

HOUSE BILL NO. 577

INTRODUCED BY K. HOLMLUND, C. LARSEN, D. MORTENSEN, M. NOLAND, K. WHITE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROVISIONS RELATED TO RACE MEET GAMBLING; DEFINING THE TERM "MONTANA WAGER" WITH RESPECT TO PARIMUTUEL BETTING ON RACE MEETS; SPECIFYING THAT ACCEPTING A MONTANA WAGER WITHOUT A MONTANA LICENSE IS UNLAWFUL AND PUNISHABLE AS AN ILLEGAL GAMBLING ENTERPRISE; AND AMENDING SECTIONS 23-4-101 AND 23-4-301, MCA."

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

Section 1. Section 23-4-101, MCA, is amended to read:

"23-4-101. Definitions. Unless the context requires otherwise, in this chapter, the following definitions apply:

(1) "Advance deposit wagering" means a form of parimutuel wagering in which a person deposits money in an account with an advance deposit wagering hub operator licensed by the board to conduct advance deposit wagering. The money is used to pay for parimutuel wagers made in person, by telephone, or through a communication by other electronic means on horse or greyhound races held in or outside this state.

(2) "Advance deposit wagering hub operator" means a simulcast and interactive wagering hub business licensed by the board that, through a subscriber-based service located in this or another state, conducts parimutuel wagering on the races that it simulcasts and on other races that it carries in its wagering menu and that uses a computer that registers bets and divides the total amount bet among those who won.

(3) "Board" means the board of horseracing provided for in 2-15-1809.

(4) "Board of stewards" means a board composed of three stewards who supervise race meets.

(5) "Department" means the department of commerce provided for in Title 2, chapter 15, part 18.

(6) "Fantasy sports league" has the meaning provided in 23-5-801.

(7) "Immediate family" means the spouse, parents, children, grandchildren, brothers, or sisters of an official or licensee regulated by this chapter who have a permanent or continuous residence in the household of the official or licensee and all other persons who have a permanent or continuous residence in the household of the official or licensee.

1 (8) "Match bronc ride" means a saddle bronc riding contest consisting of two sections known as a "long
2 go" and a "short go" in which the win, place, and show winners are determined by judges of the rides for each
3 go.

4 (9) "Minor" means a person under 18 years of age.

5 (10) "Montana wager" means a parimutuel wager that is placed at a race track in Montana or on a race
6 being conducted in Montana or any parimutuel wager placed by a Montana resident on a race conducted outside
7 of Montana.

8 ~~(10)~~(11) "Parimutuel facility" means a facility licensed by the board at which fantasy sports leagues are
9 conducted and wagering on the outcome under a parimutuel system is permitted.

10 ~~(11)~~(12) "Parimutuel network" means an association licensed by the board to compile and distribute
11 fantasy sports league rosters and weekly point totals for licensed parimutuel facilities and to manage statewide
12 parimutuel wagering pools on fantasy sports leagues.

13 ~~(12)~~(13) "Persons" means individuals, firms, corporations, fair boards, and associations.

14 ~~(13)~~(14) (a) "Race meet" means racing of registered horses or mules, match bronc rides, and wild horse
15 rides at which the parimutuel system of wagering is used. The term includes horseraces, mule races, and
16 greyhound races that are simulcast.

17 (b) The term does not include live greyhound racing.

18 ~~(14)~~(15) "Racing" means live racing of registered horses or mules and simulcast racing of horses, mules,
19 and greyhounds.

20 ~~(15)~~(16) "Simulcast" means a live broadcast of an actual horserace, mule race, or greyhound race at the
21 time it is run. The term includes races of local or national prominence.

22 ~~(16)~~(17) "Simulcast facility" means a facility at which horseraces, mule races, or greyhound races are
23 simulcast and wagering on the outcome is permitted under the parimutuel system.

24 ~~(17)~~(18) "Simulcast parimutuel network" means an association that has contracted with the board to
25 receive or originate intrastate and interstate simulcast race signals, relay the race signals to licensed simulcast
26 facilities, and manage statewide parimutuel wagering pools on simulcast races or has been licensed by the board
27 to operate a statewide parimutuel wagering pool for fantasy sports leagues. The board may act as a simulcast
28 parimutuel network provider with respect to simulcast races.

