

HOUSE BILL 67

Introduced by Schwinden, et al.

12/04	Introduced
12/04	Referred to Judiciary
12/04	First Reading
12/06	Fiscal Note Requested
12/09	Hearing
12/10	Fiscal Note Received
12/13	Fiscal Note Printed
12/13	Committee Report-Bill Not Passed as Amended
12/14	Adverse Committee Report Adopted

25 WHEREAS, the type of games that the state of Montana is

24 WHEREAS, although the scope of gaming is currently being
25 litigated, addressing the issue through the revenue sharing

approach provided in this legislation may be mutually beneficial to the state and tribal governments by reducing litigation costs, providing economic development opportunities for tribal governments, and assisting the state in raising additional revenue necessary to balance its budget and fund local government operations.

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

NEW SECTION. Section 1. Gambling activities authorized on Indian reservations -- revenue sharing -- definitions.

(1) As used in this section, the following definitions apply:

(a) "Blackjack or twenty-one" means a live card game played by a maximum of seven players and one dealer. The object of the game is for a player to obtain a higher total card count than the dealer by reaching 21 or as close to 21 as possible without exceeding that count.

(b) "Craps" means a game played with dice in which a first throw of seven or eleven wins, a first throw of two, three, or twelve loses, and any other first throw, to win, must be repeated before a seven is thrown.

(c) "Net revenue" means the gross revenue received each fiscal year from slot machines, roulette, craps, and games of blackjack or twenty-one operated or played within the boundaries of an Indian reservation located in Montana less

the amounts paid out in prizes and total operating expenses associated with slot machines, roulette, craps, and games of blackjack or twenty-one.

(d) "Roulette" means a game played by rolling a small ball around a shallow bowl with an inner disk revolving in the opposite direction. The winning and losing bets are determined by where the ball finally comes to rest in one of the numbered, alternately red and black compartments into which the disk is divided.

(2) An Indian tribe may operate slot machines and roulette and may conduct the game of craps and the game of blackjack or twenty-one within the boundaries of its reservation if the tribe has entered into a compact with the state pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2701 through 2721) and in the compact agrees to:

(a) pay the state 8% of the net revenue received each fiscal year by the tribe; and

(b) regulate slot machines, roulette, craps, and games of blackjack or twenty-one pursuant to tribal law approved under the federal Indian Gaming Regulatory Act.

(3) Payments received by the state from the tribes pursuant to this section must be used to fund the operations of local government agencies.

NEW SECTION. Section 2. Codification instruction.
[Section 1] is intended to be codified as an integral part

LC 0192/01

1 of Title 23, chapter 5, part 1, and the provisions of Title
2 23, chapter 5, part 1, apply to [section 1].

3 NEW SECTION. **Section 3.** Effective date. [This act] is
4 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0067, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act authorizing the state to negotiate a compact under the federal Indian gaming regulatory act granting authority to a tribe to operate slot machines and roulette and to conduct the game of craps and the live card game of blackjack or twenty-one within the boundaries of its reservation; providing for payment of 8 percent of net revenue to the state to fund local government operations; requiring gaming operations to be regulated by tribal law pursuant to the federal Indian gaming regulatory act.

ASSUMPTIONS:

1. Local government revenues should increase as a result of the 8% net revenue to be paid by the tribes to the state to fund local government operations. The amount of the increase is indeterminable due to unknown factors such as bet and payout limits, and the number of gaming devices that will be permitted to play.
2. The role of the Department of Justice is to receive a check from each participating tribe for the 8% net revenue and distribute that amount to local government on a yet unspecified basis.
3. The Department of Justice will assume no role in regulation, auditing, or any other duties associated with gambling on tribal land.
4. Based on the assumptions above, there will be no fiscal impact to the Department of Justice.

FISCAL IMPACT:

Revenues:

Local government revenues should increase as a result of the 8% net revenue to be paid by the tribes to the state to fund local government operations. The amount of the increase is indeterminable.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local government revenues should increase as a result of this bill by an indeterminable amount.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Local government revenues should increase on an ongoing basis by an indeterminable amount.

TECHNICAL NOTES:

Section 1 (3) specifies that payments received by the state from the tribes must be distributed to local government. The distribution methodology must be included in the language.



DAVE LEWIS, BUDGET DIRECTOR

Office of Budget and Program Planning

12-8

DATE

DORE SCHWINDEN, PRIMARY SPONSOR

Fiscal Note for HB0067, as introduced

DATE

12-13-93

HB 67