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INTRODUCED BY *Sumner* House BILL NO. 541

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW PROHIBITING CREDIT GAMBLING; REQUIRING SUSPENSION OF THE LICENSE OR PERMIT FOR THE GAMBLING ACTIVITY, DEVICE, OR ENTERPRISE INVOLVED IF CREDIT GAMBLING OCCURS ON LICENSED PREMISES AND REQUIRING REVOCATION OF THE LICENSE OR PERMIT IF NOT OTHERWISE PROVIDED FOR; INCLUDING OFFERS TO OBTAIN AND COMMON SCHEMES IN THE OFFENSE OF OBTAINING ANYTHING OF VALUE BY FRAUD OR OPERATION OF AN ILLEGAL GAMBLING ACTIVITY, DEVICE, OR ENTERPRISE; AND AMENDING SECTIONS 23-5-112, 23-5-156, AND 23-5-157, MCA."

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

**Section 1.** Section 23-5-112, MCA, is amended to read:

**"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to parts 1 through 8 of this chapter:

(1) "Applicant" means a person who has applied for a license or permit issued by the department pursuant to parts 1 through 8 of this chapter.

(2) "Application" means a written request for a license or permit issued by the department. The department shall adopt rules describing the forms and information required for issuance of a license.

(3) "Authorized equipment" means, with respect to live keno or bingo, equipment that may be inspected by the department and that randomly selects the numbers.

(4) "Bingo" means a gambling activity played for prizes with a card bearing a printed design of 5 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with each letter above one of the columns. More than 75 numbers may not be used. One number must appear in each square, except for the center square, which may be considered a free play. Numbers are randomly drawn using authorized equipment until the game is won by the person or persons who first cover one or more previously designated arrangements of numbers on the bingo card.

(5) "Bingo caller" means a person 18 years of age or older who, using authorized equipment, announces the order of the numbers drawn in live bingo.

- 1 (6) "Card game table" or "table" means a live card game table:  
2 (a) authorized by permit and made available to the public on the premises of a licensed gambling  
3 operator; or  
4 (b) operated by a senior citizen center.
- 5 (7) "Card game tournament" means a gambling activity for which a permit has been issued  
6 involving participants who pay valuable consideration for the opportunity to compete against each other  
7 in a series of live card games conducted over a designated period of time.
- 8 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.
- 9 (9) "Department" means the department of justice.
- 10 (10) "Distributor" means a person who:  
11 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of  
12 any kind for use in gambling activities; and  
13 (b) sells the equipment to a licensed distributor, route operator, or operator.
- 14 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or  
15 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation  
16 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a  
17 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part  
18 1.
- 19 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot  
20 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling  
21 activity.
- 22 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,  
23 scheme, or agreement to provide gambling or a gambling device to the public.
- 24 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property  
25 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:  
26 (a) a cash or merchandise attendance prize or premium that county fair commissioners of  
27 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;  
28 (b) a promotional game of chance; or  
29 (c) an amusement game regulated under chapter 6 of this title.
- 30 (15) "Gross proceeds" means gross revenue received less prizes paid out.

1 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by  
2 the rules of the department. The term includes:

3 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may  
4 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push  
5 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 or under part  
6 5 of this chapter or in a promotional game of chance approved by the department; and

7 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used  
8 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,  
9 or craps table or a slot machine except as provided in 23-5-153.

10 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically  
11 authorized by a statute or a rule of the department. The term includes:

12 (a) a card game, by whatever name known, involving any bank or fund from which a participant  
13 may win money or other consideration and that receives money or other consideration lost by the  
14 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de  
15 fer;

16 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the  
17 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by  
18 23-5-160; ~~and~~

19 (c) sports betting, by whatever name known, in which a person places a wager on the outcome  
20 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those  
21 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter; and

22 (d) credit gambling.

23 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal  
24 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized  
25 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

26 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,  
27 announces the order of the numbers drawn in live keno.

28 (20) "License" means a license for an operator, dealer, card room contractor, manufacturer of  
29 devices not legal in Montana, sports tab card manufacturer, manufacturer of electronic live bingo or keno  
30 equipment, other manufacturer, distributor, or route operator that is issued to a person by the department.

1 (21) "Licensee" means a person who has received a license from the department.

2 (22) "Live card game" or "card game" means a card game that is played in public between persons  
3 on the premises of a licensed gambling operator or in a senior citizen center.

4 (23) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of  
5 property among persons who have paid or promised to pay valuable consideration for the chance of  
6 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,  
7 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not  
8 mean lotteries authorized under chapter 7 of this title.

9 (24) "Manufacturer" means a person who assembles from raw materials or subparts a completed  
10 piece of equipment or pieces of equipment of any kind to be used as a gambling device and who sells the  
11 equipment directly to a licensed distributor, route operator, or operator.

12 (25) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,  
13 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization  
14 established for purposes other than to conduct a gambling activity.

15 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and  
16 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1  
17 through 8 of this chapter.

18 (27) "Permit" means approval from the department to make available for public play a gambling  
19 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

20 (28) "Person" or "persons" means both natural and artificial persons and all partnerships,  
21 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable  
22 organizations.

23 (29) "Premises" means the physical building or property within or upon which a licensed gambling  
24 activity occurs, as stated on an operator's license application and approved by the department.

25 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal  
26 or distribution of property among persons who have not paid or are not expected to pay any valuable  
27 consideration or who have not purchased or are not expected to purchase any goods or services for a  
28 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by  
29 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device  
30 or enterprise approved by the department that was manufactured or intended for use for purposes other

1 than gambling.

