

HOUSE BILL NO. 141

INTRODUCED BY P. NOONAN

BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING GAMBLING CONTROL LAWS; REVISING PRIZE AMOUNTS; CREATING LARGE-STAKES AND SMALL-STAKES TOURNAMENTS; AMENDING MACHINE PERMIT FEES; AMENDING SECTIONS 23-5-312, 23-5-317, 23-5-318, AND 23-5-612, MCA; AND PROVIDING EFFECTIVE DATES."

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

Section 1. Section 23-5-312, MCA, is amended to read:

"23-5-312. Prizes not to exceed \$300 \$800. (1) A prize for an individual live card game may not exceed the value of ~~\$300~~ \$800. Games may not be combined in any manner so as to increase the value of the ultimate prize awarded. Except during a tournament conducted under 23-5-317, all prizes must be awarded immediately upon completion of each hand.

(2) If a licensed operator conducts a promotional game of chance involving a live card game, the prize limit provided for in subsection (1) applies to prizes awarded as a result of the promotional game of chance."

Section 2. Section 23-5-317, MCA, is amended to read:

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

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

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

1 ~~annual 12-tournament limit.~~

2 (1) (a) A licensed operator who has a permit for placing at least one live card game table on the
3 operator's premises may apply to the department for an annual large-stakes live card game tournament permit.
4 A large-stakes tournament permit allows the operator to conduct up to 12 large-stakes tournaments a year on
5 the operator's premises.

6 (b) The department shall charge an annual fee of \$120 for a large-stakes tournament permit. The permit
7 fee may not be prorated and must be retained by the department for administrative purposes.

8 (c) A large-stakes tournament may not be conducted for more than 5 consecutive days. If an operator
9 conducts more than one large-stakes tournament a year, at least 7 days must lapse between the conclusion of
10 one tournament and the beginning of the next tournament.

11 (d) The operator shall notify the department at least 5 days before the start of a large-stakes tournament.
12 If a tournament will be conducted on the premises of more than one licensed operator, each operator shall notify
13 the department at least 5 days before the start of the tournament. Except as provided in subsection (1)(f), each
14 large-stakes tournament is counted toward each operator's annual 12-tournament limit.

15 ~~(e)~~(e) An operator issued a large-stakes tournament permit may participate in with other
16 large-stakes tournament permit holders to conduct a progressive large-stakes card game tournament in which
17 the ultimate prize is not awarded until the final round of the tournament is completed.

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

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

22 (f) An operator issued a large-stakes tournament permit may conduct up to three charitable large-stakes
23 tournaments a year that are not counted toward the operator's annual 12-tournament limit. The operator shall
24 notify the department of the charitable tournament at least 5 days before the start of the tournament.

25 (g) An operator may charge an entry fee for a large-stakes tournament, which may include a fee to cover
26 expenses incurred from conducting the tournament. The total amount paid by a participant to enter a large-stakes
27 tournament, including any additional purchase of chips or other payment during the tournament, may not exceed
28 \$2,500. A participant in a large-stakes tournament who has been eliminated from competition during the
29 tournament may reenter the tournament by paying an additional fee if the tournament rules allow the participant
30 to reenter the tournament.

1 (h) The prize for a large-stakes tournament may include the right to participate in another tournament
2 if the value of a seat in the higher-level tournament equals the value of the expected top prize for the tournament.

3 (2) (a) A licensed operator who has a permit for placing at least one live card game table on the
4 operator's premises may apply to the department for an annual small-stakes live card game tournament permit.
5 A small-stakes tournament permit allows the operator to conduct daily small-stakes tournaments on the operator's
6 premises.

7 (b) The department shall charge an annual fee of \$500 for a small-stakes tournament permit. The permit
8 fee may not be prorated and must be retained by the department for administrative purposes.

9 (c) An operator may charge an entry fee for a small-stakes tournament, which may include a fee to cover
10 expenses incurred from conducting the tournament. The total amount paid by a participant to enter a small-stakes
11 tournament may not exceed \$80. A participant in a small-stakes tournament may not repurchase or add chips
12 or reenter the tournament after elimination.

13 (d) A small-stakes tournament permitholder may place one additional live card table on the
14 permitholder's premises, which may be used only for a small-stakes tournament. The tournament may be
15 conducted on permitted card tables and the additional tournament card table.

16 ~~(4)(3)~~ Tournament participants must be provided with a copy of the tournament rules before the start of
17 the a large-stakes or small-stakes tournament. A copy of the rules must be posted in a conspicuous location in
18 each area where the tournament is conducted.

