

SENATE BILL NO. 427

INTRODUCED BY GAGE, B. BROWN
BY REQUEST OF THE DEPARTMENT OF JUSTICE

IN THE SENATE

FEBRUARY 18, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON JUDICIARY.

 FIRST READING.

APRIL 3, 1991 COMMITTEE RECOMMEND BILL
 DO PASS AS AMENDED. REPORT ADOPTED.

APRIL 4, 1991 PRINTING REPORT.

 SECOND READING, DO PASS AS AMENDED.

 ENGROSSING REPORT.

 ON MOTION, RULES SUSPENDED AND BILL
 PLACED ON THIRD READING THIS DAY.

 THIRD READING, PASSED.
 AYES, 49; NOES, 1.

 TRANSMITTED TO HOUSE.

IN THE HOUSE

APRIL 4, 1991 INTRODUCED AND REFERRED TO COMMITTEE
 ON JUDICIARY.

 FIRST READING.

APRIL 11, 1991 COMMITTEE RECOMMEND BILL BE
 CONCURRED IN AS AMENDED. REPORT
 ADOPTED.

APRIL 13, 1991 SECOND READING, CONCURRED IN AS
 AMENDED.

APRIL 15, 1991 THIRD READING, CONCURRED IN.
 AYES, 69; NOES, 26.

 RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 17, 1991 RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 18, 1991

THIRD READING, AMENDMENTS
CONCURRED IN.

APRIL 19, 1991

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *427*
 2 INTRODUCED BY *Rep. Bob Brown*
 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; REVISING THE DEFINITIONS OF
 7 ILLEGAL GAMBLING DEVICE AND ILLEGAL GAMBLING ENTERPRISE;
 8 DEFINING A PROMOTIONAL GAME OF CHANCE AND LIMITING PAYOUTS
 9 ON THE GAMES; PERMITTING LIMITED RELEASE OF LICENSE AND TAX
 10 INFORMATION; ESTABLISHING A ONE-TIME FEE FOR PROCESSING AN
 11 OPERATOR'S LICENSE APPLICATION; PROVIDING REQUIREMENTS FOR
 12 PREMISES APPROVAL; REQUIRING NOTIFICATION BEFORE THE
 13 TRANSFER OF AN OWNERSHIP INTEREST IN AN OPERATOR'S PREMISES;
 14 REQUIRING PERSONS INVOLVED IN CONDUCTING GAMBLING TO BE
 15 EMPLOYEES OF AN OPERATOR; PROHIBITING A GAMBLING LICENSEE
 16 FROM HAVING A SUBSTANTIAL INTEREST IN A GAMBLING BUSINESS
 17 OPERATED AT A DIFFERENT MARKETING LEVEL; PROVIDING FOR
 18 INSPECTION OF PREMISES; CREATING A MANUFACTURER'S LICENSE
 19 FOR ELECTRONIC BINGO AND KENO EQUIPMENT; LEGALIZING LIMITED
 20 CASINO NIGHTS; AMENDING SECTIONS 23-5-112, 23-5-113,
 21 23-5-115, 23-5-152, 23-5-177, 23-5-312, AND 23-5-412, MCA;
 22 AND PROVIDING EFFECTIVE DATES."

23 STATEMENT OF INTENT

24 A statement of intent is required for this bill because
 25

1 [sections 16 and 23] grant rulemaking authority to the
 2 department of justice.

3 [Section 16] requires the department to adopt rules
 4 describing electronic live bingo and keno equipment that may
 5 be approved for use in Montana. The rules must ensure that
 6 the electronic equipment use a random selection process to
 7 determine the outcome of each bingo or keno game.

8 [Section 23] requires the department to adopt rules to
 9 administer the laws governing casino nights. The rules must
 10 address but are not limited to:

- 11 (1) procedures for applying for a casino night permit;
 12 (2) the type of documentation to be submitted as part
 13 of the application to establish an organization's nonprofit
 14 status; and
 15 (3) the conduct of games operated during a casino night
 16 to ensure that illegal gambling activities are not offered.

17
 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

- 23 (1) "Applicant" means a person who has applied for a
 24 license or permit issued by the department pursuant to parts
 25 1 through 6 of this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (13) "Gross proceeds" means gross revenue received less
21 prizes paid out.

22 (14) "Illegal gambling device" means a gambling device
23 not specifically authorized by statute or by the rules of
24 the department. The term includes but is not limited to:

25 (a) a ticket or card, by whatever name known,

1 containing concealed numbers or symbols that may match
 2 numbers or symbols designated in advance as prize winners,
 3 including a pull tab, punchboard, push card, tip board,
 4 pickle ticket, break-open, or jar game, except for one
 5 issued under chapter 10 of this title or used in a
 6 promotional game of chance approved by the department; and

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

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

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

22 (b) a dice game, by whatever name known, in which a
 23 participant wagers on the outcome of the roll of one or more
 24 die, includes craps, hazard, or chuck-a-luck, but does not
 25 include an activity in which a participant rolls one or more

1 die for a chance to obtain a drink or music; and

2 (c) sports betting, by whatever name known, in which a
 3 person places a wager on the outcome of an athletic event,
 4 including bookmaking, parlay bets, sports sweepstakes, or
 5 sultan sports cards, but not including those activities
 6 authorized in chapter 4 of this title and parts 2 and 5 of
 7 this chapter.

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

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

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

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

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

24 (21) "Lottery" or "gift enterprise" means a scheme, by
 25 whatever name known, for the disposal or distribution of

1 property by chance among persons who have paid or promised
 2 to pay valuable consideration for the chance of obtaining
 3 the property or a portion of it or for a share or interest
 4 in the property upon an agreement, understanding, or
 5 expectation that it is to be distributed or disposed of by
 6 lot or chance. However, "gift enterprise" does not mean:

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

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

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

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

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

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

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

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

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

15 ~~(27)~~(28) "Public gambling" means gambling conducted in:

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

18 (b) a place of public resort, including but not limited
 19 to a facility owned, managed, or operated by a partnership,
 20 corporation, association, club, fraternal order, or society,
 21 including a religious or charitable organization.

22 ~~(28)~~(29) "Raffle" means a gift enterprise in which each
 23 participant buys a chance or chances to win a prize.

24 ~~(29)~~(30) "Slot machine" means a mechanical, electrical,
 25 electronic, or other gambling device, contrivance, or

1 machine that, upon insertion of a coin, currency, token,
 2 credit card, or similar object or upon payment of any
 3 valuable consideration, is available to play or operate, the
 4 play or operation of which, whether by reason of the skill
 5 of the operator or application of the element of chance, or
 6 both, may deliver or entitle the person playing or operating
 7 the gambling device to receive cash, premiums, merchandise,
 8 tokens, or anything of value, whether the payoff is made
 9 automatically from the machine or in any other manner. This
 10 definition does not apply to video gambling machines
 11 authorized under part 6 of this chapter.

12 ~~{30}~~{31} "Video gambling machine" is a gambling device
 13 specifically authorized by part 6 of this chapter and the
 14 rules of the department."

15 **Section 2.** Section 23-5-113, MCA, is amended to read:

16 "23-5-113. Department as criminal justice agency --
 17 seized property. (1) The department is a criminal justice
 18 agency. Designated agents of the department are granted
 19 peace officer status, with the power of search, seizure, and
 20 arrest, to investigate gambling activities in this state
 21 regulated by parts 1 through 6 of this chapter and the rules
 22 of the department and to report violations to the county
 23 attorney of the county in which they occur.

24 (2) Upon conviction for any violation of parts 1
 25 through 6 of this chapter, the court may order any property

1 seized by a department agent during a lawful search to be
 2 forfeited to the department, sold, if necessary, and
 3 disposed of under 23-5-123."

4 **Section 3.** Section 23-5-115, MCA, is amended to read:

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

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

10 (3) The department shall provide licensing procedures,
 11 prescribe necessary application forms, and grant or deny
 12 license applications.

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

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

21 (6) The department may not make public or otherwise
 22 disclose information obtained in the application or tax
 23 reporting processes, except for general statistical
 24 reporting or studies or as provided in [section 4].

25 (7) The department shall assess, collect, and disburse

1 any fees, taxes, or charges authorized under parts 1 through
2 6 of this chapter."

3 **NEW SECTION. Section 4. Disclosure of information.** (1)

4 The department may disclose the following information from a
5 license or permit application:

6 (a) the applicant's name;

7 (b) the address of the business where the activity
8 under the license or permit is to be conducted;

9 (c) the name of each person having an ownership
10 interest in the business;

11 (d) the applicant's source of financing;

12 (e) types of permits requested by the applicant; and

13 (f) any other information that the department, after
14 balancing the public's right to know against the applicant's
15 right to privacy, considers suitable for disclosure.

16 (2) In addition to the information enumerated in
17 subsection (1), the department may disclose any other
18 relevant information obtained in the application or tax
19 reporting process or as a result of other department
20 operations to:

21 (a) a federal, state, city, county, or tribal criminal
22 justice agency; and

23 (b) the department of revenue and the federal internal
24 revenue service.

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

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

7 (a) have in his possession or under his control or to
8 purposely--or--knowingly permit to be placed, maintained, or
9 kept in any room, space, enclosure, or building owned,
10 leased, or occupied by him or under his management or
11 control an illegal gambling device; or

12 (b) operate an illegal gambling enterprise.

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

18 (3) (a) The department may adopt rules to license
19 persons to manufacture gambling devices that are not legal
20 for public play in the state and are manufactured only for
21 export from the state.

22 (b) A person may not manufacture or possess an illegal
23 gambling device for export from the state without having
24 obtained a license from the department. The department may
25 charge an administrative fee for the license that is

1 commensurate with the cost of issuing the license.

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

6 **Section 6.** Section 23-5-177, MCA, is amended to read:

7 "23-5-177. Operator of gambling establishment --
8 license --fee. (1) It is a misdemeanor for a person who is
9 not licensed by the department as an operator to make
10 available to the public for play a gambling device or
11 gambling enterprise for which a permit must be obtained from
12 the department.

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

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

17 (b) any other relevant information requested by the
18 department; and

19 (c) a license application processing fee, as required
20 in subsection (8).

21 (3) Before issuing an operator's license, the
22 department shall approve, in accordance with [section 7],
23 the premises in which the gambling activity is to be
24 conducted.

25 (4) Regardless of the number of on-premises alcoholic

1 beverage licenses issued for a premises, the department may
2 issue only one operator's license for the premises.

3 (2)(5) An operator's license must include the following
4 information:

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

7 (b) the operator's name;

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

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

15 (3)(6) The operator's license must be issued annually
16 along with all other licenses permits for gambling devices
17 or games licensed issued to the operator.

18 (4)(7) The operator's license must be updated each time
19 a video gambling device machine, bingo, keno, or card game
20 table license permit is newly issued or the device machine
21 or game is removed from the premises.

22 (5)(8) The department may-not shall charge an applicant
23 for an operator's license a one-time license application
24 processing fee to cover the actual cost incurred by the
25 department in determining whether the applicant qualifies

1 for licensure under 23-5-176 the issuance of an operator's
 2 license. After making its determination, the department
 3 shall refund any overpayment or charge and collect amounts
 4 sufficient to reimburse the department for any underpayment
 5 of actual costs.

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

8 **NEW SECTION. Section 7. Premises approval.** (1) The
 9 department may approve a premises for issuance of an
 10 operator's license if the premises meets the requirements
 11 contained in subsections (2) through (4).

12 (2) The premises must:

13 (a) be a structure or facility that is clearly defined
 14 by permanently installed walls that extend from floor to
 15 ceiling;

16 (b) have a unique address assigned by the local
 17 government in which the premises is located; and

18 (c) have a public external entrance, leading to a
 19 street or other common area, that is not shared with another
 20 premises for which an operator's license has been issued.

21 (3) If the premises shares a common internal wall with
 22 another premises for which an operator's license has been
 23 issued, the common wall must be permanently installed,
 24 opaque, and extend from floor to ceiling.

25 (4) If the premises is connected by an internal

1 entrance to another premises for which an operator's license
 2 has been issued, the establishments operated on each
 3 premises may not be owned by any combination of the same
 4 persons and may not be financially or operationally
 5 interrelated.

6 **NEW SECTION. Section 8. Transfer of ownership**
 7 **interest.** A licensed operator shall notify the department in
 8 writing before transferring any ownership interest in his
 9 premises.

10 **NEW SECTION. Section 9. Employees of operator --**
 11 **receipt of gambling revenues.** (1) Except as provided in
 12 subsection (2):

13 (a) a person other than a licensed operator who is
 14 involved in conducting a gambling activity on a licensed
 15 operator's premises must be an employee of the licensed
 16 operator; and

17 (b) all revenue derived from conducting a gambling
 18 activity on a licensed operator's premises must first accrue
 19 to the licensed operator.

20 (2) The requirements in subsection (1) do not apply to:

21 (a) a manufacturer or distributor who furnishes video
 22 gambling machines to an operator; or

23 (b) revenue derived from the operation of video
 24 gambling machines.

25 **NEW SECTION. Section 10. Interest in gambling-related**

1 business operating at different marketing level prohibited.

2 (1) For purposes of this section, the issuance of each of
3 the following gambling licenses for the operation of a
4 business constitutes a different marketing level:

- 5 (a) a premises license;
6 (b) a route operator's license; and
7 (c) a manufacturer's or a distributor's license.

8 (2) Except as provided in subsection (4), a person who
9 has obtained a premises, route operator's, manufacturer's,
10 or distributor's license may not:

- 11 (a) obtain another license for the operation of a
12 business at a different marketing level;
13 (b) have a substantial interest in another business
14 operating at a different marketing level;
15 (c) allow an officer of his business to have a
16 substantial interest in another business operating at a
17 different marketing level;
18 (d) employ a person in any capacity if the person is
19 also employed by another business operating at a different
20 marketing level; or
21 (e) allow another business operating at a different
22 marketing level or a person with a substantial interest in
23 such a business to have a substantial interest, either
24 directly or indirectly, in his business.

25 (3) A person possesses a substantial interest in a

1 business if the person or his spouse:

- 2 (a) owns, operates, manages, or conducts the business
3 or any part of the business;
4 (b) shares in any of the profits or potential profits
5 of the business;
6 (c) is an officer or director of the entity owning the
7 business;
8 (d) owns or otherwise controls 5% or more of the assets
9 or stock of the business; or
10 (e) furnishes 5% or more of the capital, whether in
11 cash, goods, or services, for the operation of the business
12 during any calendar year.

13 (4) (a) The restrictions imposed in subsection (2) do
14 not apply to a person who on January 1, 1991, was licensed
15 by the department to operate businesses at different
16 marketing levels if the person continuously operates the
17 businesses after that date and meets the requirements of
18 subsection (4)(b). However, the person may not obtain an
19 additional license from the department to operate a business
20 at a different marketing level if the business was not
21 operated by the person on January 1, 1991.

22 (b) A license issued in compliance with subsection
23 (4)(a) may not be renewed nor may an appropriate license be
24 issued to allow continued operation of a business unless, at
25 the time of application for issuance or renewal of the

1 license, the natural persons who together hold the majority
2 financial interest in the business are the same as on
3 January 1, 1991.

4 NEW SECTION. Section 11. Inspection of premises,
5 records, and devices. The department or a local law
6 enforcement official may inspect at any time during normal
7 business hours a premises, as defined in 23-5-112, or a
8 facility where gambling devices are manufactured or
9 distributed. The inspection may include the examination of
10 records, equipment, and proceeds related to the operation of
11 a gambling activity or the manufacture or distribution of a
12 gambling device.

13 **Section 12.** Section 23-5-312, MCA, is amended to read:

14 *23-5-312. Prizes not to exceed three hundred dollars.

15 (1) A prize for an individual live card game may not exceed
16 the value of \$300. Games may not be combined in any manner
17 so as to increase the value of the ultimate prize awarded.

18 (2) If a licensed operator conducts a promotional game
19 of chance involving a live card game, the prize limit
20 provided for in subsection (1) applies to prizes awarded as
21 a result of the promotional game of chance."

22 **Section 13.** Section 23-5-412, MCA, is amended to read:

23 *23-5-412. Card prices and prizes. (1) The price for an
24 individual bingo or keno card may not exceed 50 cents.

25 (2) Bingo and keno prizes may be paid in either

1 tangible personal property or cash. A prize may not exceed
2 the value of \$100 for each individual bingo award or keno
3 card. It is unlawful to, in any manner, combine any awards
4 so as to increase the ultimate value of the award.

5 (3) If a licensed operator conducts a promotional game
6 of chance involving bingo or keno, the prize limit provided
7 for in subsection (2) applies to prizes awarded as a result
8 of the promotional game of chance.

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

20 NEW SECTION. Section 14. 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 15. 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 16. 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 15]. 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 17. Definitions.** Unless the
12 context requires otherwise, the following definitions apply
13 to [sections 17 through 23]:

14 (1) "Casino night" means a fundraising event during
15 which wagers may be made in gambling activities authorized
16 in [section 18] through the use of imitation money.

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

22 **NEW SECTION. Section 18. Casino nights authorized.** (1)
23 Nonprofit organizations may conduct or participate in a
24 casino night.

25 (2) The following gambling activities may be conducted

1 during a casino night:

- 2 (a) live card games authorized under 23-5-311;
- 3 (b) live bingo and keno games; and
- 4 (c) raffles.

5 NEW SECTION. Section 19. Application for permit. (1) A
6 nonprofit organization may apply to the department for a
7 casino night permit on a form prescribed and furnished by
8 the department. The application must be accompanied by a fee
9 of \$25.

10 (2) The application must include:

- 11 (a) the name and address of the applicant;
- 12 (b) the name and address of the applicant's officers;
- 13 (c) the location, date, and time at which the applicant
14 will conduct the casino night;
- 15 (d) sufficient evidence concerning the structure and
16 operation of the organization to enable the department to
17 determine whether the applicant is a nonprofit organization;
18 and
- 19 (e) other relevant information requested by the
20 department.

21 NEW SECTION. Section 20. Issuance of permit --
22 disposition of fee. (1) After review of an application
23 submitted under [section 19], the department may issue to
24 the applicant a casino night permit. Only one permit may be
25 issued to the applicant each year. The permit is valid for

1 only one location and is not assignable or transferrable.

2 (2) The department shall retain the fee provided for in
3 [section 19] for administrative purposes.

4 NEW SECTION. Section 21. Requirements for conducting
5 casino nights. A nonprofit organization that has obtained a
6 permit under [section 20] shall conduct a casino night in
7 compliance with the following conditions:

8 (1) The casino night may not last more than 12
9 consecutive hours.

10 (2) The casino night must be managed and operated only
11 by members of the nonprofit organization that was issued the
12 permit under [section 20]. The members may not be
13 compensated for their services;

14 (3) Only merchandise may be awarded as prizes.

15 (4) Proceeds derived from the casino night, after
16 payment of reasonable administrative expenses, may be used
17 only for a civic, charitable, or educational purpose, and
18 administrative expenses may not exceed 50% of the proceeds.

19 NEW SECTION. Section 22. Nonapplicability of certain
20 gambling laws. The provisions of parts 3 and 4 of this
21 chapter do not apply to live card games, live bingo or keno
22 games, or raffles conducted during a casino night.

23 NEW SECTION. Section 23. Rules. The department shall
24 adopt rules to administer [sections 17 through 22]. At a
25 minimum, the rules must address application procedures and

1 play of the games during a casino night.

2 NEW SECTION. **Section 24.** Codification instruction --
3 code commissioner instruction. (1) [Sections 4, 7 through
4 11, and 14 through 23] are intended to be codified as an
5 integral part of Title 23, chapter 5. [Sections 17 through
6 23] are intended to be codified as a separate part of Title
7 23, chapter 5. The provisions of Title 23, chapter 5, part
8 1, apply to [sections 4, 7 through 11, and 14 through 23].

9 (2) The code commissioner shall recodify part 10 of
10 Title 23, chapter 5, as a new chapter in Title 23. Internal
11 references in the Montana Code Annotated section text and in
12 any act of the 52nd legislature must be changed by the code
13 commissioner if necessary to retain their original meaning.

14 NEW SECTION. **Section 25.** Coordination instruction. If
15 ___ Bill No. ___ [LC 1036] is not passed and approved,
16 [section 10 of this act] is void.

17 NEW SECTION. **Section 26.** Effective dates.

18 (1) [Sections 1 through 9, 11 through 26, and this section]
19 are effective October 1, 1991.

20 (2) [Section 10] is effective July 1, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0427, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

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


ASSUMPTIONS:

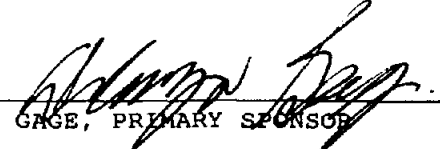
1. Five bingo/keno manufacturers will be licensed each year, and the cost of processing their initial or renewal license will be \$1,000, plus a one-time application fee. Five original license applications will be processed in FY92 and one original processed each year thereafter.
2. Three hundred new operator's license applicants will be processed each year, with the average processing cost being \$400. The cost is chargeable as a one-time license application processing fee.
3. One hundred non-profit "casino night" permits will be sold each year at a fee of \$25 per permit.
4. Revenue collected for lab testing and license processing will be expended totally for those purposes.
5. Current law is represented by the executive budget base for the Gambling Control Division.

FISCAL IMPACT:

Department of Justice-Gambling Control Division

	FY 92			FY 93		
	<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>						
Personal Services	963,700	963,700	0	963,700	963,700	0
Operating Costs	397,000	527,000	130,000	397,000	523,000	126,000
Equipment	<u>90,300</u>	<u>90,300</u>	<u>0</u>	<u>90,300</u>	<u>90,300</u>	<u>0</u>
Total	1,451,000	1,581,000	130,000	1,451,000	1,577,000	126,000
<u>Funding:</u>						
State Special (02)	1,451,000	1,581,000	130,000	1,451,000	1,577,000	126,000
<u>Revenue:</u>						
Manufacturer's License (02)	0	5,000	5,000	0	5,000	5,000
Lab Testing Fees (02)	25,000	30,000	5,000	25,000	30,000	5,000
Manufacturer/Operator Lic. (02)	0	125,000	125,000	0	121,000	121,000
Non-Profit Permits (02)	<u>0</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Total State Special	25,000	162,500	137,500	25,000	158,500	133,500


 ROD SUNDSTED, BUDGET DIRECTOR DATE 2-22-91
 Office of Budget and Program Planning


 DELWYN GAGE, PRIMARY SPONSOR DATE 2/25/91

Fiscal Note for SB0427, as introduced

SB 427

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0427, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:


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

ASSUMPTIONS:

1. Five electronic bingo/keno manufacturers will initially apply for licenses in FY92 and one in FY93, and the cost of processing each application is \$1,000. Five manufacturer licenses will be issued each year of the biennium. The license fee to be charged is \$1,000 for the initial application processing and \$1,000 each year for licensing.
2. Three hundred new operator's license applicants will be processed each year, with the average processing cost being \$400. The cost is chargeable as a one-time license application processing fee.
3. 200 individuals will apply for a "card-room contractor" license each year at a fee of \$150 each.
4. Proration of video machine permits will produce percentages of: 82%(first quarter), 7% (second quarter), 6% (third quarter) and 5%.
5. The annual fee for live bingo/keno permits will be reduced from \$500 to \$250 and the number of permits will be reduced from 115 to 95 because of the exclusion of nonprofit organizations.
6. The current bingo/keno tax of 5% of net income will be replaced by a tax of 1% of gross income which is estimated to reduce revenue by \$5,000 each year.
7. Current law expenditures are represented by the LFA narrative for House Bill 2, pink copy.

FISCAL IMPACT:

see next page


ROD SUNDSTED, BUDGET DIRECTOR
Office of Budget and Program Planning
DATE 4-12-91


DELWYN GAGE, PRIMARY SPONSOR
DATE 4/12/91

Fiscal Note for SB0427, third reading

SB 427-2

Department of Justice-Gambling Control Division

	FY 92			FY 93		
	<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>						
Operating Costs	466,700	591,700	125,000	462,800	583,800	121,000
<u>Funding:</u>						
State Special (02)	466,700	591,700	125,000	462,800	583,800	121,000
<u>Revenue:</u>						
Manufacturer's License (02)	0	5,000	5,000	0	5,000	5,000
Manufacturer's Proc.Fee (02)	0	5,000	5,000	0	1,000	1,000
New Operator Proc. Fee (02)	0	120,000	120,000	0	120,000	120,000
Live Bingo/Keno Permit (02)	58,000	24,000	(34,000)	58,000	24,000	(34,000)
Bingo/Keno Tax (02)	46,000	41,000	(5,000)	46,000	41,000	(5,000)
Video Machine Permits (02)	2,400,000	2,200,000	(200,000)	2,400,000	2,200,000	(200,000)
Card Room Contractor Lic (02)	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>	<u>30,000</u>
Total State Special	2,504,000	2,425,000	(79,000)	2,504,000	2,421,000	(83,000)
Reduction in Local Distributions			105,000			105,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Revenue to local governments would decrease by approximately \$105,000 each year of the 1993 biennium.

APPROVED BY COMMITTEE
ON JUDICIARY

SENATE BILL NO. 427

INTRODUCED BY GAGE, B. BROWN

BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE PUBLIC GAMBLING LAWS OF MONTANA; REVISING THE DEFINITIONS OF ILLEGAL GAMBLING DEVICE AND ILLEGAL GAMBLING ENTERPRISE; DEFINING A PROMOTIONAL GAME OF CHANCE ~~AND LIMITING PAYOUTS ON THE GAMES~~; PERMITTING LIMITED RELEASE OF LICENSE AND TAX INFORMATION; ESTABLISHING A ONE-TIME FEE FOR PROCESSING AN OPERATOR'S LICENSE APPLICATION; PROVIDING REQUIREMENTS FOR PREMISES APPROVAL; REQUIRING NOTIFICATION BEFORE THE TRANSFER OF AN OWNERSHIP INTEREST IN AN OPERATOR'S PREMISES; ~~REQUIRING PERSONS INVOLVED IN CONDUCTING GAMBLING TO BE EMPLOYEES OF AN OPERATOR; PROHIBITING A GAMBLING LICENSEE FROM HAVING A SUBSTANTIAL INTEREST IN A GAMBLING BUSINESS OPERATED AT A DIFFERENT MARKETING LEVEL~~; PROVIDING FOR INSPECTION OF PREMISES; CREATING A MANUFACTURER'S LICENSE FOR ELECTRONIC BINGO AND KENO EQUIPMENT; LEGALIZING LIMITED CASINO NIGHTS; EXPANDING PROVISIONS GOVERNING SPORTS POOLS; PRORATING VIDEO GAMBLING MACHINE PERMIT FEES; ALLOWING A DEDUCTION FOR THEFT FOR PURPOSES OF CALCULATING THE VIDEO GAMBLING MACHINE TAX; AUTHORIZING FANTASY SPORTS LEAGUES, FISHING DERBIES, AND WACERING ON NATURAL OCCURRENCES; REQUIRING BIENNIAL REPORTS FROM THE DEPARTMENT OF JUSTICE

AND GAMING ADVISORY COUNCIL; REVISING CERTAIN GAMBLING DEFINITIONS; CLARIFYING CERTAIN CRIMINAL GAMBLING OFFENSES; ESTABLISHING A PENALTY FOR SALE, ASSIGNMENT, LEASE, OR TRANSFER OF A LICENSE OR PERMIT; STATUTORILY APPROPRIATING VIDEO GAMBLING MACHINE TESTING FEES TO THE DEPARTMENT OF JUSTICE; REVISING PROVISIONS CONCERNING ANTIQUE SLOT MACHINES; CLARIFYING PROHIBITED ACTIVITIES FOR DEPARTMENT OF JUSTICE EMPLOYEES; CLARIFYING DISPOSITION OF PENALTIES, FINES, AND FORFEITURES; AUTHORIZING THE DEPARTMENT OF JUSTICE TO ISSUE WARRANTS FOR DISTRAINT; ESTABLISHING THE CRIME OF SOLICITING ANOTHER PERSON TO PARTICIPATE IN AN ILLEGAL GAMBLING ENTERPRISE AND ESTABLISHING A PENALTY; PROHIBITING A MINOR FROM PARTICIPATING IN CERTAIN FORMS OF GAMBLING; REQUIRING LICENSE AND PERMIT REVOCATION UPON CONVICTION OF A FELONY GAMBLING OFFENSE; CREATING ADDITIONAL EXEMPTIONS FROM THE LIVE BINGO AND KENO TAX AND PERMIT FEE; CLARIFYING RAFFLE PROVISIONS; PROVIDING FOR SALE OF VIDEO GAMBLING MACHINES; REVISING CARD DEALER PROVISIONS; AUTHORIZING WAY TICKETS IN KENO GAMES; REMOVING THE 10-MACHINE LIMIT ON VIDEO DRAW POKER MACHINES; REVISING LICENSURE QUALIFICATIONS; PROVIDING FOR CARD GAME TOURNAMENTS; CLARIFYING PLACEMENT OF VIDEO GAMBLING MACHINES; ELIMINATING NET TAX ON LIVE BINGO AND KENO GAMES AND REVISING THE PERMIT FEE; AMENDING SECTIONS 2-15-2021, 17-7-502, 23-5-112, 23-5-113, 23-5-114, 23-5-115, 23-5-136,

1 23-5-152, 23-5-153, 23-5-154, 23-5-156, 23-5-158, 23-5-162,
 2 23-5-176, 23-5-177, 23-5-308, 23-5-309, 23-5-312,--AND
 3 23-5-406, 23-5-407, 23-5-409, 23-5-412, 23-5-413, 23-5-501,
 4 23-5-503, 23-5-602, 23-5-603, 23-5-610, 23-5-611, 23-5-612,
 5 23-5-625, AND 23-5-631, MCA; AND PROVIDING EFFECTIVE DATES."

