

SENATE BILL 208

Introduced by Nathe, et al.

1/26	Introduced
1/28	Referred to Judiciary
1/28	First Reading
1/28	Fiscal Note Requested
2/04	Fiscal Note Received
2/05	Fiscal Note Printed
2/11	Hearing
2/12	Committee Report--Bill Not Passed
2/12	Adverse Committee Report Adopted
2/13	Motion Failed to Reconsider Adoption of Adverse Committee Report

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Senate BILL NO. *208*

INTRODUCED BY *NATHAN* *McClure* *Bob* *Pipinet* *Frank* *Trout* *James* *Smith*

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING PUBLIC PLAY OF AND REGULATING THE CARD GAME KNOWN AS TWENTY-ONE; AMENDING SECTION 23-5-311, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Twenty-one card game tables --

permits -- fees. (1) A person who has been granted an operator's license under 23-5-177 and a license to sell alcoholic beverages for consumption on the premises may be granted an annual permit for the placement on the premises of a maximum of five twenty-one card game tables. Each table may be used to play only one twenty-one card game.

(2) The annual fee per table is:

- (a) \$1,000 for the first table;
- (b) \$2,500 for the second table;
- (c) \$3,000 for the third table;
- (d) \$4,000 for the fourth table; and
- (e) \$5,000 for the fifth table.

(3) The permit and fee period is July 1 through the following June 30, and the fee may not be prorated.

NEW SECTION. Section 2. Disposition of permit fees.

The department may retain the first \$250 of the permit fee

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for each twenty-one card game table for purposes of administering and enforcing the provisions of [sections 1 through 5]. The remainder of the fee for each table must be distributed by the department on a quarterly basis as follows:

(1) Seventy-five percent must be distributed to the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in which the table is located for deposit in the county or municipal treasury. A county is not entitled to proceeds from fees on tables located in incorporated cities and towns within the county.

(2) Fifteen percent must be distributed to the state special revenue fund account credited to the department of commerce as provided in 15-65-121. The department of commerce shall distribute the money equally among the regional nonprofit tourism corporations provided for in Title 15, chapter 65, part 1. Permit fee proceeds may not be distributed to a tourism corporation that has not submitted an annual marketing plan to and received approval of the plan from the tourism advisory council established in 2-15-1816. Permit fee proceeds not distributed because of failure to submit or gain approval of a plan must be equally distributed to the other tourism corporations. A tourism corporation may not spend more than 20% of the permit fee proceeds for administrative purposes.



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1 (3) There is created an account in the state special
2 revenue fund. The remaining 10% of the permit fee proceeds
3 must be deposited in that account. The advisory council on
4 aging appointed under 2-15-231 shall request legislation in
5 each regular session of the legislature appropriating the
6 money in the account to programs for the aged.

7 NEW SECTION. **Section 3. Regulation of play.** (1)
8 Twenty-one is a card game played with a standard deck of
9 cards by a maximum of seven players and a licensed dealer
10 employed by the licensed operator. Each player plays against
11 the dealer. In each game, the dealer shall play the same
12 hand against each player. The object of the game is to
13 obtain a higher total card count than the opponent without
14 exceeding 21. All bets must be in chips purchased from the
15 house, and the house shall redeem chips on request. Money
16 may not be on a table at any time. The maximum initial bet
17 on a hand is \$10. A person may not play more than two hands
18 per game, except when a player, in an establishment that
19 allows it, decides to split a pair. A person may not bet on
20 a hand he is not playing. Cards must be dealt by the dealer
21 from a device, commonly known as a shoe, that holds from two
22 to five shuffled decks of cards. The dealer shall continue
23 to take cards until his hand totals 17 or more, after which
24 he may not take more cards. A dealer or player whose hand
25 totals more than 21 upon receiving a card shall immediately

1 fold and loses the game. A person immediately wins if he
2 obtains a count of 21 with two cards, unless his opponent
3 also has a count of 21 with two cards. If the dealer and a
4 player tie, neither wins.

5 (2) A twenty-one card game table must be closed for
6 play between the hours of 2 a.m. and 8 a.m. each day, unless
7 a local government adopts an ordinance allowing play between
8 those hours.

9 NEW SECTION. **Section 4. Game rules.** Rules contained in
10 [section 3], department rules, and house rules (which must
11 not conflict with rules in [section 3] or department rules)
12 stating how the game must be played must be posted in a
13 conspicuous location near and within the view of each table
14 and must be easily readable. At his option, each licensed
15 operator may adopt a house rule that allows a player to:

16 (1) split a pair upon declaring he is doing so, playing
17 two hands, allocating his initial wager to one hand, and
18 allocating to the other hand chips equal to the initial
19 wager;

20 (2) double his bet on a hand if he has a two card count
21 of ten or eleven and declares prior to taking another card
22 that he is doubling his bet and bets chips equal to his
23 initial bet. The player may receive only one more card.

24 (3) an immediate win if he takes a fifth card that
25 results in a total of 21 or less, even if the dealer's total

1 is higher than the player's.

2 NEW SECTION. Section 5. Twenty-one dealer's license. A
3 person may not deal cards in a twenty-one game unless he has
4 a live card game license issued under 23-5-308.

5 **Section 6.** Section 23-5-311, MCA, is amended to read:

6 "23-5-311. Authorized card games. (1) The card games
7 authorized by this part are and are limited to the card
8 games known as bridge, cribbage, hearts, panguingue,
9 pinochle, pitch, poker, rummy, solo, and whist.

