## A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE \$1 TAX ON A SPORTS TAB GAME; decreasing the amount that must be paid to the winner of the game from 90 percent OF WHAT PLAYERS PAY FOR THE TABS TO 80 PERCENT; AND AMENDING SECTIONS 23-5-502 AND 23-5-503, MCA."

## be it enacted by the legislature of the state of montana:

Section 1. Section 23-5-502, MCA, is amended to read:
"23-5-502. Sports pools and sports tab games authorized -tax. H Conducting or participating in sports pools and sports tab games as defined and governed in this part is lawful, except that:
fat (1) sports tab games may only be conducted on premises licensed to sell alcoholic beverages for consumption on the premises; and
( $\quad$ (2) only a licensee of premises that are located in an incorporated city or town with a population of less than 100 or located outside the boundaries of an incorporated city or town and that are licensed to sell alcoholic beverages for consumption on the premises may conduct a race between animals and conduct one or more sports pools on the race. The race may be conducted only if it is between pigs, gerbils, or hamsters and is conducted on the premises but outside of interior areas of the establishment where food and beverages are usually stored, prepared, or served.
(2) A manufaturof licensed under 23-6-115 who-selts-sports tabs to a licensed operator for use in a-sports tab-gaffe-shall-colleot from the operator, at the time of sale, 2 -ta x-of $\$ 1$ for each 100 sports tabs-sold and, within 16 -days after the end of each calendar quarter, submit to the department any forms required by the department and the proects of the collected tax. The manufacturer shall keep arecerd of taxes collected as required by department rule. The records must be made available for inspection by the department upon request of the department. Tho department shall-retain the proceeds -of the tax to administer this part."

Section 2. Section 23-5-503, MCA, is amended to read:
"23-5-503. Rules. (1) The card or other device used for recording the sports pool or sports tab game must clearly indicate in advance of the sale of any chances the number of chances to be sold in that specific pool, the name of the event or series of events, the consideration to be paid for each chance, and the total amount or percentage to be paid to the winners. The sports tabs must be purchased from a manufacturer licensed under 23-5-115.
(2) Each sports tab or chance to participate in a sports pool must be sold for the same amount, which may not exceed $\$ 5$, and the total amount paid to all winners of any individual sports pool or sports tab game may not exceed the value of $\$ 500$. Chances for a series of events may be purchased all at once prior to the occurrence of the first event.
(3) (a) Except as provided in subsection (3)(b), the winners of any sports pool shall receive a $100 \%$ payout of the value of the sports pool. The winner of a sports tab game must receive at least $80 \% 80 \%$ of the total cost of the 100 sports tabs. The operator of the sports tab game may retain the remaining money for administration and other expenses.
(b) A nonprofit organization that maintains records and opens the records to inspection upon reasonable demand to verify that the retained portion is used to support charitable activities, scholarships or educational grants, or community service projects may retain up to $50 \%$ of the value of a sports pool or sports tab game.
(4) A person or nonprofit organization conducting a sports pool or sports tab game may purchase chances or sports tabs to participate in the sports pool or sports tab game but may not:
(a) retain any portion of the amount wagered in the sports pool or sports tab game, except as provided in subsection (3)(b);
(b) charge a fee for participating in the sports pool or sports tab game; or
(c) use the sports pool or sports tab game in any manner to establish odds or handicaps or to allow betting or booking against the person or nonprofit organization conducting the pool or game."

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STATE OF MONTANA - FISCAL NOTE
Fiscal Note for HB0525, as introduced

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DESCRIPTION OF PROPOSED LEGISLATION:
An act eliminating the $l tax on a sports tab game.
ASSUMPTIONS:
1. Eliminating the tax would reduce the Gambling Control Division (GCD) state special
    revenue fund revenues by approximately $4,000 per year.
2. The GCD of the Department of Justice does not anticipate an increase or decrease in
    expenses as a result of the implementation of this bill.
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FISCAI IMPACT:

Revenues:

Sports tab tax (02)
(4, 000)
$\frac{\text { FY97 }}{\frac{\text { Difference }}{(4,000)}}$



Fiscal Note for HB0525, as introduced