6
 7 STATEMENT OF INTENT

8 A statement of intent is required for this bill because
 9 [sections ~~16--and--23~~ 13, 20, AND 44] grant rulemaking
 10 authority to the department of justice.

11 [Section ~~16~~ 13] requires the department to adopt rules
 12 describing electronic live bingo and keno equipment that may
 13 be approved for use in Montana. The rules must ensure that
 14 the electronic equipment use a random selection process to
 15 determine the outcome of each bingo or keno game.

16 [Section ~~23~~ 20] requires the department to adopt rules
 17 to administer the laws governing casino nights. The rules
 18 must address but are not limited to:

- 19 (1) procedures for applying for a casino night permit;
 20 (2) the type of documentation to be submitted as part
 21 of the application to establish an organization's nonprofit
 22 status; and
 23 (3) the conduct of games operated during a casino night
 24 to ensure that illegal gambling activities are not offered.

25 [SECTION 44] REQUIRES THE DEPARTMENT TO ADOPT RULES

1 DESCRIBING THE TYPES OF SPORTS POOLS AUTHORIZED UNDER
 2 23-5-501, 23-5-503, AND [SECTION 44].
 3

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

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

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

9 (1) "Applicant" means a person who has applied for a
 10 license or permit issued by the department pursuant to parts
 11 1 through 6 of this chapter.

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

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

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

1 drawn using authorized equipment until the game is won by
2 the person or persons who first cover a previously
3 designated arrangement of numbers on the bingo card.

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

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

10 (7) "CARD GAME TOURNAMENT" MEANS A GAMBLING ACTIVITY
11 FOR WHICH A PERMIT HAS BEEN ISSUED INVOLVING PARTICIPANTS
12 WHO PAY VALUABLE CONSIDERATION FOR THE OPPORTUNITY TO
13 COMPETE AGAINST EACH OTHER IN A SERIES OF LIVE CARD GAMES
14 CONDUCTED OVER A DESIGNATED PERIOD OF TIME.

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

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

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

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

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

23 (11) "Gambling" or "gambling activity" means risking
24 money, credit, deposit, check, property, or any other thing
25 of value for a gain that is contingent in whole or in part

1 upon lot, chance, or the operation of a gambling device or
2 gambling enterprise. The term does not mean conducting or
3 participating in a promotional game of chance.

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

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

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

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

18 (a) a ticket or card, by whatever name known,
19 containing concealed numbers or symbols that may match
20 numbers or symbols designated in advance as prize winners,
21 including a pull tab, punchboard, push card, tip board,
22 pickle ticket, break-open, or jar game, except for one
23 issued under chapter 10 of this title or used in a
24 promotional game of chance approved by the department; and

25 (b) an apparatus, implement, or device, by whatever

1 name known, specifically designed to be used in conducting
 2 an illegal gambling enterprise, including a faro box, faro
 3 layout, roulette wheel, roulette table, craps table or a
 4 slot machine, except as provided in 23-5-153.

5 †15†(16) "Illegal gambling enterprise" means a gambling
 6 enterprise that violates or is not specifically authorized
 7 by a statute or a rule of the department. The term includes
 8 but-is-not-limited-to:

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

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

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

1 †16†(17) "Keno" means a game of chance in which prizes
 2 are awarded using a card with 8 horizontal rows and 10
 3 columns on which a player may pick up to 10 numbers. A keno
 4 caller, using authorized equipment, shall select at random
 5 at least 20 numbers out of numbers between 1 and 80,
 6 inclusive.

7 †17†(18) "Keno caller" means a person 18 years of age or
 8 older who, using authorized equipment, announces the order
 9 of the numbers drawn in live keno.

10 †18†(19) "License" means an operator's, dealer's, or
 11 manufacturer-distributor's license issued to a person by the
 12 department.

13 †19†(20) "Licensee" means a person who has received a
 14 license from the department.

15 †20†(21) "Live card game" or "card game" means a card
 16 game that is played in public between persons on the
 17 premises of a licensed gambling operator.

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

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

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

7 ~~{22}~~{23} "Manufacturer" means a person who assembles
8 from raw materials or subparts a completed piece of
9 equipment or pieces of equipment of any kind to be used as a
10 gambling device.

11 {24} "NONPROFIT ORGANIZATION" MEANS A NONPROFIT
12 CORPORATION OR NONPROFIT CHARITABLE, RELIGIOUS, SCHOLASTIC,
13 EDUCATIONAL, VETERANS', FRATERNAL, BENEFICIAL, CIVIC, SENIOR
14 CITIZENS', OR SERVICE ORGANIZATION ESTABLISHED FOR PURPOSES
15 OTHER THAN TO CONDUCT A GAMBLING ACTIVITY.

16 ~~{23}~~{25} "Operator" means a person who purchases,
17 receives, or acquires, by lease or otherwise, and operates
18 or controls for use in public, a gambling device or gambling
19 enterprise authorized under parts 1 through 6 of this
20 chapter.

21 ~~{24}~~{26} "Permit" means approval from the department to
22 make available for public play a gambling device or gambling
23 enterprise approved by the department pursuant to parts 1
24 through 6 of this chapter.

25 ~~{25}~~{27} "Person" or "persons" means both natural and

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

4 ~~{26}~~{28} "Premises" means the physical building or
5 property within or upon which a licensed gambling activity
6 occurs, as stated on an operator's license application and
7 approved by the department.

8 ~~{27}~~{29} "Promotional game of chance" means a scheme, by
9 whatever name known, for the disposal or distribution of
10 property by chance among persons who have not paid or are
11 not expected to pay any valuable consideration or who have
12 not purchased or are not expected to purchase any goods or
13 services for a chance to obtain the property, a portion of
14 it, or a share in it.

15 ~~{27}~~~~{28}~~{30} "Public gambling" means gambling conducted
16 in:

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

19 (b) a place of public resort, including but not limited
20 to a facility owned, managed, or operated by a partnership,
21 corporation, association, club, fraternal order, or society,
22 including a religious or charitable organization; OR

23 (C) A PLACE, BUILDING, OR CONVEYANCE TO WHICH THE
24 PUBLIC DOES NOT HAVE ACCESS IF PLAYERS ARE PUBLICLY
25 SOLICITED OR THE GAMBLING ACTIVITY IS CONDUCTED IN A

1 PREDOMINATELY COMMERCIAL MANNER.

2 ~~†28†~~~~†29†~~(31) "Raffle" means a gift--enterprise FORM OF
3 LOTTERY in which each participant ~~buys-a-chance-or-chances~~
4 PAYS VALUABLE CONSIDERATION FOR A TICKET TO BECOME ELIGIBLE
5 to win a prize. WINNERS MUST BE DETERMINED BY A RANDOM
6 SELECTION PROCESS APPROVED BY DEPARTMENT RULE.

7 ~~†29†~~~~†30†~~(32) "Slot machine" means a mechanical,
8 electrical, electronic, or other gambling device,
9 contrivance, or machine that, upon insertion of a coin,
10 currency, token, credit card, or similar object or upon
11 payment of any valuable consideration, is available to play
12 or operate, the play or operation of which, whether by
13 reason of the skill of the operator or application of the
14 element of chance, or both, may deliver or entitle the
15 person playing or operating the gambling device to receive
16 cash, premiums, merchandise, tokens, or anything of value,
17 whether the payoff is made automatically from the machine or
18 in any other manner. This definition does not apply to video
19 gambling machines authorized under part 6 of this chapter.

20 ~~†30†~~~~†31†~~(33) "Video gambling machine" is a gambling
21 device specifically authorized by part 6 of this chapter and
22 the rules of the department."

23 **Section 2.** Section 23-5-113, MCA, is amended to read:

24 "23-5-113. Department as criminal justice agency --
25 seized property. (1) The department is a criminal justice

1 agency. Designated agents of the department are granted
2 peace officer status, with the power of search, seizure, and
3 arrest, to investigate gambling activities in this state
4 regulated by parts 1 through 6 of this chapter and the rules
5 of the department and to report violations to the county
6 attorney of the county in which they occur.

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

12 **Section 3.** Section 23-5-115, MCA, is amended to read:

13 "23-5-115. Powers and duties of department --
14 licensing. (1) The department shall administer the
15 provisions of parts 1 through 6 of this chapter.

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

18 (3) The department shall provide licensing procedures,
19 prescribe necessary application forms, and grant or deny
20 license applications.

21 (4) The department shall prescribe recordkeeping
22 requirements for licensees, provide a procedure for
23 inspection of records, provide a method for collection of
24 taxes, and establish penalties for the delinquent reporting
25 and payment of required taxes.

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

4 (6) The department may not make public or otherwise
5 disclose information obtained in the application or tax
6 reporting processes, except for general statistical
7 reporting or studies or as provided in section 4.

8 (7) The department shall assess, collect, and disburse
9 any fees, taxes, or charges authorized under parts 1 through
10 6 of this chapter."

11 NEW SECTION. Section 4. Disclosure of information. (1)
12 The department may disclose the following information from a
13 license or permit application:

14 (a) the applicant's name;

15 (b) the address of the business where the activity
16 under the license or permit is to be conducted;

17 (c) the name of each person having an ownership
18 interest in the business; AND

19 ~~{d}--the-applicant's-source-of-financing;~~

20 ~~{e}{D}~~ types of permits requested by the applicant;

21 and

22 ~~{f}--any--other--information--that--the--department--after~~
23 ~~balancing--the--public's--right--to--know--against--the--applicant's~~
24 ~~right--to--privacy--considers--suitable--for--disclosure;~~

25 (2) In addition to the information enumerated in

1 subsection (1), the department may disclose any other
2 relevant information obtained in the application or tax
3 reporting process or as a result of other department
4 operations to:

5 (a) a federal, state, city, county, or tribal criminal
6 justice agency; and

7 (b) the department of revenue and the federal internal
8 revenue service.

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

10 "23-5-152. Possession of illegal gambling device or
11 conducting illegal gambling enterprise prohibited --
12 exception exceptions. (1) Except as provided in 23-5-153 and
13 subsection subsections (2) through (4) of this section, it
14 is a misdemeanor punishable under 23-5-161 for a person to
15 purposely or knowingly:

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

21 (b) operate an illegal gambling enterprise.

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

1 according to law.

2 ~~f2~~(3) (a) The department may adopt rules to license
3 persons to manufacture gambling devices that are not legal
4 for public play in the state and are manufactured only for
5 export from the state.

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

11 (4) An illegal gambling device may be possessed or
12 located in-a-public-museum-owned-and-operated-by-the-state,
13 a-county,-or-a-city for display purposes only and not for
14 operation:

15 (A) IN A PUBLIC OR PRIVATE MUSEUM; OR

16 (B) ANY OTHER PUBLIC PLACE IF THE DEVICE HAS BEEN MADE
17 PERMANENTLY INOPERABLE FOR PURPOSES OF CONDUCTING A GAMBLING
18 ACTIVITY."

19 **Section 6.** Section 23-5-177, MCA, is amended to read:

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

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

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

5 (b) any other relevant information requested by the
6 department; and

7 (c) a license application processing fee, as required
8 in subsection (8).

9 (3) Before issuing an operator's license, the
10 department shall approve, in accordance with [section 7],
11 the premises in which the gambling activity is to be
12 conducted.

13 (4) Regardless EXCEPT AS PROVIDED IN [SECTION 7],
14 REGARDLESS of the number of on-premises alcoholic beverage
15 licenses issued for a premises, the department may issue
16 only one operator's license for the premises.

17 ~~f2~~(5) An operator's license must include the following
18 information:

19 (a) a description of the premises upon which the
20 gambling will take place;

21 (b) the operator's name;

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

1 permit number for each licensed game; and
 2 (d) any other relevant information determined necessary
 3 by the department.
 4 {3}{6} The operator's license must be issued annually
 5 along with all other licenses permits for gambling devices
 6 or games ~~licensed~~ issued to the operator.
 7 {4}{7} The operator's license must be updated each time
 8 a video gambling device machine, bingo, keno, or card game
 9 table license permit is newly issued or the device machine
 10 or game is removed from the premises.
 11 {5}{8} The department ~~may-not~~ shall charge an applicant
 12 for WHO HAS SUBMITTED an operator's license APPLICATION ON
 13 OR AFTER JULY 1, 1991, a one-time license application
 14 processing fee to cover the actual cost incurred by the
 15 department in determining whether the applicant qualifies
 16 for licensure under 23-5-176 the-issuance-of--an--operator's
 17 license. After making its determination, the department
 18 shall refund any overpayment or charge and collect amounts
 19 sufficient to reimburse the department for any underpayment
 20 of actual costs.
 21 {6}{9} The operator's license must be prominently
 22 displayed upon the premises for which it is issued."
 23 **NEW SECTION. Section 7. Premises approval.** (1) The
 24 EXCEPT AS PROVIDED IN SUBSECTION (4), THE department may
 25 approve a premises for issuance of an operator's license if

1 the premises meets the requirements contained in subsections
 2 (2) through (4).
 3 (2) The premises must:
 4 (a) be a structure or facility that is clearly defined
 5 by permanently installed walls that extend from floor to
 6 ceiling;
 7 (b) have a unique address assigned by the local
 8 government in which the premises is located; and
 9 (c) have a public external entrance, leading to a
 10 street or other common area, that is not shared with another
 11 premises for which an operator's license has been issued.
 12 (3) If the premises shares a common internal wall with
 13 another premises for which an operator's license has been
 14 issued, the common wall must be permanently installed,
 15 opaque, and extend from floor to ceiling AND MAY NOT CONTAIN
 16 AN INTERNAL ENTRANCE THROUGH WHICH PUBLIC ACCESS IS ALLOWED.
 17 (4) ~~If---the---premises---is---connected---by---an---internal~~
 18 ~~entrance-to-another-premises-for-which-an-operator's-license~~
 19 ~~has--been--issued,--the--establishments--operated--on---each~~
 20 ~~premises--may--not--be--owned-by-any-combination-of-the-same~~
 21 ~~persons--and--may--not--be--financially---or---operationally~~
 22 ~~interrelated; A SECOND OPERATOR'S LICENSE MAY BE ISSUED OR~~
 23 ~~RENEWED UNTIL JUNE 30, 1996, FOR A PERSON OPERATING A~~
 24 ~~GAMBLING ACTIVITY ON A PREMISES THAT DID NOT MEET THE~~
 25 ~~REQUIREMENTS OF SUBSECTIONS (2) AND (3) IF:~~

1 (A) THE SECOND OPERATOR'S LICENSE WAS ISSUED TO THE
 2 PERSON ON OR BEFORE JANUARY 1, 1991; OR

3 (B) (I) THE APPLICATION FOR THE SECOND OPERATOR'S
 4 LICENSE WAS RECEIVED BY THE DEPARTMENT ON OR BEFORE JANUARY
 5 1, 1991;

6 (II) A SECOND ON-PREMISES ALCOHOLIC BEVERAGES LICENSE
 7 WAS OBTAINED FOR THE PREMISES ON OR BEFORE JANUARY 1, 1991;
 8 AND

9 (III) SUBSTANTIAL PHYSICAL MODIFICATIONS TO THE PREMISES
 10 WERE MADE ON OR BEFORE JANUARY 1, 1991.

11 NEW SECTION. Section 8. Transfer of ownership
 12 interest. A licensed operator shall notify the department in
 13 writing before transferring any ownership interest in his
 14 premises.

15 NEW SECTION. Section 9. ~~Employees or operator~~
 16 ~~receipt of gambling revenues. (1) Except as provided in~~
 17 ~~subsection (2):~~

18 ~~(a) a person other than a licensed operator who is~~
 19 ~~involved in conducting a gambling activity on a licensed~~
 20 ~~operator's premises must be an employee of the licensed~~
 21 ~~operator; and~~

22 ~~(b) all revenue derived from conducting a gambling~~
 23 ~~activity on a licensed operator's premises must first accrue~~
 24 ~~to the licensed operator;~~

25 ~~(2) The requirements in subsection (1) do not apply to:~~

1 ~~(a) a manufacturer or distributor who furnishes video~~
 2 ~~gambling machines to an operator; or~~

3 ~~(b) revenue derived from the operation of video~~
 4 ~~gambling machines. CARD ROOM CONTRACTOR'S LICENSE -- FEE --~~
 5 ~~SUBMISSION OF CONTRACT. (1) IT IS A MISDEMEANOR FOR A PERSON~~
 6 ~~TO ENTER INTO A CONTRACT WITH A LICENSED OPERATOR TO OPERATE~~
 7 ~~ONE OR MORE LIVE CARD GAME TABLES ON THE OPERATOR'S PREMISES~~
 8 ~~WITHOUT OBTAINING A CARD ROOM CONTRACTOR'S LICENSE FROM THE~~
 9 ~~DEPARTMENT.~~

10 ~~(2) THE DEPARTMENT SHALL CHARGE AN ANNUAL LICENSE FEE~~
 11 ~~OF \$150 FOR ISSUING OR RENEWING A CARD ROOM CONTRACTOR'S~~
 12 ~~LICENSE. THE DEPARTMENT SHALL RETAIN THE FEE FOR~~
 13 ~~ADMINISTRATIVE PURPOSES.~~

14 ~~(3) THE APPLICANT SHALL SUBMIT AT THE TIME OF~~
 15 ~~APPLICATION FOR A CARD ROOM CONTRACTOR'S LICENSE A COPY OF~~
 16 ~~THE AGREEMENT ENTERED INTO WITH THE LICENSED OPERATOR.~~

17 ~~NEW SECTION: Section 10. Interest in gambling-related~~
 18 ~~business operating at different marketing level prohibited:~~
 19 ~~(1) For purposes of this section, the issuance of each of~~
 20 ~~the following gambling licenses for the operation of a~~
 21 ~~business constitutes a different marketing level:~~

22 ~~(a) a premises license;~~

23 ~~(b) a route operator's license; and~~

24 ~~(c) a manufacturer's or a distributor's license;~~

25 ~~(2) Except as provided in subsection (4), a person who~~

1 has--obtained--a--premises,--route--operator's,--manufacturer's,
 2 or--distributor's--license--may--not:
 3 (a)--obtain--another--license--for--the--operation--of--a
 4 business--at--a--different--marketing--level;
 5 (b)--have--a--substantial--interest--in--another--business
 6 operating--at--a--different--marketing--level;
 7 (c)--allow--an--officer--of--his--business--to--have--a
 8 substantial--interest--in--another--business--operating--at--a
 9 different--marketing--level;
 10 (d)--employ--a--person--in--any--capacity--if--the--person--is
 11 also--employed--by--another--business--operating--at--a--different
 12 marketing--level;--or
 13 (e)--allow--another--business--operating--at--a--different
 14 marketing--level--or--a--person--with--a--substantial--interest--in
 15 such--a--business--to--have--a--substantial--interest,--either
 16 directly--or--indirectly,--in--his--business;
 17 (3)--A--person--possesses--a--substantial--interest--in--a
 18 business--if--the--person--or--his--spouse:
 19 (a)--owns,--operates,--manages,--or--conducts--the--business
 20 or--any--part--of--the--business;
 21 (b)--shares--in--any--of--the--profits--or--potential--profits
 22 of--the--business;
 23 (c)--is--an--officer--or--director--of--the--entity--owning--the
 24 business;
 25 (d)--owns--or--otherwise--controls--5%--or--more--of--the--assets

1 or--stock--of--the--business,--or
 2 (e)--furnishes--5%--or--more--of--the--capital,--whether--in
 3 cash,--goods,--or--services,--for--the--operation--of--the--business
 4 during--any--calendar--year.
 5 (4)--(a)--The--restrictions--imposed--in--subsection--(2)--do
 6 not--apply--to--a--person--who--on--January--1,--1991,--was--licensed
 7 by--the--department--to--operate--businesses--at--different
 8 marketing--levels--if--the--person--continuously--operates--the
 9 businesses--after--that--date--and--meets--the--requirements--of
 10 subsection--(4)(b).--However,--the--person--may--not--obtain--an
 11 additional--license--from--the--department--to--operate--a--business
 12 at--a--different--marketing--level--if--the--business--was--not
 13 operated--by--the--person--on--January--1,--1991.
 14 (b)--A--license--issued--in--compliance--with--subsection
 15 (4)(a)--may--not--be--renewed--nor--may--an--appropriate--license--be
 16 issued--to--allow--continued--operation--of--a--business--unless,--at
 17 the--time--of--application--for--issuance--or--renewal--of--the
 18 license,--the--natural--persons--who--together--hold--the--majority
 19 financial--interest--in--the--business--are--the--same--as--on
 20 January--1,--1991.
 21 NEW SECTION. Section 10. Inspection of premises,
 22 records, and devices. The department or a local law
 23 enforcement official may inspect at any time during normal
 24 business hours a premises, as defined in 23-5-112, or a
 25 facility where gambling devices are manufactured or

distributed. The inspection may include the examination of records, equipment, and proceeds related to the operation of a gambling activity or the manufacture or distribution of a gambling device.

Section 12, Section 23-5-312, MCA, is amended to read:

"23-5-312. Prizes not to exceed three hundred dollars. (1) A prize for an individual live card game may not exceed the value of \$300. Games may not be combined in any manner so as to increase the value of the ultimate prize awarded.

(2) If a licensed operator conducts a promotional game of chance involving a live card game, the prize limit provided for in subsection (1) applies to prizes awarded as a result of the promotional game of chance."

Section 13, Section 23-5-412, MCA, is amended to read:

"23-5-412. Card prices and prizes. (1) The price for an individual bingo or keno card may not exceed 50 cents.

(2) Bingo and keno prizes may be paid in either tangible personal property or cash. A prize may not exceed the value of \$100 for each individual bingo award or keno card; it is unlawful to, in any manner, combine any awards so as to increase the ultimate value of the award.

(3) If a licensed operator conducts a promotional game of chance involving bingo or keno, the prize limit provided for in subsection (2) applies to prizes awarded as a result of the promotional game of chance.

(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."

NEW SECTION. Section 11. Manufacturer's license for electronic bingo or keno equipment -- license and processing fees. (1) A person may not assemble, produce, manufacture, or supply electronic equipment for use in conducting live bingo or keno games in this state without obtaining an annual manufacturer's license from the department.

(2) The department shall charge an annual license fee of \$1,000 for issuing or renewing a manufacturer's license.

(3) A manufacturer's license expires June 30 of each year, and the license fee may not be prorated.

(4) In addition to the license fee provided for in subsection (2), the department may charge a one-time manufacturer's application fee to cover the actual cost of processing the original license. The department shall refund

1 an overpayment or charge and collect an amount sufficient to
2 reimburse the department for underpayment of actual costs.

3 (5) The department shall retain for administrative
4 purposes the license and processing fees collected under
5 this section.

6 NEW SECTION. Section 12. Examination and approval of
7 electronic bingo and keno equipment -- fee. (1) A licensed
8 manufacturer shall submit to the department for examination
9 a prototype of any electronic equipment intended for use in
10 conducting live bingo or keno games before the equipment is
11 used in the state.

12 (2) Before the equipment is examined, the manufacturer
13 shall pay the anticipated examination costs as determined by
14 the department. The department shall refund an overpayment
15 or charge and collect an amount sufficient to reimburse the
16 department for underpayment of actual costs.

17 (3) Upon completion of the examination, the department
18 may approve, disapprove, or place a condition upon use of
19 the equipment before it is made available for use in
20 conducting live bingo or keno games.

21 NEW SECTION. Section 13. Electronic live bingo and
22 keno equipment specifications -- rules. The department shall
23 adopt rules describing electronic live bingo and keno
24 equipment that may be approved under [section 15 12]. At a
25 minimum, the rules must provide that the equipment use a

1 random selection process to determine the outcome of each
2 game.

3 NEW SECTION. Section 14. Definitions. Unless the
4 context requires otherwise, ~~the following definitions apply~~
5 ~~to FOR PURPOSES OF [sections 17 14 through 23 20];~~

6 ~~(1) "Casino , "CASINO night" means a fundraising event~~
7 ~~during which wagers may be made in gambling activities~~
8 ~~authorized in [section 18 15] through the use of imitation~~
9 ~~money.~~

10 ~~(2) "Nonprofit----organization"---means---a---nonprofit~~
11 ~~corporation-or-nonprofit-charitable,-religious,-scholastic,~~
12 ~~educational,-veterans,-fraternal,-beneficial,-civic,-senior~~
13 ~~citizens,-or-service-organization-established-for-purposes~~
14 ~~other-than-to-conduct-a-gambling-activity.~~

15 NEW SECTION. Section 15. Casino nights authorized. (1)
16 Nonprofit organizations may conduct or participate in a
17 casino night.

18 (2) The following gambling activities may be conducted
19 during a casino night:

- 20 (a) live card games authorized under 23-5-311;
21 (b) live bingo and keno games; and
22 (c) raffles.

23 NEW SECTION. Section 16. Application for permit. (1) A
24 nonprofit organization may apply to the department for a
25 casino night permit on a form prescribed and furnished by

1 the department. The application must be accompanied by a fee
2 of \$25.

3 (2) The application must include:

4 (a) the name and address of the applicant;

5 (b) the name and address of the applicant's officers;

6 (c) the location, date, and time at which the applicant
7 will conduct the casino night;

8 (d) sufficient evidence concerning the structure and
9 operation of the organization to enable the department to
10 determine whether the applicant is a nonprofit organization;
11 and

12 (e) other relevant information requested by the
13 department.

14 NEW SECTION. Section 17. Issuance of permit --
15 disposition of fee. (1) After review of an application
16 submitted under [section 19 16], the department may issue to
17 the applicant a casino night permit. Only one permit may be
18 issued to the applicant each year. The permit is valid for
19 only one location and is not assignable or transferrable.

20 (2) The department shall retain the fee provided for in
21 [section 19 16] for administrative purposes.

22 NEW SECTION. Section 18. Requirements for conducting
23 casino nights. A nonprofit organization that has obtained a
24 permit under [section 20 17] shall conduct a casino night in
25 compliance with the following conditions:

1 (1) The casino night may not last more than 12
2 consecutive hours.

3 (2) The casino night must be managed and operated only
4 by members of the nonprofit organization that was issued the
5 permit under [section 20 17]. The members may not be
6 compensated for their services;

7 (3) Only merchandise may be awarded as prizes.

8 (4) Proceeds derived from the casino night, after
9 payment of reasonable administrative expenses, may be used
10 only for a civic, charitable, or educational purpose, and
11 administrative expenses may not exceed 50% of the proceeds.

12 NEW SECTION. Section 19. Nonapplicability of certain
13 gambling laws. The provisions of parts 3 and 4 of this
14 chapter do not apply to live card games, live bingo or keno
15 games, or raffles conducted during a casino night.

16 NEW SECTION. Section 20. Rules. The department shall
17 adopt rules to administer [sections 17 14 through 22 19]. At
18 a minimum, the rules must address application procedures and
19 play of the games during a casino night.

