

House BILL NO. *615*
Cobb *Grosfield*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INTERIM COMMISSION TO OVERSEE, PUBLICIZE, AND REPORT ON A STUDY OF THE SOCIOECONOMIC IMPACTS OF GAMBLING IN MONTANA; PROVIDING AN APPROPRIATION; AMENDING SECTION 23-7-402, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

WHEREAS, The Constitution of the State of Montana provides for the legalization of gambling through a vote of the people or the action of the Legislature; and

WHEREAS, there is a public policy statement in state law concerning gambling activities that includes the creation and maintenance of a regulatory climate; and

WHEREAS, state and local governments receive tax revenues generated by gambling; and

WHEREAS, there are citizens who are adversely affected by legalized gambling, including compulsive gamblers and their families; and

WHEREAS, there is no recent reliable data in Montana that substantiates the economic or social impacts of gambling; and

WHEREAS, the results of gambling studies conducted in other states and on a national basis are not specifically relevant to conditions in Montana.

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

NEW SECTION. Section 1. Gaming study commission -- composition -- vacancies. (1) There is an interim gambling study commission.

(2) The commission is composed of the following four members:

(a) one member, to be appointed by the governor, who holds a doctorate in a social science that is pertinent to socioeconomic analysis;

(b) two members from the Montana university system, one from the bureau of business and economic research or the sociology department of the university of Montana, the other from the school of business or the sociology department of Montana state university. The president of the university of

1 Montana and the president of Montana state university shall each nominate three candidates for
2 commission membership. The governor shall select and appoint one member from each list of nominees.

3 (c) one member, to be appointed by the governor, who is a mental health professional and who
4 holds a doctorate degree or a master's degree with relevant subsequent certification and who has
5 experience in the treatment of mental disorders that manifest in addictive behavior that includes gambling
6 but who has no significant financial interest in the treatment of gambling addiction.

7 (3) The members of the commission shall elect a presiding officer from among the members.

8 (4) Any vacancy occurring on the commission must be filled in the same manner as the original
9 appointment.

10
11 **NEW SECTION. Section 2. Meetings.** The presiding officer shall schedule meetings of the
12 commission as considered necessary and shall give notice of the time and place of each meeting to the
13 members of the commission.

14
15 **NEW SECTION. Section 3. Reimbursement of expenses -- compensation.** Each member of the
16 commission is entitled to reimbursement for expenses as provided in 2-18-501 through 2-18-503.

17
18 **NEW SECTION. Section 4. Powers and duties -- staff support -- recommendations -- report.** (1) The
19 commission shall request, fund, and subsequently evaluate and publicize a detailed study of the
20 socioeconomic effects of gambling in Montana. The study may include but is not limited to:

21 (a) a demographic profile of the people who participate in gambling in Montana, including both
22 residents and nonresidents;

23 (b) the number of private sector jobs and the amount of personal and business income directly or
24 indirectly attributable to gambling;

25 (c) the impact of gambling on employment and income in other sectors of the economy outside of
26 the gambling industry;

27 (d) the amount of tax revenue collected by the state and by local governments that is directly or
28 indirectly attributable to gambling;

29 (e) the amount of expenditures by the state and by local governments, including law enforcement
30 agencies, that is directly or indirectly attributable to gambling;

1 (f) demographic data on pathological and problem gamblers that is derived in a way to allow
2 longitudinal comparisons with earlier studies in Montana;

3 (g) the impact of gambling on state and federal government transfer payments;

4 (h) data on the effects of gambling on the family, such as statistics related to divorce, spousal
5 abuse, child abuse and neglect, and other familial dysfunction as well as general health and economic
6 statistics that are pertinent to family stability and well-being; and

7 (i) the relationship of gambling to the numbers of Montana citizens who file for bankruptcy, who
8 bring cases to small claims court, and who are subject to real property foreclosures.

9 (2) The commission shall establish goals and a budget for an unbiased and scientifically credible
10 study as well as minimum qualifications and selection criteria for persons who submit proposals to conduct
11 the study.

12 (3) The commission is responsible for determining the most cost-effective allocation of the funds
13 appropriated in [section 5].

14 (4) The legislative services division shall provide staff support to the commission for administrative
15 purposes and for the purpose of drafting and issuing of a detailed request for proposals in order to recruit
16 qualified persons to conduct the study or studies.

17 (5) State and local agencies shall cooperate with the commission in the conduct of the study.

