

HOUSE BILL 958

Introduced by Darko

2/20	Introduced
2/20	Referred to Judiciary
2/20	First Reading
2/20	Fiscal Note Requested
2/25	Fiscal Note Received
2/26	Fiscal Note Printed
3/05	Hearing
4/02	Taken from Committee and Placed on 2nd Reading
4/04	2nd Reading Passed as Amended
4/04	On Motion Rules Suspended to Place on 3rd Reading this Day
4/04	3rd Reading Passed
	Transmitted to Senate
4/05	First Reading
4/05	Referred to Judiciary
4/11	Tabled in Committee

1 House BILL NO. 958
 2 INTRODUCED BY Dartso
 3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
 6 PUBLIC GAMBLING LAWS OF MONTANA; PROVIDING STATUTORY
 7 APPROPRIATIONS; AND AMENDING SECTIONS 2-15-2021, 17-7-502,
 8 23-5-112, 23-5-114, 23-5-123, 23-5-136, 23-5-153, 23-5-154,
 9 23-5-156, 23-5-158, 23-5-162, 23-5-176, 23-5-177, 23-5-306,
 10 23-5-308, 23-5-309, 23-5-406, 23-5-409, 23-5-412, 23-5-413,
 11 23-5-501, 23-5-503, 23-5-603, 23-5-611, 23-5-621, 23-5-625,
 12 23-5-631, AND 41-5-203, MCA."

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 **Section 1.** Section 2-15-2021, MCA, is amended to read:

16 "2-15-2021. Gaming advisory council -- allocation --
 17 composition -- compensation -- annual biennial report. (1)
 18 There is a gaming advisory council.

19 (2) The gaming advisory council is allocated to the
 20 department for administrative purposes only as prescribed in
 21 2-15-121.

22 (3) The gaming advisory council consists of nine
 23 members. One member must be from the senate, and one member
 24 must be from the house of representatives. The senate
 25 committee on committees and the speaker of the house of

1 representatives shall appoint the legislative members of the
 2 council. The seven remaining members must be appointed by
 3 the department, with one representing the public at large,
 4 two representing local governments, one being a Native
 5 American, and three representing the gaming industry.

6 (4) Each gaming advisory council member is appointed to
 7 a 3-year term of office, except that three of the
 8 first-appointed original members shall serve a 1-year term,
 9 three (including both legislative members) shall serve a
 10 2-year term, and three shall serve a 3-year term. A member
 11 of the council may be removed for good cause by the
 12 appointing body provided for in subsection (3).

13 (5) The gaming advisory council shall appoint a
 14 chairman from its members.

15 (6) Legislative members of the gaming advisory council
 16 are entitled to compensation and expenses, as provided in
 17 5-2-302, while the council is meeting. The remaining members
 18 are entitled to travel, meals, and lodging expenses as
 19 provided for in 2-18-501 through 2-18-503. Expenses of the
 20 council must be paid from licensing fees received by the
 21 department.

22 (7) The gaming advisory council shall, within its
 23 authorized budget, hold meetings and incur expenses as it
 24 considers necessary to study all aspects of gambling in the
 25 state.

1 (8) (a) The gaming advisory council shall submit an
 2 annual a biennial report to the department, at a time
 3 designated by the department, with recommendations for
 4 amendments to the gambling statutes, the need for additional
 5 or modified department rules, the clarification of existing
 6 rules, and other recommendations on the operation of the
 7 department or any other gambling-related matter.

8 (b) The annual biennial report required under
 9 subsection (8)(a) must be affixed to the ~~annual~~-department
 10 report on gambling in the state that the department submits
 11 that year. The department and council shall submit the two
 12 most recent department and council reports to each of the
 13 next two regular sessions of the legislature.

14 (c) The council may submit interim reports to the
 15 department as the council considers necessary.

16 (d) The council shall meet with the department upon
 17 request of the department.

18 (e) The department shall meet with the council upon
 19 request of the council.

20 (9) The department shall give each council member
 21 notice and a copy of each proposed change in administrative
 22 rules relating to gambling. The notice and copy must be
 23 given at the time a notice of proposed rules changes is
 24 filed with the secretary of state. The council shall review
 25 the proposal, may comment on it, and may attend any hearing

1 on the proposal. The department shall consider any comment
 2 by any council member or by the council as a whole prior to
 3 adopting the proposed change."

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

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

8 (1) "Applicant" means a person who has applied for a
 9 license or permit issued by the department pursuant to parts
 10 1 through 6 of this chapter.

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

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

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

1 the person or persons who first cover a previously
2 designated arrangement of numbers on the bingo card.

3 (5) "Bingo 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 bingo.

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

9 (7) "Card game tournament" means a gambling activity
10 for which a permit has been issued involving participants
11 who pay valuable consideration for the opportunity to
12 compete against each other in a series of live card games
13 conducted over a designated period of time.

14 ~~(7)~~(8) "Dealer" means a person with a dealer's license
15 issued under part 3 of this chapter.

16 ~~(8)~~(9) "Department" means the department of justice.

17 ~~(9)~~(10) "Distributor" means a person who:

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

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

22 ~~(10)~~(11) "Gambling" or "gambling activity" means risking
23 money, credit, deposit, check, property, or any other thing
24 of value for a gain that is contingent in whole or in part
25 upon lot, chance, or the operation of a gambling device or

1 gambling enterprise. The term does not mean conducting or
2 participating in a promotional game of chance.

3 ~~(11)~~(12) "Gambling device" means a mechanical,
4 electromechanical, or electronic device, or a machine, slot
5 machine, instrument, apparatus, contrivance, scheme, or
6 system used or intended for use in any gambling activity.

7 ~~(12)~~(13) "Gambling enterprise" means an activity,
8 scheme, or agreement or an attempted activity, scheme, or
9 agreement to provide gambling or a gambling device to the
10 public.

11 (14) "Gift enterprise" means a scheme, by whatever name
12 known, for the disposal or distribution of property by
13 chance among persons who have obtained chances to acquire
14 the property or a portion of it by purchasing goods or
15 services. The term does not mean:

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

17 (b) cash or merchandise attendance prizes or premiums
18 that the county fair commissioners of agricultural fairs and
19 rodeo associations may give away at public drawings at fairs
20 and rodeos; or

21 (c) a promotional game of chance.

22 ~~(13)~~(15) "Gross proceeds" means gross revenue received
23 less prizes paid out.

24 ~~(14)~~(16) "Illegal gambling device" means a gambling
25 device not specifically authorized by statute or by the

1 rules of the department.

2 †15†(17) "Illegal gambling enterprise" means a gambling
3 enterprise that violates a statute or a rule of the
4 department.

5 †16†(18) "Keno" means a game of chance in which prizes
6 are awarded using a card with 8 horizontal rows and 10
7 columns on which a player may pick up to 10 numbers. A keno
8 caller, using authorized equipment, shall select at random
9 at least 20 numbers out of numbers between 1 and 80,
10 inclusive.

11 †17†(19) "Keno caller" means a person 18 years of age or
12 older who, using authorized equipment, announces the order
13 of the numbers drawn in live keno.

14 †18†(20) "License" means an operator's, dealer's, or
15 manufacturer-distributor's license issued to a person by the
16 department.

17 †19†(21) "Licensee" means a person who has received a
18 license from the department.

19 †20†(22) "Live card game" or "card game" means a card
20 game that is played in public between persons on the
21 premises of a licensed gambling operator.

22 †21†(23) "Lottery" or "~~gift-enterprise~~" means a scheme,
23 by whatever name known, for the disposal or distribution of
24 property by chance among persons who have paid or promised
25 to pay valuable consideration for the chance of obtaining

1 the property or a portion of it or for a share or interest
2 in the property upon an agreement, understanding, or
3 expectation that it is to be distributed or disposed of by
4 lot or chance. However, "~~gift-enterprise~~" the term does not
5 mean:

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

7 or

8 (b) cash or merchandise attendance prizes or premiums
9 that the county fair commissioners of agricultural fairs and
10 rodeo associations may give away at public drawings at fairs
11 and rodeos; or

12 (c) a promotional game of chance.

13 †22†(24) "Manufacturer" means a person who assembles
14 from raw materials or subparts a completed piece of
15 equipment or pieces of equipment of any kind to be used as a
16 gambling device.

17 (25) "Nonprofit organization" means a nonprofit
18 corporation or nonprofit charitable, religious, scholastic,
19 educational, veterans', fraternal, beneficial, civic, or
20 service organization established for purposes other than to
21 conduct a gambling activity.

22 †23†(26) "Operator" means a person who purchases,
23 receives, or acquires, by lease or otherwise, and operates
24 or controls for use in public, a gambling device or gambling
25 enterprise authorized under parts 1 through 6 of this

1 chapter.

2 ~~†24†~~(27) "Permit" means approval from the department to
3 make available for public play a gambling device or gambling
4 enterprise approved by the department pursuant to parts 1
5 through 6 of this chapter.

6 ~~†25†~~(28) "Person" or "persons" means both natural and
7 artificial persons and all partnerships, corporations,
8 associations, clubs, fraternal orders, and societies,
9 including religious and charitable organizations.

10 ~~†26†~~(29) "Premises" means the physical building or
11 property within or upon which a licensed gambling activity
12 occurs, as stated on an operator's license application and
13 approved by the department.

14 (30) "Promotional game of chance" means a scheme, by
15 whatever name known, for the disposal or distribution of
16 property by chance among persons who have not paid or are
17 not expected to pay any valuable consideration or who have
18 not purchased or are not expected to purchase any goods or
19 services for a chance to obtain the property, a portion of
20 it, or a share in it.

21 ~~†27†~~(31) "Public gambling" means gambling conducted in:

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

24 (b) a place of public resort, including but not limited
25 to a facility owned, managed, or operated by a partnership,

1 corporation, association, club, fraternal order, or society,
2 including a religious or charitable organization; or

3 (c) a place, building, or conveyance to which the
4 public does not have access if players are publicly
5 solicited or the gambling activity is conducted in a
6 predominately commercial manner.

7 ~~†28†~~(32) "Raffle" means a gift--enterprise form of
8 lottery in which each participant buys-a-chance---or---chances
9 pays valuable consideration for a ticket to become eligible
10 to win a prize. Winners must be determined by a random
11 selection process approved by department rule.

12 ~~†29†~~(33) "Slot machine" means a mechanical, electrical,
13 electronic, or other gambling device, contrivance, or
14 machine that, upon insertion of a coin, currency, token,
15 credit card, or similar object or upon payment of any
16 valuable consideration, is available to play or operate, the
17 play or operation of which, whether by reason of the skill
18 of the operator or application of the element of chance, or
19 both, may deliver or entitle the person playing or operating
20 the gambling device to receive cash, premiums, merchandise,
21 tokens, or anything of value, whether the payoff is made
22 automatically from the machine or in any other manner. This
23 definition does not apply to video gambling machines
24 authorized under part 6 of this chapter.

25 ~~†30†~~(34) "Video gambling machine" is a gambling device

1 specifically authorized by part 6 of this chapter and the
2 rules of the department."

3 **Section 3.** Section 23-5-114, MCA, is amended to read:

4 "23-5-114. Department employees -- activities
5 prohibited. (1) An employee of the department, a former
6 department employee during the first 365 days following
7 termination of employment, or any peace officer or
8 prosecutor directly involved with the prosecution,
9 investigation, regulation, or licensing of gambling, as
10 designated by the attorney general, may not:

11 (1)(a) serve as an officer or manager of a corporation
12 business or organization, other than a nonprofit corporation
13 or organization, that conducts a gambling activity, other
14 than as an officer of a nonprofit organization;

15 (b) be employed by a licensed operator in any capacity
16 that requires assisting in conducting a gambling activity
17 regulated under parts 1 through 6 of this chapter or
18 maintaining records for the gambling activity;

19 (2) receive or share in, directly or indirectly, any
20 profit of a gambling activity regulated by the department;

21 (3)(c) have a beneficial or pecuniary interest in a
22 contract for the manufacture, lease, or sale of a gambling
23 device, the conduct of a gambling activity, or the provision
24 of independent consultant services in connection with a
25 gambling activity; or

1 (d) participate in a gambling activity governed by
2 parts 1 through 6 of this chapter, except in performing
3 assigned employment duties. An employee may participate in a
4 gambling activity governed by part 10 of this chapter or
5 chapter 4 of this title.

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

12 **Section 4.** Section 23-5-123, MCA, is amended to read:

13 "23-5-123. Disposal of money confiscated by reason of
14 violation of gambling laws. All fines, penalties,
15 forfeitures, and confiscated money collected by criminal,
16 civil, or administrative process for a violation of a
17 provision of parts 1 through 6 of this chapter or a rule of
18 the department must be deposited one-half in the state
19 general fund and one-half in the general fund of the county
20 in which the violation occurred; distributed as follows:

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

23 (2) One-third of the funds collected through a civil or
24 administrative proceeding must be deposited in the state
25 special revenue fund account maintained for funds used by

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

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

11 **"23-5-136. Injunction and other remedies.** (1) If a
 12 person has engaged or is engaging in an act or practice
 13 constituting a violation of a provision of parts 1 through 6
 14 of this chapter or a rule or order of the department, the
 15 department may:

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

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

22 (i) issue a permanent order to cease and desist from
 23 the act or practice, which order remains in effect pending
 24 judicial review;

25 (ii) place a licensee on probation;

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

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

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

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

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

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

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

19 (iii) appoint a receiver or conservator for the
 20 defendant or the assets of the defendant.

21 (2) The department may issue a warrant for distraint
 22 against an operator who fails to pay a civil penalty imposed
 23 under subsection (1) or a tax imposed under 23-5-409 or
 24 23-5-610. The department may issue the warrant for the
 25 amount of the unpaid penalty or for the amount of the unpaid

1 tax, plus penalty and accumulated interest on the tax, and
 2 shall follow the procedures provided in 15-1-701 through
 3 15-1-708.

4 ~~{2}~~(3) (a) A civil penalty imposed under this section
 5 must be collected by the department and ~~deposited-in-the~~
 6 ~~state's-general-fund-as-required-by~~ distributed as provided
 7 in 23-5-123. The local government portion of the penalty
 8 payment is statutorily appropriated to the department, as
 9 provided in 17-7-502, for deposit to the county or municipal
 10 treasury.

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

15 **Section 6.** Section 23-5-153, MCA, is amended to read:

16 ***23-5-153. Possession and sale of antique slot**
 17 **machines.** (1) For the purposes of this section, an antique
 18 slot machine is a mechanically or electronically operated
 19 slot machine ~~that at-any-present-time-is-more-than-25-years~~
 20 ~~old~~ manufactured before January 1, 1965.

21 (2) Except as provided in subsection (3), an antique
 22 slot machine may be possessed, located, and operated only in
 23 a private residential dwelling.

24 (3) (a) An antique slot machine may be possessed or
 25 located for purposes of display only and not for operation

1 in any public museum owned and operated by the state, a
 2 county, or a city.

3 (b) A licensed manufacturer-distributor may possess and
 4 ~~sell~~ antique slot machines for purposes of selling or
 5 otherwise supplying the machines.

6 (4) A person or entity legally possessing a slot
 7 machine under subsection (2) or (3) may sell or otherwise
 8 supply a machine to another person or entity who may legally
 9 possess a slot machine.

10 ~~{4}~~(5) An antique slot machine may not be operated for
 11 any commercial or charitable purpose."

12 **Section 7.** Section 23-5-154, MCA, is amended to read:

13 ***23-5-154. Soliciting or--persuading--persons--to-play**
 14 **participation in illegal gambling device activity**
 15 **prohibited.** A person who purposely or knowingly advertises
 16 for or solicits another person to ~~play--or--engage--in--the~~
 17 participate in an illegal gambling enterprise or use of an
 18 illegal gambling device is guilty of a misdemeanor and is
 19 punishable under 23-5-161."

20 **Section 8.** Section 23-5-156, MCA, is amended to read:

21 ***23-5-156. Obtaining anything of value by fraud or**
 22 **operation of illegal gambling device or enterprise.** (1) A
 23 person who ~~by--gambling~~ in an activity involving gambling
 24 obtains money, property, or anything of value that does not
 25 exceed \$300 in value by misrepresentation, fraud, or the use

1 of an illegal gambling device or an illegal gambling
2 enterprise is guilty of a misdemeanor and is punishable as
3 provided in 23-5-161.

4 (2) A person who by-gambling in an activity involving
5 gambling obtains money, property, or anything of value that
6 exceeds \$300 in value by misrepresentation, fraud, or the
7 use of an illegal gambling device or an illegal gambling
8 enterprise is guilty of a felony and is punishable as
9 provided in 23-5-162."

10 **Section 9.** Section 23-5-158, MCA, is amended to read:

11 "23-5-158. Minors not to participate -- penalty --
12 exception. (1) A Except as provided in subsection (3), a
13 person may not purposely or knowingly allow a person under
14 18 years of age to participate in a gambling activity.

15 (2) A person who violates this section subsection is
16 guilty of a misdemeanor and must be punished in accordance
17 with 23-5-161.

18 (2) Except as provided in subsection (3), a person
19 under 18 years of age may not purposely or knowingly
20 participate in a gambling activity. A person who violates
21 this subsection is subject to a civil penalty not to exceed
22 \$50 if the proceedings for violating this subsection are
23 held in justice, municipal, or city court. If the
24 proceedings are held in youth court, the offender must be
25 treated as an alleged youth in need of supervision as

1 defined in 41-5-103. The youth court may enter its judgment
2 under 41-5-523.

3 (3) A person under 18 years of age may sell or buy
4 tickets for or receive prizes from a raffle conducted in
5 compliance with 23-5-413 if proceeds from the raffle, minus
6 administrative expenses and prizes paid, are used to support
7 charitable activities, scholarships or educational grants,
8 or community service projects."

9 **Section 10.** Section 23-5-162, MCA, is amended to read:

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

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

21 **Section 11.** Section 23-5-176, MCA, is amended to read:

22 "23-5-176. Qualifications for licensure. (1) A person
23 whom the department determines is qualified to receive a
24 license under the provisions of this chapter, except for the
25 provisions of part 10, may, based on information available

1 to, required by, or supplied to the department under
2 department rules, be issued a state gambling license.

3 (2) The Except as provided in subsection (4), the
4 department shall issue a license unless the department can
5 demonstrate that the applicant is:

6 (a) is a person whose prior financial or other
7 activities or criminal record:

8 (i) poses a threat to the public interest of the state
9 or;

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

12 (iii) creates a danger of illegal practices,
13 methods, or activities in the conduct of gambling or in the
14 carrying on of the business and financial arrangements
15 incidental to gambling; or

16 (b) has been convicted of a felony offense or a
17 gambling-related misdemeanor within 5 years of the date of
18 application, is awaiting trial on charges of committing a
19 felony offense, or is on probation, parole, or deferred
20 prosecution for committing a felony offense; or

21 (c) is receiving a substantial amount of financing
22 for the proposed operation from an unsuitable source. A
23 lender or other source of money or credit that the
24 department finds to meet the provisions of subsection (2)(a)
25 may be considered an unsuitable source.

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

3 (4) The department may deny a license or permit to an
4 applicant who has falsified a license or permit application.
5 If the falsification is determined after the license or
6 permit has been issued, the department may revoke the
7 license or permit."

8 **Section 12.** Section 23-5-177, MCA, is amended to read:

9 **"23-5-177. Operator of gambling establishment --**
10 **license -- fee.** (1) It is a misdemeanor for a person who is
11 not licensed by the department as an operator to make
12 available to the public for play a gambling device or
13 gambling enterprise for which a permit must be obtained from
14 the department.

15 (2) To obtain an operator's license, a person shall
16 submit to the department:

17 (a) a completed operator's license application on a
18 form prescribed and furnished by the department; and

19 (b) any other relevant information requested by the
20 department.

21 (3) The department may issue a provisional operator's
22 license to an applicant pending the department's
23 determination as to whether the applicant qualifies for
24 licensure under 23-5-176. If the department determines that
25 the applicant is qualified, it shall remove the license from

1 provisional status. If the department determines that the
 2 applicant is not qualified, it shall revoke the provisional
 3 license.

4 {2}(4) An operator's license must include the following
 5 information:

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

8 (b) the operator's name;

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

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

16 {3}(5) The operator's license must be issued annually
 17 along with all other ~~licenses~~ permits for gambling devices
 18 or games licensed issued to the operator.

19 {4}(6) The operator's license must be updated each time
 20 a gambling device or card game table license permit is newly
 21 issued or the device or game is removed from the premises.

22 {5}(7) The department may not charge a fee for the
 23 issuance of an operator's license.

24 {6}(8) The operator's license must be prominently
 25 displayed upon the premises for which it is issued."

1 NEW SECTION. Section 13. Illegal sale, assignment,
 2 lease, or transfer of license -- penalty. A licensee who
 3 purposely or knowingly sells, assigns, leases, or transfers
 4 a license or permit in violation of 23-5-110 is guilty of a
 5 misdemeanor punishable in accordance with 23-5-161.

