

1 HOUSE BILL NO. 127

2 INTRODUCED BY P. NOONAN

3 BY REQUEST OF THE DEPARTMENT OF JUSTICE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING GAMBLING LAWS; REVISING BINGO
6 LAWS; REVISING VIDEO GAMBLING MACHINE LAWS; PROVIDING RULEMAKING AUTHORITY; AND
7 AMENDING SECTIONS 23-5-112, 23-5-412, AND 23-5-608, MCA."

8

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

10

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

12 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to parts
13 1 through 8 of this chapter:

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

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

18 (3) "Associated gambling business" means a person who provides a service or product to a licensed
19 gambling business and who:

20 (a) has a reason to possess or maintain control over gambling devices;

21 (b) has access to proprietary information or gambling tax information; or

22 (c) is a party in processing gambling transactions.

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

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

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

3 (7) "Bingo session" means all activities incidental to a series of bingo games conducted by a licensed
4 operator beginning when the first bingo ball is drawn in the first game of bingo.

5 ~~(7)~~(8) "Card game table" or "table" means a live card game table:

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

8 (b) operated by a senior citizen center.

9 ~~(8)~~(9) "Card game tournament" means a gambling activity for which a permit has been issued involving
10 participants who pay valuable consideration for the opportunity to compete against each other in a series of live
11 card games conducted over a designated period of time.

12 ~~(9)~~(10) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

13 ~~(10)~~(11) "Department" means the department of justice.

14 ~~(11)~~(12) "Distributor" means a person who:

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

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

18 ~~(12)~~(13) (a) "Gambling" or "gambling activity" means risking any money, credit, deposit, check, property,
19 or other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation of a
20 gambling device or gambling enterprise.

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

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

25 ~~(13)~~(14) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot
26 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling
27 activity.

28 ~~(14)~~(15) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,
29 scheme, or agreement to provide gambling or a gambling device to the public.

30 ~~(15)~~(16) (a) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property

1 to be awarded by purchasing or agreeing to purchase goods or services.

2 (b) The term does not mean:

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

5 (ii) a promotional game of chance; or

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

7 ~~(16)~~(17) "Gross proceeds" means gross revenue received less prizes paid out.

8 ~~(17)~~(18) "House player" means a person participating in a card game who has a financial relationship
9 with the operator, card room contractor, or dealer or who has received money or chips from the operator, card
10 room contractor, or dealer to participate in a card game.

11 ~~(18)~~(19) "Illegal gambling device" means a gambling device not specifically authorized by statute or by
12 the rules of the department. The term includes:

13 (a) a ticket or card, by whatever name known, containing concealed numbers or symbols that may match
14 numbers or symbols designated in advance as prize winners, including a pull tab, punchboard, push card, tip
15 board, pickle ticket, break-open, or jar game, except for one used under Title 23, chapter 7, or under part 5 of this
16 chapter, in a bingo game approved by the department under part 4 of this chapter, or in a promotional game of
17 chance approved by the department; and

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

21 ~~(19)~~(20) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically
22 authorized by a statute or a rule of the department. The term includes:

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

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

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

1 (d) credit gambling; and

2 (e) internet gambling.

3 ~~(20)~~(21) (a) "Internet gambling", by whatever name known, includes but is not limited to the conduct of
4 any legal or illegal gambling enterprise through the use of communications technology that allows a person using
5 money, paper checks, electronic checks, electronic transfers of money, credit cards, debit cards, or any other
6 instrumentality to transmit to a computer information to assist in the placing of a bet or wager and corresponding
7 information related to the display of the game, game outcomes, or other similar information.

8 (b) The term does not include the operation of a simulcast facility or advance deposit wagering with a
9 licensed advance deposit wagering hub operator allowed by Title 23, chapter 4, or the state lottery provided for
10 in Title 23, chapter 7. If all aspects of the gaming are conducted on Indian lands in conformity with federal statutes
11 and with administrative regulations of the national Indian gaming commission, the term does not include class
12 II gaming or class III gaming as defined by 25 U.S.C. 2703.

13 ~~(21)~~(22) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal rows
14 and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized equipment, shall
15 select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

16 ~~(22)~~(23) "Keno caller" means a person 18 years of age or older who, using authorized equipment,
17 announces the order of the numbers drawn in live keno.

18 ~~(23)~~(24) "License" means a license for an operator, dealer, card room contractor, manufacturer of devices
19 not legal in Montana, sports tab game seller, manufacturer of electronic live bingo or keno equipment, other
20 manufacturer, distributor, or route operator that is issued to a person by the department.