18 (6) On or before September 1, 1998, the commission shall submit to the legislature and the
19 governor a comprehensive written report of its findings, conclusions, and recommendations. If legislation
20 is recommended, the report must include a draft of the legislation.

21 (7) On or before October 1, 1998, the commission may use any available means, including
22 informational public meetings, to disseminate the results of the study to the citizens of Montana.

23
24 **NEW SECTION. Section 5. Appropriation.** (1) There is appropriated to the legislative services
25 division for the purposes of funding and administering the study described in [section 4] and supporting the
26 commission described in [section 1] \$100,000 from the state lottery fund established in 23-7-401.

27 (2) The appropriation in subsection (1) is a biennial appropriation.
28

29 **Section 6.** Section 23-7-402, MCA, is amended to read:

30 **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or chances

1 must be paid out as prize money. The prize money is statutorily appropriated, as provided in 17-7-502, to
2 the lottery.

3 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating
4 expense.

5 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating
6 expenses, together with the interest earned on the gross revenue while the gross revenue is in the
7 enterprise fund, is net revenue. ~~Not~~ Except as provided in subsection (5), net revenue must be transferred
8 quarterly from the enterprise fund established by 23-7-401 to the state general fund.

9 (4) The spending authority of the lottery may be increased in accordance with this section upon
10 review and approval of a revised operation plan by the office of budget and program planning.

11 (5) For the purposes of funding a study of the socioeconomic impacts of gambling, \$100,000 of
12 net revenue may be appropriated from the enterprise fund established by 23-7-401."

13

14 NEW SECTION. Section 7. Effective date. [This act] is effective July 1, 1997.

15

16 NEW SECTION. Section 8. Termination. [Section 6] terminates June 30, 1999.

17

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0615, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill establishing an interim commission to oversee, publicize, and report on a study of the socioeconomic impacts of gambling in Montana; providing an appropriation; amending section 23-7-402, MCA; and providing an effective date and a termination date.

ASSUMPTIONS:

Legislative Services Division:

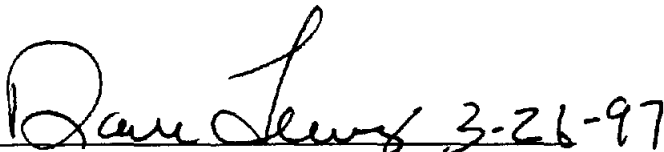
1. The amendment to 23-7-402, MCA, in Section 6 includes in the disposition of revenue the \$100,000 of net revenue which may be appropriated from the enterprise fund to fund a study of the socioeconomic impacts of gambling.

Department of Commerce, Montana Lottery:

2. The appropriation contained in HB 615 for funding a statewide gambling study reduces the available net revenue for transfer to the general fund from the Montana Lottery by \$100,000.
3. According to page 3, line 27 of the bill, "the appropriation in subsection (1) is a biennial appropriation."

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
<u>Revenue:</u>	<u>Difference</u>	<u>Difference</u>
General Fund (01)	(100,000)	0


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

JOHN COBB, PRIMARY SPONSOR DATE
Fiscal Note for HB0615, as introduced

HB615

HOUSE BILL NO. 615

INTRODUCED BY COBB, GROSFIELD

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INTERIM COMMISSION TO OVERSEE, PUBLICIZE, AND REPORT ON A STUDY OF THE SOCIOECONOMIC IMPACTS OF GAMBLING IN MONTANA; PROVIDING AN APPROPRIATION; AMENDING SECTION 23-7-402, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

WHEREAS, The Constitution of the State of Montana provides for the legalization of gambling through a vote of the people or the action of the Legislature; and

WHEREAS, there is a public policy statement in state law concerning gambling activities that includes the creation and maintenance of a regulatory climate; and

WHEREAS, state and local governments receive tax revenues generated by gambling; and

WHEREAS, there are citizens who are adversely affected by legalized gambling, including compulsive gamblers and their families; and

WHEREAS, there is no recent reliable data in Montana that substantiates the economic or social impacts of gambling; and

WHEREAS, the results of gambling studies conducted in other states and on a national basis are not specifically relevant to conditions in Montana.

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

NEW SECTION. Section 1. Gaming study commission -- composition -- vacancies. (1) There is an interim gambling study commission.

(2) The commission is composed of the following ~~four~~ **FIVE** members:

(a) one member, to be appointed by the governor, who holds a doctorate in a social science that is pertinent to socioeconomic analysis;

(b) two members from the Montana university system, one from the bureau of business and economic research or the sociology department of the university of Montana, the other from the school of business or the sociology department of Montana state university. The president of the university of

1 Montana and the president of Montana state university shall each nominate three candidates for
2 commission membership. The governor shall select and appoint one member from each list of nominees.