6 **Section 14.** 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 after a
 11 finding under 16-4-401(2) may be granted an annual permit
 12 for the placement of live card game 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 to sell alcoholic beverages for
 16 consumption on the premises if:

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

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

1 ~~1989;~~

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

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

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

7 (B) the natural persons who together hold a majority
8 financial interest in the business operated on the premises
9 are the same as on January 15, 1989.

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

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

14 (b) \$500 for each additional table.

15 (3) The department shall retain for administrative
16 purposes \$100 of the fee collected under this part for each
17 live card game table.

18 (4) The department shall forward on a quarterly basis
19 the remaining balance of the fee collected under subsection
20 (2) to the treasurer of the county or the clerk, finance
21 officer, or treasurer of the city or town in which the live
22 card game table is located for deposit to the county or
23 municipal treasury. A county is not entitled to proceeds
24 from fees assessed on live card game tables located in
25 incorporated cities and towns within the county. The local

1 government portion of this fee is statutorily appropriated
2 to the department, as provided in 17-7-502, for deposit to
3 the county or municipal treasury."

4 **Section 15.** Section 23-5-308, MCA, is amended to read:

5 "23-5-308. Card game dealers -- license. (1) A person
6 may not deal cards in a live card game of panquinque or
7 poker without being licensed annually by the department.

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

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

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

17 (5) (a) The department shall adopt rules to implement
18 temporary licensing procedures until a permanent license is
19 issued to a dealer.

20 (b) The rules must provide that:

21 (i) a temporary license may be obtained at the place
22 where a person locally applies for a driver's license; and
23 that

24 (ii) the receipt received upon mailing by certified mail
25 an a completed license application for-a-permanent-license

1 ~~and the fee required under subsection (2) by certified mail,~~
 2 return receipt requested, ~~also~~ constitutes a temporary
 3 license.

4 (c) The department may not assess a fee for the
 5 temporary license."

6 **Section 16.** Section 23-5-309, MCA, is amended to read:

7 "23-5-309. Presence-and-control-of-dealer Requirements
 8 for conducting card games. (1) A Except as provided in
 9 [section 17], a live card game may-not must be played except
 10 on a live card game table in--the--presence--and--under--the
 11 control--of--a--licensed-dealer for which a permit has been
 12 issued and on the premises of a licensed operator.

13 (2) A live card game of panguingue or poker must be
 14 played in the presence and under the control of a licensed
 15 dealer."

16 NEW SECTION. Section 17. Tournaments. (1) Subject to
 17 the department's approval, a licensed operator who has a
 18 permit for placing at least 1 live card game table on his
 19 premises may conduct up to 12 live card game tournaments a
 20 year on his premises. Each tournament may be conducted for
 21 no more than 72 consecutive hours. If an operator conducts
 22 more than one tournament a year, at least 7 days must lapse
 23 between the conclusion of one tournament and the beginning
 24 of the next tournament.

25 (2) (a) At least 10 days before the start of a

1 tournament, the operator shall submit to the department an
 2 application for a tournament permit. The permit application
 3 must be accompanied by a \$10 fee. The department shall
 4 retain the fee for administrative purposes.

5 (b) If a tournament is to be conducted on the premises
 6 of more than one licensed operator, each operator shall
 7 submit a permit application and processing fee. The permit
 8 is applied toward each operator's annual 12-tournament
 9 limit.

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

13 (4) Tournament participants must be provided with a
 14 copy of the tournament rules before the start of the
 15 tournament. A copy of the rules must be posted in a
 16 conspicuous location in each area where the tournament is
 17 conducted.

18 (5) A person must be present on the premises during the
 19 tournament to oversee the conduct of the card games and to
 20 settle disputes among players. This person may be a dealer
 21 licensed under 23-5-308.

22 (6) A licensed operator may charge a tournament
 23 participant an entry fee, which may include a fee to cover
 24 expenses incurred in conducting the tournament. A
 25 participant who has been eliminated from competition during

1 the tournament may reenter the tournament by paying an
2 additional fee if permitted to do so under tournament rules.
3 A rake-off may not be taken during a tournament card game.

4 (7) Prizes must be awarded after each game and may not
5 exceed the prize limits in 23-5-312.

6 (8) The provisions of this part and the department
7 rules governing live card games apply to live card games
8 conducted as part of a tournament unless otherwise provided.

9 **Section 18.** Section 23-5-406, MCA, is amended to read:

10 **"23-5-406. Exempt charitable organizations and**
11 **facilities. (1) (a) An organization qualified-for granted an**
12 **exemption under 26 U.S.C. 501(c)(3) and, (c)(4), (c)(8), or**
13 **(c)(19):**

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

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

23 (b) An organization provided for in subsection (1)(a)
24 shall:

25 (i) limit its live bingo and keno activities are

1 limited to its main premises or place of operations and to
2 events at other places operated by other charitable
3 organizations or by a government unit or entity. ~~The~~
4 organization shall;

5 (ii) comply with other statutes and rules relating to
6 the operation of live bingo and keno ~~or raffles. A qualified~~
7 organization shall; and

8 (iii) apply to the department for a cost-free permit to
9 conduct charitable live bingo and or keno games ~~or raffles.~~

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

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

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

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

22 (3) The department may revoke or suspend the permit of
23 a qualified an organization or a facility provided for in
24 subsection (1) or (2) if that, after investigation, the
25 department determines that the organization or facility is

1 contracting operating or has contracted with a nonqualified
2 organization to operate that is operating live bingo, or
3 keno, or raffies in a predominantly commercial manner.

4 (4) For purposes of this section:

5 (a) "retirement home" means a building in which
6 sleeping rooms without cooking facilities in each room are
7 rented to three or more persons who are 60 years of age or
8 older and who do not need skilled nursing care, intermediate
9 nursing care, or personal nursing care, as defined in
10 50-5-101; and

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

20 **Section 19.** Section 23-5-409, MCA, is amended to read:

21 **"23-5-409. Bingo and keno tax -- records --**
22 **distribution -- statement and payment.** (1) A licensee who
23 has received a permit to operate bingo or keno games shall
24 pay to the department a tax of 5% 1% of the net-income gross
25 proceeds from the operation of each live bingo and keno game

1 operated on his premises. For purposes of this section, "net
2 income" means gross proceeds, as defined in 23-5-112, minus
3 the cost of equipment, supplies, personnel, and advertising
4 allocated to the games. If in any year 5% of net income does
5 not equal 1% of gross proceeds, then the licensee shall pay
6 a tax of 1% of gross proceeds.

7 (2) A licensee shall keep a record of gross proceeds
8 and net income in the form the department requires. At all
9 times during the business hours of the licensee the records
10 must be available for inspection by the department.

11 (3) A licensee shall annually complete and deliver to
12 the department a statement showing the total gross proceeds
13 and net income for each live keno or bingo game operated by
14 him and the total amount due as live bingo or keno tax for
15 the preceding year. This statement must contain any other
16 relevant information required by the department.

17 (4) The department shall forward the tax collected
18 under subsection (3) to the treasurer of the county or the
19 clerk, finance officer, or treasurer of the city or town in
20 which the licensed game is located for deposit to the county
21 or municipal treasury. A county is not entitled to proceeds
22 from taxes on live bingo or keno games located in
23 incorporated cities and towns within the county. The tax
24 collected under subsection (3) is statutorily appropriated
25 to the department, as provided in 17-7-502, for deposit to

1 the county or municipal treasury."

2 **Section 20.** Section 23-5-412, MCA, is amended to read:

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

5 (a) the price for an individual bingo or keno card may
6 not exceed 50 cents; ~~Bingo prizes may be paid in either~~
7 tangible personal property or cash; A;

8 (b) a prize may not exceed the value of \$100 for each
9 individual bingo award or keno card; ~~it;~~ and

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

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

14 (3) A variation of the game of keno, as approved by the
15 department, in which a player selects three or more numbers
16 and places a wager on various combinations of these numbers
17 is permissible if:

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

20 (b) a winning combination does not pay more than \$100.

21 (4) A player may give the a keno caller a card with
22 instructions on the card to play that card and its marked
23 numbers for up to the number of successive games that the
24 house allows and that the player has indicated on the card,
25 upon payment of the price per game times the number of

1 successive games indicated. The player shall remain on the
2 house premises until the card is played or withdrawn. The
3 caller shall keep the card until the end of the number of
4 games indicated, and the department may by rule provide that
5 at that time the caller shall pay the player any prizes
6 won."

7 **Section 21.** Section 23-5-413, MCA, is amended to read:

8 "23-5-413. Raffle prizes -- permits -- exception. (1)
9 Raffle prizes may not exceed the value of --\$5,000-- for --each
10 individual-- raffle ticket; ~~it is unlawful to, in any manner,~~
11 combine any awards so as to increase the ultimate --value-- of
12 the prize awarded for each ticket;

13 (1)(a) A--separate Except as provided in subsection
14 (1)(b), a permit must be issued by the board of county
15 commissioners for each raffle conducted within its
16 jurisdiction. The permit must be issued before the raffle
17 may be conducted. The board of county commissioners may not
18 charge a permit fee or an investigative fee for a raffle
19 conducted by a religious corporation sole or nonprofit
20 organization if the organization presents sufficient
21 documentation of its nonprofit status.

22 (b) If tickets for a raffle are to be sold in more than
23 one county, a permit must be obtained only in the county
24 where the winners of the raffle are to be determined.

25 (2) Except for a religious corporation sole or

1 nonprofit organization, a person or organization conducting
 2 a raffle shall own all prizes to be awarded as part of the
 3 raffle before the sale of any tickets.

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

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

10 (5) The value of a prize awarded for an individual
 11 ticket for a raffle conducted by a person or an
 12 organization, other than a religious corporation sole or
 13 nonprofit organization may not exceed \$5,000. The prize may
 14 be in the form of cash, other intangible personal property,
 15 tangible personal property, or real property. Prizes may not
 16 be combined in any manner to increase the ultimate value of
 17 the prize awarded for each ticket.

18 ~~(3)--(a)-The-restrictions-of-subsection-(1)-do-not-apply~~
 19 ~~to-a-raffle-conducted-by-a-nonprofit-corporation;~~

20 (6) (a) In addition to complying with the requirements
 21 of subsections (1) through (5), a religious corporation
 22 sole, or other nonprofit organization as defined in 23-5-112
 23 if-the-corporation-or-organization-is-permitted-by-the-board
 24 of-county-commissioners-to-conduct-the-raffle;-The-board-of
 25 county-commissioners-may-not-charge-a-permit-fee-or-an

1 ~~investigative-fee-for-a-raffle-conducted-by-a-nonprofit~~
 2 ~~veterans-organization;~~

3 ~~(b)-The-nonprofit-organization-or-corporation-seeking~~
 4 ~~permission-under-subsection-(3)(a) shall apply provide the~~
 5 ~~following information to the board of county commissioners~~
 6 ~~when applying for the a raffle permit and-provide-the~~
 7 ~~following-information:~~

8 (i) the cost and number of raffle tickets to be sold;

9 (ii) the charitable purposes the proceeds of the raffle
 10 are intended to benefit; and

11 (iii) the proposed prizes and their value.

12 ~~(c)-A-veterans-organization-seeking-exemption-from-the~~
 13 ~~permit-fee-or-an-investigative-fee-shall-present-evidence-of~~
 14 ~~the-organization's-nonprofit-status-to-the-board-of-county~~
 15 ~~commissioners;~~

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

24 (c) The value of a prize awarded for an individual
 25 ticket for a raffle conducted by a religious corporation

1 sole or nonprofit organization may equal or exceed \$5,000 if
 2 the prize is in the form of tangible personal property. If
 3 the value of the prize is less than \$5,000, the prize may be
 4 in the form of cash, other intangible personal property,
 5 tangible personal property, or real property."

6 **Section 22.** Section 23-5-501, MCA, is amended to read:

7 "23-5-501. **Definitions.** As used in this part, unless
 8 the context clearly requires otherwise, the following
 9 definitions apply:

10 ~~{1}--"Nonprofit--organization"---means---a---charitable,~~
 11 ~~religious,~~~~scholastic,~~~~educational,~~~~veterans',~~~~fraterna,~~
 12 ~~beneficial,~~~~civic,~~~~or-service-organization,~~~~other--than--one~~
 13 ~~established--for--the-purpose-of-conducting-or-participating~~
 14 ~~in-a-sports-pool;~~

15 ~~{2}{1}~~ "Sports pool" means a gambling enterprise based
 16 on a sports event involving natural persons or animals that
 17 is conducted on a card divided into squares or spaces,~~with~~
 18 ~~the--names--of--the--participants--in--the--pool--written--within~~
 19 ~~such-squares-or-spaces,~~~~for-which-consideration-in-money--is~~
 20 ~~paid--by-the-person-playing-for-each~~ arranged in columns and
 21 horizontal rows. Each square or space for-the represents a
 22 chance to win money-or-other-items-of-value-on-any-sports
 23 ~~event-wherein-the-participants--in--such--sports--event--are~~
 24 ~~natural--persons-or-animals~~ and may be purchased for cash by
 25 a participant in the pool. After all squares or spaces are

1 purchased and before the start of the sports event, numbers
 2 are randomly assigned to the rows and columns providing a
 3 two-number designation for each square or space.

4 ~~{2}~~ "Value of a sports pool" means the total amount
 5 paid by persons to participate in a sports pool."

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

7 "23-5-503. **Rules.** (1) The card used for recording the
 8 pool and upon which the squares or spaces appear ~~shall~~ must
 9 clearly indicate in advance of the sale of any chances the
 10 number of chances to be sold in that specific pool, the name
 11 of the event, the consideration to be paid for each chance,
 12 and the total amount to be paid to the winners.

13 ~~{2}~~ The name or initials of the participant who
 14 purchased a square or space on the sports pool card must be
 15 written within the square or space.

16 ~~{2}{3}~~ A chance to participate in a sports pool may not
 17 be sold other than upon the premises in which the sports
 18 pool is conducted. An individual chance to participate in a
 19 sports pool may not be sold for a consideration in excess of
 20 \$5,~~and-the.~~ The total amount to be paid to the winners of
 21 any individual sports pool may not exceed the value of \$500
 22 and may consist of cash or other items of value. Except as
 23 provided in subsection {3} (4), the winner of any sports
 24 pool shall receive a 100% payout of the value of the sports
 25 pool. An administrative or other fee may not be charged or

1 deducted from the amount paid by the participants for the
 2 opportunity to participate in a sports pool.

3 ~~(3)~~(4) A nonprofit organization that maintains and
 4 opens to inspection upon reasonable demand records to verify
 5 that the retained portion is used to support charitable
 6 activities, scholarships or educational grants, or community
 7 service projects may retain up to 50% of the value of a
 8 sports pool."

9 **Section 24.** Section 23-5-603, MCA, is amended to read:

10 "23-5-603. Video gambling machines -- possession --
 11 play -- restriction. (1) A person licensed operator may make
 12 available for public play only the number of approved video
 13 gambling machines specifically authorized by this part.

14 (2) The video gambling machines specifically authorized
 15 by this part are bingo, keno, and draw poker machines. Only
 16 the number of approved machines for which permits have been
 17 granted under 23-5-612 may be made available for play by the
 18 public on the premises of a licensed operator. The
 19 department shall adopt rules allowing a video gambling
 20 machine that needs repair to be temporarily replaced while
 21 it is being repaired with a video gambling machine that is
 22 approved under the permit provisions of this part. A fee may
 23 not be charged for the replacement machine.

24 (3) Machines on premises licensed to sell alcoholic
 25 beverages for on-premises consumption ~~on-the--premises~~ must

1 be placed:

2 (a) in the a room, area, or other part of the premises
 3 in which the alcoholic beverages are sold ~~and--normally~~ or
 4 consumed; and

5 (b) within sight and control of the operator or his
 6 employees for the purpose of preventing access to the
 7 machines by persons under 18 years of age."

8 **Section 25.** Section 23-5-611, MCA, is amended to read:

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

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

1 (c) A person who legally operated an establishment on
2 January 15, 1989, for the principal purpose of gaming and
3 has been granted an operator's license under 23-5-177 may be
4 granted a permit for the placement of bingo and keno
5 machines in his premises, subject to the provisions of
6 subsection (1)(d).

7 (d) The department may issue an annual permit under
8 subsection (1)(b) or (1)(c) if at the time of application
9 for the permit:

10 (i) the person has continuously operated the video
11 gambling machine on the premises since January 15, 1989; and

12 (ii) the natural persons who together hold a majority
13 financial interest in the business operated on the premises
14 are the same as on January 15, 1989.

15 (2) An applicant for a permit shall disclose on the
16 application form to the department any information required
17 by the department consistent with the provisions of
18 23-5-176.

19 (3) A licensee may not have on the premises or make
20 available for play on the premises more than 20 machines of
21 any combination ~~and--no--more--than--10--may--be--draw--poker~~
22 ~~machines."~~

23 **Section 26.** Section 23-5-621, MCA, is amended to read:

24 "23-5-621. Video gambling machine specifications --
25 rules. (1) The department shall adopt rules describing the

1 video gambling machines authorized by this part and stating
2 the specifications for video gambling machines authorized by
3 this part. ~~The---specifications---in---the---rules---must~~
4 ~~substantially---follow---the---specifications---contained---in~~
5 ~~23-5-606-and-23-5-609-as-those-sections--read--on--September~~
6 ~~307-1989.~~ Rules adopted by the department must provide, at a
7 minimum, that a video gambling machine must:

8 (a) use a random selection process to determine the
9 outcome of each game;

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

11 (c) be permitted to contain a mechanism that accepts
12 cash in the form of bills not to exceed \$5;

13 (d) prevent access to the inside of the machine except
14 through locks;

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

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

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

25 (h) use a surge protector;

1 (i) issue, by activation of an external switch, an
 2 accounting ticket containing a performance synopsis of the
 3 machine;

4 (j) have nonvolatile memory storage for all required
 5 accounting ticket information; and

6 (k) exhibit total immunity to human body electrostatic
 7 discharges.

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

12 **Section 27.** Section 23-5-625, MCA, is amended to read:

13 **"23-5-625. Video gambling machine**
 14 **manufacturer-distributor -- license -- fees. (1)It(a) Except**
 15 **as provided in subsections (2) and (3), it is unlawful for**
 16 **any person to assemble, produce, manufacture, or supply any**
 17 **video gambling machine or associated equipment for use or**
 18 **play in the state without having first been issued a video**
 19 **gambling machine manufacturer-distributor's license by the**
 20 **department. A licensed manufacturer-distributor may supply a**
 21 **video gambling machine only to another licensed**
 22 **manufacturer-distributor or a licensed operator.**

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

1 ~~(3)(c)~~ In addition to other license fees, the
 2 department may charge the applicant a one-time video
 3 gambling machine manufacturer-distributor's license
 4 application processing fee. The processing fee may not
 5 exceed the department's actual costs for processing an
 6 application.

7 ~~(4)(d)~~ All video gambling machine
 8 manufacturer-distributor's licenses expire on June 30 of
 9 each year, and the license fee may not be prorated.

10 ~~(5)(e)~~ The department shall retain the license and
 11 processing fees collected for purposes of administering this
 12 part, unless otherwise provided.

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

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

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

20 (3) A lienholder who acquires title to video gambling
 21 machines through a foreclosure action involving a licensed
 22 operator or manufacturer-distributor may sell the machines
 23 to a licensed operator or licensed
 24 manufacturer-distributor."

25 **Section 28.** Section 23-5-631, MCA, is amended to read:

1 "23-5-631. Examination and approval of new video
2 **gambling machines and associated equipment -- fee.** (1) The
3 department shall examine and may approve a new video
4 gambling machine and associated equipment which are
5 manufactured, sold, or distributed for use in the state
6 before the video gambling machine or associated equipment is
7 sold, played, or used.

8 (2) A video gambling machine or associated equipment
9 may not be examined or approved by the department until the
10 video gambling machine manufacturer-distributor is licensed
11 as required in 23-5-625.

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

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

23 (5) Payments received under subsection (4) are
24 statutorily appropriated to the department, as provided in
25 17-7-502, to defray the costs of examining and approving

1 video gambling machines and associated equipment and to
2 issue refunds for overpayments.

3 ~~(5)~~(6) The department may inspect and test and approve,
4 disapprove, or place a condition upon a video gambling
5 machine prior to its distribution and placement for play by
6 the public."

7 **Section 29.** Section 17-7-502, MCA, is amended to read:

8 "17-7-502. **Statutory appropriations -- definition --**
9 **requisites for validity.** (1) A statutory appropriation is an
10 appropriation made by permanent law that authorizes spending
11 by a state agency without the need for a biennial
12 legislative appropriation or budget amendment.

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

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

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

21 (3) The following laws are the only laws containing
22 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
23 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
24 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;
25 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;

1 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;
 2 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;
 3 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;
 4 20-9-361; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
 5 23-5-631; 23-5-1016; 23-5-1027; 27-12-206; 37-51-501;
 6 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121;
 7 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123;
 8 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215;
 9 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No.
 10 861, Laws of 1985.