20 NEW SECTION. SECTION 21. FANTASY SPORTS LEAGUES
21 DEFINED. AS USED IN [SECTIONS 21 THROUGH 25], A "FANTASY
22 SPORTS LEAGUE" MEANS A GAMBLING ACTIVITY CONDUCTED IN THE
23 FOLLOWING MANNER:

24 (1) A FANTASY SPORTS LEAGUE CONSISTS OF A LIMITED
25 NUMBER OF PERSONS OR GROUPS OF PERSONS WHO PAY AN ENTRANCE

1 FEE FOR MEMBERSHIP IN THE LEAGUE. THE ENTRANCE FEE MAY
2 INCLUDE AN ADMINISTRATIVE FEE.

3 (2) EACH LEAGUE MEMBER CREATES A FICTITIOUS TEAM
4 COMPOSED OF ATHLETES FROM A GIVEN PROFESSIONAL SPORT, SUCH
5 AS BASEBALL, BASKETBALL, OR FOOTBALL. PLAYER SELECTION IS
6 CONDUCTED THROUGH RANDOM DRAWINGS OR A BIDDING PROCESS.

7 (3) AFTER THE INITIAL TEAMS ARE SELECTED, INTERIM
8 REPLACEMENT OF PLAYERS MAY OCCUR BY TRADE OR PURCHASE. A
9 SPECIFIC FEE, WHICH MAY NOT EXCEED THE TOTAL ENTRANCE FEE,
10 IS CHARGED FOR EACH TRANSACTION.

11 (4) A METHOD, AS DEFINED BY LEAGUE RULES, IS DEvised TO
12 PERMIT EACH TEAM TO COMPETE AGAINST OTHER TEAMS IN THE
13 LEAGUE. POINTS ARE AWARDED TO A TEAM ACCORDING TO THE
14 PERFORMANCE OF INDIVIDUAL PLAYERS OR TEAMS OR BOTH DURING A
15 DESIGNATED TIME PERIOD.

16 (5) A MEMBER MAY BE ELIGIBLE TO RECEIVE A PAYOUT BASED
17 ON THE NUMBER OF POINTS ACCUMULATED. PAYOUTS, WHICH MAY BE
18 IN THE FORM OF CASH OR PRIZES, ARE AWARDED ACCORDING TO
19 LEAGUE RULES.

20 (6) RULES GOVERNING THE CONDUCT OF THE FANTASY SPORTS
21 LEAGUE MUST BE PROVIDED IN WRITING TO EACH MEMBER.

22 NEW SECTION. SECTION 22. FANTASY SPORTS LEAGUES
23 AUTHORIZED. IT IS LAWFUL TO CONDUCT OR PARTICIPATE IN A
24 FANTASY SPORTS LEAGUE.

25 NEW SECTION. SECTION 23. PAYOUTS -- ADMINISTRATIVE

1 FEEs CHARGED BY COMMERCIAL ESTABLISHMENTS. (1) THE TOTAL
2 VALUE OF PAYOUTS TO ALL LEAGUE MEMBERS MUST EQUAL THE AMOUNT
3 COLLECTED FOR ENTRANCE, ADMINISTRATIVE, AND TRANSACTIONS
4 FEEs, MINUS PAYMENT FOR ADMINISTRATIVE EXPENSES.

5 (2) IF A COMMERCIAL ESTABLISHMENT CHARGES AN
6 ADMINISTRATIVE FEE FOR CONDUCTING A FANTASY SPORTS LEAGUE,
7 THE FEE FOR EACH PARTICIPANT MAY NOT BE MORE THAN 15% OF THE
8 AMOUNT CHARGED AS A PARTICIPANT'S ENTRANCE FEE.

9 NEW SECTION. SECTION 24. SPORTS BETTING PROHIBITED --
10 APPLICABILITY. [SECTIONS 21 THROUGH 23] DO NOT:

11 (1) AUTHORIZE BETTING OR WAGERING ON THE OUTCOME OF AN
12 INDIVIDUAL SPORTS EVENT; OR

13 (2) APPLY TO GAMBLING ACTIVITIES GOVERNED UNDER CHAPTER
14 4 OR CHAPTER 5, PART 2 OR 5, OF THIS TITLE.

15 NEW SECTION. SECTION 25. VIOLATIONS. A PERSON WHO
16 PURPOSELY OR KNOWINGLY VIOLATES OR PROCURES, AIDS, OR ABETS
17 IN A VIOLATION OF [SECTIONS 21 THROUGH 24] IS GUILTY OF A
18 MISDEMEANOR PUNISHABLE UNDER 23-5-161.

19 SECTION 26. SECTION 23-5-114, MCA, IS AMENDED TO READ:

20 *23-5-114. Department employees -- activities
21 prohibited. (1) An employee of the department,--a--former
22 department--employee--during--the--first--365--days--following
23 termination--of--employment,--or--any--peace--officer--or
24 prosecutor directly involved with the prosecution,
25 investigation, regulation, or licensing of gambling, as

1 designated by the attorney general, may not:

2 ~~{1}(a)~~ serve as an officer or manager of a corporation
3 business or organization, other than a nonprofit corporation
4 or organization, that conducts a gambling activity, other
5 than as an officer of a nonprofit organization;

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

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

12 ~~{3}(c)~~ have a beneficial or pecuniary interest in a
13 contract for the manufacture, lease, or sale of a gambling
14 device, the conduct of a gambling activity, or the provision
15 of independent consultant services in connection with a
16 gambling activity; or

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

22 (2) The prohibitions in subsections (1)(a) through
23 (1)(c) apply to a former designated department employee
24 during the first year following termination from employment
25 with the department if the employee was directly involved

1 with the prosecution, investigation, regulation, or
2 licensing of gambling immediately before termination."

3 **SECTION 27. SECTION 23-5-136, MCA, IS AMENDED TO READ:**

4 "23-5-136. Injunction and other remedies. (1) If a
5 person has engaged or is engaging in an act or practice
6 constituting a violation of a provision of parts 1 through 6
7 of this chapter or a rule or order of the department, the
8 department may:

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

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

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

18 (ii) place a licensee on probation;

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

23 (iv) revoke a license or permit for the gambling
24 activity, device, or enterprise involved in the act or
25 practice constituting the violation;

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

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

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

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

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

12 (iii) appoint a receiver or conservator for the
 13 defendant or the assets of the defendant.

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

22 ~~f2+(3)~~ (a) A civil penalty imposed under this section
 23 must be collected by the department and deposited--in--the
 24 state's--general--fund--as--required--by distributed as provided
 25 in 23-5-123. The local government portion of the penalty

1 payment is statutorily appropriated to the department, as
 2 provided in 17-7-502, for deposit to the county or municipal
 3 treasury.

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

8 **SECTION 28. SECTION 23-5-153, MCA, IS AMENDED TO READ:**

9 **"23-5-153. Possession and sale of antique slot**
 10 **machines. (1) For the purposes of this section, an antique**
 11 **slot machine is a mechanically or electronically operated**
 12 **slot machine that at any present time is more than 25 years**
 13 **old.**

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

17 (3) (a) An antique slot machine may be possessed or
 18 located for purposes of display only and not for operation
 19 in any public museum owned and operated by the state, a
 20 county, or a city.

21 (b) A licensed manufacturer-distributor or a person
 22 licensed under subsection (4) may possess and--sell antique
 23 slot machines for purposes of commercially selling or
 24 otherwise supplying the machines.

25 (4) A person other than a licensed

1 manufacturer-distributor may not sell more than three
 2 antique slot machines in a 12-month period without first
 3 obtaining from the department an annual license for selling
 4 the machines. The fee for the license is \$50 a year. The fee
 5 must be retained by the department for administrative
 6 purposes. The department may not issue a license under this
 7 subsection to a licensed operator.

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

12 ~~(4)~~(6) An antique slot machine may not be operated for
 13 any commercial or charitable purpose."

14 **SECTION 29. SECTION 23-5-154, MCA, IS AMENDED TO READ:**

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

22 **SECTION 30. SECTION 23-5-156, MCA, IS AMENDED TO READ:**

23 **"23-5-156. Obtaining anything of value by fraud or**
 24 **operation of illegal gambling device or enterprise. (1) A**
 25 **person who by-gambling in an activity involving gambling**

1 obtains money, property, or anything of value that does not
 2 exceed \$300 in value by misrepresentation, fraud, or the use
 3 of an illegal gambling device or an illegal gambling
 4 enterprise is guilty of a misdemeanor and is punishable as
 5 provided in 23-5-161.

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

12 **SECTION 31. SECTION 23-5-158, MCA, IS AMENDED TO READ:**

13 **"23-5-158. Minors not to participate -- penalty --**
 14 **exception. (1) A Except as provided in subsection (2), a**
 15 **person may not purposely or knowingly allow a person under**
 16 **18 years of age to participate in a gambling activity.**

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

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

SECTION 32. SECTION 23-5-162, MCA, IS AMENDED TO READ:

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

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

SECTION 33. SECTION 23-5-176, MCA, IS AMENDED TO READ:

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

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

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

(i) poses a threat to the public interest of the state

or;

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

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

(b) has been convicted of a felony offense within 5 years of the date of application or is on probation or parole or under deferred prosecution for committing a felony offense; or

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

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

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

NEW SECTION. SECTION 34. ILLEGAL SALE, ASSIGNMENT, LEASE, OR TRANSFER OF LICENSE -- PENALTY. A LICENSEE WHO

1 PURPOSELY OR KNOWINGLY SELLS, ASSIGNS, LEASES, OR TRANSFERS
 2 A LICENSE OR PERMIT IN VIOLATION OF 23-5-110 IS GUILTY OF A
 3 MISDEMEANOR PUNISHABLE IN ACCORDANCE WITH 23-5-161.

4 **SECTION 35.** 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 on 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 36.** 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 37], 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 37. 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 5 CONSECUTIVE DAYS. 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) THE FACE VALUE OF THE CHIPS USED DOES NOT GOVERN
 5 THE VALUE OF THE POT AWARDED AT THE END OF THE TOURNAMENT.

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 38. 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-raffies~~--~~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-raffies.

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 39. SECTION 23-5-407, MCA, IS AMENDED TO READ:**

21 ***23-5-407. Live bingo or keno permit -- fees --**
 22 **disposition of fees. (1) A person who has been granted an**
 23 **operator's license may be granted an annual permit by the**
 24 **department to conduct live bingo or keno games on specified**
 25 **premises. The permit expires June 30 of each year.**

1 (2) The permit fee for each of the premises in which a
 2 live bingo or keno game is conducted ~~may not be prorated and~~
 3 ~~must be \$500~~ is \$250.

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

6 **SECTION 40. SECTION 23-5-409, MCA, IS AMENDED TO READ:**

7 "23-5-409. Bingo and keno tax -- records --
 8 distribution -- statement and payment. (1) A licensee who
 9 has received a permit to operate bingo or keno games shall
 10 pay to the department a tax of 5% 1% of the ~~net income~~ gross
 11 proceeds from the operation of each live bingo and keno game
 12 operated on his premises. ~~For purposes of this section, "net~~
 13 ~~income" means gross proceeds, as defined in 23-5-1127, minus~~
 14 ~~the cost of equipment, supplies, personnel, and advertising~~
 15 ~~allocated to the games; if in any year 5% of net income does~~
 16 ~~not equal 1% of gross proceeds, then the licensee shall pay~~
 17 ~~a tax of 1% of gross proceeds.~~

18 (2) A licensee shall keep a record of gross proceeds
 19 ~~and net income~~ in the form the department requires. At all
 20 times during the business hours of the licensee the records
 21 must be available for inspection by the department.

22 (3) A licensee shall annually complete and deliver to
 23 the department a statement showing the total gross proceeds
 24 ~~and net income~~ for each live keno or bingo game operated by
 25 him and the total amount due as live bingo or keno tax for

1 the preceding year. This statement must contain any other
 2 relevant information required by the department.

3 (4) The department shall forward the tax collected
 4 under subsection (3) to the treasurer of the county or the
 5 clerk, finance officer, or treasurer of the city or town in
 6 which the licensed game is located for deposit to the county
 7 or municipal treasury. A county is not entitled to proceeds
 8 from taxes on live bingo or keno games located in
 9 incorporated cities and towns within the county. The tax
 10 collected under subsection (3) is statutorily appropriated
 11 to the department, as provided in 17-7-502, for deposit to
 12 the county or municipal treasury."

13 **SECTION 41. SECTION 23-5-412, MCA, IS AMENDED TO READ:**

14 "23-5-412. Card prices and prizes -- exception. ~~The (1)~~
 15 Except as provided in subsection (3):

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

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

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

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

25 (3) A variation of the game of keno, as approved by the

1 department, in which a player selects three or more numbers
 2 and places a wager on various combinations of these numbers
 3 is permissible if:

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

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

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

18 **SECTION 42. SECTION 23-5-413, MCA, IS AMENDED TO READ:**

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

24 (1)(a) A--separate Except as provided in subsection
 25 (1)(b), a permit must be issued by the board of county

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

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

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

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

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

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

1 tangible personal property, or real property. Prizes may not
 2 be combined in any manner to increase the ultimate value of
 3 the prize awarded for each ticket.

4 ~~{3}--(a)--The restrictions of subsection (1) do not apply~~
 5 ~~to a raffle conducted by a nonprofit corporation;~~

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

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

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

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

1 ~~commissioners;~~

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

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

17 **SECTION 43. SECTION 23-5-501, MCA, IS AMENDED TO READ:**

18 "23-5-501. Definitions Definition. As used in this
 19 part, unless the context clearly requires otherwise, the
 20 following definitions apply:

21 ~~{1}--"Nonprofit organization" means a charitable,~~
 22 ~~religious, scholastic, educational, veterans', fraternal,~~
 23 ~~beneficial, civic, or service organization, other than one~~
 24 ~~established for the purpose of conducting or participating~~
 25 ~~in a sports pool;~~

1 ~~{2}~~--"Sports "sports pool" means a card divided into
 2 squares or spaces, with the names of the participants in the
 3 pool written within such squares or spaces, for gambling
 4 activity, other than an activity governed under chapter 4 or
 5 chapter 5, part 2 of this title in which consideration in a
 6 person wagers money is paid by the person playing for each
 7 square or space for the chance to win money or other items
 8 of value based on any the outcome of a sports event or
 9 series of sports events wherein the participants competitors
 10 in such the sports event or series of sports events are
 11 natural persons or animals."

12 NEW SECTION. SECTION 44. SPORTS POOL DESIGN --
 13 DEPARTMENT RULES. (1) A SPORTS POOL MUST BE DESIGNED TO
 14 ENSURE THAT:

15 (A) THERE IS AT LEAST ONE WINNER FROM AMONG THE
 16 PARTICIPANTS IN THE POOL; AND

17 (B) EACH PARTICIPANT HAS AN EQUAL CHANCE TO WIN THE
 18 POOL.

19 (2) COMPETITORS IN A SPORTS EVENT OR SERIES OF SPORTS
 20 EVENTS MAY BE RANDOMLY ASSIGNED TO EACH PARTICIPANT IN THE
 21 SPORTS POOL.

22 (3) THE DEPARTMENT SHALL BY RULE DESCRIBE THE TYPES OF
 23 SPORTS POOLS AUTHORIZED BY THIS PART. VARIATIONS IN THE
 24 AUTHORIZED SPORTS POOLS MUST BE SUBMITTED TO THE DEPARTMENT
 25 FOR REVIEW AND APPROVAL BEFORE THEY ARE MADE AVAILABLE FOR

1 PUBLIC PLAY.

2 SECTION 45. SECTION 23-5-503, MCA, IS AMENDED TO READ:

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

10 (2) A chance to participate in a sports pool may not be
 11 sold other than upon the premises in which the sports pool
 12 is conducted. An individual Each chance to participate in a
 13 sports pool may not must be sold for a consideration in
 14 excess of the same amount, which may not exceed \$5, and the
 15 total amount to be paid to the all winners of any individual
 16 sports pool may not exceed the value of \$500. Chances for a
 17 series of events may be purchased all at once prior to the
 18 occurrence of the first event.

19 (3) (a) Except as provided in subsection (3)(b), the
 20 winner winners of any sports pool shall receive a 100%
 21 payout of the value of the sports pool.

22 {3}(b) A nonprofit organization that maintains records
 23 and opens the records to inspection upon reasonable demand
 24 records to verify that the retained portion is used to
 25 support charitable activities, scholarships or educational

1 grants, or community service projects may retain up to 50%
2 of the value of a sports pool.

3 (4) A person or nonprofit organization conducting a
4 sports pool may purchase chances to participate in the
5 sports pool but may not:

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

8 (b) charge a fee for participating in the sports pool;
9 or

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

13 **SECTION 46. SECTION 23-5-603, MCA, IS AMENDED TO READ:**

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

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

1 approved under the permit provisions of this part. A fee may
2 not be charged for the replacement machine.

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

6 (a) in the a room, area, or other part of the premises
7 in which the alcoholic beverages are sold and--normally or
8 consumed; and

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

12 **SECTION 47. SECTION 23-5-610, MCA, IS AMENDED TO READ:**

13 **"23-5-610. Video gambling machine net gross income tax**
14 **-- records -- distribution -- quarterly statement and**
15 **payment. (1) An A licensed operator issued a permit under**
16 **this part shall pay to the department a video gambling**
17 **machine tax of 15% of net-machine the gross income from each**
18 **video gambling machine licensed under this part. A licensed**
19 **operator may deduct from the gross income amounts equal to**
20 **amounts stolen from machines if the amounts are not repaid**
21 **by insurance and if a law enforcement agency investigated**
22 **the theft.**

23 **(2) An A licensed operator issued a permit under this**
24 **part shall keep a record of net-machine the gross income**
25 **from each machine in such form as the department may**

1 require. The records must at all times during the business
2 hours of the licensee be subject to inspection by the
3 department.

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

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

14 (b) The department shall forward the remaining
15 two-thirds of the tax collected under subsection (3) to the
16 treasurer of the county or the clerk, finance officer, or
17 treasurer of the city or town in which the licensed machine
18 is located, for deposit to the county or municipal treasury.
19 Counties are not entitled to proceeds from taxes on income
20 from video gambling machines located in incorporated cities
21 and towns. The two-thirds local government portion of tax
22 collected under subsection (3) is statutorily appropriated
23 to the department as provided in 17-7-502 for deposit to the
24 county or municipal treasury."

25 **SECTION 48. SECTION 23-5-611, MCA, IS AMENDED TO READ:**

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

7 (b) If video keno or bingo gambling machines were
8 legally operated on a premises on January 15, 1989, and the
9 premises were not on that date licensed to sell alcoholic
10 beverages for consumption on the premises or operated for
11 the principal purpose of gaming and there is an operator's
12 license for the premises under 23-5-177, a permit for the
13 same number of video keno or bingo gambling machines as were
14 operated on the premises on that date may be granted to the
15 person who held the permit for such machines on those
16 premises on that date.

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

22 (2) An applicant for a permit shall disclose on the
23 application form to the department any information required
24 by the department consistent with the provisions of
25 23-5-176.

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

5 **SECTION 49.** SECTION 23-5-612, MCA, IS AMENDED TO READ:

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

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

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

25 ~~{3}--The permit expires on June 30 of each year, and the~~

1 ~~fee may not be prorated;~~

2 ~~{4}--A--used--keno--machine--may---be---licensed---under~~
3 ~~subsection--(1)--without-meeting-the-requirements-of-23-5-609~~
4 ~~{as--that--section--read--on--September--30,--1989}--if--the~~
5 ~~applicant-for-licensure-can-establish-to-the-satisfaction-of~~
6 ~~the-department-that,--on-the-date-of-application,--he-owns--or~~
7 ~~possesses--a-machine-that-was-owned-or-operated-in-the-state~~
8 ~~prior--to--June--30,--1987.---A--license--issued--under--this~~
9 ~~subsection--expires--for--all--purposes--no--later--than--June--30,~~
10 ~~1989."~~

11 **SECTION 50.** SECTION 23-5-625, MCA, IS AMENDED TO READ:

12 "23-5-625. Video gambling machine
13 manufacturer-distributor -- license -- fees. (1) It (a)
14 Except as provided in subsections (2) and (3), it is
15 unlawful for any person to assemble, produce, manufacture,
16 or supply any video gambling machine or associated equipment
17 for use or play in the state without having first been
18 issued a video gambling machine manufacturer-distributor's
19 license by the department. A licensed
20 manufacturer-distributor may supply a video gambling machine
21 only to another licensed manufacturer-distributor or a
22 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 51. 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 52. 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 53. SECTION 2-15-2021, MCA, IS AMENDED TO READ:**

25 "2-15-2021. Gaming advisory council -- allocation --

1 composition -- compensation -- annual biennial report. (1)
2 There is a gaming advisory council.

3 (2) The gaming advisory council is allocated to the
4 department for administrative purposes only as prescribed in
5 2-15-121.

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

15 (4) Each gaming advisory council member is appointed to
16 a 3-year term of office, except that three of the
17 first-appointed original members shall serve a 1-year term,
18 three (including both legislative members) shall serve a
19 2-year term, and three shall serve a 3-year term. A member
20 of the council may be removed for good cause by the
21 appointing body provided for in subsection (3).

22 (5) The gaming advisory council shall appoint a
23 chairman from its members.

24 (6) Legislative members of the gaming advisory council
25 are entitled to compensation and expenses, as provided in

1 5-2-302, while the council is meeting. The remaining members
2 are entitled to travel, meals, and lodging expenses as
3 provided for in 2-18-501 through 2-18-503. Expenses of the
4 council must be paid from licensing fees received by the
5 department.

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

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

17 (b) The annual biennial report required under
18 subsection (8)(a) must be affixed to the annual-department
19 report on gambling in the state that the department submits
20 that year. The department and council shall submit the two
21 most recent department and council reports to each of the
22 next two regular sessions of the legislature.

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

25 (d) The council shall meet with the department upon

1 request of the department.

2 (e) The department shall meet with the council upon
3 request of the council.

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

13 **SECTION 54. SECTION 23-5-602, MCA, IS AMENDED TO READ:**

14 **"23-5-602. Definitions.** As used in this part, the
15 following definitions apply:

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

22 (2) "Bingo machine" means an electronic video gambling
23 machine that, upon insertion of cash, is available to play
24 bingo as defined by rules of the department. The machine
25 utilizes a video display and microprocessors in which, by

1 the skill of the player, by chance, or both, the player may
2 receive free games or credits that may be redeemed for cash.
3 The term does not include a slot machine or a machine that
4 directly dispenses coins, cash, tokens, or anything else of
5 value.

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

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

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

1 (6) "Video gambling machine manufacturer-distributor"
2 means a person who assembles, produces, makes, or supplies
3 video gambling machines or associated equipment for sale,
4 use, or distribution in the state."

5 NEW SECTION. SECTION 55. FISHING DERBIES AND WAGERING
6 ON NATURAL OCCURRENCES. (1) THE FOLLOWING ARE AUTHORIZED
7 GAMBLING ACTIVITIES:

8 (A) A FISHING DERBY IN WHICH TWO OR MORE PERSONS PAY
9 VALUABLE CONSIDERATION FOR AN OPPORTUNITY TO WIN A PRIZE FOR
10 THE SPECIES, SIZE, WEIGHT, OR OTHERWISE SPECIFIED FISH
11 CAUGHT IN A FISHING EVENT; AND

12 (B) WAGERING ON THE OUTCOME OF A NATURAL OCCURRENCE IN
13 WHICH TWO OR MORE PERSONS PAY VALUABLE CONSIDERATION FOR AN
14 OPPORTUNITY TO WIN A PRIZE BY MOST ACCURATELY PREDICTING THE
15 DATE OR TIME OF AN EVENT RESULTING FROM A CLIMATOLOGICAL OR
16 METEOROLOGICAL ACTIVITY.

17 (2) EXCEPT AS PROVIDED IN SUBSECTION (3), ALL
18 CONSIDERATION PAID TO PARTICIPATE IN A GAMBLING ACTIVITY
19 AUTHORIZED IN SUBSECTION (1) MUST BE PAID TO THE WINNERS.

20 (3) A NONPROFIT ORGANIZATION SPONSORING A GAMBLING
21 ACTIVITY AUTHORIZED IN SUBSECTION (1) MAY RETAIN UP TO 50%
22 OF THE TOTAL AMOUNT PAID TO PARTICIPATE.

23 (4) THIS SECTION DOES NOT APPLY TO A GAMBLING ACTIVITY
24 CONDUCTED UNDER CHAPTER 4 OR CHAPTER 5, PART 2 OR 3 OF THIS
25 TITLE.

1 NEW SECTION. Section 56. Codification instruction --
2 code commissioner instruction. (1) [Sections 4, 7 through
3 ~~17--and--14--through--23~~ 25, 34, AND 55] are intended to be
4 codified as an integral part of Title 23, chapter 5.
5 [Sections ~~17~~ 14 through ~~23~~ 20 AND 21 THROUGH 25] are EACH
6 intended to be codified as a separate part of Title 23,
7 chapter 5. The provisions of Title 23, chapter 5, ~~part-17~~
8 apply to [sections 4, 7 through ~~17--and--14--through--23~~ 25,
9 34, AND 55].

10 (2) [SECTION 37] IS INTENDED TO BE CODIFIED AS AN
11 INTEGRAL PART OF TITLE 23, CHAPTER 5, PART 3, AND THE
12 PROVISIONS OF TITLE 23, CHAPTER 5, PART 3, APPLY TO [SECTION
13 37].

14 (3) [SECTION 44] IS INTENDED TO BE CODIFIED AS AN
15 INTEGRAL PART OF TITLE 23, CHAPTER 5, PART 5, AND THE
16 PROVISIONS OF TITLE 23, CHAPTER 5, PART 5, APPLY TO [SECTION
17 44].

18 (2)(4) The code commissioner shall recodify part 10 of
19 Title 23, chapter 5, as a new chapter in Title 23. Internal
20 references in the Montana Code Annotated section text and in
21 any act of the 52nd legislature must be changed by the code
22 commissioner if necessary to retain their original meaning.

23 ~~NEW SECTION. Section 25. Coordination instruction. If~~
24 ~~-----Bill--No-----[BE--1036]--is--not--passed--and--approved,~~
25 ~~{section-10-of-this-act}-is-void.~~

1 NEW SECTION. Section 57. Effective dates. (1)
2 ~~{Sections 1 through 9, 11 through 26, and this section}--are~~
3 ~~effective October 1, 1991.~~
4 ~~{2}--{Section 18} is effective July 1, 1992.~~
5 (1) {SECTION 26 AND THIS SECTION} ARE EFFECTIVE ON
6 PASSAGE AND APPROVAL.
7 (2) {SECTIONS 1 THROUGH 25 AND 27 THROUGH 56} ARE
8 EFFECTIVE JULY 1, 1991.