3 (c) one member, to be appointed by the governor, who is a mental health professional and who
4 holds a doctorate degree or a master's degree with relevant subsequent certification and who has
5 experience in the treatment of mental disorders that manifest in addictive behavior that includes gambling
6 but who has no significant financial interest in the treatment of gambling addiction;

7 (D) ONE MEMBER, TO BE APPOINTED BY THE GOVERNOR, WHO IS A BUSINESS OWNER WHO
8 DOES NOT HAVE AN ECONOMIC INTEREST IN AND IS NOT RELATED TO A PERSON WHO HAS AN
9 ECONOMIC INTEREST IN THE GAMBLING INDUSTRY.

10 (3) The members of the commission shall elect a presiding officer from among the members.

11 (4) Any vacancy occurring on the commission must be filled in the same manner as the original
12 appointment.

13

14 NEW SECTION. Section 2. Meetings. The presiding officer shall schedule meetings of the
15 commission as considered necessary and shall give notice of the time and place of each meeting to the
16 members of the commission.

17

18 NEW SECTION. Section 3. Reimbursement of expenses -- compensation. Each member of the
19 commission is entitled to reimbursement for expenses as provided in 2-18-501 through 2-18-503.

20

21 NEW SECTION. Section 4. Powers and duties -- staff support -- recommendations -- report. (1) The
22 commission shall request, fund, and subsequently evaluate and publicize a detailed study of the
23 socioeconomic effects of gambling in Montana. The study may include but is not limited to:

24 (a) a demographic profile of the people who participate in gambling in Montana, including both
25 residents and nonresidents;

26 (b) the number of private sector jobs and the amount of personal and business income directly or
27 indirectly attributable to gambling;

28 (c) the impact of gambling on employment and income in other sectors of the economy outside of
29 the gambling industry;

30 (d) the amount of tax revenue collected by the state and by local governments that is directly or

1 indirectly attributable to gambling;

2 (e) the amount of expenditures by the state and by local governments, including law enforcement
3 agencies, that is directly or indirectly attributable to gambling;

4 (f) demographic data on pathological and problem gamblers that is derived in a way to allow
5 longitudinal comparisons with earlier studies in Montana;

6 (g) the impact of gambling on state and federal government transfer payments;

7 (h) data on the effects of gambling on the family, such as statistics related to divorce, spousal
8 abuse, child abuse and neglect, and other familial dysfunction as well as general health and economic
9 statistics that are pertinent to family stability and well-being; and

10 (i) the relationship of gambling to the numbers of Montana citizens who file for bankruptcy, who
11 bring cases to small claims court, and who are subject to real property foreclosures.

12 (2) The commission shall establish goals and a budget for an unbiased and scientifically credible
13 study as well as minimum qualifications and selection criteria for persons who submit proposals to conduct
14 the study.

15 (3) The commission is responsible for determining the most cost-effective allocation of the funds
16 appropriated in [section 5].

17 (4) The legislative services division shall provide staff support to the commission for administrative
18 purposes and for the purpose of drafting and issuing of a detailed request for proposals in order to recruit
19 qualified persons to conduct the study or studies. THE LEGISLATIVE SERVICES DIVISION MAY EXPEND
20 FUNDS FROM THE APPROPRIATION PROVIDED IN [SECTION 5] FOR STAFF SERVICES PROVIDED BY THE
21 LEGISLATIVE SERVICES DIVISION TO THE COMMISSION.

22 (5) State and local agencies shall cooperate with the commission in the conduct of the study.

23 (6) On or before September 1, 1998, the commission shall submit to the legislature and the
24 governor a comprehensive written report of its findings, conclusions, and recommendations. If legislation
25 is recommended, the report must include a draft of the legislation.

26 (7) On or before October 1, 1998, the commission may use any available means, including
27 informational public meetings, to disseminate the results of the study to the citizens of Montana.

28
29 NEW SECTION. Section 5. Appropriation. (1) There is appropriated to the legislative services
30 division for the purposes of funding and administering the study described in [section 4] and supporting the

1 commission described in [section 1] \$100,000 from the state lottery fund established in 23-7-401.

2 (2) The appropriation in subsection (1) is a biennial appropriation.

