

HOUSE BILL NO. 502
INTRODUCED BY D. GALLIK

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING A PORTION OF VIDEO GAMBLING TAX PROCEEDS TO THE BOARD OF HORSERACING TO BE USED FOR PURPOSES THAT THE BOARD CONSIDERS APPROPRIATE FOR THE GOOD OF THE HORSERACING AND BREEDING INDUSTRY; AMENDING SECTION 23-5-610, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 23-5-610, MCA, is amended to read:

"23-5-610. Video gambling machine gross income tax -- records -- distribution -- quarterly statement and payment. (1) A licensed machine owner shall pay to the department a video gambling machine tax of 15% of the gross income from each video gambling machine issued a permit under this part. A licensed machine owner may deduct from the gross income amounts equal to amounts stolen from machines if the amounts stolen are not repaid by insurance or under a court order, if a law enforcement agency investigated the theft, and if the theft is the result of either unauthorized entry and physical removal of the money from the machines or of machine tampering and the amounts stolen are documented.

(2) A licensed machine owner shall keep a record of the gross income from each video gambling machine issued a permit under this part in the form the department requires. The records must at all times during the business hours of the licensee be subject to inspection by the department.

(3) For each video gambling machine issued a permit under this part, a licensed machine owner shall, within 15 days after the end of each quarter and in the manner prescribed by the department, complete and deliver to the department a statement showing the total gross income, together with the total amount due the state as video gambling machine gross income tax for the preceding quarter. The statement must contain other relevant information that the department requires.

(4) (a) The department shall, in accordance with the provisions of 15-1-501, forward the tax collected under subsection (3) to the state treasurer. Except as provided in subsection (4)(b), the state treasurer shall deposit the tax proceeds in the general fund.

(b) The state treasurer shall deposit 0.0075% of the tax proceeds in the state special revenue account provided for in 23-4-304 to be used by the board of horseracing for purposes that the board considers appropriate

for the good of the horseracing and breeding industry as provided in 23-4-304(2)."

NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2007.

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