMPTIONS:


1. 1,700 premises permits will be issued each year at \$125 each for a total of \$212,500.
2. The video gambling machine permit fee will increase from \$200 to \$275 per year. The total current number of permits issued, 12,000, is not projected to increase. This will generate \$900,000 per year.
3. The manufacturer license fee will increase from \$1,000 to \$3,000 per year. This will increase revenue by \$46,000 each year.
4. The distributor license fee will increase from \$1,000 to \$2,000 per year. This will increase revenue by \$10,000 each year.
5. The initial license fee for live card dealers will increase from \$75 to \$100 per year. This will increase revenue by \$5,000 each year.
6. Live card table fees will increase from \$250 to \$300 (first table) and from \$500 to \$600 (second table). This will increase revenue by \$16,500 each year.
7. Live bingo/keno game fees will increase from \$500 to \$1,000 per year. This will increase revenue by about \$58,000 each year.
8. The additional revenue generated by this bill which is attributable to the gambling license fee account is proposed to fund the Gambling Control Division modification presented to the General Government and Highways Joint Appropriations Subcommittee. The bill does not address use of the increased revenue other than for administrative purposes.

FISCAL IMPACT:

<u>Revenues:</u>	<u>FY92</u>			<u>FY93</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Various Gambling Licenses & Permits/State Special (02)	1,437,000	2,685,000	1,248,000	1,437,000	2,685,000	1,248,000
Gambling Lic/Permits-Local Govts.	1,254,500	1,254,500	0	1,254,500	1,254,500	0
Total	2,691,500	3,939,500	1,248,000	2,691,500	3,939,500	1,248,000

EFFECT ON COUNTY OR OTHER REVENUE OR EXPENDITURES:

None.


 ROD SUNDSTED, BUDGET DIRECTOR DATE 2-27-91
 Office of Budget and Program Planning

MARY LOU PETERSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0919, as introduced

HB 919