-End-

1 SENATE BILL NO. 427

2 INTRODUCED BY GAGE, B. BROWN

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; REVISING THE DEFINITIONS OF
7 ILLEGAL GAMBLING DEVICE AND ILLEGAL GAMBLING ENTERPRISE;
8 DEFINING A PROMOTIONAL GAME OF CHANCE ~~AND LIMITING PAYOUTS~~
9 ~~ON THE GAMES~~; PERMITTING LIMITED RELEASE OF LICENSE AND TAX
10 INFORMATION; ESTABLISHING A ONE-TIME FEE FOR PROCESSING AN
11 OPERATOR'S LICENSE APPLICATION; PROVIDING REQUIREMENTS FOR
12 PREMISES APPROVAL; REQUIRING NOTIFICATION BEFORE THE
13 TRANSFER OF AN OWNERSHIP INTEREST IN AN OPERATOR'S PREMISES;
14 ~~REQUIRING PERSONS INVOLVED IN CONDUCTING GAMBLING TO BE~~
15 ~~EMPLOYEES OF AN OPERATOR, PROHIBITING A GAMBLING LICENSEE~~
16 ~~FROM HAVING A SUBSTANTIAL INTEREST IN A GAMBLING BUSINESS~~
17 ~~OPERATED AT A DIFFERENT MARKETING LEVEL~~; PROVIDING FOR
18 INSPECTION OF PREMISES; CREATING A MANUFACTURER'S LICENSE
19 FOR ELECTRONIC BINGO AND KENO EQUIPMENT; LEGALIZING LIMITED
20 CASINO NIGHTS; EXPANDING PROVISIONS GOVERNING SPORTS POOLS;
21 PRORATING VIDEO GAMBLING MACHINE PERMIT FEES; ALLOWING A
22 DEDUCTION FOR THEFT FOR PURPOSES OF CALCULATING THE VIDEO
23 GAMBLING MACHINE TAX; AUTHORIZING FANTASY SPORTS LEAGUES,
24 FISHING DERBIES, AND WAGERING ON NATURAL OCCURRENCES;
25 REQUIRING BIENNIAL REPORTS FROM THE DEPARTMENT OF JUSTICE

1 AND GAMING ADVISORY COUNCIL; REVISING CERTAIN GAMBLING
2 DEFINITIONS; CLARIFYING CERTAIN CRIMINAL GAMBLING OFFENSES;
3 ESTABLISHING A PENALTY FOR SALE, ASSIGNMENT, LEASE, OR
4 TRANSFER OF A LICENSE OR PERMIT; STATUTORILY APPROPRIATING
5 VIDEO GAMBLING MACHINE TESTING FEES TO THE DEPARTMENT OF
6 JUSTICE; REVISING PROVISIONS CONCERNING ANTIQUE SLOT
7 MACHINES; CLARIFYING PROHIBITED ACTIVITIES FOR DEPARTMENT OF
8 JUSTICE EMPLOYEES; CLARIFYING DISPOSITION OF PENALTIES,
9 FINES, AND FORFEITURES; AUTHORIZING THE DEPARTMENT OF
10 JUSTICE TO ISSUE WARRANTS FOR DISTRAINT; ESTABLISHING THE
11 CRIME OF SOLICITING ANOTHER PERSON TO PARTICIPATE IN AN
12 ILLEGAL GAMBLING ENTERPRISE AND ESTABLISHING A PENALTY;
13 PROHIBITING A MINOR FROM PARTICIPATING IN CERTAIN FORMS OF
14 GAMBLING; REQUIRING LICENSE AND PERMIT REVOCATION UPON
15 CONVICTION OF A FELONY GAMBLING OFFENSE; CREATING ADDITIONAL
16 EXEMPTIONS FROM THE LIVE BINGO AND KENO TAX AND PERMIT FEE;
17 CLARIFYING RAFFLE PROVISIONS; PROVIDING FOR SALE OF VIDEO
18 GAMBLING MACHINES; REVISING CARD DEALER PROVISIONS;
19 AUTHORIZING WAY TICKETS IN KENO GAMES; REMOVING THE
20 10-MACHINE LIMIT ON VIDEO DRAW POKER MACHINES; REVISING
21 LICENSURE QUALIFICATIONS; PROVIDING FOR CARD GAME
22 TOURNAMENTS; CLARIFYING PLACEMENT OF VIDEO GAMBLING
23 MACHINES; ELIMINATING NET TAX ON LIVE BINGO AND KENO GAMES
24 AND REVISING THE PERMIT FEE; AUTHORIZING SPORTS TAB GAMES
25 PURSUANT TO THE RULES GOVERNING SPORTS POOLS; AMENDING

1 SECTIONS 2-15-2021, 17-7-502, 23-5-112, 23-5-113, 23-5-114,
 2 23-5-115, 23-5-136, 23-5-152, 23-5-153, 23-5-154, 23-5-156,
 3 23-5-158, 23-5-162, 23-5-176, 23-5-177, 23-5-308, 23-5-309,
 4 23-5-312,---AND 23-5-406, 23-5-407, 23-5-409, 23-5-412,
 5 23-5-413, 23-5-501, 23-5-502, 23-5-503, 23-5-602, 23-5-603,
 6 23-5-610, 23-5-611, 23-5-612, 23-5-625, AND 23-5-631, MCA;
 7 AND PROVIDING EFFECTIVE DATES."
 8
 9

STATEMENT OF INTENT

10 A statement of intent is required for this bill because
 11 [sections ~~16--and--23~~ 13, 20, AND 44] grant rulemaking
 12 authority to the department of justice.

13 [Section ~~16~~ 13] requires the department to adopt rules
 14 describing electronic live bingo and keno equipment that may
 15 be approved for use in Montana. The rules must ensure that
 16 the electronic equipment use a random selection process to
 17 determine the outcome of each bingo or keno game.

18 [Section ~~23~~ 20] requires the department to adopt rules
 19 to administer the laws governing casino nights. The rules
 20 must address but are not limited to:

- 21 (1) procedures for applying for a casino night permit;
 22 (2) the type of documentation to be submitted as part
 23 of the application to establish an organization's nonprofit
 24 status; and
 25 (3) the conduct of games operated during a casino night

1 to ensure that illegal gambling activities are not offered.

2 [SECTION 44] REQUIRES THE DEPARTMENT TO ADOPT RULES
 3 DESCRIBING THE TYPES OF SPORTS POOLS AUTHORIZED UNDER
 4 23-5-501, 23-5-503, AND [SECTION 44].
 5

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

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

8 **"23-5-112. Definitions.** Unless the context requires
 9 otherwise, the following definitions apply to parts 1
 10 through 6 of this chapter:

11 (1) "Applicant" means a person who has applied for a
 12 license or permit issued by the department pursuant to parts
 13 1 through 6 of this chapter.

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

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

21 (4) "Bingo" means a gambling activity played for prizes
 22 with a card bearing a printed design of 5 columns of 5
 23 squares each, 25 squares in all. The letters B-I-N-G-O must
 24 appear above the design, with each letter above one of the
 25 columns. No more than 75 numbers may be used. One number

1 must appear in each square, except for the center square,
 2 which may be considered a free play. Numbers are randomly
 3 drawn using authorized equipment until the game is won by
 4 the person or persons who first cover a previously
 5 designated arrangement of numbers on the bingo card.

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

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

12 (7) "CARD GAME TOURNAMENT" MEANS A GAMBLING ACTIVITY
 13 FOR WHICH A PERMIT HAS BEEN ISSUED INVOLVING PARTICIPANTS
 14 WHO PAY VALUABLE CONSIDERATION FOR THE OPPORTUNITY TO
 15 COMPETE AGAINST EACH OTHER IN A SERIES OF LIVE CARD GAMES
 16 CONDUCTED OVER A DESIGNATED PERIOD OF TIME.

17 ~~(7)~~(8) "Dealer" means a person with a dealer's license
 18 issued under part 3 of this chapter.

19 ~~(8)~~(9) "Department" means the department of justice.

20 ~~(9)~~(10) "Distributor" means a person who:

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

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

25 ~~(10)~~(11) "Gambling" or "gambling activity" means risking

1 money, credit, deposit, check, property, or any other thing
 2 of value for a gain that is contingent in whole or in part
 3 upon lot, chance, or the operation of a gambling device or
 4 gambling enterprise. The term does not mean conducting or
 5 participating in a promotional game of chance.

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

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

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

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

20 (a) a ticket or card, by whatever name known,
 21 containing concealed numbers or symbols that may match
 22 numbers or symbols designated in advance as prize winners,
 23 including a pull tab, punchboard, push card, tip board,
 24 pickle ticket, break-open, or jar game, except for one
 25 issued under chapter PART 10 of this title CHAPTER or used

1 in a promotional game of chance approved by the department;
2 and

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

8 (15)(16) "Illegal gambling enterprise" means a gambling
9 enterprise that violates or is not specifically authorized
10 by a statute or a rule of the department. The term includes
11 but-is-not-limited-to:

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

18 (b) a dice game, by whatever name known, in which a
19 participant wagers on the outcome of the roll of one or more
20 die, includes craps, hazard, or chuck-a-luck, but does not
21 include an activity in which a participant rolls one or more
22 die for a chance to obtain a drink or music; and

23 (c) sports betting, by whatever name known, in which a
24 person places a wager on the outcome of an athletic event,
25 including bookmaking, parlay bets, sports sweepstakes, or

1 sultan sports cards, but not including those activities
2 authorized in chapter 4 of this title and parts 2 and 5 of
3 this chapter.

4 (16)(17) "Keno" means a game of chance in which prizes
5 are awarded using a card with 8 horizontal rows and 10
6 columns on which a player may pick up to 10 numbers. A keno
7 caller, using authorized equipment, shall select at random
8 at least 20 numbers out of numbers between 1 and 80,
9 inclusive.

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

13 (18)(19) "License" means an operator's, dealer's, or
14 manufacturer-distributor's license issued to a person by the
15 department.

16 (19)(20) "Licensee" means a person who has received a
17 license from the department.

18 (20)(21) "Live card game" or "card game" means a card
19 game that is played in public between persons on the
20 premises of a licensed gambling operator.

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

1 in the property upon an agreement, understanding, or
2 expectation that it is to be distributed or disposed of by
3 lot or chance. However, "gift enterprise" does not mean:

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

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.

10 ~~(22)~~(23) "Manufacturer" means a person who assembles
11 from raw materials or subparts a completed piece of
12 equipment or pieces of equipment of any kind to be used as a
13 gambling device.

14 (24) "NONPROFIT ORGANIZATION" MEANS A NONPROFIT
15 CORPORATION OR NONPROFIT CHARITABLE, RELIGIOUS, SCHOLASTIC,
16 EDUCATIONAL, VETERANS', FRATERNAL, BENEFICIAL, CIVIC, SENIOR
17 CITIZENS', OR SERVICE ORGANIZATION ESTABLISHED FOR PURPOSES
18 OTHER THAN TO CONDUCT A GAMBLING ACTIVITY.

19 ~~(23)~~(25) "Operator" means a person who purchases,
20 receives, or acquires, by lease or otherwise, and operates
21 or controls for use in public, a gambling device or gambling
22 enterprise authorized under parts 1 through 6 of this
23 chapter.

24 ~~(24)~~(26) "Permit" means approval from the department to
25 make available for public play a gambling device or gambling

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

3 ~~(25)~~(27) "Person" or "persons" means both natural and
4 artificial persons and all partnerships, corporations,
5 associations, clubs, fraternal orders, and societies,
6 including religious and charitable organizations.

7 ~~(26)~~(28) "Premises" means the physical building or
8 property within or upon which a licensed gambling activity
9 occurs, as stated on an operator's license application and
10 approved by the department.

11 ~~(27)~~(29) "Promotional game of chance" means a scheme, by
12 whatever name known, for the disposal or distribution of
13 property by chance among persons who have not paid or are
14 not expected to pay any valuable consideration or who have
15 not purchased or are not expected to purchase any goods or
16 services for a chance to obtain the property, a portion of
17 it, or a share in it.

18 ~~(27)~~~~(28)~~(30) "Public gambling" means gambling conducted
19 in:

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

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

1 (C) A PLACE, BUILDING, OR CONVEYANCE TO WHICH THE
 2 PUBLIC DOES NOT HAVE ACCESS IF PLAYERS ARE PUBLICLY
 3 SOLICITED OR THE GAMBLING ACTIVITY IS CONDUCTED IN A
 4 PREDOMINATELY COMMERCIAL MANNER.

5 ~~(28)~~~~(29)~~(31) "Raffle" means a gift--enterprise FORM OF
 6 LOTTERY in which each participant ~~buys-a-chance-or-chances~~
 7 PAYS VALUABLE CONSIDERATION FOR A TICKET TO BECOME ELIGIBLE
 8 to win a prize. WINNERS MUST BE DETERMINED BY A RANDOM
 9 SELECTION PROCESS APPROVED BY DEPARTMENT RULE.

10 ~~(29)~~~~(30)~~(32) "Slot machine" means a mechanical,
 11 electrical, electronic, or other gambling device,
 12 contrivance, or machine that, upon insertion of a coin,
 13 currency, token, credit card, or similar object or upon
 14 payment of any valuable consideration, is available to play
 15 or operate, the play or operation of which, whether by
 16 reason of the skill of the operator or application of the
 17 element of chance, or both, may deliver or entitle the
 18 person playing or operating the gambling device to receive
 19 cash, premiums, merchandise, tokens, or anything of value,
 20 whether the payoff is made automatically from the machine or
 21 in any other manner. This definition does not apply to video
 22 gambling machines authorized under part 6 of this chapter.

23 ~~(30)~~~~(31)~~(33) "Video gambling machine" is a gambling
 24 device specifically authorized by part 6 of this chapter and
 25 the rules of the department."

1 **Section 2.** Section 23-5-113, MCA, is amended to read:

2 "23-5-113. Department as criminal justice agency --
 3 seized property. (1) The department is a criminal justice
 4 agency. Designated agents of the department are granted
 5 peace officer status, with the power of search, seizure, and
 6 arrest, to investigate gambling activities in this state
 7 regulated by parts 1 through 6 of this chapter and the rules
 8 of the department and to report violations to the county
 9 attorney of the county in which they occur.

10 (2) Upon conviction for any violation of parts 1
 11 through 6 of this chapter, the court may order any property
 12 seized by a department OR LOCAL LAW ENFORCEMENT agent during
 13 a lawful search to be forfeited to the department, sold, if
 14 necessary, and disposed of under 23-5-123."

15 **Section 3.** Section 23-5-115, MCA, is amended to read:

16 "23-5-115. Powers and duties of department --
 17 licensing. (1) The department shall administer the
 18 provisions of parts 1 through 6 of this chapter.

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

21 (3) The department shall provide licensing procedures,
 22 prescribe necessary application forms, and grant or deny
 23 license applications.

24 (4) The department shall prescribe recordkeeping
 25 requirements for licensees, provide a procedure for

1 inspection of records, provide a method for collection of
2 taxes, and establish penalties for the delinquent reporting
3 and payment of required taxes.

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

7 (6) The department may not make public or otherwise
8 disclose information obtained in the application or tax
9 reporting processes, except for general statistical
10 reporting or studies or as provided in [section 4].

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

14 NEW SECTION. Section 4. Disclosure of information. (1)
15 The department may disclose the following information from a
16 license or permit application:

- 17 (a) the applicant's name;
- 18 (b) the address of the business where the activity
19 under the license or permit is to be conducted;
- 20 (c) the name of each person having an ownership
21 interest in the business; AND
- 22 ~~(d) the applicant's source of financing;~~
- 23 ~~(e) (D) types of permits requested by the applicant;~~
- 24 ~~and.~~
- 25 ~~(f) any other information that the department, after~~

1 ~~balancing the public's right to know against the applicant's~~
2 ~~right to privacy, considers suitable for disclosure.~~

3 (2) In addition to the information enumerated in
4 subsection (1), the department may disclose any other
5 relevant information obtained in the application or tax
6 reporting process or as a result of other department
7 operations to:

- 8 (a) a federal, state, city, county, or tribal criminal
9 justice agency; and
- 10 (b) the department of revenue and the federal internal
11 revenue service.

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

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

- 19 (a) have in his possession or under his control or to
20 purposely or knowingly permit to be placed, maintained, or
21 kept in any room, space, enclosure, or building owned,
22 leased, or occupied by him or under his management or
23 control an illegal gambling device; or
- 24 (b) operate an illegal gambling enterprise.
- 25 (2) This section Subsection (1) does not apply to a

1 public officer or to a person coming into possession of an
2 illegal gambling device in or by reason of the performance
3 of an official duty and holding it to be disposed of
4 according to law.

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

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

14 †4) An illegal gambling device may be possessed or
15 located in-a-public-museum-owned-and-operated-by-the--state,
16 a--county,--or--a-city for display purposes only and not for
17 operation:

18 (A) IN A PUBLIC OR PRIVATE MUSEUM; OR

19 (B) ANY OTHER PUBLIC PLACE IF THE DEVICE HAS BEEN MADE
20 PERMANENTLY INOPERABLE FOR PURPOSES OF CONDUCTING A GAMBLING
21 ACTIVITY."

22 **Section 6.** Section 23-5-177, MCA, is amended to read:

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

1 available to the public for play a gambling device or
2 gambling enterprise for which a permit must be obtained from
3 the department.

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

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

8 (b) any other relevant information requested by the
9 department; and

10 (c) a license application processing fee, as required
11 in subsection (8).

12 (3) Before issuing an operator's license, the
13 department shall approve, in accordance with [section 7],
14 the premises in which the gambling activity is to be
15 conducted.

16 (4) Regardless EXCEPT AS PROVIDED IN [SECTION 7],
17 REGARDLESS of the number of on-premises alcoholic beverage
18 licenses issued for a premises, the department may issue
19 only one operator's license for the premises.

20 †2) (5) An operator's license must include the following
21 information:

22 (a) a description of the premises upon which the
23 gambling will take place;

24 (b) the operator's name;

25 (c) a description of each gambling device or card game

1 table licensed for which a permit has been issued to the
 2 operator by the department for play upon the premises,
 3 including the type of game and license--number--or--decal
 4 permit number for each licensed game; and

5 (d) any other relevant information determined necessary
 6 by the department.

7 (3)(6) The operator's license must be issued annually
 8 along with all other licenses permits for gambling devices
 9 or games licensed issued to the operator.

10 (4)(7) The operator's license must be updated each time
 11 a video gambling device machine, bingo, keno, or card game
 12 table license permit is newly issued or the device machine
 13 or game is removed from the premises.

14 (5)(8) The department may-not shall charge an applicant
 15 for WHO HAS SUBMITTED an operator's license APPLICATION ON
 16 OR AFTER JULY 1, 1991, a one-time license application
 17 processing fee to cover the actual cost incurred by the
 18 department in determining whether the applicant qualifies
 19 for licensure under 23-5-176 the-issuance-of-an-operator's
 20 license. After making its determination, the department
 21 shall refund any overpayment or charge and collect amounts
 22 sufficient to reimburse the department for any underpayment
 23 of actual costs.

24 (6)(9) The operator's license must be prominently
 25 displayed upon the premises for which it is issued."

1 NEW SECTION. Section 7. Premises approval. (1) The
 2 EXCEPT AS PROVIDED IN SUBSECTION (4), THE department may
 3 approve a premises for issuance of an operator's license if
 4 the premises meets the requirements contained in subsections
 5 (2) through (4).

6 (2) The premises must:

7 (a) be a structure or facility that is clearly defined
 8 by permanently installed walls that extend from floor to
 9 ceiling;

10 (b) have a unique address assigned by the local
 11 government in which the premises is located; and

12 (c) have a public external entrance, leading to a
 13 street or other common area, that is not shared with another
 14 premises for which an operator's license has been issued.

15 (3) If the premises shares a common internal wall with
 16 another premises for which an operator's license has been
 17 issued, the common wall must be permanently installed,
 18 opaque, and extend from floor to ceiling AND MAY NOT CONTAIN
 19 AN INTERNAL ENTRANCE THROUGH WHICH PUBLIC ACCESS IS ALLOWED.

20 (4) if--the--premises--is--connected--by--an--internal
 21 entrance-to-another-premises-for-which-an-operator's-license
 22 has--been--issued,--the--establishments--operated--on--each
 23 premises-may-not-be-owned-by-any--combination--of--the--same
 24 persons--and--may--not--be--financially--or--operationally
 25 interrelated. A SECOND OPERATOR'S LICENSE MAY BE ISSUED OR

1 RENEWED UNTIL JUNE 30, 1996, FOR A PERSON OPERATING A
2 GAMBLING ACTIVITY ON A PREMISES THAT DID NOT MEET THE
3 REQUIREMENTS OF SUBSECTIONS (2) AND (3) IF:

4 (A) THE SECOND OPERATOR'S LICENSE WAS ISSUED TO THE
5 PERSON ON OR BEFORE JANUARY 1, 1991; OR

6 (B) (I) THE APPLICATION FOR THE SECOND OPERATOR'S
7 LICENSE WAS RECEIVED BY THE DEPARTMENT ON OR BEFORE JANUARY
8 1, 1991;

9 (II) A SECOND ON-PREMISES ALCOHOLIC BEVERAGES LICENSE
10 WAS OBTAINED FOR THE PREMISES ON OR BEFORE JANUARY 1, 1991;
11 AND

12 (III) SUBSTANTIAL PHYSICAL MODIFICATIONS TO THE PREMISES
13 WERE MADE ON OR BEFORE JANUARY 1, 1991.

14 NEW SECTION. Section 8. Transfer of ownership
15 interest. A licensed operator shall notify the department in
16 writing before transferring any ownership interest in his
17 premises.

18 NEW SECTION. Section 9. ~~Employees of operator~~
19 ~~receipt of gambling revenues; (1) Except as provided in~~
20 ~~subsection (2);~~

21 ~~(a) a person other than a licensed operator who is~~
22 ~~involved in conducting a gambling activity on a licensed~~
23 ~~operator's premises must be an employee of the licensed~~
24 ~~operator; and~~

25 ~~(b) all revenue derived from conducting a gambling~~

1 ~~activity on a licensed operator's premises must first accrue~~
2 ~~to the licensed operator;~~

3 ~~(2) The requirements in subsection (1) do not apply to:~~
4 ~~(a) a manufacturer or distributor who furnishes video~~
5 ~~gambling machines to an operator; or~~

6 ~~(b) revenue derived from the operation of video~~
7 ~~gambling machines; CARD ROOM CONTRACTOR'S LICENSE -- FEE --~~
8 ~~SUBMISSION OF CONTRACT. (1) IT IS A MISDEMEANOR FOR A PERSON~~
9 ~~TO ENTER INTO A CONTRACT WITH A LICENSED OPERATOR TO OPERATE~~
10 ~~ONE OR MORE LIVE CARD GAME TABLES ON THE OPERATOR'S PREMISES~~
11 ~~WITHOUT OBTAINING A CARD ROOM CONTRACTOR'S LICENSE FROM THE~~
12 ~~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 10. Interest in gambling-related
21 business operating at different marketing level prohibited;
22 (1) For purposes of this section, the issuance of each of
23 the following gambling licenses for the operation of a
24 business constitutes a different marketing level:

25 (a) a premises license;

1 (b)--a-route-operator's-license;and
2 (c)--a-manufacturer's-or-a-distributor's-license
3 (2)--Except-as-provided-in-subsection(4),a-person-who
4 has-obtained-a-premises-route-operator's-manufacturer's
5 or-distributor's-license-may-not:
6 (a)--obtain-another-license-for-the-operation-of-a
7 business-at-a-different-marketing-level;
8 (b)--have-a-substantial-interest-in-another-business
9 operating-at-a-different-marketing-level;
10 (c)--allow-an-officer-of-his-business-to-have-a
11 substantial-interest-in-another-business-operating-at-a
12 different-marketing-level;
13 (d)--employ-a-person-in-any-capacity-if-the-person-is
14 also-employed-by-another-business-operating-at-a-different
15 marketing-level;or
16 (e)--allow-another-business-operating-at-a-different
17 marketing-level--or-a-person-with-a-substantial-interest-in
18 such-a-business--to-have-a-substantial-interest--either
19 directly-or-indirectly--in-his-business;
20 (3)--A-person--possesses-a-substantial-interest-in-a
21 business-if-the-person-or-his-spouse:
22 (a)--owns,operates,manages,or-conducts--the--business
23 or-any-part-of-the-business;
24 (b)--shares--in--any-of-the-profits-or-potential-profits
25 of-the-business;

(c)--is-an-officer-or-director-of-the-entity-owning--the
business;
(d)--owns-or-otherwise-controls-5%--or-more-of-the-assets
or-stock-of-the-business;or
(e)--furnishes-5%--or-more-of-the-capital;whether-in
cash,goods,or-services;for-the-operation-of-the-business
during-any-calendar-year.
(4)--(a)--The--restrictions--imposed-in-subsection(2)--do
not-apply-to-a-person-who-on-January-17-1991--was-licensed
by--the--department--to--operate--businesses--at--different
marketing-levels-if-the-person-continuously-operates--the
businesses--after--that--date--and-meets-the-requirements-of
subsection(4)(b).However,the-person-may-not-obtain--an
additional-license-from-the-department-to-operate-a-business
at--a--different--marketing--level--if--the-business--was-not
operated-by-the-person-on-January-17-1991;
(b)--A-license--issued--in--compliance--with--subsection
(4)(a)--may-not-be-renewed-not-may-an-appropriate-license-be
issued-to-allow-continued-operation-of-a-business-unless--at
the-time-of-application--for--issuance--or--renewal--of--the
license--the-natural-persons-who-together-hold-the-majority
financial-interest-in--the--business--are--the--same--as--on
January-17-1991;
NEW SECTION. Section 10. Inspection of premises,
records, and devices. The department or a local law

1 enforcement official may inspect at any time during normal
2 business hours a premises, as defined in 23-5-112, or a
3 facility where gambling devices are manufactured or
4 distributed. The inspection may include the examination of
5 records, equipment, and proceeds related to the operation of
6 a gambling activity or the manufacture or distribution of a
7 gambling device.

8 Section 12, Section 23-5-312, MCA, is amended to read:
9 "23-5-312. Prizes not to exceed three hundred dollars:
10 (1) A prize for an individual live card game may not exceed
11 the value of \$300. Games may not be combined in any manner
12 so as to increase the value of the ultimate prize awarded.
13 (2) If a licensed operator conducts a promotional game
14 of chance involving a live card game, the prize limit
15 provided for in subsection (1) applies to prizes awarded as
16 a result of the promotional game of chance."

17 Section 13, Section 23-5-412, MCA, is amended to read:
18 "23-5-412. Card prices and prizes: (1) The price for an
19 individual bingo or keno card may not exceed 50 cents.
20 (2) Bingo and keno prizes may be paid in either
21 tangible personal property or cash. A prize may not exceed
22 the value of \$100 for each individual bingo award or keno
23 card. It is unlawful to, in any manner, combine any awards
24 so as to increase the ultimate value of the award.

25 (3) If a licensed operator conducts a promotional game

1 of chance involving bingo or keno, the prize limit provided
2 for in subsection (2) applies to prizes awarded as a result
3 of the promotional game of chance.

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

15 NEW SECTION. Section 11. Manufacturer's license for
16 electronic bingo or keno equipment -- license and processing
17 fees. (1) A person may not assemble, produce, manufacture,
18 or supply electronic equipment for use in conducting live
19 bingo or keno games in this state without obtaining an
20 annual manufacturer's license from the department.

21 (2) The department shall charge an annual license fee
22 of \$1,000 for issuing or renewing a manufacturer's license.

23 (3) A manufacturer's license expires June 30 of each
24 year, and the license fee may not be prorated.

25 (4) In addition to the license fee provided for in

1 subsection (2), the department may charge a one-time
2 manufacturer's application fee to cover the actual cost of
3 processing the original license. The department shall refund
4 an overpayment or charge and collect an amount sufficient to
5 reimburse the department for underpayment of actual costs.

6 (5) The department shall retain for administrative
7 purposes the license and processing fees collected under
8 this section.

9 NEW SECTION. Section 12. Examination and approval of
10 electronic bingo and keno equipment -- fee. (1) A licensed
11 manufacturer shall submit to the department for examination
12 a prototype of any electronic equipment intended for use in
13 conducting live bingo or keno games before the equipment is
14 used in the state.

15 (2) Before the equipment is examined, the manufacturer
16 shall pay the anticipated examination costs as determined by
17 the department. The department shall refund an overpayment
18 or charge and collect an amount sufficient to reimburse the
19 department for underpayment of actual costs.

20 (3) Upon completion of the examination, the department
21 may approve, disapprove, or place a condition upon use of
22 the equipment before it is made available for use in
23 conducting live bingo or keno games.

24 NEW SECTION. Section 13. Electronic live bingo and
25 keno equipment specifications -- rules. The department shall

1 adopt rules describing electronic live bingo and keno
2 equipment that may be approved under [section ~~15~~ 12]. At a
3 minimum, the rules must provide that the equipment use a
4 random selection process to determine the outcome of each
5 game.

6 NEW SECTION. Section 14. Definitions. Unless the
7 context requires otherwise, ~~the following definitions apply~~
8 ~~to~~ FOR PURPOSES OF [sections ~~17~~ 14 through 23 20]:

9 ~~(1)~~ ---"Casino , "CASINO night" means a fundraising event
10 during which wagers may be made in gambling activities
11 authorized in [section ~~18~~ 15] through the use of imitation
12 money.

13 ~~(2)~~ ---"Nonprofit----organization"---means---a---nonprofit
14 corporation-or-nonprofit-charitable,-religious,-scholastic,-
15 educational,-veterans,-fraternally,-beneficial,-civic,-senior
16 citizens,-,-or-service-organization-established-for-purposes
17 other-than-to-conduct-a-gambling-activity;.

18 NEW SECTION. Section 15. Casino nights authorized. (1)
19 Nonprofit organizations may conduct or participate in a
20 casino night.

21 (2) The following gambling activities may be conducted
22 during a casino night:

- 23 (a) live card games authorized under 23-5-311;
24 (b) live bingo and keno games; and
25 (c) raffles.

1 **NEW SECTION. Section 16.** Application for permit. (1) A
 2 nonprofit organization may apply to the department for a
 3 casino night permit on a form prescribed and furnished by
 4 the department. The application must be accompanied by a fee
 5 of \$25.

6 (2) The application must include:

7 (a) the name and address of the applicant;

8 (b) the name and address of the applicant's officers;

9 (c) the location, date, and time at which the applicant
 10 will conduct the casino night;

11 (d) sufficient evidence concerning the structure and
 12 operation of the organization to enable the department to
 13 determine whether the applicant is a nonprofit organization;
 14 and

15 (e) other relevant information requested by the
 16 department.

