

1 HOUSE BILL NO. 190

2 INTRODUCED BY B. THOMAS

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS RELATING TO CARD GAMES;
5 AMENDING SECTIONS 23-5-112, 23-5-306, 23-5-308, 23-5-313, 23-5-317, ~~23-5-324~~, AND 23-5-710, MCA;
6 REPEALING SECTION 23-5-319, MCA; AND PROVIDING AN EFFECTIVE DATE."

7

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

9

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

11 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to parts
12 1 through 8 of this chapter:

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

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

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

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

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

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

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

30 (b) operated by a senior citizen center.

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

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

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

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

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

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

10 (11) (a) "Gambling" or "gambling activity" means risking any money, credit, deposit, check, property, or
11 other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation of a gambling
12 device or gambling enterprise.

13 (b) The term does not mean conducting or participating in a promotional game of chance and does not
14 include amusement games regulated by Title 23, chapter 6, part 1.

15 (c) The term does not include social card games played solely for prizes of minimal value, defined as
16 class I gaming by 25 U.S.C. 2703.

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

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

22 (14) (a) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property to
23 be awarded by purchasing or agreeing to purchase goods or services.

24 (b) The term does not mean:

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

27 (ii) a promotional game of chance; or

28 (iii) an amusement game regulated under Title 23, chapter 6.

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

30 (16) "House player" means a person participating in a card game who has a financial relationship with

1 the operator, card room contractor, or dealer or who has received money or chips from the operator, card room
2 contractor, or dealer to participate in a card game.

3 ~~(16)~~(17) "Illegal gambling device" means a gambling device not specifically authorized by statute or by
4 the rules of the department. The term includes:

5 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may match
6 numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push card, tip
7 board, pickle ticket, break-open, or jar game, except for one used under Title 23, chapter 7, or under part 5 of this
8 chapter or in a promotional game of chance approved by the department; and

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

12 ~~(17)~~(18) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically
13 authorized by a statute or a rule of the department. The term includes:

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

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

19 (c) sports betting, by whatever name known, in which a person places a wager on the outcome of an
20 athletic event, including bookmaking, parlay bets, or sultan sports cards, but not including those activities
21 authorized in Title 23, chapter 4, and parts 2, 5, and 8 of this chapter;

22 (d) credit gambling; and

23 (e) internet gambling.

24 ~~(18)~~(19) (a) "Internet gambling", by whatever name known, includes but is not limited to the conduct of
25 any legal or illegal gambling enterprise through the use of communications technology that allows a person using
26 money, paper checks, electronic checks, electronic transfers of money, credit cards, debit cards, or any other
27 instrumentality to transmit to a computer information to assist in the placing of a bet or wager and corresponding
28 information related to the display of the game, game outcomes, or other similar information.

29 (b) The term does not include the operation of a simulcast facility allowed by Title 23, chapter 4, or the
30 state lottery provided for in Title 23, chapter 7. If all aspects of the gaming are conducted on Indian lands in

1 conformity with federal statutes and with administrative regulations of the national Indian gaming commission,
2 the term does not include class II gaming or class III gaming as defined by 25 U.S.C. 2703.

3 ~~(19)~~(20) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal rows
4 and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized equipment, shall
5 select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

6 ~~(20)~~(21) "Keno caller" means a person 18 years of age or older who, using authorized equipment,
7 announces the order of the numbers drawn in live keno.

8 ~~(21)~~(22) "License" means a license for an operator, dealer, card room contractor, manufacturer of devices
9 not legal in Montana, sports tab game seller, manufacturer of electronic live bingo or keno equipment, other
10 manufacturer, distributor, or route operator that is issued to a person by the department.

11 ~~(22)~~(23) "Licensee" means a person who has received a license from the department.

12 ~~(23)~~(24) "Live card game" or "card game" means a card game that is played in public between persons
13 on the premises of a licensed gambling operator or in a senior citizen center.

14 ~~(24)~~(25) (a) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of
15 property among persons who have paid or promised to pay valuable consideration for the chance of obtaining
16 the property or a portion of it or for a share or interest in the property upon an agreement, understanding, or
17 expectation that it is to be distributed or disposed of by lot or chance.

18 (b) The term does not mean lotteries authorized under Title 23, chapter 7.

