

MINUTES OF THE MEETING  
STATE ADMINISTRATION COMMITTEE  
MONTANA STATE SENATE

February 22, 1985

The thirty-third meeting of State Administration Committee was called to order by Chairman Jack Haffey in Room 331, Capitol, at 10 a.m. on Friday, February 22, 1985.

ROLL CALL: All the members were present.

CONSIDERATION OF SENATE BILL 457: Senator George McCallum, Senate District 26, is the sponsor of this bill entitled, "AN ACT AMENDING SECTIONS..., R.C.M. 1947, TO CHANGE THE COUNTY BOUNDARY BETWEEN SANDERS AND LAKE COUNTIES; PROVIDING FOR APPROVAL OF THE ELECTORS OF BOTH COUNTIES AS REQUIRED BY THE MONTANA CONSTITUTION; AND PROVIDING AN EFFECTIVE DATE FOR THE BOUNDARY CHANGE IF APPROVED." Senator McCallum said this bill is to change the county boundary between Sanders and Lake Counties. Since this is a boundary change, according to law this has to be done by statute and the people have to vote on the change. Senator McCallum said that he had a resolution signed by all the commissioners of both counties with the exception of one, Harold Fitzner of Lake County. He told the Committee that this would have to be put on the ballot and voted on by the people in both counties. Senator McCallum said that the part of Lake County that would come into Sanders was less than a mile from the county shops and Hot Springs. He said the people in the area are in favor of the change.

PROPONENTS: Roy DeLong, County Commissioner of Sanders County, supports this bill. Mr. DeLong said that they felt this arrangement would serve the people better.

OPPONENTS: There were no opponents.

COMMITTEE QUESTIONS: Senator McCallum told the Committee that he had a few technical amendments.

Senator McCallum closed by telling the Committee that this bill gives the people the opportunity to make up their own minds since it will go to the people for a vote. SENATE BILL 457 is closed.

EXECUTIVE ACTION ON SENATE BILL 457: Senator Lynch made a motion that SENATE BILL 457's amendments do pass. Question was called and the Committee voted unanimously that the amendments do pass. Senator Harding made a motion that SENATE BILL 457 do pass as amended. Question was called and the Committee voted unanimously that SENATE BILL 457 DO PASS AS AMENDED.

February 22, 1985

EXECUTIVE ACTION ON SENATE BILL 324: Senator Haffey informed the Committee that during the break Senator Stimatz had to be in the hospital and they did not know for how long, so he wanted to move SENATE BILL 324 out of Committee either way. Senator Lynch asked if they had addressed the machine problem. Senator Hirsch said that his amendments would address that. Valencia Lane, staff Attorney, explained to the Committee that they had already adopted amendments 1 through 16, 19 through 29, and had not passed amendments 17, 18 and 30, which were Senator Eck's amendments regarding compulsive gambler. She said that she had an amendment which Senator Stimatz, Senator Anderson and Senator Conover had worked out that she felt would allay everyone's concerns regarding slot machines. She said we would call this amendment #31 (attached hereto marked Exhibit "3" and by this reference made a part hereof). Senator Manning made a motion that amendment #31 do pass. Question was called and the Committee voted unanimously that amendment 31 do pass.

Valencia Lane, staff Attorney, next introduced an amendment which had been approved by Senator Stimatz which would add a purpose section to the bill. She said we would call this amendment #32. Senator Lynch moved that amendment 32 do pass. Question was called, and the Committee voted unanimously that amendment #32 do pass. (Attached hereto marked Exhibit "4" and by this reference made a part hereof.)

Senator Mohar entered an amendment (33) which he had drafted which would not permit advertising of the lottery either on the radio or television. Senator Mohar then moved his amendment. Senator Lynch opposed the amendment saying that if this was going to be a revenue measure then it had to be advertised. Question was called and with Senator Mohar and Senator Harding voting in favor of the motion, the proposed amendment #33 failed. (See Exhibit "5" attached hereto and by this reference made a part hereof.)