3

4 **Section 6.** Section 23-7-402, MCA, is amended to read:

5 **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or chances
6 must be paid out as prize money. The prize money is statutorily appropriated, as provided in 17-7-502, to
7 the lottery.

8 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating
9 expense.

10 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating
11 expenses, together with the interest earned on the gross revenue while the gross revenue is in the
12 enterprise fund, is net revenue. ~~Not~~ Except as provided in subsection (5), net revenue must be transferred
13 quarterly from the enterprise fund established by 23-7-401 to the state general fund.

14 (4) The spending authority of the lottery may be increased in accordance with this section upon
15 review and approval of a revised operation plan by the office of budget and program planning.

16 (5) For the purposes of funding a study of the socioeconomic impacts of gambling, \$100,000 of
17 net revenue may be appropriated from the enterprise fund established by 23-7-401."

18

19 NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 1997.

20

21 NEW SECTION. **Section 8. Termination.** [Section 6] terminates June 30, 1999.

22

-END-

1 HOUSE BILL NO. 615

2 INTRODUCED BY COBB, GROSFIELD

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INTERIM COMMISSION TO OVERSEE,
5 PUBLICIZE, AND REPORT ON A STUDY OF THE SOCIOECONOMIC IMPACTS OF GAMBLING IN
6 MONTANA; PROVIDING AN APPROPRIATION; AMENDING SECTION 23-7-402, MCA; AND PROVIDING
7 AN EFFECTIVE DATE AND A TERMINATION DATE."

8

9 WHEREAS, The Constitution of the State of Montana provides for the legalization of gambling
10 through a vote of the people or the action of the Legislature; and

11 WHEREAS, there is a public policy statement in state law concerning gambling activities that
12 includes the creation and maintenance of a regulatory climate; and

13 WHEREAS, state and local governments receive tax revenues generated by gambling; and

14 WHEREAS, there are citizens who are adversely affected by legalized gambling, including
15 compulsive gamblers and their families; and

16 WHEREAS, there is no recent reliable data in Montana that substantiates the economic or social
17 impacts of gambling; and

18 WHEREAS, the results of gambling studies conducted in other states and on a national basis are
19 not specifically relevant to conditions in Montana.

20

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

22

23 NEW SECTION. Section 1. Gaming study commission -- composition -- vacancies. (1) There is an
24 interim gambling study commission.

25 (2) The commission is composed of the following ~~four~~ FIVE members:

26 (a) one member, to be appointed by the governor, who holds a doctorate in a social science that
27 is pertinent to socioeconomic analysis;

28 (b) two members from the Montana university system, one from the bureau of business and
29 economic research or the sociology department of the university of Montana, the other from the school of
30 business or the sociology department of Montana state university. The president of the university of

1 Montana and the president of Montana state university shall each nominate three candidates for
2 commission membership. The governor shall select and appoint one member from each list of nominees.

3 (c) one member, to be appointed by the governor, who is a mental health professional and who
4 holds a doctorate degree or a master's degree with relevant subsequent certification and who has
5 experience in the treatment of mental disorders that manifest in addictive behavior that includes gambling
6 but who has no significant financial interest in the treatment of gambling addiction;

7 (D) ONE MEMBER, TO BE APPOINTED BY THE GOVERNOR, WHO IS A BUSINESS OWNER WHO
8 DOES NOT HAVE AN ECONOMIC INTEREST IN AND IS NOT RELATED TO A PERSON WHO HAS AN
9 ECONOMIC INTEREST IN THE GAMBLING INDUSTRY.

10 (3) The members of the commission shall elect a presiding officer from among the members.

11 (4) Any vacancy occurring on the commission must be filled in the same manner as the original
12 appointment.

13

14 NEW SECTION. Section 2. Meetings. The presiding officer shall schedule meetings of the
15 commission as considered necessary and shall give notice of the time and place of each meeting to the
16 members of the commission.

17

18 NEW SECTION. Section 3. Reimbursement of expenses -- compensation. Each member of the
19 commission is entitled to reimbursement for expenses as provided in 2-18-501 through 2-18-503.