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

14 (3) This part does not apply to games simulated on
15 electronic video gambling machines authorized under part 6
16 of this chapter or to a game played under [sections 1
17 through 5]."

18 NEW SECTION. Section 7. Codification -- code
19 commissioner instruction. (1) [Sections 1 through 5] are
20 intended to be codified as an integral part of Title 23,
21 chapter 5, and as a separate part in chapter 5, and the
22 provisions of Title 23, chapter 5, part 1, apply to
23 [sections 1 through 5].

24 (2) The code commissioner shall recodify part 10 of
25 Title 23, chapter 5, as a new chapter in Title 23. Internal

1 references contained in the Montana Code Annotated and in
2 any act of the 52nd legislature must be changed by the code
3 commissioner if necessary to retain their original meaning.
4 NEW SECTION. Section 8. Effective date. [This act] is
5 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SBO208, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The bill would allow public play and regulation of the card game known as twenty-one.

ASSUMPTIONS:

Department of Justice

1. There will be 200 operators statewide offering twenty-one games in their establishment, with an average of 3 twenty-one game tables per operator. Estimated annual permit revenue will be \$6,500 per operator, or \$1,300,000 per year.
2. There will be 1,500 new dealers (average of 2.50 per table) licensed to deal cards in twenty-one games. The annual license revenue will be \$75 per dealer during FY92 and \$25 per dealer during FY93.
3. For regulatory purposes, it is estimated that the Gambling Control Division will need 1.00 additional FTE for each 35 tables licensed, for a total of 17.00 FTE. These would include 10.00 FTE Grade 16 investigators, 0.50 FTE Grade 15 information specialist, 1.00 FTE Grade 14 revenue agent, and 5.50 FTE support staff. Employee benefits for these positions are calculated at 22%. Operating expenses are estimated to be 30% of total personal services during the FY92 start-up year and 25% of personal services during FY93.
4. Current law is represented by the executive base budget for the Gambling Control Division of the Department of Justice.
5. The annual difference between increased regulatory expenditures and the twenty-one table permit fees would be funded by the gambling license fee account. However, the difference could be funded by general fund if the gambling license fee balance was insufficient.

Governor's Office

6. It is assumed that the new state special revenue account which will receive 10% of the permit fee proceeds will be accounted for through the Governor's Office, with appropriation requests for use of the fees coordinated by the Governor's Advisory Council on Aging. The Governor's Advisory Council on Aging and the Governor's Coordinator of Aging are budgeted in the Governor's Office Executive Program; however, the Advisory Council on Aging may recommend that appropriations from this account be assigned to the Department of Family Services or another agency. It is also assumed that these funds will be distributed to local aging service agencies in the form of grants.
7. Current law expenditures and funding are represented by the executive budget base for the Executive Office Program in the Governor's Office although, as noted above, the expenditures may be appropriated in the Department of Family Services.

Department of Commerce

8. Permit fee proceeds distributed to tourism regions will fund approximately 60 projects. Additional administrative costs may be incurred as a result of the additional projects consisting of a partial FTE or contracted services. However, this bill does not provide funding for administrative costs for the Department of Commerce.

Fiscal Impact:

see next page

ROD SUNDTED, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE

DENNIS G. NATHE, PRIMARY SPONSOR

DATE

Fiscal Note for SBO208, as introduced

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FISCAL IMPACT:

Department of Justice-Gambling Control Division:

	FY 92			FY 93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
FTE	31.00	48.00	17.00	31.00	48.00	17.00
Personal Services	961,475	1,457,575	496,100	960,061	1,482,661	522,600
Operating Costs	398,343	547,143	148,800	399,922	530,522	130,600
Equipment	91,022	437,022	346,000	90,375	90,375	0
Transfers	0	287,500	287,500	0	287,500	287,500
Local Assistance-21 fees	0	862,500	862,500	0	862,500	862,500
Total	1,450,840	3,591,740	2,140,900	1,450,358	3,253,558	1,803,200
<u>Funding:</u>						
21 Table Fees (02)	0	1,300,000	1,300,000	0	1,300,000	1,300,000
21 Dealer Licenses (02)	0	112,500	112,500	0	37,500	37,500
Gambling License Fee (02)	1,450,840	2,179,240	728,400	1,450,358	1,916,058	465,700
Total	1,450,840	3,591,740	2,140,900	1,450,358	3,253,558	1,803,200
<u>Revenues:</u>						
21 Table Fees (02)	0	1,300,000	1,300,000	0	1,300,000	1,300,000
21 Dealer Licenses (02)	0	112,500	112,500	0	37,500	37,500
Total	0	1,412,500	1,412,500	0	1,337,500	1,337,500
<u>Net Impact:</u>						
Gambling Lic. Fees Account			(728,400)			(465,700)

Governor's Office-Executive Office:

<u>Expenditures:</u>						
Grants to Local Agencies	0	115,000	115,000	0	115,000	115,000
<u>Funding:</u>						
21 Fee Transfer/Aging (02)	0	115,000	115,000	0	115,000	115,000

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Department of Commerce:

	<u>FY 92</u>			<u>FY 93</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
Grants to Tourism Regions	0	172,500	172,500	0	172,500	172,500
<u>Funding:</u>						
21 Fee Transfer/Tourism (02)	0	172,500	172,500	0	172,500	172,500

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Cities and counties will receive approximately \$862,500 for each year of the 1993 biennium from "21" card table fees. Approved regional nonprofit tourism corporations will receive about \$172,500 for each year of the 1993 biennium from "21" fees.

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