

HOUSE BILL NO. 446

INTRODUCED BY DAILY, STANG, LYNCH, SWYSGOOD, IVERSON

IN THE HOUSE

JANUARY 26, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
JANUARY 27, 1989	FIRST READING.
FEBRUARY 7, 1989	ON MOTION, REREFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
FEBRUARY 14, 1989	TAKEN FROM THE TABLE BY COMMITTEE COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 15, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	SECOND READING, DO PASS AS AMENDED.
FEBRUARY 20, 1989	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 66; NOES, 29.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY. FIRST READING.
MARCH 8, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 9, 1989	SECOND READING, CONCURRED IN.
MARCH 11, 1989	THIRD READING, CONCURRED IN. AYES, 38; NOES, 6.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

MARCH 13, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

MARCH 14, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *446*
 2 INTRODUCED BY *Paul King*
 3 *Surgeon General*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MAXIMUM
 5 COMMISSION ALLOWABLE TO A LOTTERY SALES AGENT; AMENDING
 6 SECTION 23-5-1016, MCA; AND PROVIDING AN EFFECTIVE DATE."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 **Section 1.** Section 23-5-1016, MCA, is amended to read:

10 "**23-5-1016. Ticket or chance sales agents -- licenses.**

11 (1) Lottery tickets or chances may be sold only by ticket or
 12 chance sales agents licensed by the director in accordance
 13 with this section.

14 (2) The commission shall by rule determine the places
 15 at which state lottery game tickets or chances may be sold.

16 (3) (a) Before issuing a license, the director shall
 17 consider:

18 (i) the financial responsibility and security of the
 19 applicant and his business or activity;

20 (ii) the accessibility of his place of business or
 21 activity to the public; and

22 (iii) the sufficiency of existing licenses to serve the
 23 public convenience and the volume of the expected sales.

24 (b) No person under 18 years of age may sell lottery
 25 tickets or chances.

1 (c) A license as an agent to sell lottery tickets or
 2 chances may not be issued to any person to engage in
 3 business exclusively as a lottery ticket or chance sales
 4 agent.

5 (4) The director may issue temporary licenses upon
 6 conditions he considers necessary.

7 (5) License applicants shall pay a \$50 fee to cover
 8 the cost of investigating and processing the application.

9 (6) The director may require a bond from any licensed
 10 agent in an amount provided in the commission's rules and
 11 may purchase a blanket bond covering the activities of
 12 licensed agents.

13 (7) A licensed agent shall display his license or a
 14 copy thereof conspicuously in accordance with the
 15 commission's rules.

16 (8) A license is not assignable or transferable.

17 (9) No An employee of a ticket or chance sales agent
 18 may not be required to sell lottery game tickets or chances
 19 if the sale is against his religious or moral beliefs.

20 (10) Sales agents are entitled to no more than ~~a~~-5% an
 21 8% commission on tickets and chances sold.

22 (11) Each sales agent shall keep a complete and
 23 up-to-date set of records and accounts fully showing his
 24 sales and provide it for inspection upon request of the
 25 commission, the director, the department of commerce, the

1 office of the legislative auditor, or the office of the
2 attorney general.

3 (12) Sales agents may pay the state lottery only by
4 check, bankdraft, electronic fund transfer, or other
5 recorded, noncash, financial transfer method as determined
6 by the director.

7 (13) A license may be suspended or revoked for failure
8 to maintain the license qualifications provided in
9 subsection (3) or for violation of any provision of this
10 part or a commission rule. Prior to suspension or
11 revocation, the licensee must be given notice and an
12 opportunity for a hearing."

13 NEW SECTION. **Section 2.** Effective date. [This act] is
14 effective July 1, 1989.

15 NEW SECTION. **Section 3.** Extension of authority. Any
16 existing authority to make rules on the subject of the
17 provisions of [this act] is extended to the provisions of
18 [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB446, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB446 would increase the maximum commission allowable to a Lottery sales agent from 5% to 8%.

ASSUMPTIONS:

1. Current law revenue estimates assume a \$13,000,000 revenue estimate for FY89 and that is continued for FY90 and FY91.
2. Current law retailer commissions are 5% and the FY88 audited figures are 5.6%.
3. Proposed law retailer commissions would be adopted at the maximum 8% level.
4. Revenue and expenditure figures are based only on instant ticket sales.