20

21 NEW SECTION. Section 4. Powers and duties -- staff support -- recommendations -- report. (1) The
22 commission shall request, fund, and subsequently evaluate and publicize a detailed study of the
23 socioeconomic effects of gambling in Montana. The study may include but is not limited to:

24 (a) a demographic profile of the people who participate in gambling in Montana, including both
25 residents and nonresidents;

26 (b) the number of private sector jobs and the amount of personal and business income directly or
27 indirectly attributable to gambling;

28 (c) the impact of gambling on employment and income in other sectors of the economy outside of
29 the gambling industry;

30 (d) the amount of tax revenue collected by the state and by local governments that is directly or

1 indirectly attributable to gambling;

2 (e) the amount of expenditures by the state and by local governments, including law enforcement
3 agencies, that is directly or indirectly attributable to gambling;

4 (f) demographic data on pathological and problem gamblers that is derived in a way to allow
5 longitudinal comparisons with earlier studies in Montana;

6 (g) the impact of gambling on state and federal government transfer payments;

7 (h) data on the effects of gambling on the family, such as statistics related to divorce, spousal
8 abuse, child abuse and neglect, and other familial dysfunction as well as general health and economic
9 statistics that are pertinent to family stability and well-being; and

10 (i) the relationship of gambling to the numbers of Montana citizens who file for bankruptcy, who
11 bring cases to small claims court, and who are subject to real property foreclosures.

12 (2) The commission shall establish goals and a budget for an unbiased and scientifically credible
13 study as well as minimum qualifications and selection criteria for persons who submit proposals to conduct
14 the study.

15 (3) The commission is responsible for determining the most cost-effective allocation of the funds
16 appropriated in [section 5].

17 (4) The legislative services division shall provide staff support to the commission for administrative
18 purposes and for the purpose of drafting and issuing of a detailed request for proposals in order to recruit
19 qualified persons to conduct the study or studies. THE LEGISLATIVE SERVICES DIVISION MAY EXPEND
20 FUNDS FROM THE APPROPRIATION PROVIDED IN [SECTION 5] FOR STAFF SERVICES PROVIDED BY THE
21 LEGISLATIVE SERVICES DIVISION TO THE COMMISSION.

22 (5) State and local agencies shall cooperate with the commission in the conduct of the study.

23 (6) On or before September 1, 1998, the commission shall submit to the legislature and the
24 governor a comprehensive written report of its findings, conclusions, and recommendations. If legislation
25 is recommended, the report must include a draft of the legislation.

26 (7) On or before October 1, 1998, the commission may use any available means, including
27 informational public meetings, to disseminate the results of the study to the citizens of Montana.

28
29 NEW SECTION. Section 5. Appropriation. (1) There is appropriated to the legislative services
30 division for the purposes of funding and administering the study described in [section 4] and supporting the

1 commission described in [section 1] \$100,000 from the state lottery fund established in 23-7-401.

2 (2) The appropriation in subsection (1) is a biennial appropriation.

3

4 **Section 6.** Section 23-7-402, MCA, is amended to read:

5 **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or chances
6 must be paid out as prize money. The prize money is statutorily appropriated, as provided in 17-7-502, to
7 the lottery.

8 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating
9 expense.

10 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating
11 expenses, together with the interest earned on the gross revenue while the gross revenue is in the
12 enterprise fund, is net revenue. ~~Not~~ Except as provided in subsection (5), net revenue must be transferred
13 quarterly from the enterprise fund established by 23-7-401 to the state general fund.

14 (4) The spending authority of the lottery may be increased in accordance with this section upon
15 review and approval of a revised operation plan by the office of budget and program planning.

16 (5) For the purposes of funding a study of the socioeconomic impacts of gambling, \$100,000 of
17 net revenue may be appropriated from the enterprise fund established by 23-7-401."

18

19 NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 1997.

20

21 NEW SECTION. **Section 8. Termination.** [Section 6] terminates June 30, 1999.

22

-END-

1

HOUSE BILL NO. 615

2

INTRODUCED BY COBB, GROSFIELD

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INTERIM COMMISSION TO OVERSEE,
5 PUBLICIZE, AND REPORT ON A STUDY OF THE SOCIOECONOMIC IMPACTS OF GAMBLING IN
6 MONTANA; PROVIDING AN APPROPRIATION; AMENDING SECTION 23-7-402, MCA; AND PROVIDING
7 AN EFFECTIVE DATE AND A TERMINATION DATE."

8

9 WHEREAS, The Constitution of the State of Montana provides for the legalization of gambling
10 through a vote of the people or the action of the Legislature; and

11 WHEREAS, there is a public policy statement in state law concerning gambling activities that
12 includes the creation and maintenance of a regulatory climate; and

13 WHEREAS, state and local governments receive tax revenues generated by gambling; and

14 WHEREAS, there are citizens who are adversely affected by legalized gambling, including
15 compulsive gamblers and their families; and

16 WHEREAS, there is no recent reliable data in Montana that substantiates the economic or social
17 impacts of gambling; and

18 WHEREAS, the results of gambling studies conducted in other states and on a national basis are
19 not specifically relevant to conditions in Montana.