17 **NEW SECTION. Section 17.** Issuance of permit --
 18 disposition of fee. (1) After review of an application
 19 submitted under [section 19 16], the department may issue to
 20 the applicant a casino night permit. Only one permit may be
 21 issued to the applicant each year. The permit is valid for
 22 only one location and is not assignable or transferrable.

23 (2) The department shall retain the fee provided for in
 24 [section 19 16] for administrative purposes.

25 **NEW SECTION. Section 18.** Requirements for conducting

1 casino nights. A nonprofit organization that has obtained a
 2 permit under [section 20 17] shall conduct a casino night in
 3 compliance with the following conditions:

4 (1) The casino night may not last more than 12
 5 consecutive hours.

6 (2) The casino night must be managed and operated only
 7 by members of the nonprofit organization that was issued the
 8 permit under [section 20 17]. The members may not be
 9 compensated for their services;

10 (3) Only merchandise may be awarded as prizes.

11 (4) Proceeds derived from the casino night, after
 12 payment of reasonable administrative expenses, may be used
 13 only for a civic, charitable, or educational purpose, and
 14 administrative expenses may not exceed 50% of the proceeds.

15 **NEW SECTION. Section 19.** Nonapplicability of certain
 16 gambling laws. The provisions of parts 3 and 4 of this
 17 chapter, EXCEPT 23-5-311, do not apply to live card games,
 18 live bingo or keno games, or raffles conducted during a
 19 casino night.

20 **NEW SECTION. Section 20.** Rules. The department shall
 21 adopt rules to administer [sections 17 14 through 22 19]. At
 22 a minimum, the rules must address application procedures and
 23 play of the games during a casino night.

24 **NEW SECTION. SECTION 21.** FANTASY SPORTS LEAGUES
 25 **DEFINED. AS USED IN [SECTIONS 21 THROUGH 25], A "FANTASY**

1 SPORTS LEAGUE" MEANS A GAMBLING ACTIVITY CONDUCTED IN THE
2 FOLLOWING MANNER:

3 (1) A FANTASY SPORTS LEAGUE CONSISTS OF A LIMITED
4 NUMBER OF PERSONS OR GROUPS OF PERSONS WHO PAY AN ENTRANCE
5 FEE FOR MEMBERSHIP IN THE LEAGUE. THE ENTRANCE FEE MAY
6 INCLUDE AN ADMINISTRATIVE FEE.

7 (2) EACH LEAGUE MEMBER CREATES A FICTITIOUS TEAM
8 COMPOSED OF ATHLETES FROM A GIVEN PROFESSIONAL SPORT, SUCH
9 AS BASEBALL, BASKETBALL, OR FOOTBALL. PLAYER SELECTION IS
10 CONDUCTED THROUGH RANDOM DRAWINGS OR A BIDDING PROCESS.

11 (3) AFTER THE INITIAL TEAMS ARE SELECTED, INTERIM
12 REPLACEMENT OF PLAYERS MAY OCCUR BY TRADE OR PURCHASE. A
13 SPECIFIC FEE, WHICH MAY NOT EXCEED THE TOTAL ENTRANCE FEE,
14 IS CHARGED FOR EACH TRANSACTION.

15 (4) A METHOD, AS DEFINED BY LEAGUE RULES, IS DEvised TO
16 PERMIT EACH TEAM TO COMPETE AGAINST OTHER TEAMS IN THE
17 LEAGUE. POINTS ARE AWARDED TO A TEAM ACCORDING TO THE
18 PERFORMANCE OF INDIVIDUAL PLAYERS OR TEAMS OR BOTH DURING A
19 DESIGNATED TIME PERIOD.

20 (5) A MEMBER MAY BE ELIGIBLE TO RECEIVE A PAYOUT BASED
21 ON THE NUMBER OF POINTS ACCUMULATED. PAYOUTS, WHICH MAY BE
22 IN THE FORM OF CASH OR PRIZES, ARE AWARDED ACCORDING TO
23 LEAGUE RULES.

24 (6) RULES GOVERNING THE CONDUCT OF THE FANTASY SPORTS
25 LEAGUE MUST BE PROVIDED IN WRITING TO EACH MEMBER.

1 NEW SECTION. SECTION 22. FANTASY SPORTS LEAGUES
2 AUTHORIZED. IT IS LAWFUL TO CONDUCT OR PARTICIPATE IN A
3 FANTASY SPORTS LEAGUE.

4 NEW SECTION. SECTION 23. PAYOUTS -- ADMINISTRATIVE
5 FEES CHARGED BY COMMERCIAL ESTABLISHMENTS. (1) THE TOTAL
6 VALUE OF PAYOUTS TO ALL LEAGUE MEMBERS MUST EQUAL THE AMOUNT
7 COLLECTED FOR ENTRANCE, ADMINISTRATIVE, AND TRANSACTIONS
8 FEES, MINUS PAYMENT FOR ADMINISTRATIVE EXPENSES.

9 (2) IF A COMMERCIAL ESTABLISHMENT CHARGES AN
10 ADMINISTRATIVE FEE FOR CONDUCTING A FANTASY SPORTS LEAGUE,
11 THE FEE FOR EACH PARTICIPANT MAY NOT BE MORE THAN 15% OF THE
12 AMOUNT CHARGED AS A PARTICIPANT'S ENTRANCE FEE.

13 NEW SECTION. SECTION 24. SPORTS BETTING PROHIBITED --
14 APPLICABILITY. (SECTIONS 21 THROUGH 23) DO NOT:

15 (1) AUTHORIZE BETTING OR WAGERING ON THE OUTCOME OF AN
16 INDIVIDUAL SPORTS EVENT; OR

17 (2) APPLY TO GAMBLING ACTIVITIES GOVERNED UNDER CHAPTER
18 4 OR CHAPTER 5, PART 2 OR 5, OF THIS TITLE.

19 NEW SECTION. SECTION 25. VIOLATIONS. A PERSON WHO
20 PURPOSELY OR KNOWINGLY VIOLATES OR PROCURES, AIDS, OR ABETS
21 IN A VIOLATION OF [SECTIONS 21 THROUGH 24] IS GUILTY OF A
22 MISDEMEANOR PUNISHABLE UNDER 23-5-161.

23 SECTION 26. SECTION 23-5-114, MCA, IS AMENDED TO READ:

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

1 ~~department-employee-during--the--first--365--days--following~~
 2 ~~termination---of---employment,---or---any--peace--officer--or~~
 3 ~~prosecutor~~ directly involved with the prosecution,
 4 investigation, regulation, or licensing of gambling, as
 5 designated by the attorney general, may not:

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

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

14 ~~†2†--receive-or-share-in,--directly--or--indirectly,--any~~
 15 ~~profit-of-a-gambling-activity-regulated-by-the-department~~;

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

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

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

7 **SECTION 27. SECTION 23-5-136, MCA, IS AMENDED TO READ:**

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

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

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

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

22 (ii) place a licensee on probation;

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

1 violation;

2 (iv) revoke a license or permit for the gambling
3 activity, device, or enterprise involved in the act or
4 practice constituting the violation;

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

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

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

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

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

16 (iii) appoint a receiver or conservator for the
17 defendant or the assets of the defendant.

18 (2) The department may issue a warrant for distraint
19 against an operator who fails to pay a civil penalty imposed
20 under subsection (1) or a tax imposed under 23-5-409 or
21 23-5-610. The department may issue the warrant for the
22 amount of the unpaid penalty or for the amount of the unpaid
23 tax, plus penalty and accumulated interest on the tax, and
24 shall follow the procedures provided in 15-1-701 through
25 15-1-708.

1 ~~(2)~~(3) (a) A civil penalty imposed under this section
2 must be collected by the department and ~~deposited-in-the~~
3 ~~state's-general-fund-as-required-by~~ distributed as provided
4 in 23-5-123. The local government portion of the penalty
5 payment is statutorily appropriated to the department, as
6 provided in 17-7-502, for deposit to the county or municipal
7 treasury.

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

12 **SECTION 28. SECTION 23-5-153, MCA, IS AMENDED TO READ:**

13 **"23-5-153. Possession and sale of antique slot**
14 **machines. (1) For the purposes of this section, an antique**
15 **slot machine is a mechanically or electronically operated**
16 **slot machine that at any present time is more than 25 years**
17 **old.**

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

21 (3) (a) An antique slot machine may be possessed or
22 located for purposes of display only and not for operation
23 in any public museum owned and operated by the state, a
24 county, or a city.

25 (b) A licensed manufacturer-distributor or a person

1 licensed under subsection (4) may possess and sell antique
 2 slot machines for purposes of commercially selling or
 3 otherwise supplying the machines.

4 (4) A person other than a licensed
 5 manufacturer-distributor may not sell more than three
 6 antique slot machines in a 12-month period without first
 7 obtaining from the department an annual license for selling
 8 the machines. The fee for the license is \$50 a year. The fee
 9 must be retained by the department for administrative
 10 purposes. The department may not issue a license under this
 11 subsection to a licensed operator.

12 (5) A person or entity legally possessing a slot
 13 machine under subsection (2) or (3) may sell or otherwise
 14 supply a machine to another person or entity who may legally
 15 possess a slot machine.

16 ~~(4)~~(6) An antique slot machine may not be operated for
 17 any commercial or charitable purpose."

18 **SECTION 29.** SECTION 23-5-154, MCA, IS AMENDED TO READ:

19 "23-5-154. Soliciting or--persuading--persons--to-play
 20 participation in illegal gambling device activity
 21 prohibited. A person who purposely or knowingly advertises
 22 for or solicits another person to play--or--engage--in--the
 23 participate in an illegal gambling enterprise or use of an
 24 illegal gambling device is guilty of a misdemeanor and is
 25 punishable under 23-5-161."

1 **SECTION 30.** SECTION 23-5-156, MCA, IS AMENDED TO READ:

2 "23-5-156. Obtaining anything of value by fraud or
 3 operation of illegal gambling device or enterprise. (1) A
 4 person who by--gambling in an activity involving gambling
 5 obtains money, property, or anything of value that does not
 6 exceed \$300 in value by misrepresentation, fraud, or the use
 7 of an illegal gambling device or an illegal gambling
 8 enterprise is guilty of a misdemeanor and is punishable as
 9 provided in 23-5-161.

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

16 **SECTION 31.** SECTION 23-5-158, MCA, IS AMENDED TO READ:

17 "23-5-158. Minors not to participate -- penalty --
 18 exception. (1) A Except as provided in subsection (2), a
 19 person may not purposely or knowingly allow a person under
 20 18 years of age to participate in a gambling activity.

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

24 (2) A person under 18 years of age may sell or buy
 25 tickets for or receive prizes from a raffle conducted in

1 compliance with 23-5-413 if proceeds from the raffle, minus
 2 administrative expenses and prizes paid, are used to support
 3 charitable activities, scholarships or educational grants,
 4 or community service projects."

5 **SECTION 32. SECTION 23-5-162, MCA, IS AMENDED TO READ:**

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

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

17 **SECTION 33. SECTION 23-5-176, MCA, IS AMENDED TO READ:**

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

24 (2) The Except as provided in subsection (4), the
 25 department shall issue a license unless the department can

1 demonstrate that the applicant is:

2 (a) is a person whose prior financial or other
 3 activities or criminal record:

4 (i) poses a threat to the public interest of the state
 5 or;

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

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

12 (b) has been convicted of a felony offense within 5
 13 years of the date of application or is on probation or
 14 parole or under deferred prosecution for committing a felony
 15 offense; or

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

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

23 (4) The department may deny a license or permit to an
 24 applicant who has falsified a license or permit application.
 25 If the falsification is determined after the license or

1 permit has been issued, the department may revoke the
2 license or permit."

3 NEW SECTION. SECTION 34. ILLEGAL SALE, ASSIGNMENT,
4 LEASE, OR TRANSFER OF LICENSE -- PENALTY. A LICENSEE WHO
5 PURPOSELY OR KNOWINGLY SELLS, ASSIGNS, LEASES, OR TRANSFERS
6 A LICENSE OR PERMIT IN VIOLATION OF 23-5-110 IS GUILTY OF A
7 MISDEMEANOR PUNISHABLE IN ACCORDANCE WITH 23-5-161.

8 SECTION 35. SECTION 23-5-308, MCA, IS AMENDED TO READ:

9 "23-5-308. Card game dealers -- license. (1) A person
10 may not deal cards in a live card game of panguingue or
11 poker without being licensed annually by the department.

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

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

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

21 (5) (a) The department shall adopt rules to implement
22 temporary licensing procedures until a permanent license is
23 issued to a dealer.

24 (b) The rules must provide that:

25 (i) a temporary license may be obtained at the place

1 where a person locally applies for a driver's license; and
2 that

3 (ii) the receipt received upon mailing by certified mail
4 an a completed license application for a--permanent--license
5 and the fee required under subsection (2) by-certified-mail,
6 return receipt requested, also constitutes a temporary
7 license.

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

10 SECTION 36. SECTION 23-5-309, MCA, IS AMENDED TO READ:

11 "23-5-309. Presence--and-control-of-dealer Requirements
12 for conducting card games. (1) A Except as provided in
13 [section 37], a live card game may-not must be played except
14 on a live card game table in-the-presence-and-under-the
15 control-of-a-licensed-dealer for which a permit has been
16 issued and on the premises of a licensed operator.

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

20 NEW SECTION. SECTION 37. TOURNAMENTS. (1) SUBJECT TO
21 THE DEPARTMENT'S APPROVAL, A LICENSED OPERATOR WHO HAS A
22 PERMIT FOR PLACING AT LEAST 1 LIVE CARD GAME TABLE ON HIS
23 PREMISES MAY CONDUCT UP TO 12 LIVE CARD GAME TOURNAMENTS A
24 YEAR ON HIS PREMISES. EACH TOURNAMENT MAY BE CONDUCTED FOR
25 NO MORE THAN 5 CONSECUTIVE DAYS. IF AN OPERATOR CONDUCTS

1 MORE THAN ONE TOURNAMENT A YEAR, AT LEAST 7 DAYS MUST LAPSE
 2 BETWEEN THE CONCLUSION OF ONE TOURNAMENT AND THE BEGINNING
 3 OF THE NEXT TOURNAMENT.

4 (2) (A) AT LEAST 10 DAYS BEFORE THE START OF A
 5 TOURNAMENT, THE OPERATOR SHALL SUBMIT TO THE DEPARTMENT AN
 6 APPLICATION FOR A TOURNAMENT PERMIT. THE PERMIT APPLICATION
 7 MUST BE ACCOMPANIED BY A \$10 FEE. THE DEPARTMENT SHALL
 8 RETAIN THE FEE FOR ADMINISTRATIVE PURPOSES.

9 (B) IF A TOURNAMENT IS TO BE CONDUCTED ON THE PREMISES
 10 OF MORE THAN ONE LICENSED OPERATOR, EACH OPERATOR SHALL
 11 SUBMIT A PERMIT APPLICATION AND PROCESSING FEE. THE PERMIT
 12 IS APPLIED TOWARD EACH OPERATOR'S ANNUAL 12-TOURNAMENT
 13 LIMIT.

14 (3) PERMITS FOR PLACEMENT OF ADDITIONAL LIVE CARD GAME
 15 TABLES, AS PROVIDED IN 23-5-306, ARE NOT REQUIRED FOR
 16 ADDITIONAL TABLES AUTHORIZED UNDER A TOURNAMENT PERMIT.

17 (4) TOURNAMENT PARTICIPANTS MUST BE PROVIDED WITH A
 18 COPY OF THE TOURNAMENT RULES BEFORE THE START OF THE
 19 TOURNAMENT. A COPY OF THE RULES MUST BE POSTED IN A
 20 CONSPICUOUS LOCATION IN EACH AREA WHERE THE TOURNAMENT IS
 21 CONDUCTED.

22 (5) A PERSON MUST BE PRESENT ON THE PREMISES DURING THE
 23 TOURNAMENT TO OVERSEE THE CONDUCT OF THE CARD GAMES AND TO
 24 SETTLE DISPUTES AMONG PLAYERS. THIS PERSON MAY BE A DEALER
 25 LICENSED UNDER 23-5-308.

1 (6) A LICENSED OPERATOR MAY CHARGE A TOURNAMENT
 2 PARTICIPANT AN ENTRY FEE, WHICH MAY INCLUDE A FEE TO COVER
 3 EXPENSES INCURRED IN CONDUCTING THE TOURNAMENT. A
 4 PARTICIPANT WHO HAS BEEN ELIMINATED FROM COMPETITION DURING
 5 THE TOURNAMENT MAY REENTER THE TOURNAMENT BY PAYING AN
 6 ADDITIONAL FEE IF PERMITTED TO DO SO UNDER TOURNAMENT RULES.
 7 A RAKE-OFF MAY NOT BE TAKEN DURING A TOURNAMENT CARD GAME.

8 (7) THE FACE VALUE OF THE CHIPS USED DOES NOT GOVERN
 9 THE VALUE OF THE POT AWARDED AT THE END OF THE TOURNAMENT.

10 (8) THE PROVISIONS OF THIS PART AND THE DEPARTMENT
 11 RULES GOVERNING LIVE CARD GAMES APPLY TO LIVE CARD GAMES
 12 CONDUCTED AS PART OF A TOURNAMENT UNLESS OTHERWISE PROVIDED.

13 **SECTION 38.** SECTION 23-5-406, MCA, IS AMENDED TO READ:

14 "23-5-406. Exempt charitable organizations and
 15 facilities. (1) (a) An organization qualified-for granted an
 16 exemption under 26 U.S.C. 501(c)(3) and, (c)(4), (c)(8), or
 17 (c)(19):

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

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

1 ~~calendar year and if the.~~

2 (b) An organization provided for in subsection (1)(a)
3 shall:

4 (i) limit its live bingo and keno activities are
5 limited to its main premises or place of operations and to
6 events at other places operated by other charitable
7 organizations or by a government unit or entity--The
8 organization shall;

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

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

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

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

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

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

1 (3) The department may revoke or suspend the permit of
2 a--qualified an organization or a facility provided for in
3 subsection (1) or (2) if that, after investigation, the
4 department determines that the organization or facility is
5 contracting operating or has contracted with a nonqualified
6 organization to--operate that is operating live bingo, or
7 keno, or raffles in a predominantly commercial manner.

8 (4) For purposes of this section:

9 (a) "retirement home" means a building in which
10 sleeping rooms without cooking facilities in each room are
11 rented to three or more persons who are 60 years of age or
12 older and who do not need skilled nursing care, intermediate
13 nursing care, or personal nursing care, as defined in
14 50-5-101; and

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

24 **SECTION 39. SECTION 23-5-407, MCA, IS AMENDED TO READ:**

25 **"23-5-407. Live bingo or keno permit -- fees --**

1 disposition of fees. (1) A person who has been granted an
2 operator's license may be granted an annual permit by the
3 department to conduct live bingo or keno games on specified
4 premises. The permit expires June 30 of each year.

5 (2) The permit fee for each of the premises in which a
6 live bingo or keno game is conducted ~~may not be prorated and~~
7 ~~must be \$500~~ is \$250.

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

10 **SECTION 40. SECTION 23-5-409, MCA, IS AMENDED TO READ:**

11 "23-5-409. Bingo and keno tax -- records --
12 distribution -- statement and payment. (1) A licensee who
13 has received a permit to operate bingo or keno games shall
14 pay to the department a tax of 5% 1% of the net-income gross
15 proceeds from the operation of each live bingo and keno game
16 operated on his premises. ~~For purposes of this section, "net~~
17 ~~income" means gross proceeds, as defined in 23-5-1127, minus~~
18 ~~the cost of equipment, supplies, personnel, and advertising~~
19 ~~allocated to the games. If in any year 5% of net income does~~
20 ~~not equal 1% of gross proceeds, then the licensee shall pay~~
21 ~~a tax of 1% of gross proceeds.~~

22 (2) A licensee shall keep a record of gross proceeds
23 and ~~net income~~ in the form the department requires. At all
24 times during the business hours of the licensee the records
25 must be available for inspection by the department.

1 (3) A licensee shall annually complete and deliver to
2 the department a statement showing the total gross proceeds
3 and ~~net income~~ for each live keno or bingo game operated by
4 him and the total amount due as live bingo or keno tax for
5 the preceding year. This statement must contain any other
6 relevant information required by the department.

7 (4) The department shall forward the tax collected
8 under subsection (3) to the treasurer of the county or the
9 clerk, finance officer, or treasurer of the city or town in
10 which the licensed game is located for deposit to the county
11 or municipal treasury. A county is not entitled to proceeds
12 from taxes on live bingo or keno games located in
13 incorporated cities and towns within the county. The tax
14 collected under subsection (3) is statutorily appropriated
15 to the department, as provided in 17-7-502, for deposit to
16 the county or municipal treasury."

17 **SECTION 41. SECTION 23-5-412, MCA, IS AMENDED TO READ:**

18 "23-5-412. Card prices and prizes -- exception. The (1)
19 Except as provided in subsection (3):

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

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

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

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

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

(5) The value of a prize awarded for an individual

1 ticket for a raffle conducted by a person or an
2 organization, other than a religious corporation sole or
3 nonprofit organization may not exceed \$5,000. The prize may
4 be in the form of cash, other intangible personal property,
5 tangible personal property, or real property. Prizes may not
6 be combined in any manner to increase the ultimate value of
7 the prize awarded for each ticket.

8 ~~{3}{a}The restrictions of subsection {1} do not apply~~
9 ~~to a raffle conducted by a nonprofit corporation;~~

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

18 ~~{b}The nonprofit organization or corporation seeking~~
19 ~~permission under subsection {3}{a} shall apply provide the~~
20 following information to the board of county commissioners
21 when applying for the a raffle permit and provide the
22 following information:

- 23 (i) the cost and number of raffle tickets to be sold;
- 24 (ii) the charitable purposes the proceeds of the raffle
- 25 are intended to benefit; and

1 (iii) the proposed prizes and their value.

2 ~~{c}A veterans' organization seeking exemption from the~~
3 ~~permit fee or an investigative fee shall present evidence of~~
4 ~~the organization's nonprofit status to the board of county~~
5 ~~commissioners.~~

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

14 {c} The value of a prize awarded for an individual
15 ticket for a raffle conducted by a religious corporation
16 sole or nonprofit organization may equal or exceed \$5,000 if
17 the prize is in the form of tangible personal property. If
18 the value of the prize is less than \$5,000, the prize may be
19 in the form of cash, other intangible personal property,
20 tangible personal property, or real property."

21 **SECTION 43. SECTION 23-5-501, MCA, IS AMENDED TO READ:**

22 "23-5-501. Definitions Definition DEFINITIONS. As used
23 in this part, unless the context clearly requires otherwise,
24 the following definitions apply: THE FOLLOWING DEFINITIONS
25 APPLY:

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

~~(1) "Sports (1) "sports SPORTS pool" means a card divided into squares or spaces, with the names of the participants in the pool written within such squares or spaces, for gambling activity, other than an activity governed under chapter 4 or chapter 5, part 2 of this title in which consideration in a person wagers money is paid by the person playing for each square or space for the chance to win money or other items of value based on any the outcome of a sports event or series of sports events wherein the participants competitors in such the sports event or series of sports events are natural persons or animals.~~

~~(2) "SPORTS TAB" MEANS A FOLDED OR BANDED TICKET WITH A FACE COVERED TO CONCEAL A COMBINATION OF TWO NUMBERS, WITH EACH NUMBER RANGING FROM ZERO THROUGH NINE.~~

~~(3) "SPORTS TAB GAME" MEANS A GAMBLING ENTERPRISE CONDUCTED ON A CARD TO WHICH 100 SPORTS TABS ARE ATTACHED THAT HAVE 100 DIFFERENT COMBINATIONS FOR WHICH CONSIDERATION IN MONEY IS PAID BY THE PERSON PLAYING FOR EACH TAB. A PERSON MAY PURCHASE A SPORTS TAB FROM THE CARD FOR THE CHANCE TO WIN MONEY OR OTHER ITEMS OF VALUE ON A SPORTS~~

EVENT AS PROVIDED IN 23-5-503."

NEW SECTION. SECTION 44. SPORTS POOL DESIGN -- DEPARTMENT RULES. (1) A SPORTS POOL MUST BE DESIGNED TO ENSURE THAT:

(A) THERE IS AT LEAST ONE WINNER FROM AMONG THE PARTICIPANTS IN THE POOL; AND

(B) EACH PARTICIPANT HAS AN EQUAL CHANCE TO WIN THE POOL.

(2) COMPETITORS IN A SPORTS EVENT OR SERIES OF SPORTS EVENTS MAY BE RANDOMLY ASSIGNED TO EACH PARTICIPANT IN THE SPORTS POOL.

(3) THE DEPARTMENT SHALL BY RULE DESCRIBE THE TYPES OF SPORTS POOLS AUTHORIZED BY THIS PART. VARIATIONS IN THE AUTHORIZED SPORTS POOLS MUST BE SUBMITTED TO THE DEPARTMENT FOR REVIEW AND APPROVAL BEFORE THEY ARE MADE AVAILABLE FOR PUBLIC PLAY.

SECTION 45. SECTION 23-5-503, MCA, IS AMENDED TO READ:

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

1 (2) ~~A chance to participate in a sports pool may not be~~
 2 ~~sold other than upon the premises in which the sports pool~~
 3 ~~is conducted. An individual~~ Each A SPORTS TAB OR A chance to
 4 participate in a sports pool may not ~~must~~ be sold for a
 5 ~~consideration in excess of the same amount, which may not~~
 6 ~~exceed \$5, and the total amount to be paid to the all~~
 7 ~~winners of any individual sports pool OR SPORTS TAB GAME may~~
 8 ~~not exceed the value of \$500. Chances for a series of events~~
 9 ~~may be purchased all at once prior to the occurrence of the~~
 10 ~~first event.~~

11 (3) (a) Except as provided in subsection (3)(b), the
 12 ~~winner winners~~ of any sports pool shall receive a 100%
 13 ~~payout of the value of the sports pool. THE WINNER OF A~~
 14 ~~SPORTS TAB GAME MUST RECEIVE A 100% PAYOUT OF THE VALUE OF~~
 15 ~~THE SPORTS TAB GAME, LESS THE OPERATOR'S COST OF PURCHASING~~
 16 ~~THE GAME.~~

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 OR SPORTS TAB GAME.

23 (4) A person or nonprofit organization conducting a
 24 sports pool OR SPORTS TAB GAME may purchase chances OR
 25 SPORTS TABS to participate in the sports pool OR SPORTS TAB

1 GAME but may not:

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

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

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

11 **SECTION 46. SECTION 23-5-603, MCA, IS AMENDED TO READ:**

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

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

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

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

7 (b) within control of the operator for the purpose of
8 preventing access to the machines by persons under 18 years
9 of age."

10 **SECTION 47. SECTION 23-5-610, MCA, IS AMENDED TO READ:**

11 "23-5-610. Video gambling machine net gross income tax
12 -- records -- distribution -- quarterly statement and
13 payment. (1) An A licensed operator issued a permit under
14 this part shall pay to the department a video gambling
15 machine tax of 15% of ~~net-machine~~ the gross income from each
16 video gambling machine licensed under this part. A licensed
17 operator may deduct from the gross income amounts equal to
18 amounts stolen from machines if the amounts are not repaid
19 by insurance and if a law enforcement agency investigated
20 the theft.

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

1 department.

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

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

12 (b) The department shall forward the remaining
13 two-thirds of the tax collected under subsection (3) to the
14 treasurer of the county or the clerk, finance officer, or
15 treasurer of the city or town in which the licensed machine
16 is located, for deposit to the county or municipal treasury.
17 Counties are not entitled to proceeds from taxes on income
18 from video gambling machines located in incorporated cities
19 and towns. The two-thirds local government portion of tax
20 collected under subsection (3) is statutorily appropriated
21 to the department as provided in 17-7-502 for deposit to the
22 county or municipal treasury."

23 **SECTION 48. SECTION 23-5-611, MCA, IS AMENDED TO READ:**

24 "23-5-611. Machine permit ~~qualifications~~ --
25 limitations. (1) (a) A person who has been granted an

1 operator's license under 23-5-177 and a license to sell
2 alcoholic beverages for consumption on the premises may be
3 granted a permit for the placement of video gambling
4 machines in his premises.

5 (b) If video keno or bingo gambling machines were
6 legally operated on a premises on January 15, 1989, and the
7 premises were not on that date licensed to sell alcoholic
8 beverages for consumption on the premises or operated for
9 the principal purpose of gaming and there is an operator's
10 license for the premises under 23-5-177, a permit for the
11 same number of video keno or bingo gambling machines as were
12 operated on the premises on that date may be granted to the
13 person who held the permit for such machines on those
14 premises on that date.