11 (4) There is a statutory appropriation to pay the
 12 principal, interest, premiums, and costs of issuing, paying,
 13 and securing all bonds, notes, or other obligations, as due,
 14 that have been authorized and issued pursuant to the laws of
 15 Montana. Agencies that have entered into agreements
 16 authorized by the laws of Montana to pay the state
 17 treasurer, for deposit in accordance with 17-2-101 through
 18 17-2-107, as determined by the state treasurer, an amount
 19 sufficient to pay the principal and interest as due on the
 20 bonds or notes have statutory appropriation authority for
 21 such payments. (In subsection (3), pursuant to sec. 10, Ch.
 22 664, L. 1987, the inclusion of 39-71-2504 terminates June
 23 30, 1991.)"

24 **Section 30.** Section 41-5-203, MCA, is amended to read:

25 "41-5-203. Jurisdiction of the court. (1) Except as

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

9 (2) Justice, municipal, and city courts have concurrent
 10 jurisdiction with the youth court over all alcoholic
 11 beverage and gambling violations alleged to have been
 12 committed by a youth."

13 **NEW SECTION. Section 31. Codification instruction.**
 14 [Sections 13 and 17] are intended to be codified as an
 15 integral part of Title 23, chapter 5, parts 1 through 6, and
 16 the provisions of Title 23, chapter 5, parts 1 through 6,
 17 apply to [sections 13 and 17].

-End-

ON MOTION, PRINTED AND
PLACED ON SECOND READING

1 HOUSE BILL NO. 958
2 INTRODUCED BY Santero
3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
6 PUBLIC GAMBLING LAWS OF MONTANA; PROVIDING STATUTORY
7 APPROPRIATIONS; AND AMENDING SECTIONS 2-15-2021, 17-7-502,
8 23-5-112, 23-5-114, 23-5-123, 23-5-136, 23-5-153, 23-5-154,
9 23-5-156, 23-5-158, 23-5-162, 23-5-176, 23-5-177, 23-5-306,
10 23-5-308, 23-5-309, 23-5-406, 23-5-409, 23-5-412, 23-5-413,
11 23-5-501, 23-5-503, 23-5-603, 23-5-611, 23-5-621, 23-5-625,
12 23-5-631, AND 41-5-203, MCA."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 **Section 1.** Section 2-15-2021, MCA, is amended to read:
16 "2-15-2021. Gaming advisory council -- allocation --
17 composition -- compensation -- annual biennial report. (1)
18 There is a gaming advisory council.
19 (2) The gaming advisory council is allocated to the
20 department for administrative purposes only as prescribed in
21 2-15-121.
22 (3) The gaming advisory council consists of nine
23 members. One member must be from the senate, and one member
24 must be from the house of representatives. The senate
25 committee on committees and the speaker of the house of

1 representatives shall appoint the legislative members of the
2 council. The seven remaining members must be appointed by
3 the department, with one representing the public at large,
4 two representing local governments, one being a Native
5 American, and three representing the gaming industry.

6 (4) Each gaming advisory council member is appointed to
7 a 3-year term of office, except that three of the
8 first-appointed original members shall serve a 1-year term,
9 three (including both legislative members) shall serve a
10 2-year term, and three shall serve a 3-year term. A member
11 of the council may be removed for good cause by the
12 appointing body provided for in subsection (3).

13 (5) The gaming advisory council shall appoint a
14 chairman from its members.

15 (6) Legislative members of the gaming advisory council
16 are entitled to compensation and expenses, as provided in
17 5-2-302, while the council is meeting. The remaining members
18 are entitled to travel, meals, and lodging expenses as
19 provided for in 2-18-501 through 2-18-503. Expenses of the
20 council must be paid from licensing fees received by the
21 department.

22 (7) The gaming advisory council shall, within its
23 authorized budget, hold meetings and incur expenses as it
24 considers necessary to study all aspects of gambling in the
25 state.

1 (8) (a) The gaming advisory council shall submit an
 2 ~~annual~~ a biennial report to the department, at a time
 3 designated by the department, with recommendations for
 4 amendments to the gambling statutes, the need for additional
 5 or modified department rules, the clarification of existing
 6 rules, and other recommendations on the operation of the
 7 department or any other gambling-related matter.

8 (b) The ~~annual~~ biennial report required under
 9 subsection (8)(a) must be affixed to the ~~annual~~-department
 10 report on gambling in the state that the department submits
 11 that year. The department and council shall submit the two
 12 most recent department and council reports to each of the
 13 next two regular sessions of the legislature.

14 (c) The council may submit interim reports to the
 15 department as the council considers necessary.

16 (d) The council shall meet with the department upon
 17 request of the department.

18 (e) The department shall meet with the council upon
 19 request of the council.

20 (9) The department shall give each council member
 21 notice and a copy of each proposed change in administrative
 22 rules relating to gambling. The notice and copy must be
 23 given at the time a notice of proposed rules changes is
 24 filed with the secretary of state. The council shall review
 25 the proposal, may comment on it, and may attend any hearing

1 on the proposal. The department shall consider any comment
 2 by any council member or by the council as a whole prior to
 3 adopting the proposed change."

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

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

8 (1) "Applicant" means a person who has applied for a
 9 license or permit issued by the department pursuant to parts
 10 1 through 6 of this chapter.

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

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

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

1 the person or persons who first cover a previously
2 designated arrangement of numbers on the bingo card.

3 (5) "Bingo 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 bingo.

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

9 (7) "Card game tournament" means a gambling activity
10 for which a permit has been issued involving participants
11 who pay valuable consideration for the opportunity to
12 compete against each other in a series of live card games
13 conducted over a designated period of time.

14 ~~(7)~~(8) "Dealer" means a person with a dealer's license
15 issued under part 3 of this chapter.

16 ~~(8)~~(9) "Department" means the department of justice.

17 ~~(9)~~(10) "Distributor" means a person who:

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

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

22 ~~(10)~~(11) "Gambling" or "gambling activity" means risking
23 money, credit, deposit, check, property, or any other thing
24 of value for a gain that is contingent in whole or in part
25 upon lot, chance, or the operation of a gambling device or

1 gambling enterprise. The term does not mean conducting or
2 participating in a promotional game of chance.

3 ~~(11)~~(12) "Gambling device" means a mechanical,
4 electromechanical, or electronic device, or a machine, slot
5 machine, instrument, apparatus, contrivance, scheme, or
6 system used or intended for use in any gambling activity.

7 ~~(12)~~(13) "Gambling enterprise" means an activity,
8 scheme, or agreement or an attempted activity, scheme, or
9 agreement to provide gambling or a gambling device to the
10 public.

11 (14) "Gift enterprise" means a scheme, by whatever name
12 known, for the disposal or distribution of property by
13 chance among persons who have obtained chances to acquire
14 the property or a portion of it by purchasing goods or
15 services. The term does not mean:

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

17 (b) cash or merchandise attendance prizes or premiums
18 that the county fair commissioners of agricultural fairs and
19 rodeo associations may give away at public drawings at fairs
20 and rodeos; or

21 (c) a promotional game of chance.

22 ~~(13)~~(15) "Gross proceeds" means gross revenue received
23 less prizes paid out.

24 ~~(14)~~(16) "Illegal gambling device" means a gambling
25 device not specifically authorized by statute or by the

1 rules of the department.

2 ~~{15}~~(17) "Illegal gambling enterprise" means a gambling
3 enterprise that violates a statute or a rule of the
4 department.

5 ~~{16}~~(18) "Keno" means a game of chance in which prizes
6 are awarded using a card with 8 horizontal rows and 10
7 columns on which a player may pick up to 10 numbers. A keno
8 caller, using authorized equipment, shall select at random
9 at least 20 numbers out of numbers between 1 and 80,
10 inclusive.

11 ~~{17}~~(19) "Keno caller" means a person 18 years of age or
12 older who, using authorized equipment, announces the order
13 of the numbers drawn in live keno.

14 ~~{18}~~(20) "License" means an operator's, dealer's, or
15 manufacturer-distributor's license issued to a person by the
16 department.

17 ~~{19}~~(21) "Licensee" means a person who has received a
18 license from the department.

19 ~~{20}~~(22) "Live card game" or "card game" means a card
20 game that is played in public between persons on the
21 premises of a licensed gambling operator.

22 ~~{21}~~(23) "Lottery" or "gift-enterprise" means a scheme,
23 by whatever name known, for the disposal or distribution of
24 property by chance among persons who have paid or promised
25 to pay valuable consideration for the chance of obtaining

1 the property or a portion of it or for a share or interest
2 in the property upon an agreement, understanding, or
3 expectation that it is to be distributed or disposed of by
4 lot or chance. However, "gift-enterprise" the term does not
5 mean:

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

8 (b) cash or merchandise attendance prizes or premiums
9 that the county fair commissioners of agricultural fairs and
10 rodeo associations may give away at public drawings at fairs
11 and rodeos; or

12 (c) a promotional game of chance.

13 ~~{22}~~(24) "Manufacturer" means a person who assembles
14 from raw materials or subparts a completed piece of
15 equipment or pieces of equipment of any kind to be used as a
16 gambling device.

17 (25) "Nonprofit organization" means a nonprofit
18 corporation or nonprofit charitable, religious, scholastic,
19 educational, veterans', fraternal, beneficial, civic, or
20 service organization established for purposes other than to
21 conduct a gambling activity.

22 ~~{23}~~(26) "Operator" means a person who purchases,
23 receives, or acquires, by lease or otherwise, and operates
24 or controls for use in public, a gambling device or gambling
25 enterprise authorized under parts 1 through 6 of this

1 chapter.

2 ~~{24}~~{27} "Permit" means approval from the department to
3 make available for public play a gambling device or gambling
4 enterprise approved by the department pursuant to parts 1
5 through 6 of this chapter.

6 ~~{25}~~{28} "Person" or "persons" means both natural and
7 artificial persons and all partnerships, corporations,
8 associations, clubs, fraternal orders, and societies,
9 including religious and charitable organizations.

10 ~~{26}~~{29} "Premises" means the physical building or
11 property within or upon which a licensed gambling activity
12 occurs, as stated on an operator's license application and
13 approved by the department.

14 {30} "Promotional game of chance" means a scheme, by
15 whatever name known, for the disposal or distribution of
16 property by chance among persons who have not paid or are
17 not expected to pay any valuable consideration or who have
18 not purchased or are not expected to purchase any goods or
19 services for a chance to obtain the property, a portion of
20 it, or a share in it.

21 ~~{27}~~{31} "Public gambling" means gambling conducted in:

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

24 (b) a place of public resort, including but not limited
25 to a facility owned, managed, or operated by a partnership,

1 corporation, association, club, fraternal order, or society,
2 including a religious or charitable organization; or

3 (c) a place, building, or conveyance to which the
4 public does not have access if players are publicly
5 solicited or the gambling activity is conducted in a
6 predominately commercial manner.

7 ~~{28}~~{32} "Raffle" means a gift--enterprise form of
8 lottery in which each participant buys-a-chance--or--chances
9 pays valuable consideration for a ticket to become eligible
10 to win a prize. Winners must be determined by a random
11 selection process approved by department rule.

12 ~~{29}~~{33} "Slot machine" means a mechanical, electrical,
13 electronic, or other gambling device, contrivance, or
14 machine that, upon insertion of a coin, currency, token,
15 credit card, or similar object or upon payment of any
16 valuable consideration, is available to play or operate, the
17 play or operation of which, whether by reason of the skill
18 of the operator or application of the element of chance, or
19 both, may deliver or entitle the person playing or operating
20 the gambling device to receive cash, premiums, merchandise,
21 tokens, or anything of value, whether the payoff is made
22 automatically from the machine or in any other manner. This
23 definition does not apply to video gambling machines
24 authorized under part 6 of this chapter.

25 ~~{30}~~{34} "Video gambling machine" is a gambling device

1 specifically authorized by part 6 of this chapter and the
2 rules of the department."

3 **Section 3.** Section 23-5-114, MCA, is amended to read:

4 "23-5-114. Department employees -- activities
5 prohibited. (1) An employee of the department,--a--former
6 department--employee--during--the--first--365--days--following
7 termination--of--employment,--or--any--peace--officer--or
8 prosecutor directly involved with the prosecution,
9 investigation, regulation, or licensing of gambling, as
10 designated by the attorney general, may not:

11 (1)(a) serve as an officer or manager of a corporation
12 business or organization, other than a nonprofit corporation
13 or organization, that conducts a gambling activity, other
14 than as an officer of a nonprofit organization;

15 (b) be employed by a licensed operator in any capacity
16 that requires assisting in conducting a gambling activity
17 regulated under parts 1 through 6 of this chapter or
18 maintaining records for the gambling activity;

19 (2)--receive--or--share--in,--directly--or--indirectly,--any
20 profit--of--a--gambling--activity--regulated--by--the--department;

21 (3)(c) have a beneficial or pecuniary interest in a
22 contract for the manufacture, lease, or sale of a gambling
23 device, the conduct of a gambling activity, or the provision
24 of independent consultant services in connection with a
25 gambling activity; or

1 (d) participate in a gambling activity governed by
2 parts 1 through 6 of this chapter, except in performing
3 assigned employment duties. An employee may participate in a
4 gambling activity governed by part 10 of this chapter or
5 chapter 4 of this title.

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

12 **Section 4.** Section 23-5-123, MCA, is amended to read:

13 "23-5-123. Disposal of money confiscated by reason of
14 violation of gambling laws. All fines, penalties,
15 forfeitures, and confiscated money collected by criminal,
16 civil, or administrative process for a violation of a
17 provision of parts 1 through 6 of this chapter or a rule of
18 the department must be deposited--one-half--in-the-state
19 general-fund-and-one-half-in-the-general-fund-of-the--county
20 in-which-the-violation-occurred, distributed as follows:

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

23 (2) One-third of the funds collected through a civil or
24 administrative proceeding must be deposited in the state
25 special revenue fund account maintained for funds used by

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

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

11 **"23-5-136. Injunction and other remedies.** (1) If a
 12 person has engaged or is engaging in an act or practice
 13 constituting a violation of a provision of parts 1 through 6
 14 of this chapter or a rule or order of the department, the
 15 department may:

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

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

22 (i) issue a permanent order to cease and desist from
 23 the act or practice, which order remains in effect pending
 24 judicial review;

25 (ii) place a licensee on probation;

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

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

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

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

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

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

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

19 (iii) appoint a receiver or conservator for the
 20 defendant or the assets of the defendant.

21 (2) The department may issue a warrant for distraint
 22 against an operator who fails to pay a civil penalty imposed
 23 under subsection (1) or a tax imposed under 23-5-409 or
 24 23-5-610. The department may issue the warrant for the
 25 amount of the unpaid penalty or for the amount of the unpaid

1 tax, plus penalty and accumulated interest on the tax, and
 2 shall follow the procedures provided in 15-1-701 through
 3 15-1-708.

4 ~~†2†~~(3) (a) A civil penalty imposed under this section
 5 must be collected by the department and deposited ~~in the~~
 6 ~~state's general fund as required by~~ distributed as provided
 7 in 23-5-123. The local government portion of the penalty
 8 payment is statutorily appropriated to the department, as
 9 provided in 17-7-502, for deposit to the county or municipal
 10 treasury.

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

15 **Section 6.** Section 23-5-153, MCA, is amended to read:

16 "23-5-153. Possession and sale of antique slot
 17 machines. (1) For the purposes of this section, an antique
 18 slot machine is a mechanically or electronically operated
 19 slot machine that ~~at any present time is more than 25 years~~
 20 ~~old~~ manufactured before January 1, 1965.

21 (2) Except as provided in subsection (3), an antique
 22 slot machine may be possessed, located, and operated only in
 23 a private residential dwelling.

24 (3) (a) An antique slot machine may be possessed or
 25 located for purposes of display only and not for operation

1 in any public museum owned and operated by the state, a
 2 county, or a city.

3 (b) A licensed manufacturer-distributor may possess and
 4 sell antique slot machines for purposes of selling or
 5 otherwise supplying the machines.

6 (4) A person or entity legally possessing a slot
 7 machine under subsection (2) or (3) may sell or otherwise
 8 supply a machine to another person or entity who may legally
 9 possess a slot machine.

10 ~~†4†~~(5) An antique slot machine may not be operated for
 11 any commercial or charitable purpose."

12 **Section 7.** Section 23-5-154, MCA, is amended to read:

13 "23-5-154. Soliciting or ~~persuading persons to play~~
 14 participation in illegal gambling device activity
 15 prohibited. A person who purposely or knowingly advertises
 16 for or solicits another person to play ~~or engage in the~~
 17 participate in an illegal gambling enterprise or use of an
 18 illegal gambling device is guilty of a misdemeanor and is
 19 punishable under 23-5-161."

20 **Section 8.** Section 23-5-156, MCA, is amended to read:

21 "23-5-156. Obtaining anything of value by fraud or
 22 operation of illegal gambling device or enterprise. (1) A
 23 person who ~~by gambling in an activity involving gambling~~
 24 obtains money, property, or anything of value that does not
 25 exceed \$300 in value by misrepresentation, fraud, or the use

1 of an illegal gambling device or an illegal gambling
2 enterprise is guilty of a misdemeanor and is punishable as
3 provided in 23-5-161.

4 (2) A person who by-gambling in an activity involving
5 gambling obtains money, property, or anything of value that
6 exceeds \$300 in value by misrepresentation, fraud, or the
7 use of an illegal gambling device or an illegal gambling
8 enterprise is guilty of a felony and is punishable as
9 provided in 23-5-162."

10 **Section 9.** Section 23-5-158, MCA, is amended to read:

11 "23-5-158. Minors not to participate -- penalty --
12 exception. (1) A Except as provided in subsection (3), a
13 person may not purposely or knowingly allow a person under
14 18 years of age to participate in a gambling activity.

15 (2) A person who violates this section subsection is
16 guilty of a misdemeanor and must be punished in accordance
17 with 23-5-161.

18 (2) Except as provided in subsection (3), a person
19 under 18 years of age may not purposely or knowingly
20 participate in a gambling activity. A person who violates
21 this subsection is subject to a civil penalty not to exceed
22 \$50 if the proceedings for violating this subsection are
23 held in justice, municipal, or city court. If the
24 proceedings are held in youth court, the offender must be
25 treated as an alleged youth in need of supervision as

1 defined in 41-5-103. The youth court may enter its judgment
2 under 41-5-523.

3 (3) A person under 18 years of age may sell or buy
4 tickets for or receive prizes from a raffle conducted in
5 compliance with 23-5-413 if proceeds from the raffle, minus
6 administrative expenses and prizes paid, are used to support
7 charitable activities, scholarships or educational grants,
8 or community service projects."

9 **Section 10.** Section 23-5-162, MCA, is amended to read:

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

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

21 **Section 11.** Section 23-5-176, MCA, is amended to read:

22 "23-5-176. Qualifications for licensure. (1) A person
23 whom the department determines is qualified to receive a
24 license under the provisions of this chapter, except for the
25 provisions of part 10, may, based on information available

1 to, required by, or supplied to the department under
2 department rules, be issued a state gambling license.

3 (2) The Except as provided in subsection (4), the
4 department shall issue a license unless the department can
5 demonstrate that the applicant is:

6 (a) is a person whose prior financial or other
7 activities or criminal record:

8 (i) poses a threat to the public interest of the state
9 or;

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

12 ~~(iii)~~ (iii) creates a danger of illegal practices,
13 methods, or activities in the conduct of gambling or in the
14 carrying on of the business and financial arrangements
15 incidental to gambling; or

16 (b) has been convicted of a felony offense or a
17 gambling-related misdemeanor within 5 years of the date of
18 application, is awaiting trial on charges of committing a
19 felony offense, or is on probation, parole, or deferred
20 prosecution for committing a felony offense; or

21 ~~(b)~~ (c) is receiving a substantial amount of financing
22 for the proposed operation from an unsuitable source. A
23 lender or other source of money or credit that the
24 department finds to meet the provisions of subsection (2)(a)
25 may be considered an unsuitable source.

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

3 (4) The department may deny a license or permit to an
4 applicant who has falsified a license or permit application.
5 If the falsification is determined after the license or
6 permit has been issued, the department may revoke the
7 license or permit."

8 **Section 12.** Section 23-5-177, MCA, is amended to read:

9 "23-5-177. Operator of gambling establishment --
10 license -- fee. (1) It is a misdemeanor for a person who is
11 not licensed by the department as an operator to make
12 available to the public for play a gambling device or
13 gambling enterprise for which a permit must be obtained from
14 the department.

15 (2) To obtain an operator's license, a person shall
16 submit to the department:

17 (a) a completed operator's license application on a
18 form prescribed and furnished by the department; and

19 (b) any other relevant information requested by the
20 department.

21 (3) The department may issue a provisional operator's
22 license to an applicant pending the department's
23 determination as to whether the applicant qualifies for
24 licensure under 23-5-176. If the department determines that
25 the applicant is qualified, it shall remove the license from

1 provisional status. If the department determines that the
 2 applicant is not qualified, it shall revoke the provisional
 3 license.

4 {2}(4) An operator's license must include the following
 5 information:

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

8 (b) the operator's name;

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

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

16 {3}(5) The operator's license must be issued annually
 17 along with all other ~~licenses~~ permits for gambling devices
 18 or games ~~licensed~~ issued to the operator.