21 ~~(24)~~(25) "Licensee" means a person who has received a license from the department.

22 ~~(25)~~(26) "Live card game" or "card game" means a card game that is played in public between persons
23 on the premises of a licensed gambling operator or in a senior citizen center.

24 ~~(26)~~(27) (a) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of
25 property among persons who have paid or promised to pay valuable consideration for the chance of obtaining
26 the property or a portion of it or for a share or interest in the property upon an agreement, understanding, or
27 expectation that it is to be distributed or disposed of by lot or chance.

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

29 ~~(27)~~(28) "Manufacturer" means a person who:

30 (a) assembles from raw materials or subparts a completed piece of equipment or pieces of equipment

1 of any kind to be used as a gambling device and who sells the equipment directly to a licensed distributor, route
 2 operator, or operator; or

3 (b) possesses gambling devices or components of gambling devices for the purpose of testing them;

4 or

5 (c) purchases gambling devices or components from licensed manufacturers, distributors, route
 6 operators, or operators as trade-ins or to refurbish, rebuild, or repair to sell to licensed manufacturers, distributors,
 7 route operators, or operators.

8 ~~(28)~~(29) "Nonprofit organization" means a nonprofit corporation or nonprofit charitable, religious,
 9 scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organization established
 10 to support charitable activities, scholarships or educational grants, or community service projects.

11 ~~(29)~~(30) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
 12 operates or controls for use in public a gambling device or gambling enterprise authorized under parts 1 through
 13 8 of this chapter.

14 ~~(30)~~(31) "Permit" means approval from the department to make available for public play a gambling
 15 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

16 ~~(34)~~(32) "Person" or "persons" means both natural and artificial persons and all partnerships,
 17 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable organizations.

18 ~~(32)~~(33) "Premises" means the physical building or property within or upon which a licensed gambling
 19 activity occurs, as stated on an operator's license application and approved by the department.

20 ~~(33)~~(34) "Promotional game of chance" means a scheme, by whatever name known, for the disposal or
 21 distribution of property among persons who have not paid or are not expected to pay any valuable consideration
 22 or who have not purchased or are not expected to purchase any goods or services for a chance to obtain the
 23 property, a portion of it, or a share in it. The property is disposed of or distributed by simulating a gambling
 24 enterprise authorized by parts 1 through 8 of this chapter or by operating a device or enterprise approved by the
 25 department that was manufactured or intended for use for purposes other than gambling.

26 ~~(34)~~(35) "Public gambling" means gambling conducted in:

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

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

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

3 ~~(35)~~(36) "Raffle" means a form of lottery in which each participant pays valuable consideration for a ticket
4 to become eligible to win a prize. Winners must be determined by a random selection process approved by
5 department rule.

6 ~~(36)~~(37) "Route operator" means a person who:

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

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

10 (c) may sell to a licensed operator equipment that had previously been authorized to be operated on a
11 premises and may sell gambling equipment to a distributor or manufacturer.

12 ~~(37)~~(38) "Senior citizen center" means a facility operated by a nonprofit or governmental organization that
13 provides services to senior citizens in the form of daytime or evening educational or recreational activities and
14 does not provide living accommodations to senior citizens. Services qualifying under this definition must be
15 recognized in the state plan on aging adopted by the department of public health and human services.

16 ~~(38)~~(39) (a) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,
17 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or upon
18 payment of any valuable consideration, is available to play or operate, the play or operation of which, whether
19 by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the
20 person playing or operating the gambling device to receive cash, premiums, merchandise, tokens, or anything
21 of value, whether the payoff is made automatically from the machine or in any other manner.

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

23 ~~(39)~~(40) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter
24 and the rules of the department."

25

26 **Section 2.** Section 23-5-412, MCA, is amended to read:

27 **"23-5-412. Card prices and prizes -- exception.** (1) Except as provided in subsection ~~(3)~~ (2):

28 (a) the price for an individual ~~bingo or~~ keno card may not exceed 50 cents; and

29 (b) a prize may not exceed the value of \$100 for each individual ~~bingo game or~~ keno card; and

30 ~~(c) it is unlawful to, in any manner, combine any bingo or keno games so as to increase the ultimate~~

1 value of the prize.