2 (31) "Public gambling" means gambling conducted in:

3 (a) a place, building, or conveyance to which the public has access or may be permitted to have  
4 access;

5 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by  
6 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable  
7 organization; or

8 (c) a place, building, or conveyance to which the public does not have access if players are publicly  
9 solicited or the gambling activity is conducted in a predominantly commercial manner.

10 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a  
11 ticket to become eligible to win a prize. Winners must be determined by a random selection process  
12 approved by department rule.

13 (33) "Route operator" means a person who:

14 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind  
15 for use in a gambling activity;

16 (b) leases the equipment to a licensed operator for use by the public; and

17 (c) may sell to a licensed operator equipment that had previously been authorized to be operated  
18 on a premises.

19 (34) "Senior citizen center" means a facility operated by a nonprofit or governmental organization  
20 that provides services to senior citizens in the form of daytime or evening educational or recreational  
21 activities and does not provide living accommodations to senior citizens. Services qualifying under this  
22 definition must be recognized in the state plan on aging adopted by the department of public health and  
23 human services.

24 (35) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,  
25 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or  
26 upon payment of any valuable consideration, is available to play or operate, the play or operation of which,  
27 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver  
28 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,  
29 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other  
30 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

1 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter  
2 and the rules of the department."  
3

4 **Section 2.** Section 23-5-156, MCA, is amended to read:

5 **"23-5-156. ~~Obtaining~~ Offering or obtaining anything of value by fraud or operation of illegal**  
6 **gambling device or enterprise.** (1) A person who in an activity involving gambling offers or obtains money,  
7 property, or anything of value that does not exceed \$300 in value by misrepresentation, fraud, or the use  
8 of an illegal gambling device or an illegal gambling enterprise is guilty of a misdemeanor and is punishable  
9 as provided in 23-5-161.

10 (2) A person who in an activity involving gambling offers or obtains, including offering or obtaining  
11 as part of a common scheme, as defined in 45-2-101, money, property, or anything of value that exceeds  
12 \$300 in value by misrepresentation, fraud, or the use of an illegal gambling device or an illegal gambling  
13 enterprise is guilty of a felony and is punishable as provided in 23-5-162."  
14

15 **Section 3.** Section 23-5-157, MCA, is amended to read:

16 **"23-5-157. Gambling on cash basis -- penalties.** (1) (a) In every gambling activity, except raffles  
17 as authorized in 23-5-413 and card games authorized in part 3 of this chapter and normally scored using  
18 points, the consideration paid for the chance to play must be made in cash. A check or credit card may be  
19 used to obtain cash to participate in a gambling activity. A participant shall present the cash needed to play  
20 the game as the game is being played. A check, or credit card, note, IOU, or other evidence of  
21 indebtedness may not be offered or accepted as part of the price of participation in the gambling activity  
22 or as payment of a debt incurred in the gambling activity used to obtain cash on the premises of a licensee  
23 must be delivered and accepted unconditionally. A licensee or employee of a licensee may not hold a check  
24 or other evidence of indebtedness for redemption pending the outcome of a gambling activity.

25 (b) Credit gambling is prohibited. Credit gambling is offering or accepting as part of the price of  
26 participation in a gambling activity or as payment of a debt incurred in a gambling activity:

27 (i) a check, credit card, note, IOU, or other evidence of indebtedness;

28 (ii) a loan of any kind at any time from or on behalf of a licensee or gambling activity participant;

29 or

30 (iii) any form of deferred payment, including a post-dated check, a hold check, or an insufficient

1 funds check used as an evidence of indebtedness.

2 (2) A person who violates this section is guilty of:

3 ~~(a) a misdemeanor~~ criminal offense under 23-5-156 and must be punished in accordance with  
4 23-5-161; or 23-5-162

5 ~~(b) a felony upon conviction of a third or subsequent offense and must be punished in accordance~~  
6 ~~with 23-5-162.~~

7 (3) If any person is convicted of a criminal offense under this section and the offense occurred on  
8 a licensed premises, the department shall impose upon the licensee a 180-day license or permit suspension  
9 as provided in 23-5-136(1)(b)(iii)."

10 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0541, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:


An act revising the law prohibiting credit gambling; requiring suspension of the license or permit for the gambling activity, device, or enterprise involved if credit gambling occurs on licensed premises and requiring revocation of the license or permit if not otherwise provided for; including offers to obtain and common schemes in the offense of obtaining anything of value by fraud or operation of an illegal gambling activity, device, or enterprise.


ASSUMPTIONS:

1. There is no change in the number of licensed gambling operations or devices or enterprises as a result of HB541.
2. There would be no change in income reported from gambling operations as a result of the passage of HB541.
3. The Department of Justice is currently responsible for conducting investigations into credit gambling and does not anticipate an increase in expenditures as a result of the passage of HB541.
4. The department projects that any impact on gambling revenues would be negligible.

FISCAL IMPACT:

There would be no fiscal impact to the state.

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

  
DUANE GRIMES, PRIMARY SPONSOR      DATE  
Fiscal Note for HB0541, as introduced  
**HB541**



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*Sumner* House BILL NO. 541

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW PROHIBITING CREDIT GAMBLING; REQUIRING SUSPENSION OF THE LICENSE OR PERMIT FOR THE GAMBLING ACTIVITY, DEVICE, OR ENTERPRISE INVOLVED IF CREDIT GAMBLING OCCURS ON LICENSED PREMISES AND REQUIRING REVOCATION OF THE LICENSE OR PERMIT IF NOT OTHERWISE PROVIDED FOR; INCLUDING OFFERS TO OBTAIN AND COMMON SCHEMES IN THE OFFENSE OF OBTAINING ANYTHING OF VALUE BY FRAUD OR OPERATION OF AN ILLEGAL GAMBLING ACTIVITY, DEVICE, OR ENTERPRISE; AND AMENDING SECTIONS 23-5-112, 23-5-156, AND 23-5-157, MCA."