29 ~~(18)~~(19) "Source market fee" means the portion of a wager made with a licensed advance deposit
30 wagering hub operator by a Montana resident that is paid to the board.

1 ~~(19)~~(20) "Steward" means an official hired by the department and by persons sponsoring a race meet
2 to regulate and control the day-to-day conduct and operation of a sanctioned meet.

3 ~~(20)~~(21) "Wild horse ride" means a wild horse riding contest in which three-person teams attempt to
4 saddle a wild horse and ride it completely around a track with the first to do so declared the winner."
5

6 **Section 2.** Section 23-4-301, MCA, is amended to read:

7 **"23-4-301. Parimutuel betting -- other betting illegal -- penalty.** (1) It is unlawful to make, report,
8 record, or register a bet or wager on the result of a contest of speed, skill, or endurance of an animal, whether
9 the contest is held within or outside this state, except under 23-5-502 or this chapter.

10 (2) A licensee conducting a race meet under this chapter may provide a place in the race meet grounds
11 or enclosure where the licensee may conduct or supervise the use of the parimutuel system by patrons on the
12 result of the races conducted under this chapter and the rules of the board.

13 (3) A person licensed under this chapter to hold a race meet may simulcast live races at a place in the
14 race meet grounds or simulcast facility where the licensee may conduct or supervise the use of the parimutuel
15 system by patrons on the results of simulcast races approved by the board.

16 (4) It is unlawful to conduct pool selling or bookmaking or to circulate handbooks or to bet or wager on
17 a race of a licensed race meet, other than by the parimutuel system and in the race meet grounds or enclosure
18 where the race is held, or to permit a minor to use the parimutuel system.

19 (5) Each licensee conducting a parimutuel system for an intrastate simulcast race meet shall combine
20 the parimutuel pools at a simulcast facility with those at the actual racing facility for the purpose of determining
21 the odds and computing payoffs. The amount of the handle at the simulcast race meet must be combined with
22 the amount of the parimutuel handle at the live racing facility for the purposes of distribution of money derived
23 from parimutuel betting under 23-4-302 and 23-4-304.

24 (6) Negotiated purse money from intrastate and interstate simulcast parimutuel handles at racing
25 associations that do not conduct live racing will be pooled and distributed to all tracks conducting live racing. All
26 money must be distributed on a percentage, based on each track's percent, of the total annual on-track
27 parimutuel handle.

28 (7) The board may license an advance deposit wagering hub operator to conduct advance deposit
29 wagering. Advance deposit wagering is prohibited and illegal unless it is conducted through an advance deposit
30 wagering hub operator licensed by the board. A licensed advance deposit wagering hub operator:

- 1 (a) may accept advance deposit wagering money for races conducted by a licensed race meet;
- 2 (b) may not accept a wager in an amount in excess of the money on deposit in the account of a person
3 who wishes to make the wager;
- 4 (c) may not allow a person under 18 years of age to open an account with the advance deposit wagering
5 hub operator, make a wager from an account, or otherwise have access to an account;
- 6 (d) shall include a statement in any of its advertising for advance deposit wagering that a person under
7 18 years of age is not allowed to participate;
- 8 (e) shall verify the identification, residence, and age of each person seeking to open an advance deposit
9 wagering account;
- 10 (f) shall agree to pay to the board a source market fee in an amount equal to a percentage, as set forth
11 in its license agreement, of the total amount wagered by Montana residents from their accounts with the advance
12 deposit wagering hub operator; and
- 13 (g) shall agree to a payment schedule of source market fees as set forth in its license agreement.
- 14 (8) (a) It is unlawful for a person or organization to accept a Montana wager without being licensed by
15 the state of Montana as provided in this chapter.
- 16 (b) A violation of subsection (8)(a) is an illegal gambling enterprise, as defined in 23-5-112, and is
17 punishable as provided by law.
- 18 ~~(8)(9)~~ It is unlawful to:
- 19 (a) conduct pool selling or bookmaking or to wager on a fantasy sports league other than by the
20 parimutuel system and by being physically present at the licensed parimutuel facility;
- 21 (b) permit a minor to use the parimutuel system; or
- 22 (c) conduct internet or telephone wagering on fantasy sports leagues."

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24 **NEW SECTION. Section 3. Saving clause.** [This act] does not affect rights and duties that matured,
25 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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