20

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

22

23 NEW SECTION. Section 1. Gaming study commission -- composition -- vacancies. (1) There is an
24 interim gambling study commission.

25 (2) The commission is composed of the following ~~four~~ FIVE members:

26 (a) one member, to be appointed by the governor, who holds a doctorate in a social science that
27 is pertinent to socioeconomic analysis;

28 (b) two members from the Montana university system, one from the bureau of business and
29 economic research or the sociology department of the university of Montana, the other from the school of
30 business or the sociology department of Montana state university. The president of the university of

1 Montana and the president of Montana state university shall each nominate three candidates for
2 commission membership. The governor shall select and appoint one member from each list of nominees.

3 (c) one member, to be appointed by the governor, who is a mental health professional and who
4 holds a doctorate degree or a master's degree with relevant subsequent certification and who has
5 experience in the treatment of mental disorders that manifest in addictive behavior that includes gambling
6 but who has no significant financial interest in the treatment of gambling addiction;

7 (D) ONE MEMBER, TO BE APPOINTED BY THE GOVERNOR, WHO IS A BUSINESS OWNER WHO
8 DOES NOT HAVE AN ECONOMIC INTEREST IN AND IS NOT RELATED TO A PERSON WHO HAS AN
9 ECONOMIC INTEREST IN THE GAMBLING INDUSTRY.

10 (3) The members of the commission shall elect a presiding officer from among the members.

11 (4) Any vacancy occurring on the commission must be filled in the same manner as the original
12 appointment.

13

14 NEW SECTION. Section 2. Meetings. The presiding officer shall schedule meetings of the
15 commission as considered necessary and shall give notice of the time and place of each meeting to the
16 members of the commission.

17

18 NEW SECTION. Section 3. Reimbursement of expenses -- compensation. Each member of the
19 commission is entitled to reimbursement for expenses as provided in 2-18-501 through 2-18-503.

20

21 NEW SECTION. Section 4. Powers and duties -- staff support -- recommendations -- report. (1) The
22 commission shall request, fund, and subsequently evaluate and publicize a detailed study of the
23 socioeconomic effects of gambling in Montana. The study may include but is not limited to:

24 (a) a demographic profile of the people who participate in gambling in Montana, including both
25 residents and nonresidents;

26 (b) the number of private sector jobs and the amount of personal and business income directly or
27 indirectly attributable to gambling;

28 (c) the impact of gambling on employment and income in other sectors of the economy outside of
29 the gambling industry;

30 (d) the amount of tax revenue collected by the state and by local governments that is directly or

1 indirectly attributable to gambling;

2 (e) the amount of expenditures by the state and by local governments, including law enforcement
3 agencies, that is directly or indirectly attributable to gambling;

4 (f) demographic data on pathological and problem gamblers that is derived in a way to allow
5 longitudinal comparisons with earlier studies in Montana;

6 (g) the impact of gambling on state and federal government transfer payments;

7 (h) data on the effects of gambling on the family, such as statistics related to divorce, spousal
8 abuse, child abuse and neglect, and other familial dysfunction as well as general health and economic
9 statistics that are pertinent to family stability and well-being; and

10 (i) the relationship of gambling to the numbers of Montana citizens who file for bankruptcy, who
11 bring cases to small claims court, and who are subject to real property foreclosures.

12 (2) The commission shall establish goals and a budget for an unbiased and scientifically credible
13 study as well as minimum qualifications and selection criteria for persons who submit proposals to conduct
14 the study.

15 (3) The commission is responsible for determining the most cost-effective allocation of the funds
16 appropriated in [section 5].

17 (4) The legislative services division shall provide staff support to the commission for administrative
18 purposes and for the purpose of drafting and issuing of a detailed request for proposals in order to recruit
19 qualified persons to conduct the study or studies. THE LEGISLATIVE SERVICES DIVISION MAY EXPEND
20 FUNDS FROM THE APPROPRIATION PROVIDED IN [SECTION 5] FOR STAFF SERVICES PROVIDED BY THE
21 LEGISLATIVE SERVICES DIVISION TO THE COMMISSION.

22 (5) State and local agencies shall cooperate with the commission in the conduct of the study.