19 {4}(6) The operator's license must be updated each time
 20 a gambling device or card game table ~~license~~ permit is newly
 21 issued or the device or game is removed from the premises.

22 {5}(7) The department may not charge a fee for the
 23 issuance of an operator's license.

24 {6}(8) The operator's license must be prominently
 25 displayed upon the premises for which it is issued."

1 NEW SECTION. Section 13. Illegal sale, assignment,
 2 lease, or transfer of license -- penalty. A licensee who
 3 purposely or knowingly sells, assigns, leases, or transfers
 4 a license or permit in violation of 23-5-110 is guilty of a
 5 misdemeanor punishable in accordance with 23-5-161.

6 **Section 14.** 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 after a
 11 finding under 16-4-401(2) may be granted an annual permit
 12 for the placement of live card game 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 to sell alcoholic beverages for
 16 consumption on the premises if:

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

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

1 1989;

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

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

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

7 (B) the natural persons who together hold a majority
8 financial interest in the business operated on the premises
9 are the same as on January 15, 1989.

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

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

14 (b) \$500 for each additional table.

15 (3) The department shall retain for administrative
16 purposes \$100 of the fee collected under this part for each
17 live card game table.

18 (4) The department shall forward on a quarterly basis
19 the remaining balance of the fee collected under subsection
20 (2) to the treasurer of the county or the clerk, finance
21 officer, or treasurer of the city or town in which the live
22 card game table is located for deposit to the county or
23 municipal treasury. A county is not entitled to proceeds
24 from fees assessed on live card game tables located in
25 incorporated cities and towns within the county. The local

1 government portion of this fee is statutorily appropriated
2 to the department, as provided in 17-7-502, for deposit to
3 the county or municipal treasury."

4 **Section 15.** Section 23-5-308, MCA, is amended to read:

5 **"23-5-308. Card game dealers -- license.** (1) A person
6 may not deal cards in a live card game of panguingue or
7 poker without being licensed annually by the department.

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

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

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

17 (5) (a) The department shall adopt rules to implement
18 temporary licensing procedures until a permanent license is
19 issued to a dealer.

20 (b) The rules must provide that:

21 (i) a temporary license may be obtained at the place
22 where a person locally applies for a driver's license; and
23 that

24 (ii) the receipt received upon mailing by certified mail
25 an a completed license application for-a-permanent-license

1 ~~and the fee required under subsection (2) by certified mail,~~
 2 return receipt requested, also constitutes a temporary
 3 license.

4 (c) The department may not assess a fee for the
 5 temporary license."

6 **Section 16.** Section 23-5-309, MCA, is amended to read:

7 ~~"23-5-309. Presence and control of dealer~~ Requirements
 8 for conducting card games. (1) A Except as provided in
 9 [section 17], a live card game may not must be played except
 10 on a live card game table in--the--presence--and--under--the
 11 control--of--a--licensed-dealer for which a permit has been
 12 issued and on the premises of a licensed operator.

13 (2) A live card game of panguingue or poker must be
 14 played in the presence and under the control of a licensed
 15 dealer."

16 NEW SECTION. Section 17. Tournaments. (1) Subject to
 17 the department's approval, a licensed operator who has a
 18 permit for placing at least 1 live card game table on his
 19 premises may conduct up to 12 live card game tournaments a
 20 year on his premises. Each tournament may be conducted for
 21 no more than 72 consecutive hours. If an operator conducts
 22 more than one tournament a year, at least 7 days must lapse
 23 between the conclusion of one tournament and the beginning
 24 of the next tournament.

25 (2) (a) At least 10 days before the start of a

1 tournament, the operator shall submit to the department an
 2 application for a tournament permit. The permit application
 3 must be accompanied by a \$10 fee. The department shall
 4 retain the fee for administrative purposes.

5 (b) If a tournament is to be conducted on the premises
 6 of more than one licensed operator, each operator shall
 7 submit a permit application and processing fee. The permit
 8 is applied toward each operator's annual 12-tournament
 9 limit.

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

13 (4) Tournament participants must be provided with a
 14 copy of the tournament rules before the start of the
 15 tournament. A copy of the rules must be posted in a
 16 conspicuous location in each area where the tournament is
 17 conducted.

18 (5) A person must be present on the premises during the
 19 tournament to oversee the conduct of the card games and to
 20 settle disputes among players. This person may be a dealer
 21 licensed under 23-5-308.

22 (6) A licensed operator may charge a tournament
 23 participant an entry fee, which may include a fee to cover
 24 expenses incurred in conducting the tournament. A
 25 participant who has been eliminated from competition during

1 the tournament may reenter the tournament by paying an
2 additional fee if permitted to do so under tournament rules.
3 A rake-off may not be taken during a tournament card game.

4 (7) Prizes must be awarded after each game and may not
5 exceed the prize limits in 23-5-312.

6 (8) The provisions of this part and the department
7 rules governing live card games apply to live card games
8 conducted as part of a tournament unless otherwise provided.

9 **Section 18.** Section 23-5-406, MCA, is amended to read:

10 "**23-5-406. Exempt charitable organizations and**
11 **facilities.** (1) (a) An organization ~~qualified for~~ granted an
12 exemption under 26 U.S.C. 501(c)(3) and, (c)(4), (c)(8), or
13 (c)(19):

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

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

23 (b) An organization provided for in subsection (1)(a)
24 shall:

25 (i) limit its live bingo and keno activities are

1 limited to its main premises or place of operations and to
2 events at other places operated by other charitable
3 organizations or by a government unit or entity;--~~The~~
4 ~~organization--shall;~~

5 (ii) comply with other statutes and rules relating to
6 the operation of live bingo and keno or raffles--A-qualified
7 organization--shall; and

8 (iii) apply to the department for a cost-free permit to
9 conduct charitable live bingo and or keno games or raffles.

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

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

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

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

22 (3) The department may revoke or suspend the permit of
23 a-qualified an organization or a facility provided for in
24 subsection (1) or (2) if that, after investigation, the
25 department determines that the organization or facility is

1 ~~contracting~~ operating or has contracted with a nonqualified
 2 ~~organization to operate~~ that is operating live bingo ~~or~~
 3 ~~keno or raffles~~ in a predominantly commercial manner.

4 (4) For purposes of this section:

5 (a) "retirement home" means a building in which
 6 sleeping rooms without cooking facilities in each room are
 7 rented to three or more persons who are 60 years of age or
 8 older and who do not need skilled nursing care, intermediate
 9 nursing care, or personal nursing care, as defined in
 10 50-5-101; and

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

20 **Section 19.** Section 23-5-409, MCA, is amended to read:

21 **"23-5-409. Bingo and keno tax -- records --**
 22 **distribution -- statement and payment.** (1) A licensee who
 23 has received a permit to operate bingo or keno games shall
 24 pay to the department a tax of 5% 1% of the ~~net-income~~ gross
 25 proceeds from the operation of each live bingo and keno game

1 operated on his premises. ~~For purposes of this section, "net~~
 2 ~~income" means gross proceeds, as defined in 23-5-112, minus~~
 3 ~~the cost of equipment, supplies, personnel, and advertising~~
 4 ~~allocated to the games. If in any year 5% of net income does~~
 5 ~~not equal 1% of gross proceeds, then the licensee shall pay~~
 6 ~~a tax of 1% of gross proceeds.~~

7 (2) A licensee shall keep a record of gross proceeds
 8 and net income in the form the department requires. At all
 9 times during the business hours of the licensee the records
 10 must be available for inspection by the department.

11 (3) A licensee shall annually complete and deliver to
 12 the department a statement showing the total gross proceeds
 13 and net income for each live keno or bingo game operated by
 14 him and the total amount due as live bingo or keno tax for
 15 the preceding year. This statement must contain any other
 16 relevant information required by the department.

17 (4) The department shall forward the tax collected
 18 under subsection (3) to the treasurer of the county or the
 19 clerk, finance officer, or treasurer of the city or town in
 20 which the licensed game is located for deposit to the county
 21 or municipal treasury. A county is not entitled to proceeds
 22 from taxes on live bingo or keno games located in
 23 incorporated cities and towns within the county. The tax
 24 collected under subsection (3) is statutorily appropriated
 25 to the department, as provided in 17-7-502, for deposit to

the county or municipal treasury."

Section 20. Section 23-5-412, MCA, is amended to read:

***23-5-412. Card prices and prizes -- exception. The (1)**
Except as provided in subsection (3):

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

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

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

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

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

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

(b) a winning combination does not pay more than \$100.

(4) A player may give the a keno caller a card with
instructions on the card to play that card and its marked
numbers for up to the number of successive games that the
house allows and that the player has indicated on the card,
upon payment of the price per game times the number of

successive games indicated. The player shall remain on the
house premises until the card is played or withdrawn. The
caller shall keep the card until the end of the number of
games indicated, and the department may by rule provide that
at that time the caller shall pay the player any prizes
won."

Section 21. Section 23-5-413, MCA, is amended to read:

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

~~(2)~~(1) (a) A--separate Except as provided in subsection
(1)(b), a permit must be issued by the board of county
commissioners for each raffle conducted within its
jurisdiction. The permit must be issued before the raffle
may be conducted. The board of county commissioners may not
charge a permit fee or an investigative fee for a raffle
conducted by a religious corporation sole or nonprofit
organization if the organization presents sufficient
documentation of its nonprofit status.

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

(2) Except for a religious corporation sole or

1 nonprofit organization, a person or organization conducting
 2 a raffle shall own all prizes to be awarded as part of the
 3 raffle before the sale of any tickets.

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

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

10 (5) The value of a prize awarded for an individual
 11 ticket for a raffle conducted by a person or an
 12 organization, other than a religious corporation sole or
 13 nonprofit organization may not exceed \$5,000. The prize may
 14 be in the form of cash, other intangible personal property,
 15 tangible personal property, or real property. Prizes may not
 16 be combined in any manner to increase the ultimate value of
 17 the prize awarded for each ticket.

18 ~~(3)-(a)-The-restrictions-of-subsection-(1)-do-not-apply~~
 19 ~~to-a-raffle-conducted-by-a-nonprofit-corporation;~~

20 (6) (a) In addition to complying with the requirements
 21 of subsections (1) through (5), a religious corporation
 22 sole, or other nonprofit organization as defined in 23-5-112
 23 if the corporation or organization is permitted by the board
 24 of county commissioners to conduct the raffle. The board of
 25 county commissioners may not charge a permit fee or an

1 ~~investigative fee for a raffle conducted by a nonprofit~~
 2 ~~veterans' organization;~~

3 ~~(b)-The-nonprofit-organization-or-corporation-seeking~~
 4 ~~permission-under-subsection-(3)(a) shall apply provide the~~
 5 ~~following information to the board of county commissioners~~
 6 ~~when applying for the a raffle permit and provide the~~
 7 ~~following information:~~

8 (i) the cost and number of raffle tickets to be sold;
 9 (ii) the charitable purposes the proceeds of the raffle
 10 are intended to benefit; and

11 (iii) the proposed prizes and their value.

12 ~~(c)-A-veterans' organization seeking exemption from the~~
 13 ~~permit fee or an investigative fee shall present evidence of~~
 14 ~~the organization's nonprofit status to the board of county~~
 15 ~~commissioners;~~

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

24 (c) The value of a prize awarded for an individual
 25 ticket for a raffle conducted by a religious corporation

1 sole or nonprofit organization may equal or exceed \$5,000 if
 2 the prize is in the form of tangible personal property. If
 3 the value of the prize is less than \$5,000, the prize may be
 4 in the form of cash, other intangible personal property,
 5 tangible personal property, or real property."

6 **Section 22.** Section 23-5-501, MCA, is amended to read:

7 "23-5-501. Definitions. As used in this part, unless
 8 the context clearly requires otherwise, the following
 9 definitions apply:

10 ~~†1) "Nonprofit organization" means a charitable,~~
 11 ~~religious, scholastic, educational, veterans', fraternal,~~
 12 ~~beneficial, civic, or service organization, other than one~~
 13 ~~established for the purpose of conducting or participating~~
 14 ~~in a sports pool.~~

15 †2)(1) "Sports pool" means a gambling enterprise based
 16 on a sports event involving natural persons or animals that
 17 is conducted on a card divided into squares or spaces, with
 18 the names of the participants in the pool written within
 19 such squares or spaces, for which consideration in money is
 20 paid by the person playing for each arranged in columns and
 21 horizontal rows. Each square or space for the represents a
 22 chance to win money or other items of value on any sports
 23 event wherein the participants in such sports event are
 24 natural persons or animals and may be purchased for cash by
 25 a participant in the pool. After all squares or spaces are

1 purchased and before the start of the sports event, numbers
 2 are randomly assigned to the rows and columns providing a
 3 two-number designation for each square or space.

4 (2) "Value of a sports pool" means the total amount
 5 paid by persons to participate in a sports pool."

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

7 "23-5-503. Rules. (1) The card used for recording the
 8 pool and upon which the squares or spaces appear shall must
 9 clearly indicate in advance of the sale of any chances the
 10 number of chances to be sold in that specific pool, the name
 11 of the event, the consideration to be paid for each chance,
 12 and the total amount to be paid to the winners.

13 (2) The name or initials of the participant who
 14 purchased a square or space on the sports pool card must be
 15 written within the square or space.

16 †2)(3) A chance to participate in a sports pool may not
 17 be sold other than upon the premises in which the sports
 18 pool is conducted. An individual chance to participate in a
 19 sports pool may not be sold for a consideration in excess of
 20 \$5, and the The total amount to be paid to the winners of
 21 any individual sports pool may not exceed the value of \$500
 22 and may consist of cash or other items of value. Except as
 23 provided in subsection †3) (4), the winner of any sports
 24 pool shall receive a 100% payout of the value of the sports
 25 pool. An administrative or other fee may not be charged or

1 deducted from the amount paid by the participants for the
 2 opportunity to participate in a sports pool.

3 (3)(4) A nonprofit organization that maintains and
 4 opens to inspection upon reasonable demand records to verify
 5 that the retained portion is used to support charitable
 6 activities, scholarships or educational grants, or community
 7 service projects may retain up to 50% of the value of a
 8 sports pool."

9 **Section 24.** Section 23-5-603, MCA, is amended to read:

10 "23-5-603. Video gambling machines -- possession --
 11 play -- restriction. (1) A person licensed operator may make
 12 available for public play only the number of approved video
 13 gambling machines specifically authorized by this part.

14 (2) The video gambling machines specifically authorized
 15 by this part are bingo, keno, and draw poker machines. Only
 16 the number of approved machines for which permits have been
 17 granted under 23-5-612 may be made available for play by the
 18 public on the premises of a licensed operator. The
 19 department shall adopt rules allowing a video gambling
 20 machine that needs repair to be temporarily replaced while
 21 it is being repaired with a video gambling machine that is
 22 approved under the permit provisions of this part. A fee may
 23 not be charged for the replacement machine.

24 (3) Machines on premises licensed to sell alcoholic
 25 beverages for on-premises consumption ~~on-the--premises~~ must

1 be placed:

2 (a) in the a room, area, or other part of the premises
 3 in which the alcoholic beverages are sold ~~and--normally~~ or
 4 consumed; and

5 (b) within sight and control of the operator or his
 6 employees for the purpose of preventing access to the
 7 machines by persons under 18 years of age."

8 **Section 25.** Section 23-5-611, MCA, is amended to read:

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

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

1 (c) A person who legally operated an establishment on
2 January 15, 1989, for the principal purpose of gaming and
3 has been granted an operator's license under 23-5-177 may be
4 granted a permit for the placement of bingo and keno
5 machines in his premises, subject to the provisions of
6 subsection (1)(d).

7 (d) The department may issue an annual permit under
8 subsection (1)(b) or (1)(c) if at the time of application
9 for the permit:

10 (i) the person has continuously operated the video
11 gambling machine on the premises since January 15, 1989; and

12 (ii) the natural persons who together hold a majority
13 financial interest in the business operated on the premises
14 are the same as on January 15, 1989.

15 (2) An applicant for a permit shall disclose on the
16 application form to the department any information required
17 by the department consistent with the provisions of
18 23-5-176.

19 (3) A licensee may not have on the premises or make
20 available for play on the premises more than 20 machines of
21 any combination ~~and no more than 10 may be draw-poker~~
22 ~~machines."~~

23 **Section 26.** Section 23-5-621, MCA, is amended to read:

24 "23-5-621. Video gambling machine specifications --
25 rules. (1) The department shall adopt rules describing the

1 video gambling machines authorized by this part and stating
2 the specifications for video gambling machines authorized by
3 this part. ~~The specifications in the rules must~~
4 ~~substantially follow the specifications contained in~~
5 ~~23-5-606 and 23-5-609 as those sections read on September~~
6 ~~30, 1989.~~ Rules adopted by the department must provide, at a
7 minimum, that a video gambling machine must:

8 (a) use a random selection process to determine the
9 outcome of each game;

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

11 (c) be permitted to contain a mechanism that accepts
12 cash in the form of bills not to exceed \$5;

13 (d) prevent access to the inside of the machine except
14 through locks;

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

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

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

25 (h) use a surge protector;

1 (i) issue, by activation of an external switch, an
 2 accounting ticket containing a performance synopsis of the
 3 machine;

4 (j) have nonvolatile memory storage for all required
 5 accounting ticket information; and

6 (k) exhibit total immunity to human body electrostatic
 7 discharges.

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

12 **Section 27.** Section 23-5-625, MCA, is amended to read:

13 "23-5-625. Video gambling machine
 14 manufacturer-distributor -- license -- fees. (1) ~~It~~ (a) Except
 15 as provided in subsections (2) and (3), it is unlawful for
 16 any person to assemble, produce, manufacture, or supply any
 17 video gambling machine or associated equipment for use or
 18 play in the state without having first been issued a video
 19 gambling machine manufacturer-distributor's license by the
 20 department. A licensed manufacturer-distributor may supply a
 21 video gambling machine only to another licensed
 22 manufacturer-distributor or a licensed operator.

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

1 ~~(3)~~ (c) In addition to other license fees, the
 2 department may charge the applicant a one-time video
 3 gambling machine manufacturer-distributor's license
 4 application processing fee. The processing fee may not
 5 exceed the department's actual costs for processing an
 6 application.

7 ~~(4)~~ (d) All video gambling machine
 8 manufacturer-distributor's licenses expire on June 30 of
 9 each year, and the license fee may not be prorated.

10 ~~(5)~~ (e) The department shall retain the license and
 11 processing fees collected for purposes of administering this
 12 part, unless otherwise provided.

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

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

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

20 (3) A lienholder who acquires title to video gambling
 21 machines through a foreclosure action involving a licensed
 22 operator or manufacturer-distributor may sell the machines
 23 to a licensed operator or licensed
 24 manufacturer-distributor."

25 **Section 28.** Section 23-5-631, MCA, is amended to read:

1 "23-5-631. Examination and approval of new video
2 gambling machines and associated equipment -- fee. (1) The
3 department shall examine and may approve a new video
4 gambling machine and associated equipment which are
5 manufactured, sold, or distributed for use in the state
6 before the video gambling machine or associated equipment is
7 sold, played, or used.

8 (2) A video gambling machine or associated equipment
9 may not be examined or approved by the department until the
10 video gambling machine manufacturer-distributor is licensed
11 as required in 23-5-625.

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

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

23 (5) Payments received under subsection (4) are
24 statutorily appropriated to the department, as provided in
25 17-7-502, to defray the costs of examining and approving

1 video gambling machines and associated equipment and to
2 issue refunds for overpayments.

3 ~~(5)~~(6) The department may inspect and test and approve,
4 disapprove, or place a condition upon a video gambling
5 machine prior to its distribution and placement for play by
6 the public."

7 **Section 29.** Section 17-7-502, MCA, is amended to read:
8 "17-7-502. Statutory appropriations -- definition --
9 requisites for validity. (1) A statutory appropriation is an
10 appropriation made by permanent law that authorizes spending
11 by a state agency without the need for a biennial
12 legislative appropriation or budget amendment.

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

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

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

21 (3) The following laws are the only laws containing
22 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
23 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
24 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;
25 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;

1 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;
 2 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;
 3 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;
 4 20-9-361; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
 5 23-5-631; 23-5-1016; 23-5-1027; 27-12-206; 37-51-501;
 6 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121;
 7 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123;
 8 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215;
 9 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No.
 10 861, Laws of 1985.

11 (4) There is a statutory appropriation to pay the
 12 principal, interest, premiums, and costs of issuing, paying,
 13 and securing all bonds, notes, or other obligations, as due,
 14 that have been authorized and issued pursuant to the laws of
 15 Montana. Agencies that have entered into agreements
 16 authorized by the laws of Montana to pay the state
 17 treasurer, for deposit in accordance with 17-2-101 through
 18 17-2-107, as determined by the state treasurer, an amount
 19 sufficient to pay the principal and interest as due on the
 20 bonds or notes have statutory appropriation authority for
 21 such payments. (In subsection (3), pursuant to sec. 10, Ch.
 22 664, L. 1987, the inclusion of 39-71-2504 terminates June
 23 30, 1991.)"

