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.

LC 0879/01

Larson TRODUCED 2 A BILL FOR AN ACT ENTITLED: 4 "AN ACT REVISING THE LAW CONCERNING A CHANGE IN THE HOLDER OF A GAMBLING OPERATOR'S 5 6 LICENSE FOR A PREMISES WITH A VIDEO GAMBLING MACHINE; PROVIDING THAT THE PERMIT FOR THE MACHINE IS VALID FOR THE 7 REMAINDER OF THE YEAR FOR WHICH IT WAS ISSUED; PROVIDING 8 THAT THE NEW OPERATOR MAY NOT BE CHARGED A FEE FOR THE 9 10 REMAINDER OF THE PERMIT YEAR: AMENDING SECTION 23-5-612, 11 MCA: AND PROVIDING AN EFFECTIVE DATE."

HOUSE BILL NO. 269

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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

Montana Legislative Council

the gambling operator's license for the premises in which the machine is located changes, 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.

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 portion of the fee is statutorily appropriated to the 11 12 department, as provided in 17-7-502, for deposit in the 13 local government treasury."

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

-End-

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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:

<u>Revenues:</u>

	·	FY '94			FY '95		
State Special Revenue:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference	
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.

DAVE LEWIS, BUDGET DIRECTOR DATE Office of Budget and Program Planning

DON LARSON, PRIMARY SPONSOR

Fiscal Note for HB0269, as introduced

HB269

53rd Legislature

HB 0269/02

APPROVED BY COMM. ON BUSINESS AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 269 1 2 INTRODUCED BY LARSON, PAVLOVICH, DRISCOLL, TOOLE 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW CONCERNING A CHANGE IN THE HOLDER OF A GAMBLING OPERATOR'S 5 LICENSE FOR A PREMISES WITH A VIDEO GAMBLING MACHINE; 6 7 PROVIDING THAT CONDITIONS UNDER WHICH THE PERMIT FOR THE 8 MACHINE IS VALID FOR THE REMAINDER OF THE YEAR FOR WHICH IT 9 WAS ISSUED; PROVIDING THAT-THE-NEW--OPERATOR-MAY-NOT-BE 10 CHARGED-A-PEE-POR-THE-REMAINDER-OF-THE-PERMIT-YEAR FOR A 11 MACHINE TRANSFER PROCESSING FEE; AMENDING SECTION 23-5-612, 12 MCA: AND PROVIDING AN EFFECTIVE DATE." 13 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Section 23-5-612, MCA, is amended to read: *23-5-612. Machine permits -- fee. (1) The department, upon payment of the fee provided in subsection (2) and in conformance with rules adopted under this part, shall issue to the operator an annual permit for an approved video gambling machine.

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



1	machine ceases operation before the permit expires.
2	(B) If the person holding the gambling operator's
3	license for the premises in which the machine is located
4	changes DURING THE FIRST QUARTER OF THE PERMIT YEAR AND THE
5	NEW OPERATOR HAS RECEIVED AN OPERATOR'S LICENSE AND IF A
6	MACHINE TRANSFER PROCESSING PEE OF \$25 PER MACHINE IS PAID
7	TO THE DEPARTMENT, the permit remains valid for the
8	remainder of the permit year and-a-fee-may-not-be-charged-to
9	the-new-operator-during-the-remainder-of-the-permit-year.
10	(3) The department shall retain 50% of the total permit
11	fee collected under subsection (2)(A) AND 100% OF THE
12	MACHINE TRANSFER PROCESSING FEE COLLECTED UNDER SUBSECTION
13	(2)(B) for purposes of administering this part. The balance
14	OF THE FEE COLLECTED UNDER SUBSECTION (2)(A) must be
15	returned on a quarterly basis to the local government
16	jurisdiction in which the gambling machine is located. The
17	local government portion of the fee is statutorily
18	appropriated to the department, as provided in 17-7-502, for
19	deposit in the local government treasury."
20	NEW SECTION Section 2 Refeating data (This act) is

20 <u>NEW SECTION.</u> Section 2. Effective date. [This act] is
21 effective July 1, 1993.

-End-

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HB 269 SECOND READING

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HB 0269/02

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2	INTRODUCED BY LARSON, PAVLOVICE, DRISCOLL, TOOLE	2	(B) If the person
3		3	license for the premi
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-2-

53rd Legislature

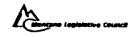
HB 0269/02

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-End-

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HB 269

REFERENCE BILL