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

**Section 1.** Section 23-5-112, MCA, is amended to read:

**"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to parts 1 through 8 of this chapter:

- (1) "Applicant" means a person who has applied for a license or permit issued by the department pursuant to parts 1 through 8 of this chapter.
- (2) "Application" means a written request for a license or permit issued by the department. The department shall adopt rules describing the forms and information required for issuance of a license.
- (3) "Authorized equipment" means, with respect to live keno or bingo, equipment that may be inspected by the department and that randomly selects the numbers.
- (4) "Bingo" means a gambling activity played for prizes with a card bearing a printed design of 5 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with each letter above one of the columns. More than 75 numbers may not be used. One number must appear in each square, except for the center square, which may be considered a free play. Numbers are randomly drawn using authorized equipment until the game is won by the person or persons who first cover one or more previously designated arrangements of numbers on the bingo card.
- (5) "Bingo caller" means a person 18 years of age or older who, using authorized equipment, announces the order of the numbers drawn in live bingo.

- 1 (6) "Card game table" or "table" means a live card game table:  
2 (a) authorized by permit and made available to the public on the premises of a licensed gambling  
3 operator; or  
4 (b) operated by a senior citizen center.
- 5 (7) "Card game tournament" means a gambling activity for which a permit has been issued  
6 involving participants who pay valuable consideration for the opportunity to compete against each other  
7 in a series of live card games conducted over a designated period of time.
- 8 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.
- 9 (9) "Department" means the department of justice.
- 10 (10) "Distributor" means a person who:  
11 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of  
12 any kind for use in gambling activities; and  
13 (b) sells the equipment to a licensed distributor, route operator, or operator.
- 14 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or  
15 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation  
16 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a  
17 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part  
18 1.
- 19 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot  
20 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling  
21 activity.
- 22 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,  
23 scheme, or agreement to provide gambling or a gambling device to the public.
- 24 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property  
25 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:  
26 (a) a cash or merchandise attendance prize or premium that county fair commissioners of  
27 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;  
28 (b) a promotional game of chance; or  
29 (c) an amusement game regulated under chapter 6 of this title.
- 30 (15) "Gross proceeds" means gross revenue received less prizes paid out.

1 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by  
2 the rules of the department. The term includes:

3 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may  
4 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push  
5 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 or under part  
6 5 of this chapter or in a promotional game of chance approved by the department; and

7 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used  
8 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,  
9 or craps table or a slot machine except as provided in 23-5-153.

10 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically  
11 authorized by a statute or a rule of the department. The term includes:

12 (a) a card game, by whatever name known, involving any bank or fund from which a participant  
13 may win money or other consideration and that receives money or other consideration lost by the  
14 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de  
15 fer;

16 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the  
17 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by  
18 23-5-160; ~~and~~

19 (c) sports betting, by whatever name known, in which a person places a wager on the outcome  
20 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those  
21 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter; and

22 (d) credit gambling.

23 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal  
24 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized  
25 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

26 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,  
27 announces the order of the numbers drawn in live keno.

28 (20) "License" means a license for an operator, dealer, card room contractor, manufacturer of  
29 devices not legal in Montana, sports tab card manufacturer, manufacturer of electronic live bingo or keno  
30 equipment, other manufacturer, distributor, or route operator that is issued to a person by the department.

1 (21) "Licensee" means a person who has received a license from the department.

2 (22) "Live card game" or "card game" means a card game that is played in public between persons  
3 on the premises of a licensed gambling operator or in a senior citizen center.

4 (23) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of  
5 property among persons who have paid or promised to pay valuable consideration for the chance of  
6 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,  
7 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not  
8 mean lotteries authorized under chapter 7 of this title.

9 (24) "Manufacturer" means a person who assembles from raw materials or subparts a completed  
10 piece of equipment or pieces of equipment of any kind to be used as a gambling device and who sells the  
11 equipment directly to a licensed distributor, route operator, or operator.

12 (25) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,  
13 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization  
14 established for purposes other than to conduct a gambling activity.

15 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and  
16 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1  
17 through 8 of this chapter.

18 (27) "Permit" means approval from the department to make available for public play a gambling  
19 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

20 (28) "Person" or "persons" means both natural and artificial persons and all partnerships,  
21 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable  
22 organizations.

23 (29) "Premises" means the physical building or property within or upon which a licensed gambling  
24 activity occurs, as stated on an operator's license application and approved by the department.

25 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal  
26 or distribution of property among persons who have not paid or are not expected to pay any valuable  
27 consideration or who have not purchased or are not expected to purchase any goods or services for a  
28 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by  
29 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device  
30 or enterprise approved by the department that was manufactured or intended for use for purposes other

1 than gambling.

2 (31) "Public gambling" means gambling conducted in:

3 (a) a place, building, or conveyance to which the public has access or may be permitted to have  
4 access;

5 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by  
6 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable  
7 organization; or

8 (c) a place, building, or conveyance to which the public does not have access if players are publicly  
9 solicited or the gambling activity is conducted in a predominantly commercial manner.

10 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a  
11 ticket to become eligible to win a prize. Winners must be determined by a random selection process  
12 approved by department rule.

13 (33) "Route operator" means a person who:

14 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind  
15 for use in a gambling activity;

16 (b) leases the equipment to a licensed operator for use by the public; and

17 (c) may sell to a licensed operator equipment that had previously been authorized to be operated  
18 on a premises.

19 (34) "Senior citizen center" means a facility operated by a nonprofit or governmental organization  
20 that provides services to senior citizens in the form of daytime or evening educational or recreational  
21 activities and does not provide living accommodations to senior citizens. Services qualifying under this  
22 definition must be recognized in the state plan on aging adopted by the department of public health and  
23 human services.