FISCAL IMPACT:Expenditures:

	Current Law	FY90 Proposed Law	Difference	Current Law	FY91 Proposed Law	Difference
Montana Lottery						
Administrative Expenses	\$1,950,000	\$1,950,000	-0-	\$1,950,000	\$1,950,000	-0-
Prize Expenses	5,850,000	5,850,000	-0-	5,850,000	5,850,000	-0-
Retailer Commissions	728,000	1,118,000	390,000	728,000	1,118,000	390,000
Total	\$8,528,000	\$8,918,000	\$390,000	\$8,528,000	\$8,918,000	\$390,000

Funding:

Instant Ticket Sales						
Proprietary Account	\$13,000,000	\$13,000,000	-0-	\$13,000,000	\$13,000,000	-0-

Revenue:

Net Revenue Impact - Funds						
Transferred to OPI	\$4,472,000	\$4,082,000	(\$390,000)	\$4,472,000	\$4,082,000	(\$390,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Under current law, lottery net revenues, which are transferred to the Office of Public Instruction for distribution to the counties for use in the school districts' teacher retirement funds, would decrease by \$390,000 per year..

Ray Shackelford

2/2/89

RAY SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

Fred Daily 2-3-89
FRED DAILY, PRIMARY SPONSOR DATE

Fiscal Note for HB446, as introduced

HB 446

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MAXIMUM
COMMISSION ALLOWABLE TO A LOTTERY SALES AGENT; AMENDING
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chance sales agents licensed by the director in accordance
with this section.

(2) The commission shall by rule determine the places
at which state lottery game tickets or chances may be sold.

(3) (a) Before issuing a license, the director shall
consider:

(i) the financial responsibility and security of the
applicant and his business or activity;

(ii) the accessibility of his place of business or
activity to the public; and

(iii) the sufficiency of existing licenses to serve the
public convenience and the volume of the expected sales.

(b) No person under 18 years of age may sell lottery
tickets or chances.

(c) A license as an agent to sell lottery tickets or
chances may not be issued to any person to engage in
business exclusively as a lottery ticket or chance sales
agent.

(4) The director may issue temporary licenses upon
conditions he considers necessary.

(5) License applicants shall pay a \$50 fee to cover
the cost of investigating and processing the application.

(6) The director may require a bond from any licensed
agent in an amount provided in the commission's rules and
may purchase a blanket bond covering the activities of
licensed agents.

(7) A licensed agent shall display his license or a
copy thereof conspicuously in accordance with the
commission's rules.

(8) A license is not assignable or transferable.

(9) No An employee of a ticket or chance sales agent
may not be required to sell lottery game tickets or chances
if the sale is against his religious or moral beliefs.

(10) Sales agents are entitled to no more than a-5% an
8% commission on tickets and chances sold.

(11) Each sales agent shall keep a complete and
up-to-date set of records and accounts fully showing his
sales and provide it for inspection upon request of the
commission, the director, the department of commerce, the

1 office of the legislative auditor, or the office of the
2 attorney general.

3 (12) Sales agents may pay the state lottery only by
4 check, bankdraft, electronic fund transfer, or other
5 recorded, noncash, financial transfer method as determined
6 by the director.

7 (13) A license may be suspended or revoked for failure
8 to maintain the license qualifications provided in
9 subsection (3) or for violation of any provision of this
10 part or a commission rule. Prior to suspension or
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(9) No An employee of a ticket or chance sales agent may not be required to sell lottery game tickets or chances if the sale is against his religious or moral beliefs.

(10) Sales agents are entitled to no more than a-5% an 8% commission on tickets and chances sold AND MUST NOT COME FROM THAT PART OF ALL GROSS REVENUE THAT IS NET REVENUE AND IS PAID TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

(11) Each sales agent shall keep a complete and up-to-date set of records and accounts fully showing his

1 sales and provide it for inspection upon request of the
2 commission, the director, the department of commerce, the
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SENATE STANDING COMMITTEE REPORT

March 8, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration HB 446 (third reading copy -- blue), respectfully report that HB 446 be amended and as so amended be concurred in:

Sponsor: Daily (Lynch)

1. Page 2, lines 20 and 21.

Strike: "an 8%"

Insert: "a 10%"

Following: "sold"

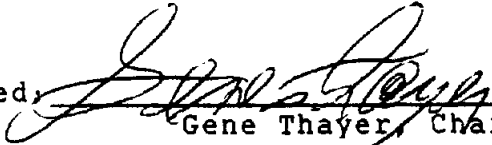
Insert: "."

Strike: "AND MUST"

Insert: "Commissions may"

AND AS AMENDED BE CONCURRED IN

Signed,


Gene Thayer, Chairman

SENATE

scrhb446.308

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