

SENATE BILL NO. 32

INTRODUCED BY D. MAHLUM

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING STATE LOTTERY FINGERPRINT REQUIREMENTS TO MEET CRITERIA REQUIRED BY THE FEDERAL BUREAU OF INVESTIGATION AS A PREREQUISITE TO FINGERPRINT CHECKS BY THE BUREAU; AMENDING SECTIONS 23-7-306 AND 23-7-310, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 23-7-306, MCA, is amended to read:

"23-7-306. Felony and gambling-related convictions -- ineligibility for lottery positions. ~~No~~ A person who has been convicted of a felony or a gambling-related offense under federal law or the law of any state may not be a commissioner, director, assistant director, employee of the state lottery, or licensed ticket or chance sales agent. ~~Prior to appointment as a commissioner, director, assistant director, or employee, a person shall submit to the commission a full set of fingerprints made at a law enforcement agency by an agent or officer of such agency on forms supplied by the agency. The assistant director for security may require a ticket or chance sales agent to submit fingerprints prior to licensing. To determine a person's suitability for the position of commissioner, director, assistant director, or employee of the state lottery, the person shall submit the person's fingerprints to the department of justice. The department shall examine the fingerprints, and if a disqualifying record is not found, the department shall forward the fingerprints to the federal bureau of investigation for a national criminal history check.~~"

Section 2. Section 23-7-310, MCA, is amended to read:

"23-7-310. Disclosures by gaming suppliers. (1) ~~Any~~ A person, firm, association, or corporation that submits a bid or proposal for a contract to supply lottery equipment, tickets, or other material or consultant services for use in the operation of the state lottery shall disclose at the time of ~~such~~ the bid or proposal:

- (a) the supplier's business name and address and the names and addresses of the following:
 - (i) if the supplier is a partnership, all of the general and limited partners;

- 1 (ii) if the supplier is a trust, the trustee and all persons entitled to receive income or benefit from the trust;
- 2 (iii) if the supplier is an association, the members, officers, and directors;
- 3 (iv) if the supplier is a corporation, the officers, directors, and each owner or holder, directly or indirectly,
- 4 of any equity security or other evidence of ownership of any interest in the corporation; ~~except that.~~ However,
- 5 in the case of owners or holders of publicly held equity securities of a publicly traded corporation, only the names
- 6 and addresses of those owning or holding 5% or more of the publicly held securities must be disclosed;.
- 7 (v) if the supplier is a subsidiary company, each intermediary company, holding company, or parent
- 8 company involved ~~therewith~~ with the subsidiary company and the officers, directors, and stockholders of each;
- 9 ~~except that.~~ However, in the case of owners or holders of publicly held securities of an intermediary company,
- 10 holding company, or parent company ~~which that~~ is a publicly traded corporation, only the names and addresses
- 11 of those owning or holding 5% or more of the publicly held securities must be disclosed;.
- 12 (b) if the supplier is a corporation, all the states in which the supplier is authorized to do business and
- 13 the nature of that business;
- 14 (c) other jurisdictions in which the supplier has contracts to supply gaming materials, equipment, or
- 15 consultant services;
- 16 (d) the details of any conviction, state or federal, of the supplier or any person whose name and address
- 17 are required by subsection (1)(a) of a criminal offense punishable by imprisonment for more than 1 year ~~and~~
- 18 ~~shall submit to the commission a full set of fingerprints of such person made at a law enforcement agency by~~
- 19 ~~an agent or officer of such agency on forms supplied by the agency;~~
- 20 (e) the details of any disciplinary action taken by any state against the supplier or any person whose
- 21 name and address are required by subsection (1)(a) regarding any matter related to gaming consultant services
- 22 or the selling, leasing, offering for sale or lease, buying, or servicing of gaming materials or equipment;
- 23 (f) audited annual financial statements for the preceding 5 years;
- 24 (g) a statement of the gross receipts realized in the preceding year from gaming consultant services
- 25 and the sale, lease, or distribution of gaming materials or equipment to states operating lotteries and to private
- 26 persons licensed to conduct gambling, differentiating that portion of the gross receipts attributable to transactions
- 27 with states operating lotteries from that portion of the gross receipts attributable to transactions with private
- 28 persons licensed to conduct gambling;
- 29 (h) the name and address of any source of gaming materials or equipment for the supplier;
- 30 (i) the number of years the supplier has been in the business of supplying gaming consultant services

1 or gaming materials or equipment; and

2 (j) any other information, accompanied by any documents the commission by rule may reasonably
3 require as being necessary or appropriate in the public interest to accomplish the purposes of this chapter.

4 (2) ~~No~~ A person, firm, association, or corporation contracting to supply gaming equipment or materials
5 or consultant services to the state for use in the operation of the state lottery may not have any financial interest
6 in any person, firm, association, or corporation licensed as a ticket or chance sales agent.

7 (3) ~~No~~ A contract for supplying consultant services or gaming materials or equipment for use in the
8 operation of the state lottery is not enforceable against the state unless the requirements of this section have
9 been fulfilled."

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

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