23 (6) On or before September 1, 1998, the commission shall submit to the legislature and the
24 governor a comprehensive written report of its findings, conclusions, and recommendations. If legislation
25 is recommended, the report must include a draft of the legislation.

26 (7) On or before October 1, 1998, the commission may use any available means, including
27 informational public meetings, to disseminate the results of the study to the citizens of Montana.

28

29 NEW SECTION. Section 5. Appropriation. (1) There is appropriated to the legislative services
30 division for the purposes of funding and administering the study described in [section 4] and supporting the

1 commission described in [section 1] \$100,000 from the state lottery fund established in 23-7-401.

2 (2) The appropriation in subsection (1) is a biennial appropriation.

3

4 **Section 6.** Section 23-7-402, MCA, is amended to read:

5 **"23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or chances
6 must be paid out as prize money. The prize money is statutorily appropriated, as provided in 17-7-502, to
7 the lottery.

8 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating
9 expense.

10 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating
11 expenses, together with the interest earned on the gross revenue while the gross revenue is in the
12 enterprise fund, is net revenue. ~~Net~~ Except as provided in subsection (5), net revenue must be transferred
13 quarterly from the enterprise fund established by 23-7-401 to the state general fund.

14 (4) The spending authority of the lottery may be increased in accordance with this section upon
15 review and approval of a revised operation plan by the office of budget and program planning.

16 (5) For the purposes of funding a study of the socioeconomic impacts of gambling, \$100,000 of
17 net revenue may be appropriated from the enterprise fund established by 23-7-401."

18

19 **NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 1997.

20

21 **NEW SECTION. Section 8. Termination.** [Section 6] terminates June 30, 1999.

22

-END-

1

HOUSE BILL NO. 615

2

INTRODUCED BY COBB, GROSFIELD

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INTERIM COMMISSION TO OVERSEE,
5 PUBLICIZE, AND REPORT ON A STUDY OF THE SOCIOECONOMIC IMPACTS OF GAMBLING IN
6 MONTANA; PROVIDING AN APPROPRIATION; AMENDING SECTION 23-7-402, MCA; AND PROVIDING
7 AN EFFECTIVE DATE AND A TERMINATION DATE."

8

9 WHEREAS, The Constitution of the State of Montana provides for the legalization of gambling
10 through a vote of the people or the action of the Legislature; and

11 WHEREAS, there is a public policy statement in state law concerning gambling activities that
12 includes the creation and maintenance of a regulatory climate; and

13 WHEREAS, state and local governments receive tax revenues generated by gambling; and

14 WHEREAS, there are citizens who are adversely affected by legalized gambling, including
15 compulsive gamblers and their families; and

16 WHEREAS, there is no recent reliable data in Montana that substantiates the economic or social
17 impacts of gambling; and

18 WHEREAS, the results of gambling studies conducted in other states and on a national basis are
19 not specifically relevant to conditions in Montana.

20

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

22

23 NEW SECTION. Section 1. Gaming study commission -- composition -- vacancies. (1) There is an
24 interim gambling study commission.

25 (2) The commission is composed of the following ~~four~~ FIVE members:

26 (a) one member, to be appointed by the governor, who holds a doctorate in a social science that
27 is pertinent to socioeconomic analysis;

28 (b) two members from the Montana university system, one from the bureau of business and
29 economic research or the sociology department of the university of Montana, the other from the school of
30 business or the sociology department of Montana state university. The president of the university of

1 Montana and the president of Montana state university shall each nominate three candidates for
2 commission membership. The governor shall select and appoint one member from each list of nominees.

3 (c) one member, to be appointed by the governor, who is a mental health professional and who
4 holds a doctorate degree or a master's degree with relevant subsequent certification and who has
5 experience in the treatment of mental disorders that manifest in addictive behavior that includes gambling
6 but who has no significant financial interest in the treatment of gambling addiction;

7 (D) ONE MEMBER, TO BE APPOINTED BY THE GOVERNOR, WHO IS A BUSINESS OWNER WHO
8 DOES NOT HAVE AN ECONOMIC INTEREST IN AND IS NOT RELATED TO A PERSON WHO HAS AN
9 ECONOMIC INTEREST IN THE GAMBLING INDUSTRY.

10 (3) The members of the commission shall elect a presiding officer from among the members.

11 (4) Any vacancy occurring on the commission must be filled in the same manner as the original
12 appointment.

13

14 NEW SECTION. Section 2. Meetings. The presiding officer shall schedule meetings of the
15 commission as considered necessary and shall give notice of the time and place of each meeting to the
16 members of the commission.