24 (35) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,  
25 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or  
26 upon payment of any valuable consideration, is available to play or operate, the play or operation of which,  
27 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver  
28 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,  
29 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other  
30 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

1 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter  
2 and the rules of the department."  
3

4 **Section 2.** Section 23-5-156, MCA, is amended to read:

5 **"23-5-156. ~~Obtaining~~ Offering or obtaining anything of value by fraud or operation of illegal**  
6 **gambling device or enterprise.** (1) A person who in an activity involving gambling offers or obtains money,  
7 property, or anything of value that does not exceed \$300 in value by misrepresentation, fraud, or the use  
8 of an illegal gambling device or an illegal gambling enterprise is guilty of a misdemeanor and is punishable  
9 as provided in 23-5-161.

10 (2) A person who in an activity involving gambling offers or obtains, including offering or obtaining  
11 as part of a common scheme, as defined in 45-2-101, money, property, or anything of value that exceeds  
12 \$300 in value by misrepresentation, fraud, or the use of an illegal gambling device or an illegal gambling  
13 enterprise is guilty of a felony and is punishable as provided in 23-5-162."  
14

15 **Section 3.** Section 23-5-157, MCA, is amended to read:

16 **"23-5-157. ~~Gambling on cash basis -- penalties.~~** (1) (a) In every gambling activity, except raffles  
17 as authorized in 23-5-413 and card games authorized in part 3 of this chapter and normally scored using  
18 points, the consideration paid for the chance to play must be made in cash. A check or credit card may be  
19 used to obtain cash to participate in a gambling activity. A participant shall present the cash needed to play  
20 the game as the game is being played. A check, or credit card, note, IOU, or other evidence of  
21 indebtedness may not be offered or accepted as part of the price of participation in the gambling activity  
22 or as payment of a debt incurred in the gambling activity used to obtain cash on the premises of a licensee  
23 must be delivered and accepted unconditionally. A licensee or employee of a licensee may not hold a check  
24 or other evidence of indebtedness for redemption pending the outcome of a gambling activity.

25 (b) Credit gambling is prohibited. Credit gambling is offering or accepting as part of the price of  
26 participation in a gambling activity or as payment of a debt incurred in a gambling activity:

27 (i) a check, credit card, note, IOU, or other evidence of indebtedness;

28 (ii) a loan of any kind at any time from or on behalf of a licensee or gambling activity participant;

29 or

30 (iii) any form of deferred payment, including a post-dated check, a hold check, or an insufficient

1 funds check used as an evidence of indebtedness.

2 (2) A person who violates this section is guilty of:

3 ~~(a) a misdemeanor~~ criminal offense under 23-5-156 and must be punished in accordance with  
4 23-5-161; or 23-5-162

5 ~~(b) a felony upon conviction of a third or subsequent offense and must be punished in accordance~~  
6 ~~with 23-5-162.~~

7 (3) If any person is convicted of a criminal offense under this section and the offense occurred on  
8 a licensed premises, the department shall impose upon the licensee a 180-day license or permit suspension  
9 as provided in 23-5-136(1)(b)(iii)."

10

-END-

## 1 HOUSE BILL NO. 541

2 INTRODUCED BY GRIMES

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW PROHIBITING CREDIT GAMBLING;  
5 ~~REQUIRING SUSPENSION OF THE LICENSE OR PERMIT FOR THE GAMBLING ACTIVITY, DEVICE, OR~~  
6 ~~ENTERPRISE INVOLVED IF CREDIT GAMBLING OCCURS ON LICENSED PREMISES AND REQUIRING~~  
7 ~~REVOCAION OF THE LICENSE OR PERMIT IF NOT OTHERWISE PROVIDED FOR; INCLUDING OFFERS TO~~  
8 OBTAIN AND COMMON SCHEMES IN THE OFFENSE OF OBTAINING ANYTHING OF VALUE BY FRAUD  
9 OR OPERATION OF AN ILLEGAL GAMBLING ACTIVITY, DEVICE, OR ENTERPRISE; AND AMENDING  
10 SECTIONS 23-5-112, 23-5-156, AND 23-5-157, MCA."

11

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

13

14 **Section 1.** Section 23-5-112, MCA, is amended to read:15 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to  
16 parts 1 through 8 of this chapter:17 (1) "Applicant" means a person who has applied for a license or permit issued by the department  
18 pursuant to parts 1 through 8 of this chapter.19 (2) "Application" means a written request for a license or permit issued by the department. The  
20 department shall adopt rules describing the forms and information required for issuance of a license.21 (3) "Authorized equipment" means, with respect to live keno or bingo, equipment that may be  
22 inspected by the department and that randomly selects the numbers.23 (4) "Bingo" means a gambling activity played for prizes with a card bearing a printed design of 5  
24 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with  
25 each letter above one of the columns. More than 75 numbers may not be used. One number must appear  
26 in each square, except for the center square, which may be considered a free play. Numbers are randomly  
27 drawn using authorized equipment until the game is won by the person or persons who first cover one or  
28 more previously designated arrangements of numbers on the bingo card.29 (5) "Bingo caller" means a person 18 years of age or older who, using authorized equipment,  
30 announces the order of the numbers drawn in live bingo.



1 (6) "Card game table" or "table" means a live card game table:

2 (a) authorized by permit and made available to the public on the premises of a licensed gambling  
3 operator; or

4 (b) operated by a senior citizen center.

5 (7) "Card game tournament" means a gambling activity for which a permit has been issued  
6 involving participants who pay valuable consideration for the opportunity to compete against each other  
7 in a series of live card games conducted over a designated period of time.

8 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

9 (9) "Department" means the department of justice.