24 **Section 30.** Section 41-5-203, MCA, is amended to read:
 25 "41-5-203. Jurisdiction of the court. (1) Except as

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

9 (2) Justice, municipal, and city courts have concurrent
 10 jurisdiction with the youth court over all alcoholic
 11 beverage and gambling violations alleged to have been
 12 committed by a youth."

13 **NEW SECTION. Section 31. Codification instruction.**
 14 [Sections 13 and 17] are intended to be codified as an
 15 integral part of Title 23, chapter 5, parts 1 through 6, and
 16 the provisions of Title 23, chapter 5, parts 1 through 6,
 17 apply to [sections 13 and 17].

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0958, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

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

ASSUMPTIONS:


1. In FY92 and FY93, \$120,000 of gambling fines, penalties and forfeitures will be assessed and collected. Of the total, \$100,000 will be of a civil nature and \$20,000 will be the result of criminal action.
2. Under current law, 50% of fines, penalties, forfeitures, and confiscated money collected by criminal, civil, or administrative process is deposited in the state general fund and 50% is deposited in the county general fund for the county in which the violation occurred. This bill allocates criminal fines, penalties, etc., in the same manner as other fines collected by city and justice of the peace courts. This bill also allocates civil or administrative fines, penalties, etc., 33% to the gambling license fee account (state special revenue) and 67% (two-thirds) to the county or city in which the violation occurred.
3. Estimated revenues from the live keno/bingo tax are based upon year-to-date FY91 revenue.

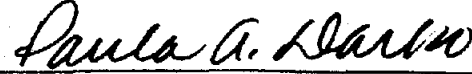
FISCAL IMPACT:

Revenue:	FY 92			FY 93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
General Fund:Penalties/Fines (01)	60,000	1,200	(58,800)	60,000	1,200	(58,800)
State Special Revenue:Fines,etc.(02)	0	36,800	36,800	0	36,800	36,800
Local Government:Penalties/Fines	60,000	82,000	22,000	60,000	82,000	22,000
Local Govt.:Live Bingo/Keno Tax	<u>46,000</u>	<u>41,000</u>	<u>(5,000)</u>	<u>46,000</u>	<u>41,000</u>	<u>(5,000)</u>
Total	166,000	161,000	(5,000)	166,000	161,000	(5,000)
Impact to General Fund			(58,800)			(58,800)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Revenue for local governments may increase by about \$17,000 per year under this bill.


 _____ 2-23-91
 ROD SUNDSTED, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning


 _____ 2/26/91
 PAULA A. DARKO, PRIMARY SPONSOR DATE
 Fiscal Note for HB0958, as introduced HB 958

1 HOUSE BILL NO. 958

2 INTRODUCED BY DARKO

3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
 6 PUBLIC GAMBLING LAWS OF MONTANA; PROVIDING STATUTORY
 7 APPROPRIATIONS; AND AMENDING SECTIONS 2-15-2021, 17-7-502,
 8 23-5-112, 23-5-113, 23-5-114, 23-5-115, 23-5-123, 23-5-136,
 9 23-5-152, 23-5-153, 23-5-154, 23-5-156, 23-5-158, 23-5-162,
 10 23-5-176, 23-5-177, 23-5-306, 23-5-308, 23-5-309, 23-5-312,
 11 23-5-313, 23-5-406, 23-5-409, 23-5-412, 23-5-413, 23-5-501,
 12 23-5-503, 23-5-602, 23-5-603, 23-5-610, 23-5-611, 23-5-612,
 13 23-5-621, 23-5-625, 23-5-631, AND 41-5-203, MCA; AND
 14 PROVIDING AN EFFECTIVE DATE AND A TERMINATION PROVISION."

15
16 STATEMENT OF INTENT

17 A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE
 18 THE BILL GRANTS RULEMAKING AUTHORITY TO THE DEPARTMENT OF
 19 JUSTICE. THIS BILL'S AMENDMENTS OF THE LAWS REGULATING
 20 SPORTS POOLS ALLOW THOSE POOLS TO TAKE A VARIETY OF FORMS.
 21 THE LEGISLATURE INTENDS THAT THE DEPARTMENT ADOPT RULES
 22 DESCRIBING THE VARIOUS TYPES OF SPORTS POOLS THAT WILL
 23 QUALIFY AS LEGAL SPORTS POOLS AND THAT THE DEPARTMENT
 24 DEVELOP AND IMPLEMENT A PROCEDURE FOR REVIEWING AND
 25 APPROVING VARIATIONS OF APPROVED SPORTS POOLS THAT MEET THE

1 REQUIREMENTS OF 23-5-503.2
3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:4 **Section 1.** Section 2-15-2021, MCA, is amended to read:

5 "2-15-2021. Gaming advisory council -- allocation --
 6 composition -- compensation -- annual biennial report. (1)
 7 There is a gaming advisory council.

8 (2) The gaming advisory council is allocated to the
 9 department for administrative purposes only as prescribed in
 10 2-15-121.

11 (3) The gaming advisory council consists of nine
 12 members. One member must be from the senate, and one member
 13 must be from the house of representatives. The senate
 14 committee on committees and the speaker of the house of
 15 representatives shall appoint the legislative members of the
 16 council. The seven remaining members must be appointed by
 17 the department, with one representing the public at large,
 18 two representing local governments, one being a Native
 19 American, and three representing the gaming industry.

20 (4) Each gaming advisory council member is appointed to
 21 a 3-year term of office, except that three of the
 22 first-appointed original members shall serve a 1-year term,
 23 three (including both legislative members) shall serve a
 24 2-year term, and three shall serve a 3-year term. A member
 25 of the council may be removed for good cause by the

1 appointing body provided for in subsection (3).

2 (5) The gaming advisory council shall appoint a
3 chairman from its members.

4 (6) Legislative members of the gaming advisory council
5 are entitled to compensation and expenses, as provided in
6 5-2-302, while the council is meeting. The remaining members
7 are entitled to travel, meals, and lodging expenses as
8 provided for in 2-18-501 through 2-18-503. Expenses of the
9 council must be paid from licensing fees received by the
10 department.

11 (7) The gaming advisory council shall, within its
12 authorized budget, hold meetings and incur expenses as it
13 considers necessary to study all aspects of gambling in the
14 state.

15 (8) (a) The gaming advisory council shall submit an
16 ~~annual~~ a biennial report to the department, at a time
17 designated by the department, with recommendations for
18 amendments to the gambling statutes, the need for additional
19 or modified department rules, the clarification of existing
20 rules, and other recommendations on the operation of the
21 department or any other gambling-related matter.

22 (b) The ~~annual~~ biennial report required under
23 subsection (8)(a) must be affixed to the ~~annual--department~~
24 report on gambling in the state that the department submits
25 that year. The department and council shall submit the two

1 most recent department and council reports to each of the
2 next two regular sessions of the legislature.

3 (c) The council may submit interim reports to the
4 department as the council considers necessary.

5 (d) The council shall meet with the department upon
6 request of the department.

7 (e) The department shall meet with the council upon
8 request of the council.

9 (9) The department shall give each council member
10 notice and a copy of each proposed change in administrative
11 rules relating to gambling. The notice and copy must be
12 given at the time a notice of proposed rules changes is
13 filed with the secretary of state. The council shall review
14 the proposal, may comment on it, and may attend any hearing
15 on the proposal. The department shall consider any comment
16 by any council member or by the council as a whole prior to
17 adopting the proposed change."

18 **Section 2.** Section 23-5-112, MCA, is amended to read:
19 "23-5-112. Definitions. Unless the context requires
20 otherwise, the following definitions apply to parts 1
21 through 6 of this chapter:

22 (1) "Applicant" means a person who has applied for a
23 license or permit issued by the department pursuant to parts
24 1 through 6 of this chapter.

25 (2) "Application" means a written request for a license

1 or permit issued by the department. The department shall
2 adopt rules describing the forms and information required
3 for issuance of a license.

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

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

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

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

23 (7) "Card game tournament" means a gambling activity
24 for which a permit has been issued involving participants
25 who pay valuable consideration for the opportunity to

1 compete against each other in a series of live card games
2 conducted over a designated period of time.

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

5 {8}(9) "Department" means the department of justice.

6 {9}(10) "Distributor" means a person who:

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

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

11 {10}(11) "Gambling" or "gambling activity" means risking
12 money, credit, deposit, check, property, or any other thing
13 of value for a gain that is contingent in whole or in part
14 upon lot, chance, or the operation of a gambling device or
15 gambling enterprise. The term does not mean conducting or
16 participating in a promotional game of chance.

17 {11}(12) "Gambling device" means a mechanical,
18 electromechanical, or electronic device, or a machine, slot
19 machine, instrument, apparatus, contrivance, scheme, or
20 system used or intended for use in any gambling activity.

21 {12}(13) "Gambling enterprise" means an activity,
22 scheme, or agreement or an attempted activity, scheme, or
23 agreement to provide gambling or a gambling device to the
24 public.

25 (14) "Gift enterprise" means a scheme, by whatever name

1 known, for the disposal or distribution of property by
 2 chance among persons who have obtained chances to acquire
 3 the property or a portion of it by purchasing goods or
 4 services. The term does not mean:

- 5 (a) lotteries authorized under part 10 of this chapter;
- 6 (b) cash or merchandise attendance prizes or premiums
 7 that the county fair commissioners of agricultural fairs and
 8 rodeo associations may give away at public drawings at fairs
 9 and rodeos; or
- 10 (c) a promotional game of chance.

11 ~~{13}~~(15) "Gross proceeds" means gross revenue received
 12 less prizes paid out.

13 ~~{14}~~(16) "Illegal gambling device" means a gambling
 14 device not specifically authorized by statute or by the
 15 rules of the department. THE TERM INCLUDES:

16 (A) A TICKET OR CARD KNOWN BY ANY NAME CONTAINING
 17 CONCEALED NUMBERS OR SYMBOLS THAT MAY MATCH NUMBERS OR
 18 SYMBOLS DESIGNATED IN ADVANCE AS PRIZE WINNERS, INCLUDING A
 19 PULL TAB, PUNCHBOARD, PUSH CARD, TIP BOARD, PICKLE TICKET,
 20 BREAK-OPEN, OR JAR GAME AND NOT INCLUDING A TICKET OR CARD
 21 ISSUED UNDER PART 10 OF THIS TITLE OR USED IN A NONGAMBLING
 22 PROMOTIONAL ACTIVITY APPROVED BY THE DEPARTMENT; AND

23 (B) AN APPARATUS, IMPLEMENT, OR DEVICE KNOWN BY ANY
 24 NAME AND SPECIFICALLY DESIGNED TO BE USED IN CONDUCTING AN
 25 ILLEGAL GAMBLING ENTERPRISE, INCLUDING A FARO BOX, FARO

1 LAYOUT, ROULETTE WHEEL, ROULETTE TABLE, CRAPS TABLE, MONEY
 2 WHEEL, OR SLOT MACHINE EXCEPT AS PROVIDED IN 23-5-153.

3 ~~{15}~~(17) "Illegal gambling enterprise" means a gambling
 4 enterprise that violates OR IS NOT SPECIFICALLY AUTHORIZED
 5 BY a statute or a rule of the department. THE TERM INCLUDES:

6 (A) A CARD GAME KNOWN BY ANY NAME AND INVOLVING A BANK
 7 OR FUND FROM WHICH A PARTICIPANT MAY WIN MONEY OR OTHER
 8 CONSIDERATION AND THAT RECEIVES MONEY OR OTHER CONSIDERATION
 9 LOST BY THE PARTICIPANT, INCLUDING THE CARD GAMES OF
 10 BLACKJACK, TWENTY-ONE, JACKS OR BETTER, BACCARAT, AND CHEMIN
 11 DE FER;

12 (B) A DICE GAME KNOWN BY ANY NAME AND IN WHICH A
 13 PARTICIPANT WAGERS ON THE OUTCOME OF THE ROLL OF ONE OR MORE
 14 DICE, INCLUDING CRAPS, HAZARD, OR CHUCK-A-LUCK AND NOT
 15 INCLUDING AN ACTIVITY IN WHICH A PARTICIPANT ROLLS ONE OR
 16 MORE DICE FOR A CHANCE TO OBTAIN A DRINK OR MUSIC; AND

17 (C) SPORTS BETTING KNOWN BY ANY NAME AND IN WHICH A
 18 PERSON PLACES A WAGER ON THE OUTCOME OF AN ATHLETIC EVENT,
 19 INCLUDING BOOKMAKING, PARLAY BETS, SPORTS SWEEPSTAKES, AND
 20 SULTAN SPORTS CARDS AND NOT INCLUDING THOSE ACTIVITIES
 21 AUTHORIZED IN CHAPTER 4 OR CHAPTER 5, PARTS 2 AND 5.

22 ~~{16}~~(18) "Keno" means a game of chance in which prizes
 23 are awarded using a card with 8 horizontal rows and 10
 24 columns on which a player may pick up to 10 numbers. A keno
 25 caller, using authorized equipment, shall select at random

1 at least 20 numbers out of numbers between 1 and 80,
2 inclusive.

3 ~~†17†~~(19) "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†~~(20) "License" means an operator's, dealer's, or
7 manufacturer-distributor's license issued to a person by the
8 department.

9 ~~†19†~~(21) "Licensee" means a person who has received a
10 license from the department.

11 ~~†20†~~(22) "Live card game" or "card game" means a card
12 game that is played in public between persons on the
13 premises of a licensed gambling operator.

14 ~~†21†~~(23) "Lottery" or ~~"gift-enterprise"~~ means a scheme,
15 by whatever name known, for the disposal or distribution of
16 property by chance among persons who have paid or promised
17 to pay valuable consideration for the chance of obtaining
18 the property or a portion of it or for a share or interest
19 in the property upon an agreement, understanding, or
20 expectation that it is to be distributed or disposed of by
21 lot or chance. However, ~~"gift-enterprise"~~ the term does not
22 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; or

4 (c) a promotional game of chance.

5 ~~†22†~~(24) "Manufacturer" means a person who assembles
6 from raw materials or subparts a completed piece of
7 equipment or pieces of equipment of any kind to be used as a
8 gambling device.

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

14 ~~†23†~~(26) "Operator" means a person who purchases,
15 receives, or acquires, by lease or otherwise, and operates
16 or controls for use in public, a gambling device or gambling
17 enterprise authorized under parts 1 through 6 of this
18 chapter.

19 ~~†24†~~(27) "Permit" means approval from the department to
20 make available for public play a gambling device or gambling
21 enterprise approved by the department pursuant to parts 1
22 through 6 of this chapter.

23 ~~†25†~~(28) "Person" or "persons" means both natural and
24 artificial persons and all partnerships, corporations,
25 associations, clubs, fraternal orders, and societies,

1 including religious and charitable organizations.

2 †26†(29) "Premises" means the physical building or
 3 property within or upon which a licensed gambling activity
 4 occurs, as stated on an operator's license application and
 5 approved by the department.

6 †30†(30) "Promotional game of chance" means a scheme, by
 7 whatever name known, for the disposal or distribution of
 8 property by chance among persons who have not paid or are
 9 not expected to pay any valuable consideration or who have
 10 not purchased or are not expected to purchase any goods or
 11 services for a chance to obtain the property, a portion of
 12 it, or a share in it.

13 †27†(31) "Public gambling" means gambling conducted in:
 14 (a) a place, building, or conveyance to which the
 15 public has access or may be permitted to have access; or
 16 (b) a place of public resort, including but not limited
 17 to a facility owned, managed, or operated by a partnership,
 18 corporation, association, club, fraternal order, or society,
 19 including a religious or charitable organization; or
 20 (c) a place, building, or conveyance to which the
 21 public does not have access if players are publicly
 22 solicited or the gambling activity is conducted in a
 23 predominately commercial manner.

24 †28†(32) "Raffle" means a gift--enterprise form of
 25 lottery in which each participant buys-a-chance-or-chances

1 pays valuable consideration for a ticket to become eligible
 2 to win a prize. Winners must be determined by a random
 3 selection process approved by department rule.

4 †29†(33) "Slot machine" means a mechanical, electrical,
 5 electronic, or other gambling device, contrivance, or
 6 machine that, upon insertion of a coin, currency, token,
 7 credit card, or similar object or upon payment of any
 8 valuable consideration, is available to play or operate, the
 9 play or operation of which, whether by reason of the skill
 10 of the operator or application of the element of chance, or
 11 both, may deliver or entitle the person playing or operating
 12 the gambling device to receive cash, premiums, merchandise,
 13 tokens, or anything of value, whether the payoff is made
 14 automatically from the machine or in any other manner. This
 15 definition does not apply to video gambling machines
 16 authorized under part 6 of this chapter.

17 †30†(34) "Video gambling machine" is a gambling device
 18 specifically authorized by part 6 of this chapter and the
 19 rules of the department."

20 **SECTION 3. SECTION 23-5-113, MCA, IS AMENDED TO READ:**

21 **"23-5-113. Department as criminal justice agency --**
 22 **seized property. (1) The department is a criminal justice**
 23 **agency. Designated agents of the department are granted**
 24 **peace officer status, with the power of search, seizure, and**
 25 **arrest, to investigate gambling activities in this state**

1 regulated by parts 1 through 6 of this chapter and the rules
 2 of the department and to report violations to the county
 3 attorney of the county in which they occur.

4 (2) Upon conviction for any violation of parts 1
 5 through 6 of this chapter, the court may order any property
 6 seized by a department agent during a lawful search to be
 7 forfeited to the department, sold, if necessary, and
 8 disposed of under 23-5-123."

9 **Section 4.** Section 23-5-114, MCA, is amended to read:
 10 "23-5-114. Department employees -- activities
 11 prohibited. (1) An employee of the department, a former
 12 department employee during the first 365 days following
 13 termination of employment, or any peace officer or
 14 prosecutor directly involved with the prosecution,
 15 investigation, regulation, or licensing of gambling, as
 16 designated by the attorney general, may not:

17 (1)(a) serve as an officer or manager of a corporation
 18 business or organization, other than a nonprofit corporation
 19 or organization, that conducts a gambling activity, other
 20 than as an officer of a nonprofit organization;

21 (b) be employed by a licensed operator in any capacity
 22 that requires assisting in conducting a gambling activity
 23 regulated under parts 1 through 6 of this chapter or
 24 maintaining records for the gambling activity;

25 (2) receive or share in, directly or indirectly, any

1 profit of a gambling activity regulated by the department;
 2 (3)(c) have a beneficial or pecuniary interest in a
 3 contract for the manufacture, lease, or sale of a gambling
 4 device, the conduct of a gambling activity, or the provision
 5 of independent consultant services in connection with a
 6 gambling activity; or

7 (d) participate in a gambling activity governed by
 8 parts 1 through 6 of this chapter, except in performing
 9 assigned employment duties. An employee may participate in a
 10 gambling activity governed by part 10 of this chapter or
 11 chapter 4 of this title.

12 (2) The prohibitions in subsections (1)(a) and (1)(b)
 13 apply to a former designated department employee during the
 14 first year following termination from employment with the
 15 department if the employee was directly involved with the
 16 prosecution, investigation, regulation, or licensing of
 17 gambling immediately before termination."

18 **SECTION 5.** SECTION 23-5-115, MCA, IS AMENDED TO READ:

19 "23-5-115. Powers and duties of department --
 20 licensing. (1) The department shall administer the
 21 provisions of parts 1 through 6 of this chapter.

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

24 (3) The department shall provide licensing procedures,
 25 prescribe necessary application forms, and grant or deny

1 license applications.

2 (4) The department shall prescribe recordkeeping
3 requirements for licensees, provide a procedure for
4 inspection of records, provide a method for collection of
5 taxes, and establish penalties for the delinquent reporting
6 and payment of required taxes.

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

10 (6) (a) The department may not make public or otherwise
11 disclose information obtained in the application or tax
12 reporting processes, except for general statistical
13 reporting or studies and as provided in subsection (6)(b).

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

16 (i) the applicant's name;

17 (ii) the address of the business where the activity
18 under the license or permit is to be conducted;

19 (iii) the name of each person having an ownership
20 interest in the business;

21 (iv) the types of permits requested by the applicant;
22 and

23 (v) any other relevant information that is obtained in
24 the application or tax reporting process or as a result of
25 other department operations and that may be disclosed only

1 to a federal, state, city, county, or tribal criminal
2 justice agency, the department of revenue, and the federal
3 internal revenue service.

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

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

8 "**23-5-123. Disposal of money confiscated by reason of**
9 **violation of gambling laws.** All fines, penalties,
10 forfeitures, and confiscated money collected by criminal,
11 civil, or administrative process for a violation of a
12 provision of parts 1 through 6 of this chapter or a rule of
13 the department must be deposited--one-half--in--the--state
14 ~~general--fund--and--one-half--in--the--general--fund--of--the--county~~
15 ~~in--which--the--violation--occurred;~~ distributed as follows:

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

18 (2) One-third of the funds collected through a civil or
19 administrative proceeding must be deposited in the state
20 special revenue fund account maintained for funds used by
21 the department in administering parts 1 through 6 of this
22 chapter and related rules and may be used by the department
23 to administer parts 1 through 6 of this chapter and related
24 rules. The remainder must be distributed to the county
25 treasurer or the clerk, financial officer, or treasurer of

1 the city or town in which the violation occurred for deposit
 2 in the county or municipal treasury. A county is not
 3 entitled to a penalty payment if the violation occurred in
 4 an incorporated city or town within the county."