17

18 NEW SECTION. Section 3. Reimbursement of expenses -- compensation. Each member of the
19 commission is entitled to reimbursement for expenses as provided in 2-18-501 through 2-18-503.

20

21 NEW SECTION. Section 4. Powers and duties -- staff support -- recommendations -- report. (1) The
22 commission shall request, fund, and subsequently evaluate and publicize a detailed study of the
23 socioeconomic effects of gambling in Montana. The study may include but is not limited to:

24 (a) a demographic profile of the people who participate in gambling in Montana, including both
25 residents and nonresidents;

26 (b) the number of private sector jobs and the amount of personal and business income directly or
27 indirectly attributable to gambling;

28 (c) the impact of gambling on employment and income in other sectors of the economy outside of
29 the gambling industry;

30 (d) the amount of tax revenue collected by the state and by local governments that is directly or

1 indirectly attributable to gambling;

2 (e) the amount of expenditures by the state and by local governments, including law enforcement
3 agencies, that is directly or indirectly attributable to gambling;

4 (f) demographic data on pathological and problem gamblers that is derived in a way to allow
5 longitudinal comparisons with earlier studies in Montana;

6 (g) the impact of gambling on state and federal government transfer payments;

7 (h) data on the effects of gambling on the family, such as statistics related to divorce, spousal
8 abuse, child abuse and neglect, and other familial dysfunction as well as general health and economic
9 statistics that are pertinent to family stability and well-being; and

10 (i) the relationship of gambling to the numbers of Montana citizens who file for bankruptcy, who
11 bring cases to small claims court, and who are subject to real property foreclosures.

12 (2) The commission shall establish goals and a budget for an unbiased and scientifically credible
13 study as well as minimum qualifications and selection criteria for persons who submit proposals to conduct
14 the study.

15 (3) The commission is responsible for determining the most cost-effective allocation of the funds
16 appropriated in [section 5].

17 (4) The legislative services division shall provide staff support to the commission for administrative
18 purposes and for the purpose of drafting and issuing of a detailed request for proposals in order to recruit
19 qualified persons to conduct the study or studies. THE LEGISLATIVE SERVICES DIVISION MAY EXPEND
20 FUNDS FROM THE APPROPRIATION PROVIDED IN [SECTION 5] FOR STAFF SERVICES PROVIDED BY THE
21 LEGISLATIVE SERVICES DIVISION TO THE COMMISSION.

22 (5) State and local agencies shall cooperate with the commission in the conduct of the study.

23 (6) On or before September 1, 1998, the commission shall submit to the legislature and the
24 governor a comprehensive written report of its findings, conclusions, and recommendations. If legislation
25 is recommended, the report must include a draft of the legislation.

26 (7) On or before October 1, 1998, the commission may use any available means, including
27 informational public meetings, to disseminate the results of the study to the citizens of Montana.

28

29 NEW SECTION. Section 5. Appropriation. (1) There is appropriated to the legislative services
30 division for the purposes of funding and administering the study described in [section 4] and supporting the

1 commission described in [section 1] \$100,000 from the state lottery fund established in 23-7-401.

2 (2) The appropriation in subsection (1) is a biennial appropriation.

3

4 **Section 6.** Section 23-7-402, MCA, is amended to read:

5 "**23-7-402. Disposition of revenue.** (1) A minimum of 45% of the money paid for tickets or chances
6 must be paid out as prize money. The prize money is statutorily appropriated, as provided in 17-7-502, to
7 the lottery.

8 (2) Commissions paid to lottery ticket or chance sales agents are not a state lottery operating
9 expense.

10 (3) That part of all gross revenue not used for the payment of prizes, commissions, and operating
11 expenses, together with the interest earned on the gross revenue while the gross revenue is in the
12 enterprise fund, is net revenue. ~~Net~~ Except as provided in subsection (5), net revenue must be transferred
13 quarterly from the enterprise fund established by 23-7-401 to the state general fund.

14 (4) The spending authority of the lottery may be increased in accordance with this section upon
15 review and approval of a revised operation plan by the office of budget and program planning.

16 (5) For the purposes of funding a study of the socioeconomic impacts of gambling, \$100,000 of
17 net revenue may be appropriated from the enterprise fund established by 23-7-401."

18

19 **NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 1997.

20

21 **NEW SECTION. Section 8. Termination.** [Section 6] terminates June 30, 1999.

22

-END-