Senator Mohar next made a motion to pass an amendment which he did not have drafted and which he called amendment #34. This amendment would strike "instant winner games" from page 2, line 16 after winner games. Senator Conover said that he had that circled and he had discussed it with Senator Stimatz and Senator Stimatz said to go ahead and take it out if that's what it took to pass it. Senator Lynch said that he did not know what all they could do to make sure it was not a slot machine. He said they had amended the bill in every way possible to guarantee that there would not be slot machines. Senator Lynch said that it says this all through the amendments. He told the Committee that this was the state of Montana running these games and they could be trusted. Senator Manning said that he receives magazines called Lottery and that instant lottery games are their biggest producers of revenue. Question was called, and with Senator Mohar and Senator Harding voting yes, proposed amendment #34 failed.

February 22, 1985

Senator Hirsch said that he had two minor and one major amendments. Amendment 38 changes the bill to read that the commission shall hold office at the pleasure of the governor. There was much discussion regarding whether or not these people should be able to be dismissed at the governor's whim without cause. Senator Hirsch said that most of the boards serve at the governor's pleasure and deferred to Mona Jamison, Attorney for the Governor's Office. Ms. Jamison said that there has been a proliferation of boards since reorganization. She said the only way to dismiss those members is for "good cause." She said this was why they reorganized the boards. Ms. Jamison said if this proliferation continues, you would be creating a fourth branch of government. She said that she was not telling the members that all boards served at the pleasure of the governor because some of them did not, such as the Board of Pardons. Senator Manning wanted to know if someone could register a complaint and some poor man could find himself without a job the next day. Ms. Jamison said no, Governor Schwinden simply investigates the complaint and finds a solution. He does not operate the other way. Question was called and the Committee voted unanimously to pass amendment 38. (See Exhibit "6" attached hereto.)

Senator Hirsch said that he had an amendment #45 which would change the amount paid the commission from \$100 to \$50. He didn't feel that they should make more than the legislators. He said they will be meeting a lot at first and this is too much money. Senator Manning said that most people wouldn't work as cheap as the legislators. Senator Hirsch moved his amendment, question was called, and amendment #45 (which is already in the gray bill) passed unanimously.

Since Senator Mohar had an amendment 34, it was decided that Senator Mohar's amendment would be numbered 44, so Senator Hirsch's amendments could be discussed together. Senator Hirsch said his amendments 34 through 43 (excluding 38) would exclude electronic machines as they are before the Committee. He said that he has been studying the lottery problem and there are steps that states with lotteries have gone through and he feels that the state of Montana should start with step one and progress from there. Senator Hirsch said that he did not want them to have this type of machines and he passed a magazine around with a picture of it. Senator Hirsch moved his amendments. Senator Lynch reiterated that he doesn't know what they have to do to convince these people that they are not going to allow slot machines. He told the Committee that it has been amended in every way possible. Senator Manning said that he had studied the problem also and that those states that are on step one are the states that are having problems with their lotteries. He said the instant lottery games are the big money makers. Senator Harding spoke in favor of Senator Hirsch's amendments saying they would take the Las Vegas air out of the whole thing. Senator Mohar agreed. Question was called. Senator

February 22, 1985

Hirsch read the definition of a lottery from Webster's dictionary. He asked the Committee if they wanted to allow slot machines or if they wanted to simply take a first step and proceed with a generation one lottery. He said his amendments would shrink the ability of the commission. Senator Haffey repeated the motion saying that the Committee was voting on amendments 34-37 and 39-43. He then called for a roll call vote. (Attached hereto marked Exhibit "7" and by this reference made a part hereof.) The vote was 6 no and 4 yes, so the amendments failed.

Senator Haffey next told the Committee that there was a Statement of Intent that needed to be voted on. Senator Manning moved the Statement of Intent be adopted. Question was called, and the Committee voted unanimously that the State of Intent be adopted.