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

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

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

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

3 **SECTION 49. SECTION 23-5-612, MCA, IS AMENDED TO READ:**

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

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

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

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

25 ~~(4) A used keno machine may be licensed under~~

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

9 **SECTION 50. SECTION 23-5-625, MCA, IS AMENDED TO READ:**

10 "23-5-625. Video gambling machine
 11 manufacturer-distributor -- license -- fees. (1) (a)
 12 Except as provided in subsections (2) and (3), it is
 13 unlawful for any person to assemble, produce, manufacture,
 14 or supply any video gambling machine or associated equipment
 15 for use or play in the state without having first been
 16 issued a video gambling machine manufacturer-distributor's
 17 license by the department. A licensed
 18 manufacturer-distributor may supply a video gambling machine
 19 only to another licensed manufacturer-distributor or a
 20 licensed operator.

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

24 (3)(c) In addition to other license fees, the
 25 department may charge the applicant a one-time video

1 gambling machine manufacturer-distributor's license
 2 application processing fee. The processing fee may not
 3 exceed the department's actual costs for processing an
 4 application.

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

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

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

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

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

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

23 **SECTION 51. SECTION 23-5-631, MCA, IS AMENDED TO READ:**

24 "23-5-631. Examination and approval of new video
 25 gambling machines and associated equipment -- fee. (1) The

1 department shall examine and may approve a new video
 2 gambling machine and associated equipment which are
 3 manufactured, sold, or distributed for use in the state
 4 before the video gambling machine or associated equipment is
 5 sold, played, or used.

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

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

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

21 (5) Payments received under subsection (4) are
 22 statutorily appropriated to the department, as provided in
 23 17-7-502, to defray the costs of examining and approving
 24 video gambling machines and associated equipment and to
 25 issue refunds for overpayments.

1 ~~(5)~~(6) The department may inspect and test and approve,
 2 disapprove, or place a condition upon a video gambling
 3 machine prior to its distribution and placement for play by
 4 the public."

5 **SECTION 52. SECTION 17-7-502, MCA, IS AMENDED TO READ:**

6 "17-7-502. Statutory appropriations -- definition --
 7 requisites for validity. (1) A statutory appropriation is an
 8 appropriation made by permanent law that authorizes spending
 9 by a state agency without the need for a biennial
 10 legislative appropriation or budget amendment.

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

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

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

19 (3) The following laws are the only laws containing
 20 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
 21 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
 22 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;
 23 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;
 24 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;
 25 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;

1 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;
 2 20-9-381; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
 3 23-5-631; 23-5-1016; 23-5-1027; 27-12-206; 37-51-501;
 4 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121;
 5 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123;
 6 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215;
 7 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No.
 8 861, Laws of 1985.

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

22 **SECTION 53. SECTION 2-15-2021, MCA, IS AMENDED TO READ:**

23 "2-15-2021. Gaming advisory council -- allocation --
 24 composition -- compensation -- annual biennial report. (1)
 25 There is a gaming advisory council.

1 (2) The gaming advisory council is allocated to the
 2 department for administrative purposes only as prescribed in
 3 2-15-121.

4 (3) The gaming advisory council consists of nine
 5 members. One member must be from the senate, and one member
 6 must be from the house of representatives. The senate
 7 committee on committees and the speaker of the house of
 8 representatives shall appoint the legislative members of the
 9 council. The seven remaining members must be appointed by
 10 the department, with one representing the public at large,
 11 two representing local governments, one being a Native
 12 American, and three representing the gaming industry.

13 (4) Each gaming advisory council member is appointed to
 14 a 3-year term of office, except that three of the
 15 first-appointed original members shall serve a 1-year term,
 16 three (including both legislative members) shall serve a
 17 2-year term, and three shall serve a 3-year term. A member
 18 of the council may be removed for good cause by the
 19 appointing body provided for in subsection (3).

20 (5) The gaming advisory council shall appoint a
 21 chairman from its members.

22 (6) Legislative members of the gaming advisory council
 23 are entitled to compensation and expenses, as provided in
 24 5-2-302, while the council is meeting. The remaining members
 25 are entitled to travel, meals, and lodging expenses as

1 provided for in 2-18-501 through 2-18-503. Expenses of the
2 council must be paid from licensing fees received by the
3 department.

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

8 (8) (a) The gaming advisory council shall submit an
9 annual a biennial report to the department, at a time
10 designated by the department, with recommendations for
11 amendments to the gambling statutes, the need for additional
12 or modified department rules, the clarification of existing
13 rules, and other recommendations on the operation of the
14 department or any other gambling-related matter.

15 (b) The annual biennial report required under
16 subsection (8)(a) must be affixed to the annual-department
17 report on gambling in the state that the department submits
18 that year. The department and council shall submit the two
19 most recent department and council reports to each of the
20 next two regular sessions of the legislature.

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

23 (d) The council shall meet with the department upon
24 request of the department.

25 (e) The department shall meet with the council upon

1 request of the council.

2 (9) The department shall give each council member
3 notice and a copy of each proposed change in administrative
4 rules relating to gambling. The notice and copy must be
5 given at the time a notice of proposed rules changes is
6 filed with the secretary of state. The council shall review
7 the proposal, may comment on it, and may attend any hearing
8 on the proposal. The department shall consider any comment
9 by any council member or by the council as a whole prior to
10 adopting the proposed change."

11 **SECTION 54. SECTION 23-5-602, MCA, IS AMENDED TO READ:**

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

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

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

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

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

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

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

24 (6) "Video gambling machine manufacturer-distributor"
25 means a person who assembles, produces, makes, or supplies

1 video gambling machines or associated equipment for sale,
2 use, or distribution in the state."

3 NEW SECTION. SECTION 55. FISHING DERBIES AND WAGERING
4 ON NATURAL OCCURRENCES. (1) THE FOLLOWING ARE AUTHORIZED
5 GAMBLING ACTIVITIES:

6 (A) A FISHING DERBY IN WHICH TWO OR MORE PERSONS PAY
7 VALUABLE CONSIDERATION FOR AN OPPORTUNITY TO WIN A PRIZE FOR
8 THE SPECIES, SIZE, WEIGHT, OR OTHERWISE SPECIFIED FISH
9 CAUGHT IN A FISHING EVENT; AND

10 (B) WAGERING ON THE OUTCOME OF A NATURAL OCCURRENCE IN
11 WHICH TWO OR MORE PERSONS PAY VALUABLE CONSIDERATION FOR AN
12 OPPORTUNITY TO WIN A PRIZE BY MOST ACCURATELY PREDICTING THE
13 DATE OR TIME OF AN EVENT RESULTING FROM A CLIMATOLOGICAL OR
14 METEDROLOGICAL ACTIVITY.

15 (2) EXCEPT AS PROVIDED IN SUBSECTION (3), ALL
16 CONSIDERATION PAID TO PARTICIPATE IN A GAMBLING ACTIVITY
17 AUTHORIZED IN SUBSECTION (1) MUST BE PAID TO THE WINNERS.

18 (3) A NONPROFIT ORGANIZATION SPONSORING A GAMBLING
19 ACTIVITY AUTHORIZED IN SUBSECTION (1) MAY RETAIN UP TO 50%
20 OF THE TOTAL AMOUNT PAID TO PARTICIPATE.

21 (4) THIS SECTION DOES NOT APPLY TO A GAMBLING ACTIVITY
22 CONDUCTED UNDER CHAPTER 4 OR CHAPTER 5, PART 2 OR 3 OF THIS
23 TITLE.

24 SECTION 56. SECTION 23-5-502, MCA, IS AMENDED TO READ:
25 *23-5-502. Sports pools and sports tap games

1 authorized. Conducting or participating in sports pools and
2 sports tab games as defined and governed in this part is
3 lawful."

4 NEW SECTION. Section 57. Codification instruction --
5 code commissioner instruction. (1) [Sections 4, 7 through
6 ~~17 and 14 through 23~~ 25, 34, AND 55] are intended to be
7 codified as an integral part of Title 23, chapter 5.
8 [Sections ~~17~~ 14 through ~~23~~ 20 AND 21 THROUGH 25] are EACH
9 intended to be codified as a separate part of Title 23,
10 chapter 5. The provisions of Title 23, chapter 5, ~~part 17~~
11 apply to [sections 4, 7 through ~~17 and 14 through 23~~ 25,
12 34, AND 55].

13 (2) [SECTION 37] IS INTENDED TO BE CODIFIED AS AN
14 INTEGRAL PART OF TITLE 23, CHAPTER 5, PART 3, AND THE
15 PROVISIONS OF TITLE 23, CHAPTER 5, PART 3, APPLY TO [SECTION
16 37].

17 (3) [SECTION 44] IS INTENDED TO BE CODIFIED AS AN
18 INTEGRAL PART OF TITLE 23, CHAPTER 5, PART 5, AND THE
19 PROVISIONS OF TITLE 23, CHAPTER 5, PART 5, APPLY TO [SECTION
20 44].

21 ~~(2)~~(4) The code commissioner shall recodify part 10 of
22 Title 23, chapter 5, as a new chapter in Title 23. Internal
23 references in the Montana Code Annotated section text and in
24 any act of the 52nd legislature must be changed by the code
25 commissioner if necessary to retain their original meaning.

1 ~~NEW SECTION. Section 25. Coordination instruction. If~~
2 ~~Bill No. [SB 1036] is not passed and approved,~~
3 ~~{section 10 of this act} is void.~~

4 NEW SECTION. Section 58. Effective dates. (1)
5 ~~{Sections 1 through 9, 11 through 26, and this section} are~~
6 ~~effective October 17, 1991.~~

7 ~~(2) {Section 10} is effective July 17, 1992.~~

8 (1) [SECTION 26 AND THIS SECTION] ARE EFFECTIVE ON
9 PASSAGE AND APPROVAL.

10 (2) [SECTIONS 1 THROUGH 25 AND 27 THROUGH 56 57] ARE
11 EFFECTIVE JULY 1, 1991.

-End-

HOUSE STANDING COMMITTEE REPORT

April 11, 1991
Page 2 of 2

April 11, 1991
Page 1 of 2

Mr. Speaker: We, the committee on Judiciary report that Senate Bill 427 (third reading copy -- blue) be concurred in as amended .

Signed: 
Bill Strizich, Chairman

Carried by: Rep. Darko

And, that such amendments read:

1. Title, page 2, line 16.
Following: "THE"
Insert: "LIVE CARD GAMES AND"
Following: "KENO"
Strike: "TAX AND PERMIT FEE"
Insert: "LAWS"
2. Page 6, line 25.
Strike: "issued"
Insert: "used"
Following: "PART"
Insert: "5 or"
Strike: "used"
3. Page 7, line 25.
Strike: "sports sweepstakes,"
4. Page 13, line 15.
Strike: "may"
Insert: "shall, upon request,"
5. Page 41, line 4.
Strike: "AT" through "BEFORE"
Insert: "Before"
6. Page 43, line 15.
Following: "home"
Strike: "or" through "center"
7. Page 44, lines 8 and 9.
Strike: ":" on line 8 and "(a)" on line 9
Insert: ","

8. Page 44, lines 14 through 23.
Strike: ":" on line 14 through "services" on line 23
9. Page 51, line 23.
Strike: "PLAYING FOR"
Insert: "purchasing"
10. Page 52, line 10.
Strike: "MAY"
Insert: "must"
11. Page 53, line 3.
Following: "Each"
Strike: "A"
Insert: "Each"
Following: "OR"
Strike: "A"
12. Page 70, line 8.
Strike: the first "SECTION"
Insert: "Sections 4,"
Following: "26"
Insert: ",,"

SB 427

HOUSE

HOUSE COMMITTEE OF THE WHOLE AMENDMENT
Senate Bill 427
Representative Daily

April 12, 1991 11:10 am
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 427 (third reading copy -- blue).

Signed: 
Representative Daily

And, that such amendments to Senate Bill 427 read as follows:

1. Page 52, line 25.

Following: "winners."

Insert: "The sports tabs must be purchased from a manufacturer licensed under 23-5-152."

2. Page 53, lines 14 through 16.

Strike: "A 100%" on line 14 through "GAME" on line 16

Insert: "at least 90% of the total cost of the 100 sports tabs.

The operator of the sports tab game may retain the remaining money for administration and other expenses"

3. Page 69, line 1.

Strike: "."

Insert: "-- tax. (1)"

4. Page 69, line 3.

Following: "lawful"

Insert: ", except that sports tab games may only be conducted on premises licensed to sell alcoholic beverages for consumption on the premises"

5. Page 69.

Following: line 3

Insert: "(2) A manufacturer licensed under 23-5-152 who sells sports tabs to a licensed operator for use in a sports tab game shall collect from the operator, at the time of sale, a tax of \$1 for each 100 sports tabs sold and, within 15 days after the end of each calendar quarter, submit to the department any forms required by the department and the proceeds of the collected tax. The manufacturer shall keep a record of taxes collected as required by department rule. The records must be made available for inspection by the department upon request of the department. The department shall retain the proceeds of the tax to administer this part."

ADOPT

REJECT

HOUSE

SB 427

1 SENATE BILL NO. 427
 2 INTRODUCED BY GAGE, B. BROWN
 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; REVISING THE DEFINITIONS OF
 7 ILLEGAL GAMBLING DEVICE AND ILLEGAL GAMBLING ENTERPRISE;
 8 DEFINING A PROMOTIONAL GAME OF CHANCE ~~AND LIMITING PAYOUTS~~
 9 ~~ON THE GAMES~~; PERMITTING LIMITED RELEASE OF LICENSE AND TAX
 10 INFORMATION; ESTABLISHING A ONE-TIME FEE FOR PROCESSING AN
 11 OPERATOR'S LICENSE APPLICATION; PROVIDING REQUIREMENTS FOR
 12 PREMISES APPROVAL; REQUIRING NOTIFICATION BEFORE THE
 13 TRANSFER OF AN OWNERSHIP INTEREST IN AN OPERATOR'S PREMISES;
 14 ~~REQUIRING PERSONS INVOLVED IN CONDUCTING GAMBLING TO BE~~
 15 ~~EMPLOYEES OF AN OPERATOR; PROHIBITING A GAMBLING LICENSEE~~
 16 ~~FROM HAVING A SUBSTANTIAL INTEREST IN A GAMBLING BUSINESS~~
 17 ~~OPERATED AT A DIFFERENT MARKETING LEVEL~~; PROVIDING FOR
 18 INSPECTION OF PREMISES; CREATING A MANUFACTURER'S LICENSE
 19 FOR ELECTRONIC BINGO AND KENO EQUIPMENT; LEGALIZING LIMITED
 20 CASINO NIGHTS; EXPANDING PROVISIONS GOVERNING SPORTS POOLS;
 21 PRORATING VIDEO GAMBLING MACHINE PERMIT FEES; ALLOWING A
 22 DEDUCTION FOR THEFT FOR PURPOSES OF CALCULATING THE VIDEO
 23 GAMBLING MACHINE TAX; AUTHORIZING FANTASY SPORTS LEAGUES,
 24 FISHING DERBIES, AND WAGERING ON NATURAL OCCURRENCES;
 25 REQUIRING BIENNIAL REPORTS FROM THE DEPARTMENT OF JUSTICE

1 AND GAMING ADVISORY COUNCIL; REVISING CERTAIN GAMBLING
 2 DEFINITIONS; CLARIFYING CERTAIN CRIMINAL GAMBLING OFFENSES;
 3 ESTABLISHING A PENALTY FOR SALE, ASSIGNMENT, LEASE, OR
 4 TRANSFER OF A LICENSE OR PERMIT; STATUTORILY APPROPRIATING
 5 VIDEO GAMBLING MACHINE TESTING FEES TO THE DEPARTMENT OF
 6 JUSTICE; REVISING PROVISIONS CONCERNING ANTIQUE SLOT
 7 MACHINES; CLARIFYING PROHIBITED ACTIVITIES FOR DEPARTMENT OF
 8 JUSTICE EMPLOYEES; CLARIFYING DISPOSITION OF PENALTIES,
 9 FINES, AND FORFEITURES; AUTHORIZING THE DEPARTMENT OF
 10 JUSTICE TO ISSUE WARRANTS FOR DISTRAINT; ESTABLISHING THE
 11 CRIME OF SOLICITING ANOTHER PERSON TO PARTICIPATE IN AN
 12 ILLEGAL GAMBLING ENTERPRISE AND ESTABLISHING A PENALTY;
 13 PROHIBITING A MINOR FROM PARTICIPATING IN CERTAIN FORMS OF
 14 GAMBLING; REQUIRING LICENSE AND PERMIT REVOCATION UPON
 15 CONVICTION OF A FELONY GAMBLING OFFENSE; CREATING ADDITIONAL
 16 EXEMPTIONS FROM THE LIVE CARD GAMES AND LIVE BINGO AND KENO
 17 TAX AND PERMIT FEE LAWS; CLARIFYING RAFFLE PROVISIONS;
 18 PROVIDING FOR SALE OF VIDEO GAMBLING MACHINES; REVISING CARD
 19 DEALER PROVISIONS; AUTHORIZING WAY TICKETS IN KENO GAMES;
 20 REMOVING THE 10-MACHINE LIMIT ON VIDEO DRAW POKER MACHINES;
 21 REVISING LICENSURE QUALIFICATIONS; PROVIDING FOR CARD GAME
 22 TOURNAMENTS; CLARIFYING PLACEMENT OF VIDEO GAMBLING
 23 MACHINES; ELIMINATING NET TAX ON LIVE BINGO AND KENO GAMES
 24 AND REVISING THE PERMIT FEE; AUTHORIZING SPORTS TAB GAMES
 25 PURSUANT TO THE RULES GOVERNING SPORTS POOLS; AMENDING

1 SECTIONS 2-15-2021, 17-7-502, 23-5-112, 23-5-113, 23-5-114,
 2 23-5-115, 23-5-136, 23-5-152, 23-5-153, 23-5-154, 23-5-156,
 3 23-5-158, 23-5-162, 23-5-176, 23-5-177, 23-5-308, 23-5-309,
 4 23-5-312,--AND 23-5-406, 23-5-407, 23-5-409, 23-5-412,
 5 23-5-413, 23-5-501, 23-5-502, 23-5-503, 23-5-602, 23-5-603,
 6 23-5-610, 23-5-611, 23-5-612, 23-5-625, AND 23-5-631, MCA;
 7 AND PROVIDING EFFECTIVE DATES."

8
 9 STATEMENT OF INTENT

10 A statement of intent is required for this bill because
 11 {sections 16--and--23 13, 20, AND 44} grant rulemaking
 12 authority to the department of justice.

13 {Section 16 13} requires the department to adopt rules
 14 describing electronic live bingo and keno equipment that may
 15 be approved for use in Montana. The rules must ensure that
 16 the electronic equipment use a random selection process to
 17 determine the outcome of each bingo or keno game.

18 {Section 23 20} requires the department to adopt rules
 19 to administer the laws governing casino nights. The rules
 20 must address but are not limited to:

- 21 (1) procedures for applying for a casino night permit;
 22 (2) the type of documentation to be submitted as part
 23 of the application to establish an organization's nonprofit
 24 status; and
 25 (3) the conduct of games operated during a casino night

1 to ensure that illegal gambling activities are not offered.
 2 [SECTION 44] REQUIRES THE DEPARTMENT TO ADOPT RULES
 3 DESCRIBING THE TYPES OF SPORTS POOLS AUTHORIZED UNDER
 4 23-5-501, 23-5-503, AND [SECTION 44].

5
 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

8 "23-5-112. Definitions. Unless the context requires
 9 otherwise, the following definitions apply to parts 1
 10 through 6 of this chapter:

11 (1) "Applicant" means a person who has applied for a
 12 license or permit issued by the department pursuant to parts
 13 1 through 6 of this chapter.

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

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

21 (4) "Bingo" means a gambling activity played for prizes
 22 with a card bearing a printed design of 5 columns of 5
 23 squares each, 25 squares in all. The letters B-I-N-G-O must
 24 appear above the design, with each letter above one of the
 25 columns. No more than 75 numbers may be used. One number

1 must appear in each square, except for the center square,
2 which may be considered a free play. Numbers are randomly
3 drawn using authorized equipment until the game is won by
4 the person or persons who first cover a previously
5 designated arrangement of numbers on the bingo card.

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

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

12 (7) "CARD GAME TOURNAMENT" MEANS A GAMBLING ACTIVITY
13 FOR WHICH A PERMIT HAS BEEN ISSUED INVOLVING PARTICIPANTS
14 WHO PAY VALUABLE CONSIDERATION FOR THE OPPORTUNITY TO
15 COMPETE AGAINST EACH OTHER IN A SERIES OF LIVE CARD GAMES
16 CONDUCTED OVER A DESIGNATED PERIOD OF TIME.

17 (7)(8) "Dealer" means a person with a dealer's license
18 issued under part 3 of this chapter.

19 (8)(9) "Department" means the department of justice.

20 (9)(10) "Distributor" means a person who:

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

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

25 (10)(11) "Gambling" or "gambling activity" means risking

1 money, credit, deposit, check, property, or any other thing
2 of value for a gain that is contingent in whole or in part
3 upon lot, chance, or the operation of a gambling device or
4 gambling enterprise. The term does not mean conducting or
5 participating in a promotional game of chance.

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

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

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

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

20 (a) a ticket or card, by whatever name known,
21 containing concealed numbers or symbols that may match
22 numbers or symbols designated in advance as prize winners,
23 including a pull tab, punchboard, push card, tip board,
24 pickle ticket, break-open, or jar game, except for one
25 issued USED under chapter PART 5 OR 10 of this title CHAPTER

1 or used in a promotional game of chance approved by the
2 department; and

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

8 ~~{15}~~(16) "Illegal gambling enterprise" means a gambling
9 enterprise that violates or is not specifically authorized
10 by a statute or a rule of the department. The term includes
11 but-is-not-limited-to:

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

18 (b) a dice game, by whatever name known, in which a
19 participant wagers on the outcome of the roll of one or more
20 die, includes craps, hazard, or chuck-a-luck, but does not
21 include an activity in which a participant rolls one or more
22 die for a chance to obtain a drink or music; and

23 (c) sports betting, by whatever name known, in which a
24 person places a wager on the outcome of an athletic event,
25 including bookmaking, parlay bets, ~~sports--sweepstakes,~~ or

1 sultan sports cards, but not including those activities
2 authorized in chapter 4 of this title and parts 2 and 5 of
3 this chapter.

4 ~~{16}~~(17) "Keno" means a game of chance in which prizes
5 are awarded using a card with 8 horizontal rows and 10
6 columns on which a player may pick up to 10 numbers. A keno
7 caller, using authorized equipment, shall select at random
8 at least 20 numbers out of numbers between 1 and 80,
9 inclusive.

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

13 ~~{18}~~(19) "License" means an operator's, dealer's, or
14 manufacturer-distributor's license issued to a person by the
15 department.

16 ~~{19}~~(20) "Licensee" means a person who has received a
17 license from the department.

18 ~~{20}~~(21) "Live card game" or "card game" means a card
19 game that is played in public between persons on the
20 premises of a licensed gambling operator.

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

1 in the property upon an agreement, understanding, or
 2 expectation that it is to be distributed or disposed of by
 3 lot or chance. However, "gift enterprise" does not mean:

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

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.

10 ~~(22)~~(23) "Manufacturer" means a person who assembles
 11 from raw materials or subparts a completed piece of
 12 equipment or pieces of equipment of any kind to be used as a
 13 gambling device.

14 (24) "NONPROFIT ORGANIZATION" MEANS A NONPROFIT
 15 CORPORATION OR NONPROFIT CHARITABLE, RELIGIOUS, SCHOLASTIC,
 16 EDUCATIONAL, VETERANS', FRATERNAL, BENEFICIAL, CIVIC, SENIOR
 17 CITIZENS', OR SERVICE ORGANIZATION ESTABLISHED FOR PURPOSES
 18 OTHER THAN TO CONDUCT A GAMBLING ACTIVITY.

19 ~~(23)~~(25) "Operator" means a person who purchases,
 20 receives, or acquires, by lease or otherwise, and operates
 21 or controls for use in public, a gambling device or gambling
 22 enterprise authorized under parts 1 through 6 of this
 23 chapter.

24 ~~(24)~~(26) "Permit" means approval from the department to
 25 make available for public play a gambling device or gambling

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

3 ~~(25)~~(27) "Person" or "persons" means both natural and
 4 artificial persons and all partnerships, corporations,
 5 associations, clubs, fraternal orders, and societies,
 6 including religious and charitable organizations.

7 ~~(26)~~(28) "Premises" means the physical building or
 8 property within or upon which a licensed gambling activity
 9 occurs, as stated on an operator's license application and
 10 approved by the department.

11 ~~(27)~~(29) "Promotional game of chance" means a scheme, by
 12 whatever name known, for the disposal or distribution of
 13 property by chance among persons who have not paid or are
 14 not expected to pay any valuable consideration or who have
 15 not purchased or are not expected to purchase any goods or
 16 services for a chance to obtain the property, a portion of
 17 it, or a share in it.

18 ~~(27)~~~~(28)~~(30) "Public gambling" means gambling conducted
 19 in:

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

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

1 (C) A PLACE, BUILDING, OR CONVEYANCE TO WHICH THE
 2 PUBLIC DOES NOT HAVE ACCESS IF PLAYERS ARE PUBLICLY
 3 SOLICITED OR THE GAMBLING ACTIVITY IS CONDUCTED IN A
 4 PREDOMINATELY COMMERCIAL MANNER.

5 ~~(28)~~~~(29)~~(31) "Raffle" means a gift--enterprise FORM OF
 6 LOTTERY in which each participant buys-a-chance-or-chances
 7 PAYS VALUABLE CONSIDERATION FOR A TICKET TO BECOME ELIGIBLE
 8 to win a prize. WINNERS MUST BE DETERMINED BY A RANDOM
 9 SELECTION PROCESS APPROVED BY DEPARTMENT RULE.

10 ~~(29)~~~~(30)~~(32) "Slot machine" means a mechanical,
 11 electrical, electronic, or other gambling device,
 12 contrivance, or machine that, upon insertion of a coin,
 13 currency, token, credit card, or similar object or upon
 14 payment of any valuable consideration, is available to play
 15 or operate, the play or operation of which, whether by
 16 reason of the skill of the operator or application of the
 17 element of chance, or both, may deliver or entitle the
 18 person playing or operating the gambling device to receive
 19 cash, premiums, merchandise, tokens, or anything of value,
 20 whether the payoff is made automatically from the machine or
 21 in any other manner. This definition does not apply to video
 22 gambling machines authorized under part 6 of this chapter.

23 ~~(30)~~~~(31)~~(33) "Video gambling machine" is a gambling
 24 device specifically authorized by part 6 of this chapter and
 25 the rules of the department."

1 **Section 2.** Section 23-5-113, MCA, is amended to read:

2 **"23-5-113. Department as criminal justice agency --**
 3 **seized property.** (1) The department is a criminal justice
 4 agency. Designated agents of the department are granted
 5 peace officer status, with the power of search, seizure, and
 6 arrest, to investigate gambling activities in this state
 7 regulated by parts 1 through 6 of this chapter and the rules
 8 of the department and to report violations to the county
 9 attorney of the county in which they occur.

10 (2) Upon conviction for any violation of parts 1
 11 through 6 of this chapter, the court may order any property
 12 seized by a department OR LOCAL LAW ENFORCEMENT agent during
 13 a lawful search to be forfeited to the department, sold, if
 14 necessary, and disposed of under 23-5-123."

15 **Section 3.** Section 23-5-115, MCA, is amended to read:

16 **"23-5-115. Powers and duties of department --**
 17 **licensing.** (1) The department shall administer the
 18 provisions of parts 1 through 6 of this chapter.

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

21 (3) The department shall provide licensing procedures,
 22 prescribe necessary application forms, and grant or deny
 23 license applications.

24 (4) The department shall prescribe recordkeeping
 25 requirements for licensees, provide a procedure for

1 inspection of records, provide a method for collection of
2 taxes, and establish penalties for the delinquent reporting
3 and payment of required taxes.

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

7 (6) The department may not make public or otherwise
8 disclose information obtained in the application or tax
9 reporting processes, except for general statistical
10 reporting or studies or as provided in [section 4].