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

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

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

14 (b) following notice and an opportunity for hearing,
 15 and with the right of judicial review, under the Montana
 16 Administrative Procedure Act:

17 (i) issue a permanent order to cease and desist from
 18 the act or practice, which order remains in effect pending
 19 judicial review;

20 (ii) place a licensee on probation;

21 (iii) suspend for a period not to exceed 180 days a
 22 license or permit for the gambling activity, device, or
 23 enterprise involved in the act or practice constituting the
 24 violation;

25 (iv) revoke a license or permit for the gambling

1 activity, device, or enterprise involved in the act or
 2 practice constituting the violation;

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

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

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

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

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

14 (iii) appoint a receiver or conservator for the
 15 defendant or the assets of the defendant.

16 (2) The department may issue a warrant for distraint
 17 against an operator who fails to pay a civil penalty imposed
 18 under subsection (1) or a tax imposed under 23-5-409 or
 19 23-5-610. The department may issue the warrant for the
 20 amount of the unpaid penalty or for the amount of the unpaid
 21 tax, plus penalty and accumulated interest on the tax, and
 22 shall follow the procedures provided in 15-1-701 through
 23 15-1-708.

24 +2+{3} (a) A civil penalty imposed under this section
 25 must be collected by the department and deposited--in--the

1 ~~state's--general-fund-as-required-by~~ distributed as provided
 2 ~~in 23-5-123. The local government portion of the penalty~~
 3 ~~payment is statutorily appropriated to the department, as~~
 4 ~~provided in 17-7-502, for deposit to the county or municipal~~
 5 ~~treasury.~~

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

10 **SECTION 8. SECTION 23-5-152, MCA, IS AMENDED TO READ:**

11 "23-5-152. Possession of illegal gambling device or
 12 conducting illegal gambling enterprise prohibited --
 13 exception exceptions. (1) Except as provided in 23-5-153 and
 14 subsection subsections (2) through (4) of this section, it
 15 is a misdemeanor punishable under 23-5-161 for a person to
 16 purposely or knowingly:

17 (a) have in his possession or under his control or to
 18 ~~purposely-or-knowingly~~ permit to be placed, maintained, or
 19 kept in any room, space, enclosure, or building owned,
 20 leased, or occupied by him or under his management or
 21 control an illegal gambling device; or

22 (b) operate an illegal gambling enterprise.

23 (2) ~~This--section~~ Subsection (1) does not apply to a
 24 public officer or to a person coming into possession of an
 25 illegal gambling device in or by reason of the performance

1 of an official duty and holding it to be disposed of
 2 according to law.

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

7 (b) A person may not manufacture or possess an illegal
 8 gambling device for export from the state without having
 9 obtained a license from the department. The department may
 10 charge an administrative fee for the license that is
 11 commensurate with the cost of issuing the license.

12 (4) An illegal gambling device may be possessed or
 13 located in a public or private museum for display purposes
 14 only and not for operation."

15 **Section 9. Section 23-5-153, MCA, is amended to read:**

16 "23-5-153. Possession and sale of antique slot
 17 machines. (1) For the purposes of this section, an antique
 18 slot machine is a mechanically or electronically operated
 19 slot machine ~~that at-any-present-time-is-more-than-25--years~~
 20 ~~old~~ manufactured-before-January-17-1965 THAT AT ANY PRESENT
 21 TIME IS MORE THAN 25 YEARS OLD.

22 (2) Except as provided in subsection (3), an antique
 23 slot machine may be possessed, located, and operated only in
 24 a private residential dwelling.

25 (3) (a) An antique slot machine may be possessed or

1 located for purposes of display only and not for operation
2 in any public museum owned and operated by the state, a
3 county, or a city.

4 (b) A licensed manufacturer-distributor OR A PERSON
5 LICENSED UNDER SUBSECTION (4) may possess and sell antique
6 slot machines for purposes of COMMERCIALLY selling or
7 otherwise supplying the machines.

8 (4) A PERSON OTHER THAN A LICENSED
9 MANUFACTURER-DISTRIBUTOR MAY NOT SELL MORE THAN THREE
10 ANTIQUÉ SLOT MACHINES IN A 12-MONTH PERIOD WITHOUT FIRST
11 OBTAINING FROM THE DEPARTMENT AN ANNUAL LICENSE FOR SELLING
12 THE MACHINES. THE FEE FOR THE LICENSE IS \$50 A YEAR. THE FEE
13 MUST BE RETAINED BY THE DEPARTMENT FOR ADMINISTRATIVE
14 PURPOSES. THE DEPARTMENT MAY NOT ISSUE A LICENSE UNDER THIS
15 SUBSECTION TO A LICENSED OPERATOR.

16 (4)(5) A person or entity legally possessing a slot
17 machine under subsection (2) or (3) may sell or otherwise
18 supply a machine to another person or entity who may legally
19 possess a slot machine.

20 (4)(5)(6) An antique slot machine may not be operated
21 for any commercial or charitable purpose."

22 **Section 10.** 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 11.** Section 23-5-156, MCA, is amended to read:

6 "23-5-156. Obtaining anything of value by fraud or
7 operation of illegal gambling device or enterprise. (1) A
8 person who by-gambling in an activity involving gambling
9 obtains money, property, or anything of value that does not
10 exceed \$300 in value by misrepresentation, fraud, or the use
11 of an illegal gambling device or an illegal gambling
12 enterprise is guilty of a misdemeanor and is punishable as
13 provided in 23-5-161.

14 (2) A person who by-gambling in an activity involving
15 gambling obtains money, property, or anything of value that
16 exceeds \$300 in value by misrepresentation, fraud, or the
17 use of an illegal gambling device or an illegal gambling
18 enterprise is guilty of a felony and is punishable as
19 provided in 23-5-162."

20 **Section 12.** Section 23-5-158, MCA, is amended to read:

21 "23-5-158. Minors not to participate -- penalty --
22 exception. (1) A Except as provided in subsection (3), a
23 person may not purposely or knowingly allow a person under
24 18 years of age to participate in a gambling activity.

25 (2) A person who violates this section subsection is

1 guilty of a misdemeanor and must be punished in accordance
2 with 23-5-161.

3 (2) Except as provided in subsection (3), a person
4 under 18 years of age may not purposely or knowingly
5 participate in a gambling activity. A person who violates
6 this subsection is subject to a civil penalty not to exceed
7 \$50 if the proceedings for violating this subsection are
8 held in justice, municipal, or city court. If the
9 proceedings are held in youth court, the offender must be
10 treated as an alleged youth in need of supervision as
11 defined in 41-5-103. The youth court may enter its judgment
12 under 41-5-523.

13 (3) A person under 18 years of age may sell or buy
14 tickets for or receive prizes from a raffle conducted in
15 compliance with 23-5-413 if proceeds from the raffle, minus
16 administrative expenses and prizes paid, are used to support
17 charitable activities, scholarships or educational grants,
18 or community service projects."

19 **Section 13.** Section 23-5-162, MCA, is amended to read:

20 **"23-5-162. Criminal liabilities -- felony. (1)** A person
21 who purposely or knowingly violates a provision of parts 1
22 through 6 of this chapter, the punishment for which is a
23 felony, may upon conviction be fined not more than \$50,000
24 or imprisoned for not more than 10 years, or both, for each
25 violation.

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

6 **Section 14.** Section 23-5-176, MCA, is amended to read:

7 **"23-5-176. Qualifications for licensure. (1)** A person
8 whom the department determines is qualified to receive a
9 license under the provisions of this chapter, except for the
10 provisions of part 10, may, based on information available
11 to, required by, or supplied to the department under
12 department rules, be issued a state gambling license.

13 (2) The Except as provided in subsection (4), the
14 department shall issue a license unless the department can
15 demonstrate that the applicant is:

16 (a) is a person whose prior financial or other
17 activities or criminal record:

18 (i) poses a threat to the public interest of the state
19 or;

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

22 ~~(iii)~~(iii) creates a danger of illegal practices,
23 methods, or activities in the conduct of gambling or in the
24 carrying on of the business and financial arrangements
25 incidental to gambling; or

1 (b) has been convicted of a felony offense or--a
2 gambling-related misdemeanor within 5 years of the date of
3 application,--is--awaiting--trial--on--charges--of--committing--a
4 felony--offense, or is on probation, parole, or deferred
5 prosecution for committing a felony offense; or

6 (b)(c) is receiving a substantial amount of financing
7 for the proposed operation from an unsuitable source. A
8 lender or other source of money or credit that the
9 department finds to meet the provisions of subsection (2)(a)
10 may be considered an unsuitable source.

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

13 (4) The department may deny a license or permit to an
14 applicant who has falsified a license or permit application.
15 If the falsification is determined after the license or
16 permit has been issued, the department may revoke the
17 license or permit."

18 Section 12--Section 23-5-177, MCA, is amended to read:

19 *23-5-177--Operator--of--gambling--establishment--
20 license----fee--(1)--It--is--a--misdemeanor--for--a--person--who--is
21 not--licensed--by--the--department--as--an--operator--to--make
22 available--to--the--public--for--play--a--gambling--device--or
23 gambling--enterprise--for--which--a--permit--must--be--obtained--from
24 the--department:

25 (2)--To--obtain--an--operator's--license,--a--person--shall

1 submit--to--the--department:

2 (a)--a--completed--operator's--license--application--on--a
3 form--prescribed--and--furnished--by--the--department;--and

4 (b)--any--other--relevant--information--requested--by--the
5 department;

6 (3)--The--department--may--issue--a--provisional--operator's
7 license---to---an---applicant---pending---the---department's
8 determination--as--to--whether--the--applicant--qualifies--for
9 licensure--under--23-5-176--If--the--department--determines--that
10 the--applicant--is--qualified,--it--shall--remove--the--license--from
11 provisional--status--if--the--department--determines--that--the
12 applicant--is--not--qualified,--it--shall--revoke--the--provisional
13 license;

14 (2)(4)--An--operator's--license--must--include--the--following
15 information:

16 (a)--a--description--of--the--premises--upon--which--the
17 gambling--will--take--place;

18 (b)--the--operator's--name;

19 (c)--a--description--of--each--gambling--device--or--card--game
20 table--licensed--for--which--a--permit--has--been--issued--to--the
21 operator--by--the--department--for--play--upon--the--premises,
22 including--the--type--of--game--and--license--number--or--deal
23 permit--number--for--each--licensed--game;--and

24 (d)--any--other--relevant--information--determined--necessary
25 by--the--department;

1 ~~(3)(5)~~--The operator's license must be issued annually
 2 along with all other licenses permits for gambling devices
 3 or games licensed issued to the operator.

4 ~~(4)(6)~~--The operator's license must be updated each time
 5 a gambling device or card game table license permit is newly
 6 issued or the device or game is removed from the premises.

7 ~~(5)(7)~~--The department may not charge a fee for the
 8 issuance of an operator's license.

9 ~~(6)(8)~~--The operator's license must be prominently
 10 displayed upon the premises for which it is issued."

11 **SECTION 15. SECTION 23-5-177, MCA, IS AMENDED TO READ:**

12 **"23-5-177. Operator of gambling establishment --**
 13 **license -- fee. (1) It is a misdemeanor for a person who is**
 14 **not licensed by the department as an operator to make**
 15 **available to the public for play a gambling device or**
 16 **gambling enterprise for which a permit must be obtained from**
 17 **the department.**

18 **(2) To obtain an operator's license, a person shall**
 19 **submit to the department:**

20 **(a) a completed operator's license application on a**
 21 **form prescribed and furnished by the department;**

22 **(b) any other relevant information requested by the**
 23 **department; and**

24 **(c) a license application processing fee, as required**
 25 **in subsection (8).**

1 (3) Before issuing an operator's license, the
 2 department shall approve, in accordance with [section 16],
 3 the premises in which the gambling activity is to be
 4 conducted.

5 (4) Except as provided in [section 16], regardless of
 6 the number of on-premises alcoholic beverage licenses issued
 7 for a premises, the department may issue only one operator's
 8 license for the premises.

9 (2)(5) An operator's license must include the following
 10 information:

11 (a) a description of the premises upon which the
 12 gambling will take place;

13 (b) the operator's name;

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

19 (d) any other relevant information determined necessary
 20 by the department.

21 ~~(3)(6)~~ The operator's license must be issued annually
 22 along with all other licenses permits for gambling devices
 23 or games licensed issued to the operator.

24 ~~(4)(7)~~ The operator's license must be updated each time
 25 a video gambling device machine, bingo, keno, or card game

1 table license permit is newly issued or the device machine
2 or game is removed from the premises.

3 ~~(5)~~(8) The department ~~may-not~~ shall charge an applicant
4 who has submitted an operator's license application on or
5 after July 1, 1991, a one-time license application
6 processing fee to cover the actual cost incurred by the
7 department in determining whether the applicant qualifies
8 for licensure under 23-5-176 ~~the-issuance-of-an-operator's~~
9 ~~license. After making its determination, the department~~
10 shall refund any overpayment or charge and collect amounts
11 sufficient to reimburse the department for any underpayment
12 of actual costs.

13 ~~(6)~~(9) The operator's license must be prominently
14 displayed upon the premises for which it is issued."

15 NEW SECTION. SECTION 16. PREMISES APPROVAL. (1) EXCEPT
16 AS PROVIDED IN SUBSECTION (4), THE DEPARTMENT MAY APPROVE A
17 PREMISES FOR ISSUANCE OF AN OPERATOR'S LICENSE IF THE
18 PREMISES MEETS THE REQUIREMENTS CONTAINED IN SUBSECTIONS (2)
19 AND (3).

20 (2) THE PREMISES MUST:

21 (A) BE A STRUCTURE OR FACILITY THAT IS CLEARLY DEFINED
22 BY PERMANENTLY INSTALLED WALLS THAT EXTEND FROM FLOOR TO
23 CEILING;

24 (B) HAVE A UNIQUE ADDRESS ASSIGNED BY THE LOCAL
25 GOVERNMENT IN WHICH THE PREMISES IS LOCATED; AND

1 (C) HAVE A PUBLIC EXTERNAL ENTRANCE LEADING TO A STREET
2 OR OTHER COMMON AREA.

3 (3) IF THE PREMISES SHARES A COMMON INTERNAL WALL WITH
4 ANOTHER PREMISES FOR WHICH AN OPERATOR'S LICENSE HAS BEEN
5 ISSUED, THE COMMON WALL MUST BE PERMANENTLY INSTALLED,
6 OPAQUE, AND EXTEND FROM FLOOR TO CEILING AND ANY ACCESS
7 BETWEEN THE PREMISES THROUGH A DOOR OR OTHER OPENING IN THE
8 WALL MAY NOT ALLOW PUBLIC ACCESS.

9 (4) A SECOND OPERATOR'S LICENSE MAY BE ISSUED OR
10 RENEWED UNTIL JUNE 30, 1996, FOR A PERSON OPERATING A
11 GAMBLING ACTIVITY ON A PREMISES THAT DID NOT MEET THE
12 REQUIREMENTS OF SUBSECTION (2) AND SUBSECTION (3) IF:

13 (A) THE SECOND OPERATOR'S LICENSE WAS ISSUED TO THE
14 PERSON ON OR BEFORE JANUARY 1, 1991; OR

15 (B) (I) THE APPLICATION FOR THE SECOND OPERATOR'S
16 LICENSE WAS RECEIVED BY THE DEPARTMENT ON OR BEFORE JANUARY
17 1, 1991;

18 (II) A SECOND ON-PREMISES ALCOHOLIC BEVERAGES LICENSE
19 WAS OBTAINED FOR THE PREMISES ON OR BEFORE JANUARY 1, 1991;
20 AND

21 (III) SUBSTANTIAL PHYSICAL MODIFICATIONS TO THE PREMISES
22 WERE MADE ON OR BEFORE JANUARY 1, 1991.

23 NEW SECTION. Section 17. Illegal sale, assignment,
24 lease, or transfer of license -- penalty. A licensee who
25 purposely or knowingly sells, assigns, leases, or transfers

1 a license or permit in violation of 23-5-110 is guilty of a
2 misdemeanor punishable in accordance with 23-5-161.

3 Section 14, Section 23-5-306, MCA, is amended to read:
4 "23-5-306. Live card game table permit fees.
5 disposition of fees. (1) (a) A person who has been granted
6 an operator's license under 23-5-177 and a license to sell
7 alcoholic beverages for consumption on the premises after a
8 finding under 16-4-401(2) may be granted an annual permit
9 for the placement of live card game tables;

10 (b) The department may issue an annual permit for the
11 placement of live card game tables to a person operating a
12 premises not licensed to sell alcoholic beverages for
13 consumption on the premises if:

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

18 (ii) the premises were licensed on that date January 15,
19 1989, to sell food, cigarettes, or any other consumable
20 product, an operator's license and an annual permit for the
21 placement of live card game tables may be granted to the
22 person who legally operated the premises on January 15,
23 1989;

24 (iii) the person has been granted an operator's license
25 under 23-5-177, and

1 (iv) at the time of application for the permit;

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

4 (B) the natural persons who together hold a majority
5 financial interest in the business operated on the premises
6 are the same as on January 15, 1989;

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

10 (a) \$250 for the first table, and

11 (b) \$500 for each additional table;

12 (3) The department shall retain for administrative
13 purposes \$100 of the fee collected under this part for each
14 live card game table;

15 (4) The department shall forward on a quarterly basis
16 the remaining balance of the fee collected under subsection
17 (2) to the treasurer of the county or the clerk, finance

18 officer, or treasurer of the city or town in which the live
19 card game table is located for deposit to the county or
20 municipal treasury. A county is not entitled to proceeds

21 from fees assessed on live card game tables located in
22 incorporated cities and towns within the county. The local
23 government portion of this fee is statutorily appropriated

24 to the department, as provided in 17-7-502, for deposit to
25 the county or municipal treasury."

1 **SECTION 18. SECTION 23-5-306, MCA, IS AMENDED TO READ:**

2 *23-5-306. Live card game table -- permit -- fees --
3 disposition of fees. (1) (a) A person who has been granted
4 an operator's license under 23-5-177 and a license to sell
5 alcoholic beverages for consumption on the premises may be
6 granted an annual permit for the placement of live card game
7 tables.

8 (b) The department may issue an annual permit for the
9 placement of live card game tables to a person operating a
10 premises not licensed to sell alcoholic beverages for
11 consumption on the premises if:

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

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

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

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

24 (A) a live card game table has been continuously
25 operated on the premises since January 15, 1989, except that

1 a live card game table need not have been continuously
2 operated on the premises for a period, not exceeding 5
3 years, during which the persons referred to in subsection
4 (1)(b)(iv)(B) held a security interest in the premises; and

5 (B) a majority of the natural persons who are owners
6 holding a financial interest in the business operated on the
7 premises remains the same as on January 15, 1989, except as
8 provided 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 [section 23], an
20 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 19.** Section 23-5-308, MCA, is amended to read:
 25 **"23-5-308. Card game dealers -- license. (1) A EXCEPT**

1 AS PROVIDED IN [SECTION 23], A person may not deal cards in
 2 a live card game of panguingue or poker without being
 3 licensed annually by the department.

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

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

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

13 (5) (a) The department shall adopt rules to implement
 14 temporary licensing procedures until a permanent license is
 15 issued to a dealer.

16 (b) The rules must provide that:

17 (i) a temporary license may be obtained at the place
 18 where a person locally applies for a driver's license; and
 19 that

20 (ii) the receipt received upon mailing by certified mail
 21 an a completed license application for-a--permanent--license
 22 and the fee required under subsection (2) by-certified-mail,
 23 return receipt requested, also constitutes a temporary
 24 license.

25 (c) The department may not assess a fee for the

1 temporary license."

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

3 ~~"23-5-309. Presence--and-control-of-dealer Requirements~~
4 ~~for conducting card games. (1) A Except as provided in~~
5 ~~[section ~~17~~ 23], a live card game may-not must be played~~
6 ~~except on a live card game table in-the-presence--and--under~~
7 ~~the--control--of--a--licensed-dealer for which a permit has~~
8 ~~been issued and~~ on the premises of a licensed operator.

9 (2) A live card game of panguingue or poker must be
10 played in the presence and under the control of a licensed
11 dealer."

12 **SECTION 21.** SECTION 23-5-312, MCA, IS AMENDED TO READ:

13 "23-5-312. Prizes not to exceed three hundred dollars.
14 A Except as provided in [section 23], a prize for an
15 individual live card game may not exceed the value of \$300-
16 Games, and games may not be combined in any manner so as to
17 increase the value of the ultimate prize awarded."

18 **SECTION 22.** SECTION 23-5-313, MCA, IS AMENDED TO READ:

19 "23-5-313. Rules of play to be posted -- rake-off
20 approved. Rules governing the conduct of each game must be
21 prominently posted within the sight of the players at a live
22 card game table on the premises of a licensed operator. The
23 rules must include notice of the maximum percentage
24 rake-off, if any, and must require that the person taking
25 the rake-off do so in an obvious manner. An operator

1 conducting a card game other than poker or panguingue may
2 not take a rake-off or collect an entrance or administrative
3 fee or any other form of remuneration from a player."