Senator Lynch moved SENATE BILL 324 as amended do pass. Senator Harding said that she felt that this was another case of those in the upper classes feeding off those less fortunate like a pack of "vultures." Senator Harding said she was opposed to this bill. Senator Conover said that up until today he was opposed to this bill, but I am assured with these amendments that we have done everything in our power to stop the slot machines. Senator Lynch said that he felt that the state has been searching for more revenue for the last ten years. He said that now they are faced with a large deficit in the budget, and proper taxes have been extended as far as they can go. Senator Lynch said this lottery will create a new source of revenue and it is not going to be run by private entrepreneurs--it is going to be run by the state of Montana. Senator Mohar said that he thought that this was not going to raise as much revenue as they think. He feels the cost of running the lottery is going to be way out-of-sight. Question was called. Senator Tveit said with the size of the state and the amount of people that visit it that he feels they will be able to tap this source of revenue. He feels the tourists will buy these lottery tickets. Senator Haffey called for a roll call vote. The Committee voted 8 yes and 2 no, so SENATE BILL 324 DO PASS AS AMENDED. (For a copy of the roll call vote, see Exhibit "8" attached hereto and by this reference made a part hereof.)

Senator Haffey passed out the lists of Boards to the members and asked them to research these people, and we will hear their reports on March 22, 1985.

Senator Haffey next told the Committee that he had had another request from Peg Krivec, Commissioner of Campaign Practices requesting that the Committee request a bill extending her term

February 22, 1985

from 6 years to 8 years. He asked the Committee what their pleasure was. Senator Lynch made a motion that the Committee request that a bill be drawn up changing the term for Commissioner of Political Practices from 6 years to 8 years. Question was called and the Committee voted unanimously to request the bill.

The meeting was adjourned at 11:30 a.m.

  
\_\_\_\_\_  
SENATOR JACK HAFFEY, CHAIRMAN



RESOLUTION

Resolution of the Sanders and Lake County Commissioners  
Supporting the Exchange of Lands Between the Two Counties  
Providing the Voters of Lake & Sanders County Approve the Exchange

*Exhibit "A"*  
*SB-457*  
*2-22-85*

WHEREAS, Sanders County and Lake County have a common boundary;

WHEREAS, there are parcels in these two counties which are distant from their respective county road maintenance shops.

WHEREAS, in particular, there is a tract of land in Sanders County, which borders Lake County, designated herein as Valley Creek, with the following legal description:

All of Township 17 North, Range 21 West, P.M.M., Sanders County, Montana.

All of that portion of Township 16 North, Range 21 West, P.M.M., Sanders County, Montana, lying North of the Sanders-Missoula County boundary.

Sections 1, 12 and that portion of Section 13 lying North of the Sanders-Missoula County boundary in Township 16 North, Range 22 West, P.M.M., Sanders County, Montana.

WHEREAS, in particular, there is a tract of land in Lake County, which borders Sanders County, designated herein as Garcon Gulch, with the following legal description:

Township 23 North, Range 23 West, P.M.M., Lake County, Montana. Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 20, 21, 22, 28, 29, 32, 33.

Township 22 North, Range 23 West, P.M.M., Lake County, Montana. Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35 and 36.

Township 22 North, Range 22 West, P.M.M., Lake County, Montana. Sections 31 and 32.

Township 21 North, Range 23 West, P.M.M., Lake County, Montana. Sections 1, 2, 3, 4 and 5.

Township 21 North, Range 22 West, P.M.M., Lake County, Montana. Sections 5 and 6.

WHEREAS, the undersigned County Commissioners are familiar with the Valley Creek and Garcon Gulch tracts, and in their respective opinions, believe that the liabilities and assets associated with these two tracts are offsetting, and there is no need to apportion indebtedness and credits as per the provisions of §7-2-102 and Part 27 of Title 7, Chapter 2, MCA, 1983 as amended;

WHEREAS, the Valley Creek tract in Sanders County is 47 highway miles from the county road maintenance shop in Plains, which services the roads and bridges; and said Valley Creek tract is approximately 10 highway miles from the county road maintenance shop in Arlee, which would service the roads in the event the tracts were to be transferred to Lake County;

WHEREAS, the Garcon Gulch tract in Lake County is 39 road miles from the county road maintenance shop in Ronan, which services the roads and bridges, and said Garcon Gulch tract is 1 road mile from the county road maintenance shop in Hot Springs, which would service the roads and bridges in the event the tracts were to be transferred to Sanders County;

WHEREAS, the people presently residing on the Valley Creek tract send their children to school in Arlee, Lake County; and likewise, the people presently residing on the Garcon Gulch tract send their children to school in Hot Springs, Sanders County;

NOW, THEREFORE, BE IT RESOLVED, AND IT IS HEREBY RESOLVED, that the undersigned commissioners of Sanders County and Lake County support the exchange of the Valley Creek tract and Garcon Gulch tract between Sanders County and Lake County; and they acknowledge, by this Resolution, that they agree to jointly pursue the steps necessary to bring this matter before the people of the two counties for a vote as required by the Montana Constitution, Article 11, Section 2.