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

14 NEW SECTION. Section 4. Disclosure of information. (1)
15 The department may SHALL, UPON REQUEST disclose the
16 following information from a license or permit application:

- 17 (a) the applicant's name;
18 (b) the address of the business where the activity
19 under the license or permit is to be conducted;
20 (c) the name of each person having an ownership
21 interest in the business; AND
22 ~~(d)--the-applicant's-source-of-financing;~~
23 ~~(e)(D) types of permits requested by the applicant;~~
24 and.
25 ~~(f)--any--other--information--that--the--department--after~~

1 ~~balancing-the-public's-right-to-know-against-the-applicant's~~
2 ~~right-to-privacy,-considers-suitable-for-disclosure-~~

3 (2) In addition to the information enumerated in
4 subsection (1), the department may disclose any other
5 relevant information obtained in the application or tax
6 reporting process or as a result of other department
7 operations to:

8 (a) a federal, state, city, county, or tribal criminal
9 justice agency; and

10 (b) the department of revenue and the federal internal
11 revenue service.

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

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

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

24 (b) operate an illegal gambling enterprise.

25 (2) This-section Subsection (1) does not apply to a

1 public officer or to a person coming into possession of an
 2 illegal gambling device in or by reason of the performance
 3 of an official duty and holding it to be disposed of
 4 according to law.

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

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

14 (4) An illegal gambling device may be possessed or
 15 located in-a-public-museum-owned-and-operated-by-the-state,
 16 a-county,-or-a-city for display purposes only and not for
 17 operation:

18 (A) IN A PUBLIC OR PRIVATE MUSEUM; OR

19 (B) ANY OTHER PUBLIC PLACE IF THE DEVICE HAS BEEN MADE
 20 PERMANENTLY INOPERABLE FOR PURPOSES OF CONDUCTING A GAMBLING
 21 ACTIVITY."

22 **Section 6.** Section 23-5-177, MCA, is amended to read:

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

1 available to the public for play a gambling device or
 2 gambling enterprise for which a permit must be obtained from
 3 the department.

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

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

8 (b) any other relevant information requested by the
 9 department; and

10 (c) a license application processing fee, as required
 11 in subsection (8).

12 (3) Before issuing an operator's license, the
 13 department shall approve, in accordance with [section 7],
 14 the premises in which the gambling activity is to be
 15 conducted.

16 (4) Regardless EXCEPT AS PROVIDED IN [SECTION 7],
 17 REGARDLESS of the number of on-premises alcoholic beverage
 18 licenses issued for a premises, the department may issue
 19 only one operator's license for the premises.

20 †2)5) An operator's license must include the following
 21 information:

22 (a) a description of the premises upon which the
 23 gambling will take place;

24 (b) the operator's name;

25 (c) a description of each gambling device or card game

1 table licensed for which a permit has been issued to the
 2 operator by the department for play upon the premises,
 3 including the type of game and ~~license-number-or-decal~~
 4 permit number for each licensed game; and

5 (d) any other relevant information determined necessary
 6 by the department.

7 ~~†3†~~(6) The operator's license must be issued annually
 8 along with all other licenses permits for gambling devices
 9 or games licensed issued to the operator.

10 ~~†4†~~(7) The operator's license must be updated each time
 11 a video gambling device machine, bingo, keno, or card game
 12 table license permit is newly issued or the device machine
 13 or game is removed from the premises.

14 ~~†5†~~(8) The department ~~may-not shall~~ charge an applicant
 15 for WHO HAS SUBMITTED an operator's license APPLICATION ON
 16 OR AFTER JULY 1, 1991, a one-time license application
 17 processing fee to cover the actual cost incurred by the
 18 department in determining whether the applicant qualifies
 19 for licensure under 23-5-176 the-issuance-of--an--operator's
 20 license. After making its determination, the department
 21 shall refund any overpayment or charge and collect amounts
 22 sufficient to reimburse the department for any underpayment
 23 of actual costs.

24 ~~†6†~~(9) The operator's license must be prominently
 25 displayed upon the premises for which it is issued."

1 NEW SECTION. Section 7. Premises approval. (1) ~~The~~
 2 EXCEPT AS PROVIDED IN SUBSECTION (4), THE department may
 3 approve a premises for issuance of an operator's license if
 4 the premises meets the requirements contained in subsections
 5 (2) through (4).

6 (2) The premises must:

7 (a) be a structure or facility that is clearly defined
 8 by permanently installed walls that extend from floor to
 9 ceiling;

10 (b) have a unique address assigned by the local
 11 government in which the premises is located; and

12 (c) have a public external entrance, leading to a
 13 street or other common area, that is not shared with another
 14 premises for which an operator's license has been issued.

15 (3) If the premises shares a common internal wall with
 16 another premises for which an operator's license has been
 17 issued, the common wall must be permanently installed,
 18 opaque, and extend from floor to ceiling AND MAY NOT CONTAIN
 19 AN INTERNAL ENTRANCE THROUGH WHICH PUBLIC ACCESS IS ALLOWED.

20 (4) ~~If--the--premises--is--connected--by--an--internal~~
 21 ~~entrance-to-another-premises-for-which-an-operator's-license~~
 22 ~~has--been--issued,--the--establishments--operated--on--each~~
 23 ~~premises--may--not--be--owned-by-any-combination-of-the-same~~
 24 ~~persons--and--may--not--be--financially--or--operationally~~
 25 ~~interrelated. A SECOND OPERATOR'S LICENSE MAY BE ISSUED OR~~

1 RENEWED UNTIL JUNE 30, 1996, FOR A PERSON OPERATING A
2 GAMBLING ACTIVITY ON A PREMISES THAT DID NOT MEET THE
3 REQUIREMENTS OF SUBSECTIONS (2) AND (3) IF:

4 (A) THE SECOND OPERATOR'S LICENSE WAS ISSUED TO THE
5 PERSON ON OR BEFORE JANUARY 1, 1991; OR

6 (B) (I) THE APPLICATION FOR THE SECOND OPERATOR'S
7 LICENSE WAS RECEIVED BY THE DEPARTMENT ON OR BEFORE JANUARY
8 1, 1991;

9 (II) A SECOND ON-PREMISES ALCOHOLIC BEVERAGES LICENSE
10 WAS OBTAINED FOR THE PREMISES ON OR BEFORE JANUARY 1, 1991;
11 AND

12 (III) SUBSTANTIAL PHYSICAL MODIFICATIONS TO THE PREMISES
13 WERE MADE ON OR BEFORE JANUARY 1, 1991.

14 NEW SECTION. Section 8. Transfer of ownership
15 interest. A licensed operator shall notify the department in
16 writing before transferring any ownership interest in his
17 premises.

18 NEW SECTION. Section 9. Employees or operator
19 receipt of gambling revenues: (1) Except as provided in
20 subsection (2):

21 (a) a person other than a licensed operator who is
22 involved in conducting a gambling activity on a licensed
23 operator's premises must be an employee of the licensed
24 operator; and

25 (b) all revenue derived from conducting a gambling

1 activity on a licensed operator's premises must first accrue
2 to the licensed operator;

3 (2) The requirements in subsection (1) do not apply to:
4 (a) a manufacturer or distributor who furnishes video
5 gambling machines to an operator; or

6 (b) revenue derived from the operation of video
7 gambling machines; CARD ROOM CONTRACTOR'S LICENSE -- FEE --

8 SUBMISSION OF CONTRACT. (1) IT IS A MISDEMEANOR FOR A PERSON
9 TO ENTER INTO A CONTRACT WITH A LICENSED OPERATOR TO OPERATE
10 ONE OR MORE LIVE CARD GAME TABLES ON THE OPERATOR'S PREMISES
11 WITHOUT OBTAINING A CARD ROOM CONTRACTOR'S LICENSE FROM THE
12 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 10: Interest in gambling-related
21 business operating at different marketing level prohibited:
22 (1) For purposes of this section, the issuance of each of
23 the following gambling licenses for the operation of a
24 business constitutes a different marketing level:

25 (a) a premises license;

1 (b)--a route operator's license; and
 2 (c)--a manufacturer's or a distributor's license;
 3 (2)--Except as provided in subsection (4), a person who
 4 has obtained a premises, route operator's, manufacturer's,
 5 or distributor's license may not:
 6 (a)--obtain another license for the operation of a
 7 business at a different marketing level;
 8 (b)--have a substantial interest in another business
 9 operating at a different marketing level;
 10 (c)--allow an officer of his business to have a
 11 substantial interest in another business operating at a
 12 different marketing level;
 13 (d)--employ a person in any capacity if the person is
 14 also employed by another business operating at a different
 15 marketing level; or
 16 (e)--allow another business operating at a different
 17 marketing level or a person with a substantial interest in
 18 such a business to have a substantial interest, either
 19 directly or indirectly, in his business;
 20 (3)--A person possesses a substantial interest in a
 21 business if the person or his spouse:
 22 (a)--owns, operates, manages, or conducts the business
 23 or any part of the business;
 24 (b)--shares in any of the profits or potential profits
 25 of the business;

1 (c)--is an officer or director of the entity owning the
 2 business;
 3 (d)--owns or otherwise controls 5% or more of the assets
 4 or stock of the business; or
 5 (e)--furnishes 5% or more of the capital, whether in
 6 cash, goods, or services, for the operation of the business
 7 during any calendar year.
 8 (4)--(a) The restrictions imposed in subsection (2) do
 9 not apply to a person who on January 1, 1991, was licensed
 10 by the department to operate businesses at different
 11 marketing levels if the person continuously operates the
 12 businesses after that date and meets the requirements of
 13 subsection (4)(b). However, the person may not obtain an
 14 additional license from the department to operate a business
 15 at a different marketing level if the business was not
 16 operated by the person on January 1, 1991.
 17 (b) A license issued in compliance with subsection
 18 (4)(a) may not be renewed nor may an appropriate license be
 19 issued to allow continued operation of a business unless, at
 20 the time of application for issuance or renewal of the
 21 license, the natural persons who together hold the majority
 22 financial interest in the business are the same as on
 23 January 1, 1991.
 24 NEW SECTION. Section 10. Inspection of premises,
 25 records, and devices. The department or a local law

1 enforcement official may inspect at any time during normal
2 business hours a premises, as defined in 23-5-112, or a
3 facility where gambling devices are manufactured or
4 distributed. The inspection may include the examination of
5 records, equipment, and proceeds related to the operation of
6 a gambling activity or the manufacture or distribution of a
7 gambling device.

8 Section 12, Section 23-5-312, MCA, is amended to read:

9 "23-5-312. Prizes not to exceed three hundred dollars.
10 (1) A prize for an individual live card game may not exceed
11 the value of \$300. Games may not be combined in any manner
12 so as to increase the value of the ultimate prize awarded.

13 (2) If a licensed operator conducts a promotional game
14 of chance involving a live card game, the prize limit
15 provided for in subsection (1) applies to prizes awarded as
16 a result of the promotional game of chance."

17 Section 13, Section 23-5-412, MCA, is amended to read:

18 "23-5-412. Card prices and prizes. (1) The price for an
19 individual bingo or keno card may not exceed 50 cents.

20 (2) Bingo and keno prizes may be paid in either
21 tangible personal property or cash. A prize may not exceed
22 the value of \$100 for each individual bingo award or keno
23 card. It is unlawful to, in any manner, combine any awards
24 so as to increase the ultimate value of the award.

25 (3) If a licensed operator conducts a promotional game

1 ~~of chance involving bingo or keno, the prize limit provided~~
2 ~~for in subsection (2) applies to prizes awarded as a result~~
3 ~~of the promotional game of chance.~~

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

15 NEW SECTION. Section 11. Manufacturer's license for
16 electronic bingo or keno equipment -- license and processing
17 fees. (1) A person may not assemble, produce, manufacture,
18 or supply electronic equipment for use in conducting live
19 bingo or keno games in this state without obtaining an
20 annual manufacturer's license from the department.

21 (2) The department shall charge an annual license fee
22 of \$1,000 for issuing or renewing a manufacturer's license.

23 (3) A manufacturer's license expires June 30 of each
24 year, and the license fee may not be prorated.

25 (4) In addition to the license fee provided for in

1 subsection (2), the department may charge a one-time
2 manufacturer's application fee to cover the actual cost of
3 processing the original license. The department shall refund
4 an overpayment or charge and collect an amount sufficient to
5 reimburse the department for underpayment of actual costs.

6 (5) The department shall retain for administrative
7 purposes the license and processing fees collected under
8 this section.

9 NEW SECTION. Section 12. Examination and approval of
10 electronic bingo and keno equipment -- fee. (1) A licensed
11 manufacturer shall submit to the department for examination
12 a prototype of any electronic equipment intended for use in
13 conducting live bingo or keno games before the equipment is
14 used in the state.

15 (2) Before the equipment is examined, the manufacturer
16 shall pay the anticipated examination costs as determined by
17 the department. The department shall refund an overpayment
18 or charge and collect an amount sufficient to reimburse the
19 department for underpayment of actual costs.

20 (3) Upon completion of the examination, the department
21 may approve, disapprove, or place a condition upon use of
22 the equipment before it is made available for use in
23 conducting live bingo or keno games.

24 NEW SECTION. Section 13. Electronic live bingo and
25 keno equipment specifications -- rules. The department shall

1 adopt rules describing electronic live bingo and keno
2 equipment that may be approved under [section 15 12]. At a
3 minimum, the rules must provide that the equipment use a
4 random selection process to determine the outcome of each
5 game.

6 NEW SECTION. Section 14. Definitions. Unless the
7 context requires otherwise, ~~the following definitions apply~~
8 ~~to FOR PURPOSES OF~~ [sections 17 14 through 23 20]:

9 ~~(1) "Casino , "CASINO night" means a fundraising event~~
10 ~~during which wagers may be made in gambling activities~~
11 ~~authorized in [section 18 15] through the use of imitation~~
12 ~~money.~~

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

18 NEW SECTION. Section 15. Casino nights authorized. (1)
19 Nonprofit organizations may conduct or participate in a
20 casino night.

21 (2) The following gambling activities may be conducted
22 during a casino night:

- 23 (a) live card games authorized under 23-5-311;
24 (b) live bingo and keno games; and
25 (c) raffles.

1 **NEW SECTION. Section 16.** Application for permit. (1) A
 2 nonprofit organization may apply to the department for a
 3 casino night permit on a form prescribed and furnished by
 4 the department. The application must be accompanied by a fee
 5 of \$25.

6 (2) The application must include:

- 7 (a) the name and address of the applicant;
 8 (b) the name and address of the applicant's officers;
 9 (c) the location, date, and time at which the applicant
 10 will conduct the casino night;
 11 (d) sufficient evidence concerning the structure and
 12 operation of the organization to enable the department to
 13 determine whether the applicant is a nonprofit organization;
 14 and

15 (e) other relevant information requested by the
 16 department.

17 **NEW SECTION. Section 17.** Issuance of permit --
 18 disposition of fee. (1) After review of an application
 19 submitted under [section 19 16], the department may issue to
 20 the applicant a casino night permit. Only one permit may be
 21 issued to the applicant each year. The permit is valid for
 22 only one location and is not assignable or transferrable.

23 (2) The department shall retain the fee provided for in
 24 [section 19 16] for administrative purposes.

25 **NEW SECTION. Section 18.** Requirements for conducting

1 casino nights. A nonprofit organization that has obtained a
 2 permit under [section 20 17] shall conduct a casino night in
 3 compliance with the following conditions:

4 (1) The casino night may not last more than 12
 5 consecutive hours.

6 (2) The casino night must be managed and operated only
 7 by members of the nonprofit organization that was issued the
 8 permit under [section 20 17]. The members may not be
 9 compensated for their services;

10 (3) Only merchandise may be awarded as prizes.

11 (4) Proceeds derived from the casino night, after
 12 payment of reasonable administrative expenses, may be used
 13 only for a civic, charitable, or educational purpose, and
 14 administrative expenses may not exceed 50% of the proceeds.

15 **NEW SECTION. Section 19.** Nonapplicability of certain
 16 gambling laws. The provisions of parts 3 and 4 of this
 17 chapter, EXCEPT 23-5-311, do not apply to live card games,
 18 live bingo or keno games, or raffles conducted during a
 19 casino night.

20 **NEW SECTION. Section 20.** Rules. The department shall
 21 adopt rules to administer [sections 17 14 through 22 19]. At
 22 a minimum, the rules must address application procedures and
 23 play of the games during a casino night.

24 **NEW SECTION. SECTION 21.** FANTASY SPORTS LEAGUES
 25 DEFINED. AS USED IN [SECTIONS 21 THROUGH 25], A "FANTASY

1 SPORTS LEAGUE" MEANS A GAMBLING ACTIVITY CONDUCTED IN THE
 2 FOLLOWING MANNER:

3 (1) A FANTASY SPORTS LEAGUE CONSISTS OF A LIMITED
 4 NUMBER OF PERSONS OR GROUPS OF PERSONS WHO PAY AN ENTRANCE
 5 FEE FOR MEMBERSHIP IN THE LEAGUE. THE ENTRANCE FEE MAY
 6 INCLUDE AN ADMINISTRATIVE FEE.

7 (2) EACH LEAGUE MEMBER CREATES A FICTITIOUS TEAM
 8 COMPOSED OF ATHLETES FROM A GIVEN PROFESSIONAL SPORT, SUCH
 9 AS BASEBALL, BASKETBALL, OR FOOTBALL. PLAYER SELECTION IS
 10 CONDUCTED THROUGH RANDOM DRAWINGS OR A BIDDING PROCESS.

11 (3) AFTER THE INITIAL TEAMS ARE SELECTED, INTERIM
 12 REPLACEMENT OF PLAYERS MAY OCCUR BY TRADE OR PURCHASE. A
 13 SPECIFIC FEE, WHICH MAY NOT EXCEED THE TOTAL ENTRANCE FEE,
 14 IS CHARGED FOR EACH TRANSACTION.

15 (4) A METHOD, AS DEFINED BY LEAGUE RULES, IS DEvised TO
 16 PERMIT EACH TEAM TO COMPETE AGAINST OTHER TEAMS IN THE
 17 LEAGUE. POINTS ARE AWARDED TO A TEAM ACCORDING TO THE
 18 PERFORMANCE OF INDIVIDUAL PLAYERS OR TEAMS OR BOTH DURING A
 19 DESIGNATED TIME PERIOD.

20 (5) A MEMBER MAY BE ELIGIBLE TO RECEIVE A PAYOUT BASED
 21 ON THE NUMBER OF POINTS ACCUMULATED. PAYOUTS, WHICH MAY BE
 22 IN THE FORM OF CASH OR PRIZES, ARE AWARDED ACCORDING TO
 23 LEAGUE RULES.

24 (6) RULES GOVERNING THE CONDUCT OF THE FANTASY SPORTS
 25 LEAGUE MUST BE PROVIDED IN WRITING TO EACH MEMBER.

1 NEW SECTION. SECTION 22. FANTASY SPORTS LEAGUES
 2 AUTHORIZED. IT IS LAWFUL TO CONDUCT OR PARTICIPATE IN A
 3 FANTASY SPORTS LEAGUE.

4 NEW SECTION. SECTION 23. PAYOUTS -- ADMINISTRATIVE
 5 FEEs CHARGED BY COMMERCIAL ESTABLISHMENTS. (1) THE TOTAL
 6 VALUE OF PAYOUTS TO ALL LEAGUE MEMBERS MUST EQUAL THE AMOUNT
 7 COLLECTED FOR ENTRANCE, ADMINISTRATIVE, AND TRANSACTIONS
 8 FEEs, MINUS PAYMENT FOR ADMINISTRATIVE EXPENSES.

9 (2) IF A COMMERCIAL ESTABLISHMENT CHARGES AN
 10 ADMINISTRATIVE FEE FOR CONDUCTING A FANTASY SPORTS LEAGUE,
 11 THE FEE FOR EACH PARTICIPANT MAY NOT BE MORE THAN 15% OF THE
 12 AMOUNT CHARGED AS A PARTICIPANT'S ENTRANCE FEE.

13 NEW SECTION. SECTION 24. SPORTS BETTING PROHIBITED --
 14 APPLICABILITY. [SECTIONS 21 THROUGH 23] DO NOT:

15 (1) AUTHORIZE BETTING OR WAGERING ON THE OUTCOME OF AN
 16 INDIVIDUAL SPORTS EVENT; OR

17 (2) APPLY TO GAMBLING ACTIVITIES GOVERNED UNDER CHAPTER
 18 4 OR CHAPTER 5, PART 2 OR 5, OF THIS TITLE.

19 NEW SECTION. SECTION 25. VIOLATIONS. A PERSON WHO
 20 PURPOSELY OR KNOWINGLY VIOLATES OR PROCURES, AIDS, OR ABETS
 21 IN A VIOLATION OF [SECTIONS 21 THROUGH 24] IS GUILTY OF A
 22 MISDEMEANOR PUNISHABLE UNDER 23-5-161.

23 SECTION 26. SECTION 23-5-114, MCA, IS AMENDED TO READ:

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

1 ~~department--employee--during--the--first--365--days--following~~
 2 ~~termination--of--employment,--or--any--peace--officer--or~~
 3 ~~prosecutor~~ directly involved with the prosecution,
 4 investigation, regulation, or licensing of gambling, as
 5 designated by the attorney general, may not:

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

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

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

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

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

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

7 **SECTION 27. SECTION 23-5-136, MCA, IS AMENDED TO READ:**

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

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

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

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

22 **(ii) place a licensee on probation;**

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

1 violation;

2 (iv) revoke a license or permit for the gambling
3 activity, device, or enterprise involved in the act or
4 practice constituting the violation;

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

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

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

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

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

16 (iii) appoint a receiver or conservator for the
17 defendant or the assets of the defendant.

18 (2) The department may issue a warrant for distraint
19 against an operator who fails to pay a civil penalty imposed
20 under subsection (1) or a tax imposed under 23-5-409 or
21 23-5-610. The department may issue the warrant for the
22 amount of the unpaid penalty or for the amount of the unpaid
23 tax, plus penalty and accumulated interest on the tax, and
24 shall follow the procedures provided in 15-1-701 through
25 15-1-708.

1 ~~(2)~~(3) (a) A civil penalty imposed under this section
2 must be collected by the department and deposited--in--the
3 state's--general--fund--as--required--by distributed as provided
4 in 23-5-123. The local government portion of the penalty
5 payment is statutorily appropriated to the department, as
6 provided in 17-7-502, for deposit to the county or municipal
7 treasury.

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

12 **SECTION 28. SECTION 23-5-153, MCA, IS AMENDED TO READ:**

13 "**23-5-153. Possession and sale of antique slot**
14 **machines.** (1) For the purposes of this section, an antique
15 slot machine is a mechanically or electronically operated
16 slot machine that at any present time is more than 25 years
17 old.

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

21 (3) (a) An antique slot machine may be possessed or
22 located for purposes of display only and not for operation
23 in any public museum owned and operated by the state, a
24 county, or a city.

25 (b) A licensed manufacturer-distributor or a person

1 licensed under subsection (4) may possess and--sell antique
 2 slot machines for purposes of commercially selling or
 3 otherwise supplying the machines.

4 (4) A person other than a licensed
 5 manufacturer-distributor may not sell more than three
 6 antique slot machines in a 12-month period without first
 7 obtaining from the department an annual license for selling
 8 the machines. The fee for the license is \$50 a year. The fee
 9 must be retained by the department for administrative
 10 purposes. The department may not issue a license under this
 11 subsection to a licensed operator.

12 (5) A person or entity legally possessing a slot
 13 machine under subsection (2) or (3) may sell or otherwise
 14 supply a machine to another person or entity who may legally
 15 possess a slot machine.

16 (4)(6) An antique slot machine may not be operated for
 17 any commercial or charitable purpose."

18 **SECTION 29. SECTION 23-5-154, MCA, IS AMENDED TO READ:**

19 "23-5-154. Soliciting or--persuading--persons--to--play
 20 participation in illegal gambling device activity
 21 prohibited. A person who purposely or knowingly advertises
 22 for or solicits another person to play-or-engage-in-the
 23 participate in an illegal gambling enterprise or use of an
 24 illegal gambling device is guilty of a misdemeanor and is
 25 punishable under 23-5-161."

1 **SECTION 30. SECTION 23-5-156, MCA, IS AMENDED TO READ:**

2 "23-5-156. Obtaining anything of value by fraud or
 3 operation of illegal gambling device or enterprise. (1) A
 4 person who by-gambling in an activity involving gambling
 5 obtains money, property, or anything of value that does not
 6 exceed \$300 in value by misrepresentation, fraud, or the use
 7 of an illegal gambling device or an illegal gambling
 8 enterprise is guilty of a misdemeanor and is punishable as
 9 provided in 23-5-161.

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

16 **SECTION 31. SECTION 23-5-158, MCA, IS AMENDED TO READ:**

17 "23-5-158. Minors not to participate -- penalty --
 18 exception. (1) A Except as provided in subsection (2), a
 19 person may not purposely or knowingly allow a person under
 20 18 years of age to participate in a gambling activity.

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

24 (2) A person under 18 years of age may sell or buy
 25 tickets for or receive prizes from a raffle conducted in

1 compliance with 23-5-413 if proceeds from the raffle, minus
2 administrative expenses and prizes paid, are used to support
3 charitable activities, scholarships or educational grants,
4 or community service projects."

5 **SECTION 32. SECTION 23-5-162, MCA, IS AMENDED TO READ:**

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

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

17 **SECTION 33. SECTION 23-5-176, MCA, IS AMENDED TO READ:**

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

24 (2) The Except as provided in subsection (4), the
25 department shall issue a license unless the department can

1 demonstrate that the applicant is:

2 (a) is a person whose prior financial or other
3 activities or criminal record:

4 (i) poses a threat to the public interest of the state
5 or;

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

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

12 (b) has been convicted of a felony offense within 5
13 years of the date of application or is on probation or
14 parole or under deferred prosecution for committing a felony
15 offense; or

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

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

23 (4) The department may deny a license or permit to an
24 applicant who has falsified a license or permit application.
25 If the falsification is determined after the license or

1 permit has been issued, the department may revoke the
2 license or permit."

3 NEW SECTION. SECTION 34. ILLEGAL SALE, ASSIGNMENT,
4 LEASE, OR TRANSFER OF LICENSE -- PENALTY. A LICENSEE WHO
5 PURPOSELY OR KNOWINGLY SELLS, ASSIGNS, LEASES, OR TRANSFERS
6 A LICENSE OR PERMIT IN VIOLATION OF 23-5-110 IS GUILTY OF A
7 MISDEMEANOR PUNISHABLE IN ACCORDANCE WITH 23-5-161.

8 SECTION 35. SECTION 23-5-308, MCA, IS AMENDED TO READ:

9 "23-5-308. Card game dealers -- license. (1) A person
10 may not deal cards in a live card game of panguingue or
11 poker without being licensed annually by the department.

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

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

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

21 (5) (a) The department shall adopt rules to implement
22 temporary licensing procedures until a permanent license is
23 issued to a dealer.

24 (b) The rules must provide that:

25 (i) a temporary license may be obtained at the place

1 where a person locally applies for a driver's license; and
2 that

3 (ii) the receipt received upon mailing by certified mail
4 an a completed license application for a permanent license
5 and the fee required under subsection (2) by certified mail,
6 return receipt requested, also constitutes a temporary
7 license.

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

10 SECTION 36. SECTION 23-5-309, MCA, IS AMENDED TO READ:

11 "23-5-309. Presence-and-control-of-dealer Requirements
12 for conducting card games. (1) A Except as provided in
13 [section 37], a live card game may-not must be played except
14 on a live card game table in--the--presence--and--under--the
15 control--of--a--licensed--dealer for which a permit has been
16 issued and on the premises of a licensed operator.

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

20 NEW SECTION. SECTION 37. TOURNAMENTS. (1) SUBJECT TO
21 THE DEPARTMENT'S APPROVAL, A LICENSED OPERATOR WHO HAS A
22 PERMIT FOR PLACING AT LEAST 1 LIVE CARD GAME TABLE ON HIS
23 PREMISES MAY CONDUCT UP TO 12 LIVE CARD GAME TOURNAMENTS A
24 YEAR ON HIS PREMISES. EACH TOURNAMENT MAY BE CONDUCTED FOR
25 NO MORE THAN 5 CONSECUTIVE DAYS. IF AN OPERATOR CONDUCTS

1 MORE THAN ONE TOURNAMENT A YEAR, AT LEAST 7 DAYS MUST LAPSE
 2 BETWEEN THE CONCLUSION OF ONE TOURNAMENT AND THE BEGINNING
 3 OF THE NEXT TOURNAMENT.