2 ~~(2) Bingo and keno prizes may be paid in either tangible personal property or cash.~~

3 ~~(3) (a)(2) A variation of the game of keno, as approved by the department, in which a player selects three~~
4 ~~or more numbers and places a wager on various combinations of these numbers is permissible if:~~

5 ~~(i)(a) no more than 50 cents is wagered on each combination of numbers; and~~

6 ~~(i)(b) a winning combination does not pay more than \$100.~~

7 ~~(b) A variation of the game of bingo, as approved by the department, in which prizes may be awarded~~
8 ~~for each winning bingo pattern on a card is permissible if:~~

9 ~~—— (i) no more than 50 cents is wagered on each bingo pattern; and~~

10 ~~—— (ii) a winning pattern does not pay more than \$100.~~

11 ~~(4) Any bingo card other than a standard card with 5 columns and 25 squares with 1 number appearing~~
12 ~~in each square or any card that allows the player to print numbers on the card must be approved by the~~
13 ~~department prior to being offered for play.~~

14 ~~(5)(3) A player may give a keno caller a card with instructions on the card to play that card and its~~
15 ~~marked numbers for up to the number of successive games that the house allows and that the player has~~
16 ~~indicated on the card, upon payment of the price per game times the number of successive games indicated. The~~
17 ~~player shall remain on the house premises until the card is played or withdrawn. The caller shall keep the card~~
18 ~~until the end of the number of games indicated, and the department may by rule provide that at that time the caller~~
19 ~~shall pay the player any prizes won.~~

20 ~~(4) A bingo session must last at least 2 consecutive hours or 20 or more consecutive bingo games. A~~
21 ~~bingo session may not begin less than 2 hours after the conclusion of a prior session conducted on the same~~
22 ~~premises.~~

23 ~~(5) Except as provided in subsections (6), (7), and (9):~~

24 ~~(a) the price for an individual bingo card may not exceed \$1;~~

25 ~~(b) a prize may not exceed the value of \$800 for each individual bingo game, and total bingo prize~~
26 ~~payouts may not exceed \$3,000 during a bingo session.~~

27 ~~(6) A variation of the game of bingo, as approved by the department, in which prizes may be awarded~~
28 ~~for each winning bingo pattern on a card is permissible if:~~

29 ~~(a) no more than 50 cents is wagered on each bingo pattern; and~~

30 ~~(b) a winning pattern does not pay more than \$100.~~

1 (7) Subject to the department's approval, an operator licensed to conduct live bingo games may conduct
 2 up to five special bingo sessions a year, in which a bingo prize may not exceed the value of \$800 and the total
 3 bingo prize payouts may not exceed \$5,000 during the special bingo session. At least 30 days must elapse
 4 between the conclusion of one special bingo session and the beginning of the next special bingo session. Before
 5 the start of a special bingo session, the operator shall submit to the department an application for a special bingo
 6 session event permit. The application must be accompanied by a \$10 fee, which the department shall retain for
 7 administrative purposes. An exempt charitable organization under 23-5-406 that offers live bingo activities is not
 8 eligible for a special bingo session event permit.

9 (8) Any bingo card other than a standard card with 5 columns and 25 squares with 1 number appearing
 10 in each square or any card that allows the player to print numbers on the card must be approved by the
 11 department prior to being offered for play.

12 (9) An exempt charitable organization under 23-5-406 that conducts live bingo activities at a place other
 13 than its main premises or place of operations:

14 (a) is not limited to a maximum per-session prize payout limit;

15 (b) may not charge more than 50 cents for an individual bingo card; and

16 (c) may not award a bingo prize that exceeds \$100 in value.

17 ~~(6)~~(10) If a licensed operator conducts a promotional game of chance involving bingo or keno, the value
 18 of the prize limit provided for in subsection (1) applies to prizes awarded as a result of the promotional game of
 19 chance may not exceed \$100.

20 (11) It is unlawful to combine, in any manner, any bingo or keno games so as to increase the ultimate
 21 value of the prize. Bingo and keno prizes may be paid in either tangible personal property or cash or in any
 22 combination of tangible personal property and cash."

23

24 **Section 3.** Section 23-5-608, MCA, is amended to read:

25 **"23-5-608. Limitation on amount of money played and value of prizes -- payment of credits in cash**
 26 **-- ticket voucher expiration -- rules.** (1) A video gambling machine may not allow more than \$2 to be played
 27 on a game or award free games or credits in excess of the following amounts:

28 (a) \$800 a game for a video draw poker machine; and

29 (b) \$800 a game for a video keno or bingo machine.

30 (2) A licensee shall pay in cash all credits owed to a player as shown on a valid ticket voucher.

1 (3) The department may establish by rule a reasonable time period during which a player shall present
2 a valid ticket voucher to the licensee for payment before the voucher may be considered expired and invalid."

3 - END -