DATED this 20 day of February, 1985.

BOARD OF COUNTY COMMISSIONERS  
SANDERS COUNTY

By: Roy M. DeLong  
Roy M. DeLong - Chairman

By: Norm Resler  
Norm Resler - Member

By: John Muster  
John Muster - Member

ATTEST:

Lorin Jacobson  
Clerk & Recorder

BOARD OF COUNTY COMMISSIONERS  
LAKE COUNTY

By: Mike Hutchin  
Mike Hutchin - Chairman

By: Harold Fitzner  
Harold Fitzner - Member

By: Don Peterson  
Don Peterson - Member

ATTEST:

LORIN JACOBSON  
Clerk & Recorder  
By: Debra A. Wilson Deputy



1. Page 1, line 23.  
Strike: "commission"  
Insert: "governor"  
Strike: "4"  
Insert: "5"
2. Page 3, line 17.  
Following: "only" (D. of Comm.)  
Strike: the remainder of line 17 through "commission" on line 19.  
Insert: "as prescribed in 2-15-121"
3. Page 3, lines 24 and 25.  
Following: line 23  
Strike: subsection (2) in its entirety  
Renumber: subsequent subsections
4. Page 5, line 7.  
Following: "director"  
Strike: "is"  
Insert: "must be"
5. Page 5, line 8.  
Following: "the"  
Strike: "commission, which"  
Insert: "governor, who"
6. Page 6, line 5  
Following: "commission" (D. of Comm.)  
Strike: "direction or"
7. Page 6, line 6.  
Following: "contracts" (D. of Comm.)  
Strike: "of no longer than 6 months"
8. Page 6, line 9. (D. of Comm.)  
Following: "lottery."  
Insert: "All contracts must be made in accordance with state law."
9. Page 7, line 6. (Justice Dept.)  
Following: "contractors"  
Strike: " ; "  
Insert: ". The security division is hereby designated a law enforcement agency for the purpose of administering [sections 1 through 20]."
10. Page 7, line 12. (Leg. Auditor)  
Following: "attorney general"  
Insert: ", the legislative auditor,"
11. Page 9, line 3. (Leg. Auditor)  
Strike: "may"  
Insert: "shall"

12. Page 9, line 7. (Leg. Auditor)  
Strike: "administration,"  
Insert: "commerce, the office of the legislative auditor,"

13. Page 10, line 4. (Leg. Auditor)  
Following: "and employees,"  
Strike: "any person"  
Insert: "employees of any firm or governmental agency"

14. Page 11, line 1. (D. of Comm.)  
Strike: "Forty-five percent"  
Insert: "at least 45%"

15. Page 11, line 7. (D. of Comm.)  
Following: "are"  
Insert: "not"

16. Page 11, line 10. (D. of Comm.)  
Following: "prizes"  
Insert: ", sales commissions,"

17. Page 11, line 13. (Eck)  
Strike: "50%"  
Insert: "49%"

*deleted*  
18. Page 11, line 14. (Eck)  
Following: line 13  
Insert: "(b) 1% into the state treasury. The money in this account is allocated to the department of institutions to be used for programs providing for the treatment of compulsive gamblers, public awareness programs, and the education and continuing education of counselors aiding and treating compulsive gamblers."  
Renummer: subsequent subsection

19. Page 12, line 6. (Justice Dpt.)  
Following: "agent."  
Insert: "Prior to appointment to any of the above positions, a person shall submit to the commission a full set of fingerprints made at a law enforcement agency by an agent or officer of such agency on forms supplied by the agency."

