

1 House BILL NO. 477
 2 INTRODUCED BY Schuler Heavy Runner Kitzberger
 3 DeVaney F. Nelson McCann

4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE STATE TO NEGOTIATE A COMPACT UNDER
 5 THE FEDERAL INDIAN GAMING REGULATORY ACT GRANTING AUTHORITY TO A TRIBE TO OPERATE
 6 SLOT MACHINES AND ROULETTE AND TO CONDUCT THE GAME OF CRAPS AND THE LIVE CARD GAME
 7 OF BLACKJACK OR TWENTY-ONE WITHIN THE BOUNDARIES OF ITS RESERVATION; PROVIDING FOR
 8 PAYMENT OF 8 PERCENT OF NET REVENUE TO THE STATE TO FUND LOCAL GOVERNMENT
 9 OPERATIONS LOCATED IN RESERVATION COUNTIES; REQUIRING GAMING OPERATIONS TO BE
 10 REGULATED BY TRIBAL LAW PURSUANT TO THE FEDERAL INDIAN GAMING REGULATORY ACT; AND
 11 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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 13 WHEREAS, the federal Indian Gaming Regulatory Act, which is intended to provide tribes with a
 14 means of promoting tribal economic development, self-sufficiency, and strong tribal governments, allows
 15 a federally recognized tribe to conduct gaming activities on its reservation after good faith negotiations and
 16 pursuant to a compact with the state; and

17 WHEREAS, the state has limited negotiations on the scope of gaming activities to those types of
 18 games expressly authorized under and regulated by state law; and

19 WHEREAS, the type of games that the State of Montana is required to include within the scope of
 20 tribal-state gaming compact negotiations is presently being litigated in federal court as a result of legal
 21 actions filed by the Fort Belknap Indian Community, the Blackfeet Tribe, and the Confederated Salish and
 22 Kootenai Tribes; and

23 WHEREAS, the plaintiff tribes contend that the existing state gambling policy requires the state to
 24 negotiate on a broad range of games that the state has to date refused to include within the scope of
 25 tribal-state negotiations; and

26 WHEREAS, gaming provides tribes with a unique opportunity to control their own destinies and to
 27 break the cycle of poverty for members living on and off reservations; and

28 WHEREAS, tribes nationwide currently receive more money from gaming than the entire federal
 29 Indian budget; and

30 WHEREAS, tribal governments need the authority to expand gaming on the reservation if they are

1 to attract tourists to the reservations and compete with neighboring states and provinces already offering
2 casino-style gaming; and

3 WHEREAS, this legislation is not intended to modify, expand, diminish, or prejudice the legal
4 positions advanced by either the state or the Indian tribes in pending litigation; and

5 WHEREAS, although the scope of gaming is currently being litigated, addressing the issue through
6 the revenue-sharing approach provided in this legislation may be mutually beneficial to the state and tribal
7 governments by reducing litigation costs, providing economic development opportunities for tribal
8 governments, and assisting the state to fund the operations of local governments located in reservation
9 counties by paying to the state 8% of the net gaming revenue received by a tribe each year.

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

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13 **NEW SECTION. Section 1. Gambling activities authorized on Indian reservations -- revenue sharing**
14 **-- definitions.** (1) As used in this section, the following definitions apply:

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

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

21 (c) "Net revenue" means the gross revenue received each fiscal year from slot machines, roulette,
22 craps, and games of blackjack or twenty-one operated or played within the boundaries of an Indian
23 reservation located in Montana less the amounts paid out in prizes and total operating expenses associated
24 with slot machines, roulette, craps, and games of blackjack or twenty-one.

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

29 (2) An Indian tribe may operate slot machines and roulette and may conduct the game of craps and
30 the game of blackjack or twenty-one within the boundaries of its reservation if the tribe has entered into

1 a compact with the state pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2701 through 2721)
2 and in the compact agrees to:

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

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

6 (3) Payments received by the state from the tribes pursuant to this section must be used to fund
7 the operations of local governments located in reservation counties.

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9 **NEW SECTION. Section 2. Notification of tribal governments.** The secretary of state shall send
10 a copy of [this act] to the tribal chairperson of each tribe or tribes located on the seven Montana
11 reservations.

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13 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
14 integral part of Title 23, chapter 5, part 1, and the provisions of Title 23, chapter 5, part 1, apply to
15 [section 1].

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

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STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0477, 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 located in reservation counties.

ASSUMPTIONS:

1. The role of the Department of Justice is to receive a check from each participating tribe and distribute that amount to local government on a yet unspecified basis.
2. The Department of Justice assumes no role for regulation, auditing or any other duties associated with gambling on tribal land.

FISCAL IMPACT:

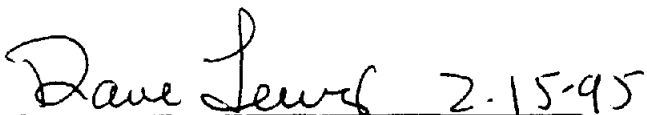
Passage of HB477 will have no fiscal impact on state government.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

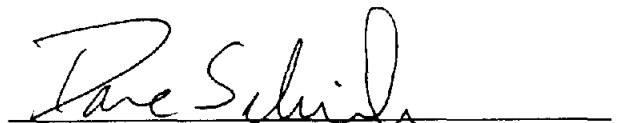
Local government revenues should increase as a result of the distribution of the 8% assessment of net revenues. The amount of the increase is undeterminable due to unknown factors such as bet and payout limits, and number of devices that will be permitted to play.

TECHNICAL NOTES:

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

 2-15-95

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

 _____
DORE SCHWINDEN, PRIMARY SPONSOR DATE

Fiscal Note for HB0477, as introduced

HB 477