10 (10) "Distributor" means a person who:

11 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of  
12 any kind for use in gambling activities; and

13 (b) sells the equipment to a licensed distributor, route operator, or operator.

14 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or  
15 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation  
16 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a  
17 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part  
18 1.

19 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot  
20 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling  
21 activity.

22 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,  
23 scheme, or agreement to provide gambling or a gambling device to the public.

24 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property  
25 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:

26 (a) a cash or merchandise attendance prize or premium that county fair commissioners of  
27 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;

28 (b) a promotional game of chance; or

29 (c) an amusement game regulated under chapter 6 of this title.

30 (15) "Gross proceeds" means gross revenue received less prizes paid out.

1 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by  
2 the rules of the department. The term includes:

3 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may  
4 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push  
5 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 or under part  
6 5 of this chapter or in a promotional game of chance approved by the department; and

7 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used  
8 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,  
9 or craps table or a slot machine except as provided in 23-5-153.

10 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically  
11 authorized by a statute or a rule of the department. The term includes:

12 (a) a card game, by whatever name known, involving any bank or fund from which a participant  
13 may win money or other consideration and that receives money or other consideration lost by the  
14 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de  
15 fer;

16 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the  
17 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by  
18 23-5-160; ~~and~~

19 (c) sports betting, by whatever name known, in which a person places a wager on the outcome  
20 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those  
21 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter; and

22 (d) credit gambling.

23 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal  
24 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized  
25 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

26 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,  
27 announces the order of the numbers drawn in live keno.

28 (20) "License" means a license for an operator, dealer, card room contractor, manufacturer of  
29 devices not legal in Montana, sports tab card manufacturer, manufacturer of electronic live bingo or keno  
30 equipment, other manufacturer, distributor, or route operator that is issued to a person by the department.

1 (21) "Licensee" means a person who has received a license from the department.

2 (22) "Live card game" or "card game" means a card game that is played in public between persons  
3 on the premises of a licensed gambling operator or in a senior citizen center.

4 (23) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of  
5 property among persons who have paid or promised to pay valuable consideration for the chance of  
6 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,  
7 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not  
8 mean lotteries authorized under chapter 7 of this title.

9 (24) "Manufacturer" means a person who assembles from raw materials or subparts a completed  
10 piece of equipment or pieces of equipment of any kind to be used as a gambling device and who sells the  
11 equipment directly to a licensed distributor, route operator, or operator.

12 (25) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,  
13 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization  
14 established for purposes other than to conduct a gambling activity.

15 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and  
16 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1  
17 through 8 of this chapter.

18 (27) "Permit" means approval from the department to make available for public play a gambling  
19 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

20 (28) "Person" or "persons" means both natural and artificial persons and all partnerships,  
21 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable  
22 organizations.

23 (29) "Premises" means the physical building or property within or upon which a licensed gambling  
24 activity occurs, as stated on an operator's license application and approved by the department.

25 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal  
26 or distribution of property among persons who have not paid or are not expected to pay any valuable  
27 consideration or who have not purchased or are not expected to purchase any goods or services for a  
28 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by  
29 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device  
30 or enterprise approved by the department that was manufactured or intended for use for purposes other

1 than gambling.

2 (31) "Public gambling" means gambling conducted in:

3 (a) a place, building, or conveyance to which the public has access or may be permitted to have  
4 access;

5 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by  
6 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable  
7 organization; or

8 (c) a place, building, or conveyance to which the public does not have access if players are publicly  
9 solicited or the gambling activity is conducted in a predominantly commercial manner.

10 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a  
11 ticket to become eligible to win a prize. Winners must be determined by a random selection process  
12 approved by department rule.

13 (33) "Route operator" means a person who:

14 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind  
15 for use in a gambling activity;

16 (b) leases the equipment to a licensed operator for use by the public; and

17 (c) may sell to a licensed operator equipment that had previously been authorized to be operated  
18 on a premises.

19 (34) "Senior citizen center" means a facility operated by a nonprofit or governmental organization  
20 that provides services to senior citizens in the form of daytime or evening educational or recreational  
21 activities and does not provide living accommodations to senior citizens. Services qualifying under this  
22 definition must be recognized in the state plan on aging adopted by the department of public health and  
23 human services.

24 (35) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,  
25 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or  
26 upon payment of any valuable consideration, is available to play or operate, the play or operation of which,  
27 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver  
28 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,  
29 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other  
30 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

1 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter  
2 and the rules of the department."

3  
4 **Section 2.** Section 23-5-156, MCA, is amended to read:

5 **"23-5-156. ~~Obtaining~~ Offering or obtaining anything of value by fraud or operation of illegal**  
6 **gambling device or enterprise.** (1) A person who in an activity involving gambling offers or obtains money,  
7 property, or anything of value that does not exceed ~~\$300~~ \$750 in value by misrepresentation, fraud, or the  
8 use of an illegal gambling device or an illegal gambling enterprise is guilty of a misdemeanor and is  
9 punishable as provided in 23-5-161.

10 (2) A person who in an activity involving gambling offers or obtains, ~~including offering or obtaining~~  
11 ~~as part of a common scheme, as defined in 45-2-101,~~ money, property, or anything of value that exceeds  
12 ~~\$300~~ \$750 in value by misrepresentation, fraud, or the use of an illegal gambling device or an illegal  
13 gambling enterprise is guilty of a felony and is punishable as provided in 23-5-162.