20. Page 13, line 7. (D. of Comm.)  
Strike: "director"  
Insert: "commission"

21. Page 15, line 9. (Justice D.)  
Following: "year"  
Insert: "and shall submit to the commission a full set of fingerprints of such person made at a law enforcement agency by an agent or officer of such agency on forms supplied by the agency"

22. Page 17, line 7. (Leg. Auditor)  
Following: "the"  
Strike: the remainder of line 7 through "conduct"  
on line 10  
Insert: "office of the legislative auditor shall conduct or  
have conducted"

23. Page 17, line 10. (Leg. Auditor)  
Following: "comprehensive"  
Strike: "study and evaluation"  
Insert: "audit"

24. Page 17, line 11. (Leg. Auditor)  
Following: "lottery."  
Insert: "The costs of the audit must be paid out of the  
state lottery fund."

25. Page 17, line 12. (Leg. Auditor)  
Strike: "study"  
Insert: "audit"

26. Page 18, line 19. (Justice D.)  
Strike: section 19 in its entirety  
Re-number: subsequent sections

27. Page 23, line 14. (D. of Comm.)  
Following: "event"  
Strike: the remainder of line 14 through "act]" on  
line 15  
Insert: "no later than November 1, 1985"

28. Page 24, line 2.  
Following: "repaid"  
Insert: "out of the lottery's net revenue"

29. Page 24, line 3.  
Following: "advance"  
Insert: ", and no net revenue may be paid out under [section  
12 (3) (b)] until all advanced funds are repaid"

(Eck) 30. see next page

Proposed amendment to SB 324, introduced copy.

30

4. Page 10, line 8.

Following: "chance."

Insert: "Each ticket, chance, and machine or electronic device upon which a lottery game is played must have upon it a statement that if the player knows anyone who the player believes may have a gambling problem the player should encourage that person to contact the nearest chapter of gamblers anonymous."

PROPOSED not on gray bill  
BY  
SEN. ECK

*Exhibit "3"*  
*SB-324*  
*2-23-85*

Proposed amendment to SB 324, Introduced, (white)

31. Page 2, line 10.

Following: "except"

Insert: "games prohibited by Title 23, chapter 5, part 1;  
lotteries prohibited by Title 23, chapter 5, part 2; card  
games regulated by Title 23, chapter 5, part 3; raffles and  
bingo games governed by Title 23, chapter 5, part 4; and

Exhibit "4"  
SB-324  
2-22-85

#32

Proposed amendment to SB 324, introduced copy.

32. Page 1, line 18.

Following: line 17

Insert: "NEW SECTION. Section 2. Purpose. (1) The purpose of [sections 1 through 21] is to allow lottery games in which the player purchases from the state, through the administrators of the state lottery, a chance to win a prize. [Sections 1 through 21] do not allow and may not be construed to allow any game in which a player competes against or plays with any other person, including a person employed by an establishment in which a lottery game may be played.

(2) The administration and construction of [sections 1 through 21] must comply with Article III, section 9, of the Montana Constitution, which mandates that all forms of gambling are prohibited unless authorized by acts of the legislature or by the people through initiative or referendum. Therefore, [sections 1 through 21] must be strictly construed to allow only those games that are within the scope of this section and within the definition of "lottery game".

(3) The state lottery may not: (a) operate a slot machine or carry on any form of gambling prohibited by the laws of this state; and (b) carry on any form of gambling permitted by the laws of this state but which is not a lottery game within the scope of this section and within the definition of "lottery game".

Renumber: subsequent sections

#### Internal References.

Change "20" to "21" in the following places:

Page 1, line 16  
Page 1, line 19  
Page 2, line 2  
Page 4, line 22  
Page 5, line 5  
Page 5, line 19  
Page 6, line 1  
Page 9, line 15  
Page 16, line 10  
Page 19, line 6  
Page 21, line 7  
Page 23, line 23

Note: Change all internal referenes to individual sections.