19 ~~(25)~~(26) "Manufacturer" means a person who:

20 (a) assembles from raw materials or subparts a completed piece of equipment or pieces of equipment
21 of any kind to be used as a gambling device and who sells the equipment directly to a licensed distributor, route
22 operator, or operator; or

23 (b) possesses gambling devices or components of gambling devices for the purpose of testing them.

24 ~~(26)~~(27) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,
25 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization established
26 for purposes other than to conduct a gambling activity.

27 ~~(27)~~(28) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
28 operates or controls for use in public a gambling device or gambling enterprise authorized under parts 1 through
29 8 of this chapter.

30 ~~(28)~~(29) "Permit" means approval from the department to make available for public play a gambling

1 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

2 ~~(29)~~(30) "Person" or "persons" means both natural and artificial persons and all partnerships,
3 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable organizations.

4 ~~(30)~~(31) "Premises" means the physical building or property within or upon which a licensed gambling
5 activity occurs, as stated on an operator's license application and approved by the department.

6 ~~(31)~~(32) "Promotional game of chance" means a scheme, by whatever name known, for the disposal or
7 distribution of property among persons who have not paid or are not expected to pay any valuable consideration
8 or who have not purchased or are not expected to purchase any goods or services for a chance to obtain the
9 property, a portion of it, or a share in it. The property is disposed of or distributed by simulating a gambling
10 enterprise authorized by parts 1 through 8 of this chapter or by operating a device or enterprise approved by the
11 department that was manufactured or intended for use for purposes other than gambling.

12 ~~(32)~~(33) "Public gambling" means gambling conducted in:

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

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

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

19 ~~(33)~~(34) "Raffle" means a form of lottery in which each participant pays valuable consideration for a ticket
20 to become eligible to win a prize. Winners must be determined by a random selection process approved by
21 department rule.

22 ~~(34)~~(35) "Route operator" means a person who:

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

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

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

28 ~~(35)~~(36) "Senior citizen center" means a facility operated by a nonprofit or governmental organization that
29 provides services to senior citizens in the form of daytime or evening educational or recreational activities and
30 does not provide living accommodations to senior citizens. Services qualifying under this definition must be

1 recognized in the state plan on aging adopted by the department of public health and human services.

2 ~~(36)~~(37) (a) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,
3 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or upon
4 payment of any valuable consideration, is available to play or operate, the play or operation of which, whether
5 by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the
6 person playing or operating the gambling device to receive cash, premiums, merchandise, tokens, or anything
7 of value, whether the payoff is made automatically from the machine or in any other manner.

8 (b) This definition does not apply to video gambling machines authorized under part 6 of this chapter.

9 ~~(37)~~(38) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter
10 and the rules of the department."
11

12 **Section 2.** Section 23-5-306, MCA, is amended to read:

13 **"23-5-306. Live card game table -- permit -- fees -- disposition of fees.** (1) (a) A person who has
14 been granted an operator's license under 23-5-177 and who holds an appropriate license to sell alcoholic
15 beverages for consumption on the premises, as provided in 23-5-119, may be granted an annual permit for the
16 placement of live card game tables.

17 (b) A permit is not required for social games played for prizes of minimal value, defined as class I gaming
18 by 25 U.S.C. 2703.

19 ~~(b)~~(c) The department may issue an annual permit for the placement of live card game tables to a person
20 operating a premises not licensed to sell alcoholic beverages for consumption on the premises if:

21 (i) one or more live card game tables were legally operated on the premises on January 15, 1989;

22 (ii) the premises were licensed on January 15, 1989, to sell food, cigarettes, or any other consumable
23 product;

24 (iii) the person has been granted an operator's license under 23-5-177; and

25 (iv) at the time of application for the permit:

26 (A) the person has continuously operated a live card game table on the premises since January 15,
27 1989; and

28 (B) the natural person or persons who own the business operated on the premises are the same as on
29 January 15, 1989.

30 (2) The annual permit fee in lieu of taxes for each live card game table operated in a licensed operator's

1 premises may not be prorated and must be:

2 (a) \$250 for the first table; and

3 (b) \$500 for each additional table.

4 (3) The department shall retain for administrative purposes \$100 of the fee collected under this part for
5 each live card game table.

