

HOUSE BILL NO. 269

INTRODUCED BY LARSON, PAVLOVICH, DRISCOLL, TOOLE

IN THE HOUSE

JANUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
FEBRUARY 5, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 6, 1993	PRINTING REPORT.
FEBRUARY 8, 1993	SECOND READING, DO PASS.
FEBRUARY 9, 1993	ENGROSSING REPORT.
FEBRUARY 10, 1993	THIRD READING, PASSED. AYES, 88; NOES, 7.
FEBRUARY 11, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 12, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 5, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 6, 1993	SECOND READING, CONCURRED IN.
MARCH 8, 1993	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 16, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 269
2 INTRODUCED BY Larson
3 Arnold Orinell
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW
5 CONCERNING A CHANGE IN THE HOLDER OF A GAMBLING OPERATOR'S
6 LICENSE FOR A PREMISES WITH A VIDEO GAMBLING MACHINE;
7 PROVIDING THAT THE PERMIT FOR THE MACHINE IS VALID FOR THE
8 REMAINDER OF THE YEAR FOR WHICH IT WAS ISSUED; PROVIDING
9 THAT THE NEW OPERATOR MAY NOT BE CHARGED A FEE FOR THE
10 REMAINDER OF THE PERMIT YEAR; AMENDING SECTION 23-5-612,
11 MCA; AND PROVIDING AN EFFECTIVE DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 **Section 1.** Section 23-5-612, MCA, is amended to read:

15 "23-5-612. Machine permits -- fee. (1) The department,
16 upon payment of the fee provided in subsection (2) and in
17 conformance with rules adopted under this part, shall issue
18 to the operator an annual permit for an approved video
19 gambling machine.

20 (2) The department shall charge an annual permit fee of
21 \$200 for each video gambling machine permit. The fee must be
22 prorated on a quarterly basis but may not be prorated to
23 allow a permit to expire before June 30. The department may
24 not grant a refund if the video gambling machine ceases
25 operation before the permit expires. If the person holding

1 the gambling operator's license for the premises in which
2 the machine is located changes, the permit remains valid for
3 the remainder of the permit year and a fee may not be
4 charged to the new operator during the remainder of the
5 permit year.

6 (3) The department shall retain 50% of the total permit
7 fee collected under subsection (2) for purposes of
8 administering this part. The balance must be returned on a
9 quarterly basis to the local government jurisdiction in
10 which the gambling machine is located. The local government
11 portion of the fee is statutorily appropriated to the
12 department, as provided in 17-7-502, for deposit in the
13 local government treasury."

14 **NEW SECTION. Section 2.** Effective date. [This act] is
15 effective July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0269, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the law concerning a change in the holder of a gambling operator's license for a premises with a video gambling machine; providing that the permit for the machine is valid for the remainder of the year for which it was issued; providing that the new operator may not be charged a fee for the remainder of the permit year.

ASSUMPTIONS:

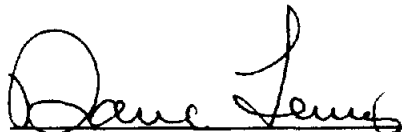
1. It is assumed that 14,000 video gaming machines will be permitted each year in FY94 and FY95 producing revenue of \$2,800,00 under the current law at \$200 per permit. One half of the revenue is retained by the Gambling Control Division in the gambling license fee account (state special revenue) with the remaining half distributed to local governments.
2. Under the proposed legislation, it is assumed that premises containing 854 video gaming machines will change licensed gambling operators each year (44 during the first quarter, 270 for the second through the fourth quarters), resulting in a total loss of revenue of \$90,000 per year.
3. It is assumed that there will be no impact on expenditures in the Gambling Control Division since the same licensing functions would be performed for the new gambling operators.

FISCAL IMPACT:Revenues:

	FY '94			FY '95		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
State Special Revenue:						
Video Gaming Permits	1,400,000	1,355,000	(45,000)	1,400,000	1,355,000	(45,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local governments would also lose \$45,000 per year in revenue since they receive 50% of the total permit fee revenue.

 1-26-93
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1/26/93
DON LARSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0269, as introduced

HB269

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW CONCERNING A CHANGE IN THE HOLDER OF A GAMBLING OPERATOR'S LICENSE FOR A PREMISES WITH A VIDEO GAMBLING MACHINE; PROVIDING THAT CONDITIONS UNDER WHICH THE PERMIT FOR THE MACHINE IS VALID FOR THE REMAINDER OF THE YEAR FOR WHICH IT WAS ISSUED; PROVIDING THAT--THE--NEW--OPERATOR--MAY--NOT--BE CHARGED--A--FEE--FOR--THE--REMAINDER--OF--THE--PERMIT--YEAR FOR A MACHINE TRANSFER PROCESSING FEE; AMENDING SECTION 23-5-612, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 23-5-612, MCA, is amended to read:

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

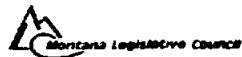
machine ceases operation before the permit expires.

(B) If the person holding the gambling operator's license for the premises in which the machine is located changes DURING THE FIRST QUARTER OF THE PERMIT YEAR AND THE NEW OPERATOR HAS RECEIVED AN OPERATOR'S LICENSE AND IF A MACHINE TRANSFER PROCESSING FEE OF \$25 PER MACHINE IS PAID TO THE DEPARTMENT, the permit remains valid for the remainder of the permit year and-a-fee-may-not-be-charged-to the-new-operator-during-the-remainder-of-the-permit-year.

(3) The department shall retain 50% of the total permit fee collected under subsection (2)(A) AND 100% OF THE MACHINE TRANSFER PROCESSING FEE COLLECTED UNDER SUBSECTION (2)(B) for purposes of administering this part. The balance OF THE FEE COLLECTED UNDER SUBSECTION (2)(A) must be returned on a quarterly basis to the local government jurisdiction in which the gambling machine is located. The local government portion of the fee is statutorily appropriated to the department, as provided in 17-7-502, for deposit in the local government treasury."

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 1993.

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(B) If the person holding the gambling operator's license for the premises in which the machine is located changes DURING THE FIRST QUARTER OF THE PERMIT YEAR AND THE NEW OPERATOR HAS RECEIVED AN OPERATOR'S LICENSE AND IF A MACHINE TRANSFER PROCESSING FEE OF \$25 PER MACHINE IS PAID TO THE DEPARTMENT, the permit remains valid for the remainder of the permit year and-a-fee-may-not-be-charged-to the-new-operator-during-the-remainder-of-the-permit-year.

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