Exhibit "5"  
SB-324  
2-23-85

Proposed amendment to Senate Bill 324, Introduced (white)

SENATOR MOHAR

33. Page 6, line 9.

Following: "lottery"

Insert: ", except no contract can be made by any person for promotion of the state lottery through radio or television advertising"

Proposed Amendments to Senate Bill 324, Introduced (white)

SENATOR HIRSCH

34. Title, lines 6 through 10.

Following: "LOTTERY;" on line 6

Strike: the remainder of line 6 through "LOTTERY;" on line 10

35. Title, lines 10 and 11.

Strike: "SECTIONS 23-5-101," on line 10

Insert: "SECTION"

Following: "23-5-202," on line 10

Strike: the remainder of line 10 through "23-5-402," on line 11

36. Page 2, line 9.

Following: "games,"

Strike: "electronic video machine games,"

37. Page 5, line 7.

Strike: "is"

Insert: "must be"

38. Page 5, lines 8 and 9.

Following: "the" on line 8

Strike: the remainder of line 8 through "cause" on line 9

Insert: "governor and shall hold office at the pleasure of the governor"

39. Page 9, line 21.

Following: "machine"

Strike: "or electronic device"

40. Page 9, line 22.

Following: "machine"

Strike: "or device"

41. Page 13, lines 4 and 5.

Following: line 3

Strike: lines 4 and 5 in their entirety

42. Page 20, line 13 through line 3, page 21.

Strike: section 21 in its entirety

Renumber: subsequent sections

43. Page 21, line 14 through line 1, page 23.

Strike: sections 23 and 24 in their entirety

Renumber: subsequent sections



ROLL CALL VOTE

*Exhibit "7"*  
SB-324  
2-22-85

SENATE COMMITTEE STATE ADMINISTRATION

Date 2-22-85 Bill No. 324 Time 11:00 a.m.

NAME	YES	NO
SENATOR ANDERSON	✓	
SENATOR CONOVER		✓
SENATOR FARRELL		✓
SENATOR HARDING	✓	
SENATOR LYNCH		✓
SENATOR MANNING		✓
SENATOR MOHAR	✓	
SENATOR TVEIT		✓
SENATOR HIRSCH, Vice-Chairman	✓	
SENATOR HAFHEY, Chairman		✓
	4	6

*Glenda Pennington*  
Secretary, Glenda Pennington

*Jack Haffey*  
Chairman, Senator Jack Haffey

Motion: Amendments 34-37 and 39-43

60

MR. PRESIDENT,

We, your committee on State Administration having had under consideration Senate Bill 324, attach the following statement of intent:

49th Legislature

LC 110

STATEMENT OF INTENT

Senate BILL NO. 324

A statement of intent is required for this act because under the provisions of the act the state lottery commission must establish and operate a state lottery and adopt policies and rules regarding but not limited to:

- (1) the operations of the lottery director and his staff;
  - (2) the price, number, and size of tickets or chances;
  - (3) the drawing of lottery winners;
  - (4) lottery tickets or chance sales and ticket or chance sales agents;
  - (5) the immediate payment of small prizes;
  - (6) lottery security;
  - (7) purchase or rental of gaming equipment and supplies;
- and
- (8) other matters relating to the successful operation of the lottery.

A state lottery is primarily a business operation and has as a purpose the earning of net revenue. The successful operation of a state lottery, as shown by the experience of other state

lotteries, depends to a large degree upon the flexibility to operate the lottery as a business enterprise. The success of a lottery also depends upon the operation of the lottery within a statutory framework ensuring the integrity of the staff and all phases of the operation of the lottery and the avoidance of even the appearance of any illegalities or conflicts of interest.

To these ends, it is contemplated that the state lottery commission will be composed of persons conversant with the types of administrative rules necessary to the successful operation of the lottery and will adopt rules ensuring the integrity and success of the lottery.

In accord with the theory that a lottery is primarily a business, it is contemplated that the rules will change or allow changes in the operation of the lottery consistent with statutes as new business techniques and ideas, new games and prizes, better outlets for ticket sales, and better management techniques are discovered.

Any definitions contained in this act pertain only to the state lottery. It is the intent of the legislature that the state lottery commission operate a state lottery only, and it is not intended that the commission shall be involved in any way in other forms of gambling.