6 (4) The department shall forward on a quarterly basis the remaining balance of the fee collected under
7 subsection (2) to the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in which
8 the live card game table is located for deposit to the county or municipal treasury. A county is not entitled to
9 proceeds from fees assessed on live card game tables located in incorporated cities and towns within the county.
10 The local government portion of this fee is statutorily appropriated to the department, as provided in 17-7-502,
11 for deposit to the county or municipal treasury."
12

13 **Section 3.** Section 23-5-308, MCA, is amended to read:

14 **"23-5-308. Card game dealers -- license.** (1) Except as provided in 23-5-318, a person may not deal
15 cards in a live card game of panguingue or poker without being licensed annually by the department.

16 (2) The fee for the first year in which the license is effective is \$75, and the annual renewal fee is \$25.
17 The fee may not be prorated.

18 (3) The department shall retain for administrative purposes the license fee charged for the issuance of
19 a dealer's license.

20 (4) A licensed dealer shall ~~have~~ keep on ~~his~~ the dealer's person; and display upon request at all times
21 UPON REQUEST, his the dealer's license when ~~he is~~ working as a dealer.

22 (5) (a) The department shall adopt rules to implement temporary licensing procedures until a permanent
23 license is issued to a dealer.

24 ~~(b) The rules must provide that:~~

25 ~~—— (i) a temporary license may be obtained at the place where a person locally applies for a driver's license;~~
26 ~~and~~

27 ~~—— (ii) the receipt received upon mailing by certified mail a completed license application and the fee required~~
28 ~~under subsection (2), return receipt requested, constitutes a temporary license.~~

29 ~~—— (c) The department may not assess a fee for the temporary license.~~

30 (b) The rules must provide that a temporary license:

1 (i) may be issued at a local department office or at another public location designated by the department;
 2 and

3 (ii) may only be issued upon the payment of the license application fee and submission of an application,
 4 required fingerprints, and proof that the applicant for a temporary license has a verifiable offer of employment from
 5 a licensed operator or card room contractor."

6
 7 **Section 4.** Section 23-5-313, MCA, is amended to read:

8 **"23-5-313. Rules of play to be posted -- rake-off approved.** ~~(1) Rules governing the conduct of each~~
 9 ~~game must be prominently posted within the sight of the players at a live card game table on the premises of a~~
 10 ~~licensed operator. A licensed operator shall prominently display the following information within the sight of the~~
 11 ~~players at a live card game table:~~

- 12 (a) rules governing the conduct of each game;
 13 (b) notice of the maximum percentage rake-off; and
 14 (c) rules governing the prohibition of credit gambling.

15 (2) The department may adopt rules specifying the size, display, and content of rules as provided in this
 16 part and the manner of taking the rake-off. The rules must include notice of the maximum percentage rake-off,
 17 if any, and must require that the person taking the rake-off do so in an obvious manner."

18
 19 **Section 5.** Section 23-5-317, MCA, is amended to read:

20 **"23-5-317. Tournaments.** (1) Subject to the department's approval, a licensed operator who has a
 21 permit for placing at least 1 live card game table on the operator's premises may conduct up to 12 live card game
 22 tournaments a year on his the operator's premises. Each tournament may be conducted for no more than 5
 23 consecutive days. If an operator conducts more than one tournament a year, at least 7 days must lapse between
 24 the conclusion of one tournament and the beginning of the next tournament.

25 (2) (a) Before the start of a tournament, the operator shall submit to the department an application for
 26 a tournament permit. The permit application must be accompanied by a \$10 fee. The department shall retain the
 27 fee for administrative purposes.

28 (b) If a tournament is to be conducted on the premises of more than one licensed operator, each
 29 operator shall submit a permit application and processing fee. The permit is applied toward each operator's
 30 annual 12-tournament limit.

1 (c) A licensed operator may participate in a progressive card game tournament in which the ultimate
 2 prize is not awarded until the final round of the tournament is completed.

3 (d) At least 50% of the total of all entrance fees for any tournament that is represented as a charitable
 4 tournament must be paid to a charitable, educational, or recreational nonprofit organization.

5 (3) Permits for placement of additional live card game tables, as provided in 23-5-306, are not required
 6 for additional tables authorized under a tournament permit.