19 (4) Permits for the placement of additional live card game tables as provided in 23-5-306 are not required
20 for:

21 (a) additional tables authorized under a large-stakes tournament permit; or

22 (b) an additional small-stakes tournament table authorized under subsection (2)(d).

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

26 (6) Only a dealer licensed under 23-5-308 may deal cards at a large-stakes or small-stakes poker or
27 panguingue tournament.

28 ~~(7) A licensed operator may charge a tournament participant an entry fee, which may include a fee to~~
29 ~~cover expenses incurred in conducting the tournament. A participant who has been eliminated from competition~~
30 ~~during the tournament may reenter the tournament by paying an additional fee if permitted to do so under~~

1 ~~tournament rules. A rake-off may not be taken during a tournament card game.~~

2 ~~(8)(7)~~ The face value of the chips used does not govern the value of the pot awarded at the end of the
3 tournament.

4 (8) At least 50% of the total amount of the entrance fees for any large-stakes or small-stakes tournament
5 that is represented as a charitable tournament must be paid to a charitable, educational, or recreational nonprofit
6 organization.

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

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

11 (9) A rake-off may not be taken during a large-stakes or small-stakes tournament card game.

12 ~~(11)(10)~~ The provisions of this part and the department rules governing live card games apply to live card
13 games conducted as part of a tournament unless otherwise provided."

14

15 **Section 3.** Section 23-5-318, MCA, is amended to read:

16 **"23-5-318. Poker run defined -- authorization -- conditions.** (1) For the purposes of this section,
17 "poker run" means a gambling activity involving a live poker card game conducted in the following manner:

18 (a) Each person pays valuable consideration to participate.

19 (b) A participant travels to designated locations and obtains a playing card at each location. Cards
20 accumulated by the participant constitute a poker hand.

21 (c) After each participant has accumulated the required number of cards, the participants' poker hands
22 are ranked as described in the poker run rules to determine the winner.

23 (2) It is lawful to conduct or participate in a poker run subject to the following conditions:

24 (a) Each participant must receive a copy of the rules for conducting the poker run before the poker run
25 begins. The rules must include:

26 (i) the amount of the entry fee;

27 (ii) the type of poker game being played and ranking of poker hands;

28 (iii) the value of the prizes to be awarded;

29 (iv) a description of the locations where playing cards may be obtained; and

30 (v) the date and time during which the poker run will be conducted.

1 (b) The rules may provide for more than one winner of the ranked hands, with each winner receiving a
2 prize, but a prize may not exceed ~~\$300~~ \$800 in value.

3 (c) Except as provided in subsection (2)(d), all consideration paid to participate in a poker run must be
4 expended on the prize or prizes.

5 (d) If a poker run is conducted by a nonprofit organization, as defined in 23-5-112, the organization may
6 retain a portion of the total amount paid to participate."
7

8 **Section 4.** Section 23-5-612, MCA, is amended to read:

9 **"23-5-612. Machine permits -- fees.** (1) The department, upon payment by the operator of the fee
10 provided in subsection (2) and in conformance with rules adopted under this part, shall issue to the operator an
11 annual permit for an approved video gambling machine.

12 (2) (a) The department shall charge an annual permit fee of ~~\$220~~ \$240 for each video gambling machine
13 permit. The fee must be prorated on a quarterly basis but may not be prorated to allow a permit to expire before
14 June 30. The department may not grant a refund if the video gambling machine ceases operation before the
15 permit expires.

16 (b) If the person holding the gambling operator's license for the premises in which the machine is located
17 changes during the first quarter of the permit year and the new operator has received an operator's license and
18 if a machine transfer processing fee of \$25 per machine is paid to the department, the permit remains valid for
19 the remainder of the permit year.

20 (3) The department shall deposit ~~\$120~~ \$140 of the annual permit fee or for a prorated fee shall deposit
21 ~~\$90~~ \$105 for three quarters, ~~\$60~~ \$70 for two quarters, and ~~\$30~~ \$35 for one quarter collected under subsection
22 (2)(a) and 100% of the machine transfer processing fee collected under subsection (2)(b) in the state special
23 revenue fund for purposes of administering this part and for other purposes provided by law. The balance of the
24 fee collected under subsection (2)(a) must be returned on a quarterly basis to the local government jurisdiction
25 in which the gambling machine is located. The local government portion of the fee is statutorily appropriated to
26 the department, as provided in 17-7-502, for deposit in the local government treasury."
27

28 **NEW SECTION. Section 5. Effective dates.** (1) Except as provided in subsection (2), [this act] is
29 effective October 1, 2013.

30 (2) [Section 4 and this section] are effective July 1, 2013.

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