Exhibit "8"

SB-324

2-22-85

ROLL CALL VOTE

SENATE COMMITTEE STATE ADMINISTRATION

Date 2-22-85 Bill No. 324 Time 11:15 a.m.

NAME	YES	NO
SENATOR ANDERSON	✓	
SENATOR CONOVER	✓	
SENATOR FARRELL	✓	
SENATOR HARDING		✓
SENATOR LYNCH	✓	
SENATOR MANNING	✓	
SENATOR MOHAR		✓
SENATOR TVEIT	✓	
SENATOR HIRSCH, Vice-Chairman	✓	
SENATOR HAFHEY, Chairman	✓	
	8	2

Glenda Pennington  
Secretary, Glenda Pennington

Jack Haffey  
Chairman, Senator Jack Haffey

Motion: do pass as amended with

# STANDING COMMITTEE REPORT

February 22, 19 83

MR. PRESIDENT

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE BILL** No. **457**

**first** reading copy ( **white** )  
color

## LAKE AND SANDERS COUNTY BOUNDARY CHANGE.

Respectfully report as follows: That **SENATE BILL** No. **457**

be amended as follows:

1. Page 2, line 7.  
Strike: "twenty-one (21)"  
Insert: "twenty-two (22)"

2. Page 2, line 11.  
Strike: "northern"  
Insert: "southern"

3. Page 5, line 2.  
Strike: "fourteen (14)"  
Insert: "ten (10)"

4. Page 3, line 7.  
Strike: "southeast"  
Insert: "southwest"

5. Page 8, line 9.  
Strike: "22"  
Insert: "21"

6. Page 9, line 2.  
Strike: "6"  
Insert: "4"  
Strike: "22"  
Insert: "21"

7. Page 9, line 7.  
Strike: "northern"  
Insert: "southern"

DO PASS

~~XXXXXXXXXX~~ Page 9, line 11.  
Strike: "southeast"  
Insert: "southwest"

END AS AMENDED

Chairman.

# STANDING COMMITTEE REPORT

Page 1 of 6

February 22, 1985

MR. PRESIDENT

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE BILL** No. **324**

first reading copy ( white )  
color

## ESTABLISH STATE LOTTERY; COORDINATE WITH CARD GAMES AND KENO LAWS

Respectfully report as follows: That **SENATE BILL** No. **324**

be amended as follows:

1. Page 1, line 18.

Following: line 17

Insert: **"NEW SECTION.** Section 2. Purpose. (1) The purpose of [sections 1 through 20] is to allow lottery games in which the player purchases from the state, through the administrators of the state lottery, a chance to win a prize. [Sections 1 through 20] do not allow and may not be construed to allow any game in which a player competes against or plays with any other person, including a person employed by an establishment in which a lottery game may be played.

(2) The administration and construction of [sections 1 through 20] must comply with Article III, section 9, of the Montana Constitution, which mandates that all forms of gambling are prohibited unless authorized by acts of the legislature or by the people through initiative or referendum. Therefore, [sections 1 through 20] must be strictly construed to allow only those games that are within the scope of this section and within the definition of "lottery game".

(Continued)

Chairman.

.....February 22, 1985.

(3) The state lottery may not:

(a) operate a slot machine or carry on any form of gambling prohibited by the laws of this state; or

(b) carry on any form of gambling permitted by the laws of this state but which is not a lottery game within the scope of this section and within the definition of "lottery game".

Renumber: subsequent sections

2. Page 1, line 21.

Strike: "3"

Insert: "4"

3. Page 1, line 23.

Following: line 22

Strike: "commission"

Insert: "governor"

Following: "[section"

Strike: "4"

Insert: "6"

4. Page 2, line 10.

Following: "except"

Insert: "games prohibited by Title 23, chapter 5, part 1; lotteries prohibited by Title 23, chapter 5, part 2; card games regulated by Title 23, chapter 5, part 3; raffles and bingo games governed by Title 23, chapter 5, part 4; and

5. Page 3, line 11.

Following: "rate of"

Strike: "\$100"

Insert: "\$50"

6. Page 3, lines 17 through 19.

Following: "purposes only" on line 17

Strike: the remainder of line 17 through "commission" on line 19

Insert: "as prescribed in 2-15-121"

7. Page 3, lines 24 and 25.

Following: line 23

Strike: subsection (2) in its entirety

Renumber: subsequent subsections

(continued)

JH

.....February 22, 1985.....

