

DEPARTMENT OF JUSTICE
HB 127: General Revision of Gambling Laws

Background

The Gaming Advisory Council is made up of nine members who represent the legislature, the gaming industry, local government, Native Americans and the general public. State law charges the Council with reporting its recommendations for changes in gambling statutes to the legislature. Over the past two years, the Gaming Advisory Council has developed recommendations for the statutory changes contained in HB 127.

Recommendations Identified by the Gaming Advisory Council

1. Create an expiration or "stale date" for winning video gambling machine tickets.

Montana law currently requires that all valid video gambling machine ticket vouchers (win tickets) be paid by the licensed operator of the machine, regardless of how old the win ticket is.

When someone finds an old win ticket and tries to redeem it months after it was printed from a video gambling machine, it creates a number of problems for the business operator and the Gambling Control Division.

- Since most operators don't keep older machine records on site, it can be difficult for an operator to determine the validity of an old win ticket.
- If the operator refuses to pay the win ticket, the player generally complains to the Gambling Control Division.
- When the Division gets a complaint, it is required to send division staff to conduct an investigation, regardless of where the operator is located or the value of the ticket. For example, the Division may have to send an investigator all the way from Glendive to Sidney to investigate a complaint, which typically involves vouchers valued at between \$5 and \$20.
- The result in most of these cases is that the Division requires the operator to attempt to find the record and pay the player the win ticket's value, and the Division issues a violation to the operator for failure to pay a valid win ticket.

Based on the Council's recommendation, HB 127 would amend Section 23-5-608, MCA, to allow the Gambling Control Division to set a ticket voucher "stale date" by administrative rule. Beyond this date, the ticket would no longer be deemed valid.

2. Clarify that the four levels of gambling licensees may buy and sell video gambling machines from and to each other.

The Gambling Control Division interprets Section 23-5-112, MCA, to allow different levels of licensees – manufacturers, distributors, route operators and operators – to buy and sell machines to each other. HB 127 would state this authority clearly by amending Section 23-5-112 (12), (28) and (37) MCA.

3. Update Bingo Laws

The Council heard testimony from live bingo operators concerned about the viability of their games. Operators expressed concern that it has become increasingly difficult for them to compete against video gambling machine play and tribal bingo games.

- Live bingo game – maximum payout is \$100 per card
- Video poker, bingo or keno gambling machines – maximum payout is \$800 per card or hand

Based on these concerns, the Council recommends the following additions and amendments to Sections 23-5-112(7) and 23-5-412, MCA:

- allowing an \$800 payout in a live bingo game.
- establishing a maximum \$3,000 payout limit per bingo session, with limited exceptions. This would be comparable to the total payout amounts authorized under current law based upon the number of games offered in normal play by the bingo operators.
- authorizing the use of break-open bingo cards for use in a variation of bingo in which the player "breaks" open a card to reveal a hidden bingo card that is then compared against pre-drawn numbers.

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