7 (4) Tournament participants must be provided with a copy of the tournament rules before the start of the
 8 tournament. A copy of the rules must be posted in a conspicuous location in each area where the tournament
 9 is conducted.

10 (5) A person must be present on the premises during the tournament to oversee the conduct of the card
 11 games and to settle disputes among players. This person may be a dealer licensed under 23-5-308.

12 (6) Only a dealer licensed under 23-5-308 may deal cards at a poker or panguingue tournament.

13 (7) A licensed operator may charge a tournament participant an entry fee, which may include a fee to
 14 cover expenses incurred in conducting the tournament. A participant who has been eliminated from competition
 15 during the tournament may reenter the tournament by paying an additional fee if permitted to do so under
 16 tournament rules. A rake-off may not be taken during a tournament card game.

17 (8) The face value of the chips used does not govern the value of the pot awarded at the end of the
 18 tournament.

19 (9) The prize for a tournament may be the right to participate in another tournament if the value of a seat
 20 in the higher-level tournament is equivalent to the value of the expected top prize for the tournament.

21 (10) The total amount paid by an individual to enter a tournament, including any additional purchase of
 22 chips or other payment during the tournament, may not exceed \$2,500.

23 ~~(9)~~(11) The provisions of this part and the department rules governing live card games apply to live card
 24 games conducted as part of a tournament unless otherwise provided."

25

26 ~~Section 6. Section 23-5-324, MCA, is amended to read:~~

27 ~~"23-5-324. Card room contractor's license -- fee -- submission of contract. (1) It is a misdemeanor~~
 28 ~~for a person to enter into a contract with a licensed operator to operate one or more live card game tables on the~~
 29 ~~operator's premises without obtaining a card room contractor's license from the department.~~

30 ~~(2) The department shall charge an annual license fee of \$150 \$500 for issuing or renewing a card room~~

1 ~~contractor's license. The department shall retain the fee for administrative purposes.~~

2 ~~———(3) The applicant shall submit at the time of application for a card room contractor's license a copy of~~
3 ~~the agreement entered into with the licensed operator."~~

4

5 **Section 6.** Section 23-5-710, MCA, is amended to read:

6 **"23-5-710. Requirements for conducting casino nights.** A nonprofit organization that has obtained
7 a permit under 23-5-706 shall conduct a casino night in compliance with the following conditions:

8 (1) (a) Except as provided in subsection (1)(b), a casino night may not last more than 12 consecutive
9 hours.

10 (b) A casino night may be split into two separate, 6-consecutive hour sessions that may not be held on
11 the same day but must be held in the same calendar year.

12 (2) The casino night must be managed and operated only by members of the nonprofit organization that
13 was issued the permit under 23-5-706. The members may not be compensated for their services.

14 (3) Only merchandise or cash may be awarded as prizes.

15 (4) Proceeds derived from the casino night, after payment of reasonable administrative expenses, may
16 be used only for a civic, charitable, or educational purpose, and administrative expenses may not exceed 50%
17 of the proceeds.

18 (5) If cash prizes are awarded, the prizes for bingo and keno may not exceed the prize limits established
19 in 23-5-412. Live card games must be limited to those authorized in 23-5-311, and the prizes may not exceed
20 the prize amount established in 23-5-312.

21 (6) A casino night may not include a card game tournament provided for in 23-5-317."

22

23 **NEW SECTION. Section 7. Regulation of house players.** (1) The department shall provide rules to
24 regulate the use of house players by licensed operators and licensed card room contractors.

25 (2) House players may be used only for the purpose of starting a card game or maintaining a sufficient
26 number of players in a card game.

27 (3) Any chips or money advanced by an operator, card room contractor, or dealer to a house player may
28 not become a debt of the player.

29 (4) The operator, card room contractor, or dealer shall identify house players upon request.

30

1 NEW SECTION. **Section 8. Repealer.** Section 23-5-319, MCA, is repealed.

2

3 NEW SECTION. **Section 9. Codification instruction.** [Section 8 7] is intended to be codified as an
4 integral part of Title 23, chapter 5, part 3, and the provisions of Title 23, chapter 5, part 3, apply to [section 8 7].

5

6 NEW SECTION. **Section 10. Effective date.** [This act] is effective July 1, 2007.

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- END -