14 (3) A PERSON WHO IN AN ACTIVITY INVOLVING GAMBLING OFFERS OR OBTAINS MONEY,  
15 PROPERTY, OR ANYTHING OF VALUE AS PART OF A COMMON SCHEME, AS DEFINED IN 45-2-101, BY  
16 MISREPRESENTATION, FRAUD, OR THE USE OF AN ILLEGAL GAMBLING DEVICE OR AN ILLEGAL  
17 GAMBLING ENTERPRISE IS GUILTY OF A FELONY AND IS PUNISHABLE AS PROVIDED IN 23-5-162."

18  
19 **Section 3.** Section 23-5-157, MCA, is amended to read:

20 **"23-5-157. Gambling on cash basis -- penalties.** (1) (a) In every gambling activity, except raffles  
21 as authorized in 23-5-413 and card games authorized in part 3 of this chapter and normally scored using  
22 points, the consideration paid for the chance to play must be made in cash. A check or credit card may be  
23 used to obtain cash to participate in a gambling activity. A participant shall present the cash needed to play  
24 the game as the game is being played. ~~A IF A check, or credit card, note, IOU, or other evidence of~~  
25 ~~indebtedness may not be offered or accepted as part of the price of participation in the gambling activity~~  
26 ~~or as payment of a debt incurred in the gambling activity~~ IS used to obtain cash on the premises of a  
27 licensee THEN IT must be delivered and accepted unconditionally. A licensee or employee of a licensee  
28 may not hold a check or other evidence of indebtedness for redemption pending the outcome of a gambling  
29 activity.

30 (b) Credit gambling is prohibited. Credit gambling is offering or accepting as part of the price of

1 participation in a gambling activity or as payment of a debt incurred in a gambling activity:

2 (i) a check, OR credit card, note, IOU, or other evidence of indebtedness HELD PENDING THE  
3 OUTCOME OF A GAMBLING ACTIVITY;

4 (ii) a loan of any kind at any time from or on behalf of a licensee or gambling activity participant;

5 or

6 (iii) any form of deferred payment, including a NOTE, IOU, post-dated check, a hold check, or an  
7 insufficient funds check used as an OTHER evidence of indebtedness; OR

8 (IV) A CHECK ISSUED OR DELIVERED THAT IS ACCEPTED BY THE LICENSEE WITH THE  
9 KNOWLEDGE THAT IT WILL NOT BE PAID BY THE DEPOSITORY.

10 (2) A person who violates this section is guilty of:

11 ~~(a) a misdemeanor~~ criminal offense under 23-5-156 and must be punished in accordance with  
12 23-5-161; or 23-5-162

13 ~~(b) a felony upon conviction of a third or subsequent offense and must be punished in accordance~~  
14 ~~with 23-5-162.~~

15 ~~(3) If any person is convicted of a criminal offense under this section and the offense occurred on~~  
16 ~~a licensed premises, the department shall impose upon the licensee a 180-day license or permit suspension~~  
17 ~~as provided in 23-5-136(1)(b)(iii)."~~

18 -END-

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12

HOUSE BILL NO. 541

INTRODUCED BY GRIMES

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW PROHIBITING CREDIT GAMBLING;  
~~REQUIRING SUSPENSION OF THE LICENSE OR PERMIT FOR THE GAMBLING ACTIVITY, DEVICE, OR~~  
~~ENTERPRISE INVOLVED IF CREDIT GAMBLING OCCURS ON LICENSED PREMISES AND REQUIRING~~  
~~REVOCAION OF THE LICENSE OR PERMIT IF NOT OTHERWISE PROVIDED FOR; INCLUDING OFFERS TO~~  
OBTAIN AND COMMON SCHEMES IN THE OFFENSE OF OBTAINING ANYTHING OF VALUE BY FRAUD  
OR OPERATION OF AN ILLEGAL GAMBLING ACTIVITY, DEVICE, OR ENTERPRISE; AND AMENDING  
SECTIONS 23-5-112, 23-5-156, AND 23-5-157, MCA."

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

**THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO THIRD READING COPY (BLUE) FOR COMPLETE TEXT.**

## 1 HOUSE BILL NO. 541

2 INTRODUCED BY GRIMES

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW PROHIBITING CREDIT GAMBLING;  
5 ~~REQUIRING SUSPENSION OF THE LICENSE OR PERMIT FOR THE GAMBLING ACTIVITY, DEVICE, OR~~  
6 ~~ENTERPRISE INVOLVED IF CREDIT GAMBLING OCCURS ON LICENSED PREMISES AND REQUIRING~~  
7 ~~REVOCAION OF THE LICENSE OR PERMIT IF NOT OTHERWISE PROVIDED FOR;~~ INCLUDING OFFERS TO  
8 OBTAIN AND COMMON SCHEMES IN THE OFFENSE OF OBTAINING ANYTHING OF VALUE BY FRAUD  
9 OR OPERATION OF AN ILLEGAL GAMBLING ACTIVITY, DEVICE, OR ENTERPRISE; AND AMENDING  
10 SECTIONS 23-5-112, 23-5-156, AND 23-5-157, MCA."

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

13  
14 **Section 1.** Section 23-5-112, MCA, is amended to read:

15 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to  
16 parts 1 through 8 of this chapter:

17 (1) "Applicant" means a person who has applied for a license or permit issued by the department  
18 pursuant to parts 1 through 8 of this chapter.

19 (2) "Application" means a written request for a license or permit issued by the department. The  
20 department shall adopt rules describing the forms and information required for issuance of a license.

21 (3) "Authorized equipment" means, with respect to live keno or bingo, equipment that may be  
22 inspected by the department and that randomly selects the numbers.

23 (4) "Bingo" means a gambling activity played for prizes with a card bearing a printed design of 5  
24 columns of 5 squares each, 25 squares in all. The letters B-I-N-G-O must appear above the design, with  
25 each letter above one of the columns. More than 75 numbers may not be used. One number must appear  
26 in each square, except for the center square, which may be considered a free play. Numbers are randomly  
27 drawn using authorized equipment until the game is won by the person or persons who first cover one or  
28 more previously designated arrangements of numbers on the bingo card.