4 **NEW SECTION. Section 23. Tournaments.** (1) Subject to
5 the department's approval, a licensed operator who has a
6 permit for placing at least 1 live card game table on his
7 premises may conduct up to 12 live card game tournaments a
8 year on his premises. Each tournament may be conducted for
9 no more than ~~72-consecutive-hours~~ 5 CONSECUTIVE DAYS. If an
10 operator conducts more than one tournament a year, at least
11 7 days must lapse between the conclusion of one tournament
12 and the beginning 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 processing fee. The permit
21 is applied toward each operator's annual 12-tournament
22 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 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 may be a dealer
 9 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 tournament rules.
 16 A rake-off may not be taken during a tournament card game.

17 ~~{7}--Prizes--must--be--awarded--after--each--game--and--may--not~~
 18 ~~exceed--the--prize--limits--in--23-5-312-~~

19 {7} THE FACE VALUE OF THE CHIPS USED DOES NOT GOVERN
 20 THE VALUE OF THE POT AWARDED AT THE END OF THE TOURNAMENT.
 21 PRIZES AWARDED DURING A TOURNAMENT ARE NOT LIMITED TO THE
 22 TOTAL AMOUNT COLLECTED IN ENTRY OR OTHER FEES AND MUST BE
 23 AWARDED ACCORDING TO TOURNAMENT RULES.

24 (8) The provisions of this part and the department
 25 rules governing live card games apply to live card games

1 conducted as part of a tournament unless otherwise provided.

2 **Section 24.** Section 23-5-406, MCA, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

22 (4) For purposes of this section:

23 (a) "retirement home" means a building in which
 24 sleeping rooms without cooking facilities in each room are
 25 rented to three or more persons who are 60 years of age or

1 older and who do not need skilled nursing care, intermediate
 2 nursing care, or personal nursing care, as defined in
 3 50-5-101; and

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

13 **Section 25.** Section 23-5-409, MCA, is amended to read:

14 "23-5-409. Bingo and keno tax -- records --
 15 distribution -- statement and payment. (1) A licensee who
 16 has received a permit to operate bingo or keno games shall
 17 pay to the department a tax of 5% 1% of the net-income gross
 18 proceeds from the operation of each live bingo and keno game
 19 operated on his premises. For-purposes-of-this-section, "net
 20 income" --means-gross-proceeds, as-defined-in-23-5-112, minus
 21 the-cost-of-equipment, supplies, personnel, and--advertising
 22 allocated-to-the-games, if-in-any-year-5% of-net-income-does
 23 not--equal-it-of-gross-proceeds, then-the-licensee-shall-pay
 24 a-tax-of-it-of-gross-proceeds.

25 (2) A licensee shall keep a record of gross proceeds

1 ~~and--net--income~~ in the form the department requires. At all
 2 times during the business hours of the licensee the records
 3 must be available for inspection by the department.

4 (3) A licensee shall annually complete and deliver to
 5 the department a statement showing the total gross proceeds
 6 and net income for each live keno or bingo game operated by
 7 him and the total amount due as live bingo or keno tax for
 8 the preceding year. This statement must contain any other
 9 relevant information required by the department.

10 (4) The department shall forward the tax collected
 11 under subsection (3) to the treasurer of the county or the
 12 clerk, finance officer, or treasurer of the city or town in
 13 which the licensed game is located for deposit to the county
 14 or municipal treasury. A county is not entitled to proceeds
 15 from taxes on live bingo or keno games located in
 16 incorporated cities and towns within the county. The tax
 17 collected under subsection (3) is statutorily appropriated
 18 to the department, as provided in 17-7-502, for deposit to
 19 the county or municipal treasury."

20 **Section 26.** Section 23-5-412, MCA, is amended to read:

21 "**23-5-412. Card prices and prizes -- exception.** The (1)
 22 Except as provided in subsection (3):

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

1 (b) a prize may not exceed the value of \$100 for each
 2 individual bingo award or keno card;--It; and

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

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

7 (3) A variation of the game of keno, as approved by the
 8 department, in which a player selects three or more numbers
 9 and places a wager on various combinations of these numbers
 10 is permissible if:

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

13 (b) a winning combination does not pay more than \$100.

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

25 **Section 27.** Section 23-5-413, MCA, is amended to read:

1 ~~"23-5-413. Raffle prizes -- permits -- exception. {1}~~
 2 ~~Raffle--prizes--may--not--exceed--the--value--of--\$5,000--for--each~~
 3 ~~individual--raffle--ticket--it--is--unlawful--to--in--any--manner,~~
 4 ~~combine--any--awards--so--as--to--increase--the--ultimate--value--of~~
 5 ~~the--prize--awarded--for--each--ticket.~~

6 ~~{2}{1}~~ (a) Except as provided in subsection
 7 (1)(b), a permit must be issued by the board of county
 8 commissioners for each raffle conducted within its
 9 jurisdiction. The permit must be issued before the raffle
 10 may be conducted. The board of county commissioners may not
 11 charge a permit fee or an investigative fee for a raffle
 12 conducted by a religious corporation sole or nonprofit
 13 organization if the organization presents sufficient
 14 documentation of its nonprofit status.

15 (b) If tickets for a raffle are to be sold in more than
 16 one county, a permit must be obtained only in the county
 17 where the winners of the raffle are to be determined.

18 {2} Except for a religious corporation sole or
 19 nonprofit organization, a person or organization conducting
 20 a raffle shall own all prizes to be awarded as part of the
 21 raffle before the sale of any tickets.

22 {3} A person who has conducted a raffle must submit an
 23 accounting to the board of county commissioners within 30
 24 days following the completion of the raffle.

25 {4} The sale of raffle tickets authorized by this part

1 is restricted to events and participants within the
 2 geographic confines of the state.

3 {5} The value of a prize awarded for an individual
 4 ticket for a raffle conducted by a person or an
 5 organization, other than a religious corporation sole or
 6 nonprofit organization may not exceed \$5,000. The prize may
 7 be in the form of cash, other intangible personal property,
 8 tangible personal property, or real property. Prizes may not
 9 be combined in any manner to increase the ultimate value of
 10 the prize awarded for each ticket.

11 ~~{3}{a} The restrictions of subsection {1} do not apply~~
 12 ~~to a raffle conducted by a nonprofit corporation,~~

13 {6} (a) In addition to complying with the requirements
 14 of subsections (1) through (5), a religious corporation
 15 sole, or other nonprofit organization as defined in 23-5-112
 16 if the corporation or organization is permitted by the board
 17 of county commissioners to conduct the raffle, the board of
 18 county commissioners may not charge a permit fee or an
 19 investigative fee for a raffle conducted by a nonprofit
 20 veterans' organization.

21 ~~{b} The nonprofit organization or corporation seeking~~
 22 ~~permission under subsection {3}{a} shall apply provide the~~
 23 following information to the board of county commissioners
 24 when applying for the a raffle permit and provide the
 25 following information:

- 1 (i) the cost and number of raffle tickets to be sold;
- 2 (ii) the charitable purposes the proceeds of the raffle
- 3 are intended to benefit; and
- 4 (iii) the proposed prizes and their value.

5 ~~(c) A veterans' organization seeking exemption from the~~
 6 ~~permit fee or an investigative fee shall present evidence of~~
 7 ~~the organization's nonprofit status to the board of county~~
 8 ~~commissioners.~~

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

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

24 ~~Section 22, Section 23-5-501, MCA, is amended to read:~~

25 ~~"23-5-501. Definitions. As used in this part, unless~~

1 the context clearly requires otherwise, the following

2 definitions apply:

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

8 ~~(2)(1) "Sports pool" means a gambling enterprise based~~
 9 ~~on a sports event involving natural persons or animals that~~
 10 ~~is conducted on a card divided into squares or spaces, with~~
 11 ~~the names of the participants in the pool written within~~
 12 ~~such squares or spaces, for which consideration in money is~~
 13 ~~paid by the person playing for each arranged in columns and~~
 14 ~~horizontal rows. Each square or space for the represents a~~
 15 ~~chance to win money or other items of value on any sports~~
 16 ~~event wherein the participants in such sports event are~~
 17 ~~natural persons or animals and may be purchased for cash by~~
 18 ~~a participant in the pool. After all squares or spaces are~~
 19 ~~purchased and before the start of the sports event, numbers~~
 20 ~~are randomly assigned to the rows and columns providing a~~
 21 ~~two-number designation for each square or space.~~

22 ~~(2) "Value of a sports pool" means the total amount~~
 23 ~~paid by persons to participate in a sports pool."~~

24 **SECTION 28. SECTION 23-5-501, MCA, IS AMENDED TO READ:**

25 **"23-5-501. Definitions Definition. As used in this**

1 part, unless the context clearly requires otherwise, the
2 following definitions apply:

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

8 (2) "Sports sports pool" means a card divided into
9 squares or spaces, with the names of the participants in the
10 pool written within such squares or spaces, for gambling
11 activity, other than an activity governed under chapter 4 or
12 chapter 5, part 2, of this title in which consideration in a
13 person wagers money is paid by the person playing for each
14 square or space for the chance to win money or other items
15 of value based on any the outcome of a sports event or
16 series of sports events wherein the participants competitors
17 in such the sports event or series of sports events are
18 natural persons or animals."

19 Section 23-5-503, MCA, is amended to read:

20 "23-5-503. Rules. (1) The card used for recording the
21 pool and upon which the squares or spaces appear shall must
22 clearly indicate in advance of the sale of any chances the
23 number of chances to be sold in that specific pool, the name
24 of the event, the consideration to be paid for each chance,
25 and the total amount to be paid to the winners:

1 (2) The name or initials of the participant who
2 purchased a square or space on the sports pool card must be
3 written within the square or space;

4 (3) (3) A chance to participate in a sports pool may not
5 be sold other than upon the premises in which the sports
6 pool is conducted. An individual chance to participate in a
7 sports pool may not be sold for a consideration in excess of
8 \$5, and the total amount to be paid to the winners of
9 any individual sports pool may not exceed the value of \$500
10 and may consist of cash or other items of value. Except as
11 provided in subsection (3) (4), the winner of any sports
12 pool shall receive a 100% payout of the value of the sports
13 pool. An administrative or other fee may not be charged or
14 deducted from the amount paid by the participants for the
15 opportunity to participate in a sports pool;

16 (3) (4) A nonprofit organization that maintains and
17 opens to inspection upon reasonable demand records to verify
18 that the retained portion is used to support charitable
19 activities, scholarships or educational grants, or community
20 service projects may retain up to 50% of the value of a
21 sports pool."

22 **SECTION 29. SECTION 23-5-503, MCA, IS AMENDED TO READ:**

23 "23-5-503. Rules. (1) The card or other device used for
24 recording the sports pool and upon which the squares or
25 spaces appear shall must clearly indicate in advance of the

1 sale of any chances the number of chances to be sold in that
 2 specific pool, the name of the event or series of events,
 3 the consideration to be paid for each chance, and the total
 4 amount or percentage to be paid to the winners.

5 ~~(2) A chance to participate in a sports pool may not be~~
 6 ~~sold other than upon the premises in which the sports pool~~
 7 ~~is conducted. An individual~~ Each chance to participate in a
 8 sports pool may not must be sold for a ~~consideration in~~
 9 ~~excess of~~ the same amount, which may not exceed \$5, and the
 10 total amount to be paid to the all winners of any individual
 11 sports pool may not exceed the value of \$500. Chances for a
 12 series of events may be purchased all at once prior to the
 13 occurrence of the first event.

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

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

23 (4) A person or nonprofit organization conducting a
 24 sports pool may purchase chances to participate in the
 25 sports pool but may not:

- 1 (a) retain any portion of the amount wagered in the
- 2 sports pool, except as provided in subsection (3)(b);
- 3 (b) charge a fee for participating in the sports pool;
- 4 or
- 5 (c) use the sports pool in any manner to establish odds
- 6 or handicaps or to allow betting or booking against the
- 7 person or nonprofit organization conducting the pool."

8 NEW SECTION. SECTION 30. SPORTS POOL DESIGN --
 9 DEPARTMENT RULES. (1) A SPORTS POOL MUST BE DESIGNED TO
 10 ENSURE THAT:

11 (A) THERE IS AT LEAST ONE WINNER FROM AMONG THE
 12 PARTICIPANTS IN THE POOL; AND

13 (B) EACH PARTICIPANT HAS AN EQUAL CHANCE TO WIN THE
 14 POOL.

15 (2) COMPETITORS IN A SPORTS EVENT OR SERIES OF SPORTS
 16 EVENTS MAY BE RANDOMLY ASSIGNED TO EACH PARTICIPANT IN THE
 17 SPORTS POOL OR BE SELECTED BY THE PARTICIPANTS.

18 (3) THE DEPARTMENT SHALL BY RULE DESCRIBE THE TYPES OF
 19 SPORTS POOLS AUTHORIZED BY THIS PART. VARIATIONS IN THE
 20 AUTHORIZED SPORTS POOLS MUST BE SUBMITTED TO THE DEPARTMENT
 21 FOR REVIEW AND APPROVAL BEFORE THEY ARE MADE AVAILABLE FOR
 22 PUBLIC PLAY.

23 SECTION 31. SECTION 23-5-602, MCA, IS AMENDED TO READ:

24 "23-5-602. Definitions. As used in this part, the
 25 following definitions apply:

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

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

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

25 (4) "Keno machine" means an electronic video gambling

1 machine that, upon insertion of cash, is available to play
 2 keno as defined by rules of the department. The machine
 3 utilizes a video display and microprocessors in which, by
 4 the skill of the player, by chance, or both, the player may
 5 receive free games or credits that may be redeemed for cash.
 6 The term does not include a slot machine or a machine that
 7 directly dispenses coins, cash, tokens, or anything else of
 8 value.

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

11 (6) "Video gambling machine manufacturer-distributor"
 12 means a person who assembles, produces, makes, or supplies
 13 video gambling machines or associated equipment for sale,
 14 use, or distribution in the state."

15 **Section 32.** Section 23-5-603, MCA, is amended to read:

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

20 (2) The video gambling machines specifically authorized
 21 by this part are bingo, keno, and draw poker machines. Only
 22 the number of approved machines for which permits have been
 23 granted under 23-5-612 may be made available for play by the
 24 public on the premises of a licensed operator. The
 25 department shall adopt rules allowing a video gambling

1 machine that needs repair to be temporarily replaced while
2 it is being repaired with a video gambling machine that is
3 approved under the permit provisions of this part. A fee may
4 not be charged for the replacement machine.

5 (3) Machines on premises licensed to sell alcoholic
6 beverages for on-premises consumption on-the-premises must
7 be placed:

8 (a) in the a room, area, or other part of the premises
9 in which the alcoholic beverages are PERMITTED TO BE sold
10 and-normally or consumed; and

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

14 **SECTION 33. SECTION 23-5-610, MCA, IS AMENDED TO READ:**

15 "23-5-610. Video gambling machine net gross income tax
16 -- records -- distribution -- quarterly statement and
17 payment. (1) An A licensed operator issued a permit under
18 this part shall pay to the department a video gambling
19 machine tax of 15% of net-machine the gross income from each
20 video gambling machine licensed under this part. A licensed
21 operator may deduct from the gross income amounts equal to
22 amounts stolen from machines or stolen after being taken out
23 of machines if the amounts are not repaid by insurance and
24 if a law enforcement agency investigated the theft.

25 (2) An A licensed operator issued a permit under this

1 part shall keep a record of net-machine the gross income
2 from each machine in such form as the department may
3 require. The records must at all times during the business
4 hours of the licensee be subject to inspection by the
5 department.

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

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

16 (b) The department shall forward the remaining
17 two-thirds of the tax collected under subsection (3) to the
18 treasurer of the county or the clerk, finance officer, or
19 treasurer of the city or town in which the licensed machine
20 is located, for deposit to the county or municipal treasury.
21 Counties are not entitled to proceeds from taxes on income
22 from video gambling machines located in incorporated cities
23 and towns. The two-thirds local government portion of tax
24 collected under subsection (3) is statutorily appropriated
25 to the department as provided in 17-7-502 for deposit to the

1 county or municipal treasury."

2 **Section 34.** Section 23-5-611, MCA, is amended to read:

3 **"23-5-611. Machine permit qualifications --**
4 **limitations.** (1) (a) A person who has been granted an
5 operator's license under 23-5-177 and a license to sell
6 alcoholic beverages for consumption on the premises may be
7 granted a permit for the placement of video gambling
8 machines in his premises.

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

20 (c) A person who legally operated an establishment on
21 January 15, 1989, for the principal purpose of gaming and
22 has been granted an operator's license under 23-5-177 may be
23 granted a permit for the placement of bingo and keno
24 machines in his premises, subject to the provisions of
25 subsection (1)(d).

1 (d) The department may issue an annual permit under
2 subsection (1)(b) or (1)(c) if at the time of application
3 for the permit:

4 (i) the person has continuously operated the video
5 gambling machine on the premises since January 15, 1989; and
6 (ii) the natural persons who together hold a majority
7 financial interest in the business operated on the premises
8 are the same as on January 15, 1989.

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

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

17 **SECTION 35. SECTION 23-5-612, MCA, IS AMENDED TO READ:**

18 **"23-5-612. Machine permits -- fee.** (1) The department,
19 upon payment of the fee provided in subsection (2) and in
20 conformance with rules adopted under this part, shall issue
21 to the operator a an annual permit for an approved video
22 gambling machine.

23 (2) The department shall charge an annual permit fee of
24 \$200 for each video gambling machine permit. The fee must be
25 prorated on a quarterly basis but may not be prorated to

1 allow a permit to expire before June 30. The department may
2 not grant a refund if the video gambling machine ceases
3 operation before the permit expires.

4 (3) The department shall retain \$100 50% of the total
5 permit fee collected under subsection (2) for purposes of
6 administering this part. The remaining-\$100 balance must be
7 returned on a quarterly basis to the local government
8 jurisdiction in which the gambling machine is located. The
9 local government portion of the fee is statutorily
10 appropriated to the department, as provided in 17-7-502, for
11 deposit in the local government treasury.

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

14 ~~(4) A used keno machine may be licensed under~~
15 ~~subsection (1) without meeting the requirements of 23-5-609~~
16 ~~as that section read on September 30, 1989, if the~~
17 ~~applicant for licensure can establish to the satisfaction of~~
18 ~~the department that, on the date of application, he owns or~~
19 ~~possesses a machine that was owned or operated in the state~~
20 ~~prior to June 30, 1987. A license issued under this~~
21 ~~subsection expires for all purposes no later than June 30,~~
22 ~~1989."~~

23 **Section 36.** Section 23-5-621, MCA, is amended to read:
24 "23-5-621. Video gambling machine specifications --
25 rules. (1) The department shall adopt rules describing the

1 video gambling machines authorized by this part and stating
2 the specifications for video gambling machines authorized by
3 this part. ~~The specifications in the rules must~~
4 ~~substantially follow the specifications contained in~~
5 ~~23-5-606 and 23-5-609 as those sections read on September~~
6 ~~30, 1989. Rules adopted by the department must provide, at a~~
7 minimum, that a video gambling machine must:

8 (a) use a random selection process to determine the
9 outcome of each game;

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

11 (c) be permitted to contain a mechanism that accepts
12 cash in the form of bills not to exceed \$5;

13 (d) prevent access to the inside of the machine except
14 through locks;

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

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

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

25 (h) use a surge protector;

1 (i) issue, by activation of an external switch, an
 2 accounting ticket containing a performance synopsis of the
 3 machine;

4 (j) have nonvolatile memory storage for all required
 5 accounting ticket information; and

6 (k) exhibit total immunity to human body electrostatic
 7 discharges.

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

12 **Section 37.** Section 23-5-625, MCA, is amended to read:

13 **"23-5-625. Video gambling machine**
 14 **manufacturer-distributor -- license -- fees. (1)†(a) Except**
 15 **as provided in subsections (2) and (3), it is unlawful for**
 16 **any person to assemble, produce, manufacture, or supply any**
 17 **video gambling machine or associated equipment for use or**
 18 **play in the state without having first been issued a video**
 19 **gambling machine manufacturer-distributor's license by the**
 20 **department. A licensed manufacturer-distributor may supply a**
 21 **video gambling machine only to another licensed**
 22 **manufacturer-distributor or a licensed operator.**

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

1 †3)†(c) In addition to other license fees, the
 2 department may charge the applicant a one-time video
 3 gambling machine manufacturer-distributor's license
 4 application processing fee. The processing fee may not
 5 exceed the department's actual costs for processing an
 6 application.

7 †4)†(d) All video gambling machine
 8 manufacturer-distributor's licenses expire on June 30 of
 9 each year, and the license fee may not be prorated.

10 †5)†(e) The department shall retain the license and
 11 processing fees collected for purposes of administering this
 12 part, unless otherwise provided.