4 (2) (A) ~~AT-LEAST-10-DAYS-BEFORE~~ BEFORE THE START OF A
 5 TOURNAMENT, THE OPERATOR SHALL SUBMIT TO THE DEPARTMENT AN
 6 APPLICATION FOR A TOURNAMENT PERMIT. THE PERMIT APPLICATION
 7 MUST BE ACCOMPANIED BY A \$10 FEE. THE DEPARTMENT SHALL
 8 RETAIN THE FEE FOR ADMINISTRATIVE PURPOSES.

9 (B) IF A TOURNAMENT IS TO BE CONDUCTED ON THE PREMISES
 10 OF MORE THAN ONE LICENSED OPERATOR, EACH OPERATOR SHALL
 11 SUBMIT A PERMIT APPLICATION AND PROCESSING FEE. THE PERMIT
 12 IS APPLIED TOWARD EACH OPERATOR'S ANNUAL 12-TOURNAMENT
 13 LIMIT.

14 (3) PERMITS FOR PLACEMENT OF ADDITIONAL LIVE CARD GAME
 15 TABLES, AS PROVIDED IN 23-5-306, ARE NOT REQUIRED FOR
 16 ADDITIONAL TABLES AUTHORIZED UNDER A TOURNAMENT PERMIT.

17 (4) TOURNAMENT PARTICIPANTS MUST BE PROVIDED WITH A
 18 COPY OF THE TOURNAMENT RULES BEFORE THE START OF THE
 19 TOURNAMENT. A COPY OF THE RULES MUST BE POSTED IN A
 20 CONSPICUOUS LOCATION IN EACH AREA WHERE THE TOURNAMENT IS
 21 CONDUCTED.

22 (5) A PERSON MUST BE PRESENT ON THE PREMISES DURING THE
 23 TOURNAMENT TO OVERSEE THE CONDUCT OF THE CARD GAMES AND TO
 24 SETTLE DISPUTES AMONG PLAYERS. THIS PERSON MAY BE A DEALER
 25 LICENSED UNDER 23-5-308.

1 (6) A LICENSED OPERATOR MAY CHARGE A TOURNAMENT
 2 PARTICIPANT AN ENTRY FEE, WHICH MAY INCLUDE A FEE TO COVER
 3 EXPENSES INCURRED IN CONDUCTING THE TOURNAMENT. A
 4 PARTICIPANT WHO HAS BEEN ELIMINATED FROM COMPETITION DURING
 5 THE TOURNAMENT MAY REENTER THE TOURNAMENT BY PAYING AN
 6 ADDITIONAL FEE IF PERMITTED TO DO SO UNDER TOURNAMENT RULES.
 7 A RAKE-OFF MAY NOT BE TAKEN DURING A TOURNAMENT CARD GAME.

8 (7) THE FACE VALUE OF THE CHIPS USED DOES NOT GOVERN
 9 THE VALUE OF THE POT AWARDED AT THE END OF THE TOURNAMENT.

10 (8) THE PROVISIONS OF THIS PART AND THE DEPARTMENT
 11 RULES GOVERNING LIVE CARD GAMES APPLY TO LIVE CARD GAMES
 12 CONDUCTED AS PART OF A TOURNAMENT UNLESS OTHERWISE PROVIDED.

13 **SECTION 38. SECTION 23-5-406, MCA, IS AMENDED TO READ:**

14 **"23-5-406. Exempt charitable organizations and**
 15 **facilities. (1) (a) An organization qualified for granted an**
 16 **exemption under 26 U.S.C. 501(c)(3) and, (c)(4), (c)(8), or**
 17 **(c)(19):**

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

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

1 ~~calendar year and if the.~~

2 (b) An organization provided for in subsection (1)(a)
 3 shall:

4 (i) limit its live bingo and keno activities are
 5 limited to its main premises or place of operations and to
 6 events at other places operated by other charitable
 7 organizations or by a government unit or entity;--The
 8 organization shall;

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

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

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

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

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

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

1 (3) The department may revoke or suspend the permit of
 2 a qualified an organization or a facility provided for in
 3 subsection (1) or (2) if that, after investigation, the
 4 department determines that the organization or facility is
 5 contracting operating or has contracted with a nonqualified
 6 organization to operate that is operating live bingo or
 7 keno, or raffles in a predominantly commercial manner.

8 (4) For purposes of this section:

9 (a), "retirement home" means a building in which
 10 sleeping rooms without cooking facilities in each room are
 11 rented to three or more persons who are 60 years of age or
 12 older and who do not need skilled nursing care, intermediate
 13 nursing care, or personal nursing care, as defined in
 14 50-5-101; and

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

24 **SECTION 39. SECTION 23-5-407, MCA, IS AMENDED TO READ:**

25 **"23-5-407. Live bingo or keno permit -- fees --**

1 disposition of fees. (1) A person who has been granted an
 2 operator's license may be granted an annual permit by the
 3 department to conduct live bingo or keno games on specified
 4 premises. The permit expires June 30 of each year.

5 (2) The permit fee for each ~~of-the~~ premises in which a
 6 live bingo or keno game is conducted ~~may-not-be-prorated-and~~
 7 ~~must-be-\$500~~ is \$250.

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

10 **SECTION 40.** SECTION 23-5-409, MCA, IS AMENDED TO READ:

11 "23-5-409. Bingo and keno tax -- records --
 12 distribution -- statement and payment. (1) A licensee who
 13 has received a permit to operate bingo or keno games shall
 14 pay to the department a tax of 5% ~~1%~~ of the net-income gross
 15 proceeds from the operation of each live bingo and keno game
 16 operated on his premises. ~~For-purposes-of-this-section-~~"net
 17 income"~~means-gross-proceeds-as-defined-in-23-5-112,~~~~--minus~~
 18 ~~the--cost-of-equipment,-supplies,-personnel,-and-advertising~~
 19 ~~allocated-to-the-games--if-in-any-year-5%-of-net-income-does~~
 20 ~~not-equal-1%-of-gross-proceeds,-then-the-licensee-shall-pay~~
 21 ~~a-tax-of-1%-of-gross-proceeds-~~

22 (2) A licensee shall keep a record of gross proceeds
 23 ~~and-net-income~~ in the form the department requires. At all
 24 times during the business hours of the licensee the records
 25 must be available for inspection by the department.

1 (3) A licensee shall annually complete and deliver to
 2 the department a statement showing the total gross proceeds
 3 ~~and-net-income~~ for each live keno or bingo game operated by
 4 him and the total amount due as live bingo or keno tax for
 5 the preceding year. This statement must contain any other
 6 relevant information required by the department.

7 (4) The department shall forward the tax collected
 8 under subsection (3) to the treasurer of the county or the
 9 clerk, finance officer, or treasurer of the city or town in
 10 which the licensed game is located for deposit to the county
 11 or municipal treasury. A county is not entitled to proceeds
 12 from taxes on live bingo or keno games located in
 13 incorporated cities and towns within the county. The tax
 14 collected under subsection (3) is statutorily appropriated
 15 to the department, as provided in 17-7-502, for deposit to
 16 the county or municipal treasury."

17 **SECTION 41.** SECTION 23-5-412, MCA, IS AMENDED TO READ:

18 "23-5-412. Card prices and prizes -- exception. The (1)
 19 Except as provided in subsection (3):

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

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

25 (c) it is unlawful to, in any manner, combine any

1 awards so as to increase the ultimate value of the award.

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

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

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

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

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

22 **SECTION 42. SECTION 23-5-413, MCA, IS AMENDED TO READ:**

23 **"23-5-413. Raffle prizes -- permits -- exception. {1}**
24 **Raffle-prizes-may-not-exceed-the-value-of--\$5,000--for--each**
25 **individual--raffle-ticket--it-is-unlawful-to,--in-any-manner,**

1 ~~combine-any-awards-so-as-to-increase-the-ultimate--value--of~~
2 ~~the-prize-awarded-for-each-ticket-~~

3 ~~{2}{1} (a) A--separate~~ Except as provided in subsection
4 (1)(b), a permit must be issued by the board of county
5 commissioners for each raffle conducted within its
6 jurisdiction. The permit must be issued before the raffle
7 may be conducted. The board of county commissioners may not
8 charge a permit fee or an investigative fee for a raffle
9 conducted by a religious corporation sole or nonprofit
10 organization if the organization presents sufficient
11 documentation of its nonprofit status.

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

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

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

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

25 (5) The value of a prize awarded for an individual

1 ticket for a raffle conducted by a person or an
 2 organization, other than a religious corporation sole or
 3 nonprofit organization may not exceed \$5,000. The prize may
 4 be in the form of cash, other intangible personal property,
 5 tangible personal property, or real property. Prizes may not
 6 be combined in any manner to increase the ultimate value of
 7 the prize awarded for each ticket.

8 ~~{3}--(a)-The restrictions of subsection (1) do not apply~~
 9 ~~to a raffle conducted by a nonprofit corporation;~~

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

18 ~~(b)--The nonprofit organization or corporation seeking~~
 19 ~~permission under subsection (3)(a) shall apply provide the~~
 20 ~~following information to the board of county commissioners~~
 21 ~~when applying for the a raffle permit and provide the~~
 22 ~~following information:~~

- 23 (i) the cost and number of raffle tickets to be sold;
- 24 (ii) the charitable purposes the proceeds of the raffle
- 25 are intended to benefit; and

1 (iii) the proposed prizes and their value.

2 ~~(c)--A veterans' organization seeking exemption from the~~
 3 ~~permit fee or an investigative fee shall present evidence of~~
 4 ~~the organization's nonprofit status to the board of county~~
 5 ~~commissioners.~~

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

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

21 **SECTION 43. SECTION 23-5-501, MCA, IS AMENDED TO READ:**

22 **"23-5-501. Definitions Definition DEFINITIONS. As used**
 23 **in this part, unless the context clearly requires otherwise,**
 24 **the following definitions apply: THE FOLLOWING DEFINITIONS**
 25 **APPLY:**

1 {1}--"Nonprofit--organization"---means---a---charitable,
 2 religious,--scholastic,--educational,--veterans,--fraternal,
 3 beneficial,--civic,--or--service--organization,--other--than--one
 4 established--for--the--purpose--of--conducting--or--participating
 5 in--a--sports--pool,;

6 {2}--"Sports (1) "sports SPORTS pool" means a card
 7 divided--into--squares--or--spaces,--with--the--names--of--the
 8 participants--in--the--pool--written--within--such--squares--or
 9 spaces,--for gambling activity, other than an activity
 10 governed under chapter 4 or chapter 5, part 2 of this title
 11 in which consideration in a person wagers money is--paid--by
 12 the--person--playing for each square--or--space--for--the chance
 13 to win money or other items of value based on any the
 14 outcome of a sports event or series of sports events wherein
 15 the participants competitors in such the sports event or
 16 series of sports events are natural persons or animals.

17 (2) "SPORTS TAB" MEANS A FOLDED OR BANDED TICKET WITH A
 18 FACE COVERED TO CONCEAL A COMBINATION OF TWO NUMBERS, WITH
 19 EACH NUMBER RANGING FROM ZERO THROUGH NINE.

20 (3) "SPORTS TAB GAME" MEANS A GAMBLING ENTERPRISE
 21 CONDUCTED ON A CARD TO WHICH 100 SPORTS TABS ARE ATTACHED
 22 THAT HAVE 100 DIFFERENT COMBINATIONS FOR WHICH CONSIDERATION
 23 IN MONEY IS PAID BY THE PERSON PLAYING--FOR PURCHASING EACH
 24 TAB. A PERSON MAY PURCHASE A SPORTS TAB FROM THE CARD FOR
 25 THE CHANCE TO WIN MONEY OR OTHER ITEMS OF VALUE ON A SPORTS

1 EVENT AS PROVIDED IN 23-5-503."

2 NEW SECTION. SECTION 44. SPORTS POOL DESIGN --
 3 DEPARTMENT RULES. (1) A SPORTS POOL MUST BE DESIGNED TO
 4 ENSURE THAT:

5 (A) THERE IS AT LEAST ONE WINNER FROM AMONG THE
 6 PARTICIPANTS IN THE POOL; AND

7 (B) EACH PARTICIPANT HAS AN EQUAL CHANCE TO WIN THE
 8 POOL.

9 (2) COMPETITORS IN A SPORTS EVENT OR SERIES OF SPORTS
 10 EVENTS MAY MUST BE RANDOMLY ASSIGNED TO EACH PARTICIPANT IN
 11 THE SPORTS POOL.

12 (3) THE DEPARTMENT SHALL BY RULE DESCRIBE THE TYPES OF
 13 SPORTS POOLS AUTHORIZED BY THIS PART. VARIATIONS IN THE
 14 AUTHORIZED SPORTS POOLS MUST BE SUBMITTED TO THE DEPARTMENT
 15 FOR REVIEW AND APPROVAL BEFORE THEY ARE MADE AVAILABLE FOR
 16 PUBLIC PLAY.

17 SECTION 45. SECTION 23-5-503, MCA, IS AMENDED TO READ:

18 "23-5-503. Rules. (1) The card or other device used for
 19 recording the sports pool OR SPORTS TAB GAME and-upon--which
 20 the--squares--or--spaces--appear--shall must clearly indicate in
 21 advance of the sale of any chances the number of chances to
 22 be sold in that specific pool, the name of the event or
 23 series of events, the consideration to be paid for each
 24 chance, and the total amount or percentage to be paid to the
 25 winners. THE SPORTS TABS MUST BE PURCHASED FROM A

1 MANUFACTURER LICENSED UNDER 23-5-152.

2 (2) ~~A chance to participate in a sports pool may not be~~
 3 ~~sold other than upon the premises in which the sports pool~~
 4 ~~is conducted. An individual~~ Each A EACH SPORTS TAB OR A
 5 chance to participate in a sports pool may not must be sold
 6 for a consideration in excess of the same amount, which may
 7 not exceed \$5, and the total amount to be paid to the all
 8 winners of any individual sports pool OR SPORTS TAB GAME may
 9 not exceed the value of \$500. Chances for a series of events
 10 may be purchased all at once prior to the occurrence of the
 11 first event.

12 (3) (a) Except as provided in subsection (3)(b), the
 13 winner winners of any sports pool shall receive a 100%
 14 payout of the value of the sports pool. THE WINNER OF A
 15 SPORTS TAB GAME MUST RECEIVE A 100% PAYOUT OF THE VALUE OF
 16 THE SPORTS TAB GAME, LESS THE OPERATOR'S COST OF PURCHASING
 17 THE GAME AT LEAST 90% OF THE TOTAL COST OF THE 100 SPORTS
 18 TABS. THE OPERATOR OF THE SPORTS TAB GAME MAY RETAIN THE
 19 REMAINING MONEY FOR ADMINISTRATION AND OTHER EXPENSES.

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

1 (4) A person or nonprofit organization conducting a
 2 sports pool OR SPORTS TAB GAME may purchase chances OR
 3 SPORTS TABS to participate in the sports pool OR SPORTS TAB
 4 GAME but may not:

5 (a) retain any portion of the amount wagered in the
 6 sports pool OR SPORTS TAB GAME, except as provided in
 7 subsection (3)(b);

8 (b) charge a fee for participating in the sports pool
 9 OR SPORTS TAB GAME; or

10 (c) use the sports pool OR SPORTS TAB GAME in any
 11 manner to establish odds or handicaps or to allow betting or
 12 booking against the person or nonprofit organization
 13 conducting the pool OR GAME."

14 SECTION 46. SECTION 23-5-603, MCA, IS AMENDED TO READ:

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

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

1 it is being repaired with a video gambling machine that is
 2 approved under the permit provisions of this part. A fee may
 3 not be charged for the replacement machine.

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

7 (a) in the a room, area, or other part of the premises
 8 in which the alcoholic beverages are sold ~~and normally~~ or
 9 consumed; and

10 (b) within control of the operator for the purpose of
 11 preventing access to the machines by persons under 18 years
 12 of age."

13 **SECTION 47. SECTION 23-5-610, MCA, IS AMENDED TO READ:**

14 "23-5-610. Video gambling machine net gross income tax
 15 -- records -- distribution -- quarterly statement and
 16 payment. (1) An A licensed operator issued a permit under
 17 this part shall pay to the department a video gambling
 18 machine tax of 15% of net-machine the gross income from each
 19 video gambling machine licensed under this part. A licensed
 20 operator may deduct from the gross income amounts equal to
 21 amounts stolen from machines if the amounts are not repaid
 22 by insurance and if a law enforcement agency investigated
 23 the theft.

24 (2) An A licensed operator issued a permit under this
 25 part shall keep a record of net--machine the gross income

1 from each machine in such form as the department may
 2 require. The records must at all times during the business
 3 hours of the licensee be subject to inspection by the
 4 department.

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

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

15 (b) The department shall forward the remaining
 16 two-thirds of the tax collected under subsection (3) to the
 17 treasurer of the county or the clerk, finance officer, or
 18 treasurer of the city or town in which the licensed machine
 19 is located, for deposit to the county or municipal treasury.
 20 Counties are not entitled to proceeds from taxes on income
 21 from video gambling machines located in incorporated cities
 22 and towns. The two-thirds local government portion of tax
 23 collected under subsection (3) is statutorily appropriated
 24 to the department as provided in 17-7-502 for deposit to the
 25 county or municipal treasury."

1 **SECTION 48. SECTION 23-5-611, MCA, IS AMENDED TO READ:**

2 "23-5-611. Machine permit qualifications --
3 limitations. (1) (a) A person who has been granted an
4 operator's license under 23-5-177 and a license to sell
5 alcoholic beverages for consumption on the premises may be
6 granted a permit for the placement of video gambling
7 machines in his premises.

8 (b) If video keno or bingo gambling machines were
9 legally operated on a premises on January 15, 1989, and the
10 premises were not on that date licensed to sell alcoholic
11 beverages for consumption on the premises or operated for
12 the principal purpose of gaming and there is an operator's
13 license for the premises under 23-5-177, a permit for the
14 same number of video keno or bingo gambling machines as were
15 operated on the premises on that date may be granted to the
16 person who held the permit for such machines on those
17 premises on that date.

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

23 (2) An applicant for a permit shall disclose on the
24 application form to the department any information required
25 by the department consistent with the provisions of

1 23-5-176.

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

6 **SECTION 49. SECTION 23-5-612, MCA, IS AMENDED TO READ:**

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

12 (2) The department shall charge an annual permit fee of
13 \$200 for each video gambling machine permit. The fee must be
14 prorated on a quarterly basis but may not be prorated to
15 allow a permit to expire before June 30. The department may
16 not grant a refund if the video gambling machine ceases
17 operation before the permit expires.

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

~~{3}--The permit expires on June 30 of each year, and the fee may not be prorated.~~

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

SECTION 50. SECTION 23-5-625, MCA, IS AMENDED TO READ:

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

~~{2}(b) The department shall charge an annual license fee of \$1,000 for the issuance or renewal of a video~~

gambling machine manufacturer-distributor's license.

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

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

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

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

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

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

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

SECTION 51. SECTION 23-5-631, MCA, IS AMENDED TO READ:

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

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

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

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

(5) Payments received under subsection (4) are statutorily appropriated to the department, as provided in

17-7-502, to defray the costs of examining and approving video gambling machines and associated equipment and to issue refunds for overpayments.

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

SECTION 52. SECTION 17-7-502, MCA, IS AMENDED TO READ:

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

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

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

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

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121;

1 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404;
 2 17-5-424; 17-5-804; 19-8-504; 19-9-702; 19-9-1007;
 3 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;
 4 19-11-606; 19-12-301; 19-13-604; 20-6-406; 20-8-111;
 5 20-9-361; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
 6 23-5-631; 23-5-1016; 23-5-1027; 27-12-206; 37-51-501;
 7 39-71-2504; 53-6-150; 53-24-206; 61-2-406; 61-5-121;
 8 67-3-205; 75-1-1101; 75-5-1108; 75-11-313; 76-12-123;
 9 80-2-103; 82-11-136; 82-11-161; 90-3-301; 90-4-215;
 10 90-4-613; 90-6-331; 90-9-306; and section 13, House Bill No.
 11 861, Laws of 1985.

12 (4) There is a statutory appropriation to pay the
 13 principal, interest, premiums, and costs of issuing, paying,
 14 and securing all bonds, notes, or other obligations, as due,
 15 that have been authorized and issued pursuant to the laws of
 16 Montana. Agencies that have entered into agreements
 17 authorized by the laws of Montana to pay the state
 18 treasurer, for deposit in accordance with 17-2-101 through
 19 17-2-107, as determined by the state treasurer, an amount
 20 sufficient to pay the principal and interest as due on the
 21 bonds or notes have statutory appropriation authority for
 22 such payments. (In subsection (3), pursuant to sec. 10, Ch.
 23 664, L. 1987, the inclusion of 39-71-2504 terminates June
 24 30, 1991.)"

25 **SECTION 53. SECTION 2-15-2021, MCA, IS AMENDED TO READ:**

1 *2-15-2021. Gaming advisory council -- allocation --
 2 composition -- compensation -- annual biennial report. (1)
 3 There is a gaming advisory council.

4 (2) The gaming advisory council is allocated to the
 5 department for administrative purposes only as prescribed in
 6 2-15-121.

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

16 (4) Each gaming advisory council member is appointed to
 17 a 3-year term of office, except that three of the
 18 first-appointed original members shall serve a 1-year term,
 19 three (including both legislative members) shall serve a
 20 2-year term, and three shall serve a 3-year term. A member
 21 of the council may be removed for good cause by the
 22 appointing body provided for in subsection (3).

23 (5) The gaming advisory council shall appoint a
 24 chairman from its members.

25 (6) Legislative members of the gaming advisory council

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

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

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

18 (b) The ~~annual~~ biennial report required under
 19 subsection (8)(a) must be affixed to the ~~annual--department~~
 20 report on gambling in the state that the department submits
 21 that year. The department and council shall submit the two
 22 most recent department and council reports to each of the
 23 next two regular sessions of the legislature.

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

1 (d) The council shall meet with the department upon
 2 request of the department.

3 (e) The department shall meet with the council upon
 4 request of the council.

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

14 **SECTION 54. SECTION 23-5-602, MCA, IS AMENDED TO READ:**

15 **"23-5-602. Definitions.** As used in this part, the
 16 following definitions apply:

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

23 (2) "Bingo machine" means an electronic video gambling
 24 machine that, upon insertion of cash, is available to play
 25 bingo as defined by rules of the department. The machine

1 utilizes a video display and microprocessors in which, by
 2 the skill of the player, by chance, or both, the player may
 3 receive free games or credits that may be redeemed for cash.
 4 The term does not include a slot machine or a machine that
 5 directly dispenses coins, cash, tokens, or anything else of
 6 value.

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

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

25 (5) "Net-machine Gross income" means money put into a

1 video gambling machine minus credits paid out in cash.

2 (6) "Video gambling machine manufacturer-distributor"
 3 means a person who assembles, produces, makes, or supplies
 4 video gambling machines or associated equipment for sale,
 5 use, or distribution in the state."

6 NEW SECTION. SECTION 55. FISHING DERBIES AND WAGERING
 7 ON NATURAL OCCURRENCES. (1) THE FOLLOWING ARE AUTHORIZED
 8 GAMBLING ACTIVITIES:

9 (A) A FISHING DERBY IN WHICH TWO OR MORE PERSONS PAY
 10 VALUABLE CONSIDERATION FOR AN OPPORTUNITY TO WIN A PRIZE FOR
 11 THE SPECIES, SIZE, WEIGHT, OR OTHERWISE SPECIFIED FISH
 12 CAUGHT IN A FISHING EVENT; AND

13 (B) WAGERING ON THE OUTCOME OF A NATURAL OCCURRENCE IN
 14 WHICH TWO OR MORE PERSONS PAY VALUABLE CONSIDERATION FOR AN
 15 OPPORTUNITY TO WIN A PRIZE BY MOST ACCURATELY PREDICTING THE
 16 DATE OR TIME OF AN EVENT RESULTING FROM A CLIMATOLOGICAL OR
 17 METEOROLOGICAL ACTIVITY.

18 (2) EXCEPT AS PROVIDED IN SUBSECTION (3), ALL
 19 CONSIDERATION PAID TO PARTICIPATE IN A GAMBLING ACTIVITY
 20 AUTHORIZED IN SUBSECTION (1) MUST BE PAID TO THE WINNERS.

21 (3) A NONPROFIT ORGANIZATION SPONSORING A GAMBLING
 22 ACTIVITY AUTHORIZED IN SUBSECTION (1) MAY RETAIN UP TO 50%
 23 OF THE TOTAL AMOUNT PAID TO PARTICIPATE.

24 (4) THIS SECTION DOES NOT APPLY TO A GAMBLING ACTIVITY
 25 CONDUCTED UNDER CHAPTER 4 OR CHAPTER 5, PART 2 OR 3 OF THIS

1 TITLE.

2 SECTION 56. SECTION 23-5-502, MCA, IS AMENDED TO READ:

3 "23-5-502. Sports pools and sports tab games
4 authorized. -- TAX. (1) Conducting or participating in
5 sports pools and sports tab games as defined and governed in
6 this part is lawful, EXCEPT THAT SPORTS TAB GAMES MAY ONLY
7 BE CONDUCTED ON PREMISES LICENSED TO SELL ALCOHOLIC
8 BEVERAGES FOR CONSUMPTION ON THE PREMISES.

9 (2) A MANUFACTURER LICENSED UNDER 23-5-152 WHO SELLS
10 SPORTS TABS TO A LICENSED OPERATOR FOR USE IN A SPORTS TAB
11 GAME SHALL COLLECT FROM THE OPERATOR, AT THE TIME OF SALE, A
12 TAX OF \$1 FOR EACH 100 SPORTS TABS SOLD AND, WITHIN 15 DAYS
13 AFTER THE END OF EACH CALENDAR QUARTER, SUBMIT TO THE
14 DEPARTMENT ANY FORMS REQUIRED BY THE DEPARTMENT AND THE
15 PROCEEDS OF THE COLLECTED TAX. THE MANUFACTURER SHALL KEEP A
16 RECORD OF TAXES COLLECTED AS REQUIRED BY DEPARTMENT RULE.
17 THE RECORDS MUST BE MADE AVAILABLE FOR INSPECTION BY THE
18 DEPARTMENT UPON REQUEST OF THE DEPARTMENT. THE DEPARTMENT
19 SHALL RETAIN THE PROCEEDS OF THE TAX TO ADMINISTER THIS
20 PART."

21 NEW SECTION. Section 57. Codification instruction --
22 code commissioner instruction. (1) [Sections 4, 7 through
23 ~~17 and 14 through 23~~ 25, 34, AND 55] are intended to be
24 codified as an integral part of Title 23, chapter 5.
25 [Sections ~~17~~ 14 through 23 20 AND 21 THROUGH 25] are EACH

1 intended to be codified as a separate part of Title 23,
2 chapter 5. The provisions of Title 23, chapter 5, ~~part--17~~
3 apply to [sections 4, 7 through ~~17 and 14 through 23~~ 25,
4 34, AND 55].

5 (2) [SECTION 37] IS INTENDED TO BE CODIFIED AS AN
6 INTEGRAL PART OF TITLE 23, CHAPTER 5, PART 3, AND THE
7 PROVISIONS OF TITLE 23, CHAPTER 5, PART 3, APPLY TO [SECTION
8 37].

9 (3) [SECTION 44] IS INTENDED TO BE CODIFIED AS AN
10 INTEGRAL PART OF TITLE 23, CHAPTER 5, PART 5, AND THE
11 PROVISIONS OF TITLE 23, CHAPTER 5, PART 5, APPLY TO [SECTION
12 44].

13 ~~{2}{4}~~ The code commissioner shall recodify part 10 of
14 Title 23, chapter 5, as a new chapter in Title 23. Internal
15 references in the Montana Code Annotated section text and in
16 any act of the 52nd legislature must be changed by the code
17 commissioner if necessary to retain their original meaning.

18 ~~NEW-SECTION:--Section-25--Coordination--instruction--if~~
19 ~~---Bill-No.---[56--1036]--is--not--passed--and--approved,~~
20 ~~{section-10-of-this-act}-is-void-~~

21 NEW SECTION. Section 58. Effective dates. (1)
22 {Sections-1-through-97-11-through-267-and-this-section}--are
23 effective-October-17-1991;

24 ~~{2}--{Section-10}-is-effective-July-17-1992-~~

25 (1) [SECTION SECTIONS 4, 26, AND THIS SECTION] ARE

SB 0427/04

1 EFFECTIVE ON PASSAGE AND APPROVAL.
2 (2) [SECTIONS 1 THROUGH 25 AND 27 THROUGH 56 57] ARE
3 EFFECTIVE JULY 1, 1991.

-End-