29 (5) "Bingo caller" means a person 18 years of age or older who, using authorized equipment,  
30 announces the order of the numbers drawn in live bingo.



1 (6) "Card game table" or "table" means a live card game table:

2 (a) authorized by permit and made available to the public on the premises of a licensed gambling  
3 operator; or

4 (b) operated by a senior citizen center.

5 (7) "Card game tournament" means a gambling activity for which a permit has been issued  
6 involving participants who pay valuable consideration for the opportunity to compete against each other  
7 in a series of live card games conducted over a designated period of time.

8 (8) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

9 (9) "Department" means the department of justice.

10 (10) "Distributor" means a person who:

11 (a) purchases or obtains from a licensed manufacturer, distributor, or route operator equipment of  
12 any kind for use in gambling activities; and

13 (b) sells the equipment to a licensed distributor, route operator, or operator.

14 (11) "Gambling" or "gambling activity" means risking money, credit, deposit, check, property, or  
15 any other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation  
16 of a gambling device or gambling enterprise. The term does not mean conducting or participating in a  
17 promotional game of chance and does not include amusement games regulated by Title 23, chapter 6, part  
18 1.

19 (12) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot  
20 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling  
21 activity.

22 (13) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,  
23 scheme, or agreement to provide gambling or a gambling device to the public.

24 (14) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property  
25 to be awarded by purchasing or agreeing to purchase goods or services. The term does not mean:

26 (a) a cash or merchandise attendance prize or premium that county fair commissioners of  
27 agricultural fairs and rodeo associations may give away at public drawings at fairs and rodeos;

28 (b) a promotional game of chance; or

29 (c) an amusement game regulated under chapter 6 of this title.

30 (15) "Gross proceeds" means gross revenue received less prizes paid out.

1 (16) "Illegal gambling device" means a gambling device not specifically authorized by statute or by  
2 the rules of the department. The term includes:

3 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may  
4 match numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push  
5 card, tip board, pickle ticket, break-open, or jar game, except for one used under chapter 7 or under part  
6 5 of this chapter or in a promotional game of chance approved by the department; and

7 (b) an apparatus, implement, or device, by whatever name known, specifically designed to be used  
8 in conducting an illegal gambling enterprise, including a faro box, faro layout, roulette wheel, roulette table,  
9 or craps table or a slot machine except as provided in 23-5-153.

10 (17) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically  
11 authorized by a statute or a rule of the department. The term includes:

12 (a) a card game, by whatever name known, involving any bank or fund from which a participant  
13 may win money or other consideration and that receives money or other consideration lost by the  
14 participant and includes the card games of blackjack, twenty-one, jacks or better, baccarat, or chemin de  
15 fer;

16 (b) a dice game, by whatever name known, in which a participant wagers on the outcome of the  
17 roll of one or more dice, including craps, hazard, or chuck-a-luck, but not including activities authorized by  
18 23-5-160; ~~and~~

19 (c) sports betting, by whatever name known, in which a person places a wager on the outcome  
20 of an athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those  
21 activities authorized in chapter 4 of this title and parts 2, 5, and 8 of this chapter; and

22 (d) credit gambling.

23 (18) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal  
24 rows and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized  
25 equipment, shall select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

26 (19) "Keno caller" means a person 18 years of age or older who, using authorized equipment,  
27 announces the order of the numbers drawn in live keno.

28 (20) "License" means a license for an operator, dealer, card room contractor, manufacturer of  
29 devices not legal in Montana, sports tab card manufacturer, manufacturer of electronic live bingo or keno  
30 equipment, other manufacturer, distributor, or route operator that is issued to a person by the department.

1 (21) "Licensee" means a person who has received a license from the department.

2 (22) "Live card game" or "card game" means a card game that is played in public between persons  
3 on the premises of a licensed gambling operator or in a senior citizen center.

4 (23) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of  
5 property among persons who have paid or promised to pay valuable consideration for the chance of  
6 obtaining the property or a portion of it or for a share or interest in the property upon an agreement,  
7 understanding, or expectation that it is to be distributed or disposed of by lot or chance. The term does not  
8 mean lotteries authorized under chapter 7 of this title.

9 (24) "Manufacturer" means a person who assembles from raw materials or subparts a completed  
10 piece of equipment or pieces of equipment of any kind to be used as a gambling device and who sells the  
11 equipment directly to a licensed distributor, route operator, or operator.

12 (25) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,  
13 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization  
14 established for purposes other than to conduct a gambling activity.

15 (26) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and  
16 operates or controls for use in public, a gambling device or gambling enterprise authorized under parts 1  
17 through 8 of this chapter.

18 (27) "Permit" means approval from the department to make available for public play a gambling  
19 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

20 (28) "Person" or "persons" means both natural and artificial persons and all partnerships,  
21 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable  
22 organizations.

23 (29) "Premises" means the physical building or property within or upon which a licensed gambling  
24 activity occurs, as stated on an operator's license application and approved by the department.

25 (30) "Promotional game of chance" means a scheme, by whatever name known, for the disposal  
26 or distribution of property among persons who have not paid or are not expected to pay any valuable  
27 consideration or who have not purchased or are not expected to purchase any goods or services for a  
28 chance to obtain the property, a portion of it, or a share in it. The property is disposed of or distributed by  
29 simulating a gambling enterprise authorized by parts 1 through 8 of this chapter or by operating a device  
30 or enterprise approved by the department that was manufactured or intended for use for purposes other

1 than gambling.