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

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

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

20 (3) A lienholder who acquires title to video gambling
 21 machines through a foreclosure action involving a licensed
 22 operator or manufacturer-distributor may sell the machines
 23 to a licensed operator or licensed
 24 manufacturer-distributor."

25 **Section 38.** Section 23-5-631, MCA, is amended to read:

1 **"23-5-631. Examination and approval of new video**
 2 **gambling machines and associated equipment -- fee.** (1) The
 3 department shall examine and may approve a new video
 4 gambling machine and associated equipment which are
 5 manufactured, sold, or distributed for use in the state
 6 before the video gambling machine or associated equipment is
 7 sold, played, or used.

8 (2) A video gambling machine or associated equipment
 9 may not be examined or approved by the department until the
 10 video gambling machine manufacturer-distributor is licensed
 11 as required in 23-5-625.

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

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

23 (5) Payments received under subsection (4) are
 24 statutorily appropriated to the department, as provided in
 25 17-7-502, to defray the costs of examining and approving

1 video gambling machines and associated equipment and to
 2 issue refunds for overpayments.

3 ~~(5)~~(6) The department may inspect and test and approve,
 4 disapprove, or place a condition upon a video gambling
 5 machine prior to its distribution and placement for play by
 6 the public."

7 **Section 39.** Section 17-7-502, MCA, is amended to read:

8 **"17-7-502. Statutory appropriations -- definition --**
 9 **requisites for validity.** (1) A statutory appropriation is an
 10 appropriation made by permanent law that authorizes spending
 11 by a state agency without the need for a biennial
 12 legislative appropriation or budget amendment.

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

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

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

21 (3) The following laws are the only laws containing
 22 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
 23 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
 24 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;
 25 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;

1 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;
 2 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;
 3 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;
 4 20-9-361; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
 5 23-5-631; 23-5-1016; 23-5-1027; 27-12-206; 37-51-501;
 6 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121;
 7 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123;
 8 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215;
 9 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No.
 10 861, Laws of 1985.

11 (4) There is a statutory appropriation to pay the
 12 principal, interest, premiums, and costs of issuing, paying,
 13 and securing all bonds, notes, or other obligations, as due,
 14 that have been authorized and issued pursuant to the laws of
 15 Montana. Agencies that have entered into agreements
 16 authorized by the laws of Montana to pay the state
 17 treasurer, for deposit in accordance with 17-2-101 through
 18 17-2-107, as determined by the state treasurer, an amount
 19 sufficient to pay the principal and interest as due on the
 20 bonds or notes have statutory appropriation authority for
 21 such payments. (In subsection (3), pursuant to sec. 10, Ch.
 22 664, L. 1987, the inclusion of 39-71-2504 terminates June
 23 30, 1991.)"

24 **Section 40.** Section 41-5-203, MCA, is amended to read:
 25 "41-5-203. Jurisdiction of the court. (1) Except as

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

9 (2) Justice, municipal, and city courts have concurrent
 10 jurisdiction with the youth court over all alcoholic
 11 beverage and gambling violations alleged to have been
 12 committed by a youth."

13 NEW SECTION. SECTION 41. DEFINITIONS. UNLESS THE
 14 CONTEXT REQUIRES OTHERWISE, THE FOLLOWING DEFINITIONS APPLY
 15 TO [SECTIONS 41 THROUGH 47]:

16 (1) "CASINO NIGHT" MEANS A FUNDRAISING EVENT DURING
 17 WHICH WAGERS MAY BE MADE IN GAMBLING ACTIVITIES AUTHORIZED
 18 IN [SECTION 42] THROUGH THE USE OF IMITATION MONEY.

19 (2) "NONPROFIT ORGANIZATION" MEANS A NONPROFIT
 20 CORPORATION OR NONPROFIT CHARITABLE, RELIGIOUS, SCHOLASTIC,
 21 EDUCATIONAL, VETERANS', FRATERNAL, BENEFICIAL, CIVIC, SENIOR
 22 CITIZENS', OR SERVICE ORGANIZATION ESTABLISHED FOR PURPOSES
 23 OTHER THAN TO CONDUCT A GAMBLING ACTIVITY.

24 NEW SECTION. SECTION 42. CASINO NIGHTS AUTHORIZED. (1)
 25 NONPROFIT ORGANIZATIONS MAY CONDUCT OR PARTICIPATE IN A

1 CASINO NIGHT.
 2 (2) THE FOLLOWING GAMBLING ACTIVITIES MAY BE CONDUCTED
 3 DURING A CASINO NIGHT:
 4 (A) LIVE CARD GAMES AUTHORIZED UNDER 23-5-311;
 5 (B) LIVE BINGO AND KENO GAMES; AND
 6 (C) RAFFLES.
 7 NEW SECTION. SECTION 43. APPLICATION FOR PERMIT. (1) A
 8 NONPROFIT ORGANIZATION MAY APPLY TO THE DEPARTMENT FOR A
 9 CASINO NIGHT PERMIT ON A FORM PRESCRIBED AND FURNISHED BY
 10 THE DEPARTMENT. THE APPLICATION MUST BE ACCOMPANIED BY A FEE
 11 OF \$25.
 12 (2) THE APPLICATION MUST INCLUDE:
 13 (A) THE NAME AND ADDRESS OF THE APPLICANT;
 14 (B) THE NAME AND ADDRESS OF THE APPLICANT'S OFFICERS;
 15 (C) THE LOCATION, DATE, AND TIME AT WHICH THE APPLICANT
 16 WILL CONDUCT THE CASINO NIGHT;
 17 (D) SUFFICIENT EVIDENCE CONCERNING THE STRUCTURE AND
 18 OPERATION OF THE ORGANIZATION TO ENABLE THE DEPARTMENT TO
 19 DETERMINE WHETHER THE APPLICANT IS A NONPROFIT ORGANIZATION;
 20 AND
 21 (E) OTHER RELEVANT INFORMATION REQUESTED BY THE
 22 DEPARTMENT.
 23 NEW SECTION. SECTION 44. ISSUANCE OF PERMIT --
 24 DISPOSITION OF FEE. (1) AFTER REVIEW OF AN APPLICATION
 25 SUBMITTED UNDER [SECTION 43], THE DEPARTMENT MAY ISSUE TO

1 THE APPLICANT A CASINO NIGHT PERMIT. ONLY ONE PERMIT MAY BE
 2 ISSUED TO THE APPLICANT EACH YEAR. THE PERMIT IS VALID FOR
 3 ONLY ONE LOCATION AND IS NOT ASSIGNABLE OR TRANSFERABLE.
 4 (2) THE DEPARTMENT SHALL RETAIN THE FEE PROVIDED FOR IN
 5 [SECTION 43] FOR ADMINISTRATIVE PURPOSES.
 6 NEW SECTION. SECTION 45. REQUIREMENTS FOR CONDUCTING
 7 CASINO NIGHTS. A NONPROFIT ORGANIZATION THAT HAS OBTAINED A
 8 PERMIT UNDER [SECTION 44] SHALL CONDUCT A CASINO NIGHT IN
 9 COMPLIANCE WITH THE FOLLOWING CONDITIONS:
 10 (1) THE CASINO NIGHT MAY NOT LAST MORE THAN 12
 11 CONSECUTIVE HOURS.
 12 (2) THE CASINO NIGHT MUST BE MANAGED AND OPERATED ONLY
 13 BY MEMBERS OF THE NONPROFIT ORGANIZATION THAT WAS ISSUED THE
 14 PERMIT UNDER [SECTION 44]. THE MEMBERS MAY NOT BE
 15 COMPENSATED FOR THEIR SERVICES.
 16 (3) ONLY MERCHANDISE MAY BE AWARDED AS PRIZES.
 17 (4) PROCEEDS DERIVED FROM THE CASINO NIGHT, AFTER
 18 PAYMENT OF REASONABLE ADMINISTRATIVE EXPENSES, MAY BE USED
 19 ONLY FOR A CIVIC, CHARITABLE, OR EDUCATIONAL PURPOSE, AND
 20 ADMINISTRATIVE EXPENSES MAY NOT EXCEED 50% OF THE PROCEEDS.
 21 NEW SECTION. SECTION 46. NONAPPLICABILITY OF CERTAIN
 22 GAMBLING LAWS. THE PROVISIONS OF PARTS 3 AND 4 OF THIS
 23 CHAPTER DO NOT APPLY TO LIVE CARD GAMES, LIVE BINGO OR KENO
 24 GAMES, OR RAFFLES CONDUCTED DURING A CASINO NIGHT.
 25 NEW SECTION. SECTION 47. RULES. THE DEPARTMENT SHALL

1 ADOPT RULES TO ADMINISTER [SECTIONS 41 THROUGH 46]. AT A
 2 MINIMUM, THE RULES MUST ADDRESS APPLICATION PROCEDURES AND
 3 PLAY OF THE GAMES DURING A CASINO NIGHT.

4 NEW SECTION. SECTION 48. FANTASY SPORTS LEAGUES
 5 DEFINED. AS USED IN [SECTIONS 48 THROUGH 52], A "FANTASY
 6 SPORTS LEAGUE" MEANS A GAMBLING ACTIVITY CONDUCTED IN THE
 7 FOLLOWING MANNER:

8 (1) A FANTASY SPORTS LEAGUE CONSISTS OF A LIMITED
 9 NUMBER OF PERSONS OR GROUPS OF PERSONS WHO PAY AN ENTRANCE
 10 FEE FOR MEMBERSHIP IN THE LEAGUE. THE ENTRANCE FEE MAY
 11 INCLUDE AN ADMINISTRATIVE FEE.

12 (2) EACH LEAGUE MEMBER CREATES A FICTITIOUS TEAM
 13 COMPOSED OF ATHLETES FROM A GIVEN PROFESSIONAL SPORT, SUCH
 14 AS BASEBALL, BASKETBALL, OR FOOTBALL. PLAYER SELECTION IS
 15 CONDUCTED THROUGH RANDOM DRAWINGS OR A BIDDING PROCESS.

16 (3) AFTER THE INITIAL TEAMS ARE SELECTED, INTERIM
 17 REPLACEMENT OF PLAYERS MAY OCCUR BY TRADE OR PURCHASE. A
 18 SPECIFIC FEE, WHICH MAY NOT EXCEED THE TOTAL ENTRANCE FEE,
 19 IS CHARGED FOR EACH TRANSACTION.

20 (4) A METHOD, AS DEFINED BY LEAGUE RULES, IS DEvised TO
 21 PERMIT EACH TEAM TO COMPETE AGAINST OTHER TEAMS IN THE
 22 LEAGUE. POINTS ARE AWARDED TO A TEAM ACCORDING TO THE
 23 PERFORMANCE OF INDIVIDUAL PLAYERS OR TEAMS OR BOTH DURING A
 24 DESIGNATED TIME PERIOD.

25 (5) A MEMBER MAY BE ELIGIBLE TO RECEIVE A PAYOUT BASED

1 ON THE NUMBER OF POINTS ACCUMULATED. PAYOUTS, WHICH MAY BE
 2 IN THE FORM OF CASH OR PRIZES, ARE AWARDED ACCORDING TO
 3 LEAGUE RULES.

4 (6) RULES GOVERNING THE CONDUCT OF THE FANTASY SPORTS
 5 LEAGUE MUST BE PROVIDED IN WRITING TO EACH MEMBER.

6 NEW SECTION. SECTION 49. FANTASY SPORTS LEAGUES
 7 AUTHORIZED. IT IS LAWFUL TO CONDUCT OR PARTICIPATE IN A
 8 FANTASY SPORTS LEAGUE.

9 NEW SECTION. SECTION 50. PAYOUTS -- ADMINISTRATIVE
 10 FEEs CHARGED BY COMMERCIAL ESTABLISHMENTS. (1) THE TOTAL
 11 VALUE OF PAYOUTS TO ALL LEAGUE MEMBERS MUST EQUAL THE AMOUNT
 12 COLLECTED FOR ENTRANCE, ADMINISTRATIVE, AND TRANSACTIONS
 13 FEEs, MINUS PAYMENT FOR ADMINISTRATIVE EXPENSES.

14 (2) IF A COMMERCIAL ESTABLISHMENT CHARGES AN
 15 ADMINISTRATIVE FEE FOR CONDUCTING A FANTASY SPORTS LEAGUE,
 16 THE FEE FOR EACH PARTICIPANT MAY NOT BE MORE THAN 15% OF THE
 17 AMOUNT CHARGED AS A PARTICIPANT'S ENTRANCE FEE.

18 NEW SECTION. SECTION 51. SPORTS BETTING PROHIBITED --
 19 APPLICABILITY. [SECTIONS 48 THROUGH 52] DO NOT:

20 (1) AUTHORIZE BETTING OR WAGERING ON THE OUTCOME OF AN
 21 INDIVIDUAL SPORTS EVENT; OR

22 (2) APPLY TO GAMBLING ACTIVITIES GOVERNED UNDER CHAPTER
 23 4 OR CHAPTER 5, PART 2 OR 5, OF THIS TITLE.

24 NEW SECTION. SECTION 52. VIOLATIONS. A PERSON WHO
 25 PURPOSELY OR KNOWINGLY VIOLATES OR PROCURES, AIDS, OR ABETS

1 IN A VIOLATION OF [SECTIONS 48 THROUGH 52] IS GUILTY OF A
 2 MISDEMEANOR PUNISHABLE UNDER 23-5-161.

3 NEW SECTION. SECTION 53. TRANSFER OF OWNERSHIP
 4 INTEREST. A LICENSED OPERATOR SHALL NOTIFY THE DEPARTMENT IN
 5 WRITING BEFORE TRANSFERRING ANY OWNERSHIP INTEREST IN HIS
 6 PREMISES.

7 NEW SECTION. SECTION 54. CARD ROOM CONTRACTOR'S
 8 LICENSE -- FEE -- SUBMISSION OF CONTRACT. (1) IT IS A
 9 MISDEMEANOR FOR A PERSON TO ENTER INTO A CONTRACT WITH A
 10 LICENSED OPERATOR TO OPERATE ONE OR MORE LIVE CARD GAME
 11 TABLES ON THE OPERATOR'S PREMISES WITHOUT OBTAINING A CARD
 12 ROOM CONTRACTOR'S LICENSE FROM THE DEPARTMENT.

13 (2) THE DEPARTMENT SHALL CHARGE AN ANNUAL LICENSE FEE
 14 OF \$150 FOR ISSUING OR RENEWING A CARD ROOM CONTRACTOR'S
 15 LICENSE. THE DEPARTMENT SHALL RETAIN THE FEE FOR
 16 ADMINISTRATIVE PURPOSES.

17 (3) THE APPLICANT SHALL SUBMIT AT THE TIME OF
 18 APPLICATION FOR A CARD ROOM CONTRACTOR'S LICENSE A COPY OF
 19 THE AGREEMENT ENTERED INTO WITH THE LICENSED OPERATOR.

20 NEW SECTION. SECTION 55. MANUFACTURER'S LICENSE FOR
 21 ELECTRONIC BINGO OR KENO EQUIPMENT -- LICENSE AND PROCESSING
 22 FEES. (1) A PERSON MAY NOT ASSEMBLE, PRODUCE, MANUFACTURE,
 23 OR SUPPLY ELECTRONIC EQUIPMENT FOR USE IN CONDUCTING LIVE
 24 BINGO OR KENO GAMES IN THIS STATE WITHOUT OBTAINING AN
 25 ANNUAL MANUFACTURER'S LICENSE FROM THE DEPARTMENT.

1 (2) THE DEPARTMENT SHALL CHARGE AN ANNUAL LICENSE FEE
 2 OF \$1,000 FOR ISSUING OR RENEWING A MANUFACTURER'S LICENSE.

3 (3) A MANUFACTURER'S LICENSE EXPIRES JUNE 30 OF EACH
 4 YEAR, AND THE LICENSE FEE MAY NOT BE PRORATED.

5 (4) IN ADDITION TO THE LICENSE FEE PROVIDED FOR IN
 6 SUBSECTION (2), THE DEPARTMENT MAY CHARGE A ONE-TIME
 7 MANUFACTURER'S APPLICATION FEE TO COVER THE ACTUAL COST OF
 8 PROCESSING THE ORIGINAL LICENSE. THE DEPARTMENT SHALL REFUND
 9 AN OVERPAYMENT OR CHARGE AND COLLECT AN AMOUNT SUFFICIENT TO
 10 REIMBURSE THE DEPARTMENT FOR UNDERPAYMENT OF ACTUAL COSTS.

11 (5) THE DEPARTMENT SHALL RETAIN FOR ADMINISTRATIVE
 12 PURPOSES THE LICENSE AND PROCESSING FEES COLLECTED UNDER
 13 THIS SECTION.

14 NEW SECTION. SECTION 56. EXAMINATION AND APPROVAL OF
 15 ELECTRONIC BINGO AND KENO EQUIPMENT -- FEE. (1) A LICENSED
 16 MANUFACTURER SHALL SUBMIT TO THE DEPARTMENT FOR EXAMINATION
 17 A PROTOTYPE OF ANY ELECTRONIC EQUIPMENT INTENDED FOR USE IN
 18 CONDUCTING LIVE BINGO OR KENO GAMES BEFORE THE EQUIPMENT IS
 19 USED IN THE STATE.

20 (2) BEFORE THE EQUIPMENT IS EXAMINED, THE MANUFACTURER
 21 SHALL PAY THE ANTICIPATED EXAMINATION COSTS AS DETERMINED BY
 22 THE DEPARTMENT. THE DEPARTMENT SHALL REFUND AN OVERPAYMENT
 23 OR CHARGE AND COLLECT AN AMOUNT SUFFICIENT TO REIMBURSE THE
 24 DEPARTMENT FOR UNDERPAYMENT OF ACTUAL COSTS.

25 (3) UPON COMPLETION OF THE EXAMINATION, THE DEPARTMENT

1 MAY APPROVE, DISAPPROVE, OR PLACE A CONDITION UPON USE OF
 2 THE EQUIPMENT BEFORE IT IS MADE AVAILABLE FOR USE IN
 3 CONDUCTING LIVE BINGO OR KENO GAMES.

4 NEW SECTION. SECTION 57. ELECTRONIC LIVE BINGO AND
 5 KENO EQUIPMENT SPECIFICATIONS -- RULES. THE DEPARTMENT SHALL
 6 ADOPT RULES DESCRIBING ELECTRONIC LIVE BINGO AND KENO
 7 EQUIPMENT THAT MAY BE APPROVED UNDER [SECTION 56]. AT A
 8 MINIMUM, THE RULES MUST PROVIDE THAT THE EQUIPMENT USE A
 9 RANDOM SELECTION PROCESS TO DETERMINE THE OUTCOME OF EACH
 10 GAME.

11 NEW SECTION. SECTION 58. INSPECTION OF PREMISES,
 12 RECORDS, AND DEVICES. THE DEPARTMENT OR A LOCAL LAW
 13 ENFORCEMENT OFFICIAL MAY INSPECT AT ANY TIME DURING NORMAL
 14 BUSINESS HOURS A PREMISES, AS DEFINED IN 23-5-112, OR A
 15 FACILITY WHERE GAMBLING DEVICES ARE MANUFACTURED OR
 16 DISTRIBUTED. THE INSPECTION MAY INCLUDE THE EXAMINATION OF
 17 RECORDS, EQUIPMENT, AND PROCEEDS RELATED TO THE OPERATION OF
 18 A GAMBLING ACTIVITY OR TO THE MANUFACTURE OR DISTRIBUTION OF
 19 A GAMBLING DEVICE.

20 NEW SECTION. Section 59. Codification instruction. (1)
 21 [Sections 13--and 16, 17, 23, 30, AND 53 THROUGH 58] are
 22 intended to be codified as an integral part of Title 23,
 23 chapter 5, parts 1 through 6, and the provisions of Title
 24 23, chapter 5, parts 1 through 6, apply to [sections 13--and
 25 16, 17, 23, 30, AND 53 THROUGH 58].

1 (2) [SECTIONS 41 THROUGH 47] ARE INTENDED TO BE
 2 CODIFIED AS A SEPARATE PART OF TITLE 23, CHAPTER 5. THE
 3 PROVISIONS OF TITLE 23, CHAPTER 5, PART 1, APPLY TO
 4 [SECTIONS 41 THROUGH 47].

5 (3) [SECTIONS 48 THROUGH 52] ARE INTENDED TO BE
 6 CODIFIED AS AN INTEGRAL PART OF TITLE 23, CHAPTER 5, PARTS 1
 7 THROUGH 6, AND THE PROVISIONS OF TITLE 23, CHAPTER 5, PARTS
 8 1 THROUGH 6, APPLY TO [SECTIONS 48 THROUGH 52].

9 NEW SECTION. SECTION 60. EFFECTIVE DATE --
 10 TERMINATION. (1) [SECTIONS 18 THROUGH 23, 28 THROUGH 30, AND
 11 THIS SECTION] ARE EFFECTIVE ON PASSAGE AND APPROVAL.

12 (2) EXCEPT FOR THE FIRST SENTENCE OF SUBSECTION (4) OF
 13 23-5-177, THAT SUBSECTION TERMINATES [5 YEARS AFTER THE
 14 EFFECTIVE DATE OF THIS ACT].

-End-