8. Page 5, line 7.

Following: "director"

Strike: "is"

Insert: "must be"

9. Page 5, lines 8 and 9.

Following: "the" on line 8

Strike: the remainder of line 8 through "cause" on line 9

Insert: "governor and shall hold office at the pleasure of the governor"

10. Page 6, line 5

Following: "commission"

Strike: "direction or"

11. Page 6, line 6.

Following: "contracts"

Strike: "of no longer than 6 months"

12. Page 6, line 9.

Following: "lottery."

Insert: "All contracts must be made in accordance with state law."

13. Page 7, line 6.

Following: "contractors"

Strike: ";

Insert: ". The security division is hereby designated a law enforcement agency for the purpose of administering [sections 1 through 20]."

14. Page 7, line 12.

Following: "attorney general"

Insert: ", the legislative auditor,"

15. Page 9, line 3.

Following: "director"

Strike: "may"

Insert: "shall"

(continued)

.....  
JH



February 22, 1985

16. Page 9, line 7.

Following: line 6

Strike: "administration"

Insert: "commerce, the office of the legislative auditor"

17. Page 10, line 4.

Following: "and employees,"

Strike: "any person"

Insert: "employees of any firm or governmental agency"

18. Page 11, line 1.

Strike: "Forty-five percent"

Insert: "Approximately 45%"

19. Page 11, line 7.

Following: "are"

Insert: "not"

20. Page 11, line 10.

Following: "prizes"

Insert: ", sales commissions,"

21. Page 11, line 12.

Strike: "11"

Insert: "12"

22. Page 12, line 6.

Following: "agent."

Insert: "Prior to appointment to any of the above positions, a person shall submit to the commission a full set of fingerprints made at a law enforcement agency by an agent or officer of such agency on forms supplied by the agency."

23. Page 13, line 7.

Following: line 6

Strike: "director"

Insert: "commission"

(continued)

.....February 22,..... 19.85...

24. Page 15, line 9.

Following: "year"

Insert: "and shall submit to the commission a full set of fingerprints of such person made at a law enforcement agency by an agent or officer of such agency on forms supplied by the agency"

25. Page 17, lines 7 through 10.

Following: "the" on line 7

Strike: the remainder of line 7 through "conduct" on line 10

Insert: "office of the legislative auditor shall conduct or have conducted"

26. Page 17, line 10.

Following: "comprehensive"

Strike: "study and evaluation"

Insert: "audit"

27. Page 17, line 11.

Following: "lottery."

Insert: "The costs of the audit must be paid out of the state lottery fund."

28. Page 17, line 12.

Following: line 11

Strike: "study"

Insert: "audit"

29. Page 18, line 19 through line 19, page 19.

Strike: section 19 in its entirety

Renumber: subsequent sections

30. Page 19, line 25.

Strike: "8"

Insert: "9"

31. Page 20, line 1.

Strike: "8"

Insert: "9"

(continued)

.....February 22, 1985....

32. Page 20, line 4.

Strike: "9"

Insert: "10"

33. Page 20, line 7.

Strike: "13"

Insert: "14"

34. Page 20, line 8.

Strike: "14"

Insert: "15"

35. Page 20, line 9.

Strike: "16"

Insert: "17"

36. Page 23, lines 14 and 15.

Following: "event" in line 14

Strike: the remainder of line 14 through "act]" on  
line 15

Insert: "no later than November 1, 1985"

37. Page 24, line 2.

Following: "repaid"

Insert: "out of the lottery's net revenue"

38. Page 24, line 3.

Following: "advance"

Insert: ", and no net revenue may be paid out under [section  
13 (3) (b)] until all advanced funds are repaid"AND AS AMENDEDDO PASSSTATEMENT OF INTENT ADOPTED  
AND ATTACHED.....*Jack H. Hefley*.....