2 (31) "Public gambling" means gambling conducted in:

3 (a) a place, building, or conveyance to which the public has access or may be permitted to have  
4 access;

5 (b) a place of public resort, including but not limited to a facility owned, managed, or operated by  
6 a partnership, corporation, association, club, fraternal order, or society, including a religious or charitable  
7 organization; or

8 (c) a place, building, or conveyance to which the public does not have access if players are publicly  
9 solicited or the gambling activity is conducted in a predominantly commercial manner.

10 (32) "Raffle" means a form of lottery in which each participant pays valuable consideration for a  
11 ticket to become eligible to win a prize. Winners must be determined by a random selection process  
12 approved by department rule.

13 (33) "Route operator" means a person who:

14 (a) purchases from a licensed manufacturer, route operator, or distributor equipment of any kind  
15 for use in a gambling activity;

16 (b) leases the equipment to a licensed operator for use by the public; and

17 (c) may sell to a licensed operator equipment that had previously been authorized to be operated  
18 on a premises.

19 (34) "Senior citizen center" means a facility operated by a nonprofit or governmental organization  
20 that provides services to senior citizens in the form of daytime or evening educational or recreational  
21 activities and does not provide living accommodations to senior citizens. Services qualifying under this  
22 definition must be recognized in the state plan on aging adopted by the department of public health and  
23 human services.

24 (35) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,  
25 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or  
26 upon payment of any valuable consideration, is available to play or operate, the play or operation of which,  
27 whether by reason of the skill of the operator or application of the element of chance, or both, may deliver  
28 or entitle the person playing or operating the gambling device to receive cash, premiums, merchandise,  
29 tokens, or anything of value, whether the payoff is made automatically from the machine or in any other  
30 manner. This definition does not apply to video gambling machines authorized under part 6 of this chapter.

1 (36) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter  
2 and the rules of the department."

3  
4 **Section 2.** Section 23-5-156, MCA, is amended to read:

5 **"23-5-156. ~~Obtaining~~ Offering or obtaining anything of value by fraud or operation of illegal**  
6 **gambling device or enterprise.** (1) A person who in an activity involving gambling offers or obtains money,  
7 property, or anything of value that does not exceed ~~\$300~~ \$750 in value by misrepresentation, fraud, or the  
8 use of an illegal gambling device or an illegal gambling enterprise is guilty of a misdemeanor and is  
9 punishable as provided in 23-5-161.

10 (2) A person who in an activity involving gambling offers or obtains, ~~including offering or obtaining~~  
11 ~~as part of a common scheme, as defined in 45-2-101,~~ money, property, or anything of value that exceeds  
12 ~~\$300~~ \$750 in value by misrepresentation, fraud, or the use of an illegal gambling device or an illegal  
13 gambling enterprise is guilty of a felony and is punishable as provided in 23-5-162.

14 (3) A PERSON WHO IN AN ACTIVITY INVOLVING GAMBLING OFFERS OR OBTAINS MONEY,  
15 PROPERTY, OR ANYTHING OF VALUE AS PART OF A COMMON SCHEME, AS DEFINED IN 45-2-101, BY  
16 MISREPRESENTATION, FRAUD, OR THE USE OF AN ILLEGAL GAMBLING DEVICE OR AN ILLEGAL  
17 GAMBLING ENTERPRISE IS GUILTY OF A FELONY AND IS PUNISHABLE AS PROVIDED IN 23-5-162."

18  
19 **Section 3.** Section 23-5-157, MCA, is amended to read:

20 **"23-5-157. Gambling on cash basis -- penalties.** (1) (a) In every gambling activity, except raffles  
21 as authorized in 23-5-413 and card games authorized in part 3 of this chapter and normally scored using  
22 points, the consideration paid for the chance to play must be made in cash. A check or credit card may be  
23 used to obtain cash to participate in a gambling activity. A participant shall present the cash needed to play  
24 the game as the game is being played. ~~A IF A check, or credit card, note, IOU, or other evidence of~~  
25 indebtedness may not be offered or accepted as part of the price of participation in the gambling activity  
26 or as payment of a debt incurred in the gambling activity IS used to obtain cash on the premises of a  
27 licensee THEN IT must be delivered and accepted unconditionally. A licensee or employee of a licensee  
28 may not hold a check or other evidence of indebtedness for redemption pending the outcome of a gambling  
29 activity.

30 (b) Credit gambling is prohibited. Credit gambling is offering or accepting as part of the price of

1 participation in a gambling activity or as payment of a debt incurred in a gambling activity:

2 (i) a check, OR credit card, note, IOU, or other evidence of indebtedness HELD PENDING THE  
 3 OUTCOME OF A GAMBLING ACTIVITY;

4 (ii) a loan of any kind at any time from or on behalf of a licensee or gambling activity participant;  
 5 or

6 (iii) any form of deferred payment, including a NOTE, IOU, post-dated check, a hold check, or an  
 7 insufficient funds check used as an OTHER evidence of indebtedness; OR

8 (IV) A CHECK ISSUED OR DELIVERED THAT IS ACCEPTED BY THE LICENSEE WITH THE  
 9 KNOWLEDGE THAT IT WILL NOT BE PAID BY THE DEPOSITORY.

10 (2) A person who violates this section is guilty of:

11 ~~(a) a misdemeanor~~ criminal offense under 23-5-156 and must be punished in accordance with  
 12 23-5-161; or 23-5-162

13 ~~(b) a felony upon conviction of a third or subsequent offense and must be punished in accordance~~  
 14 ~~with 23-5-162.~~

15 ~~(3) If any person is convicted of a criminal offense under this section and the offense occurred on~~  
 16 ~~a licensed premises, the department shall impose upon the licensee a 180 day license or permit suspension~~  
 17 ~~as provided in 23-5-136(1)(b)(iii)."~~

18

-END-