

HOUSE BILL NO. 385

INTRODUCED BY W. GALT

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3
4 A BILL FOR AN ACT ENTITLED: "AN ACT LEGALIZING BLACKJACK OR TWENTY-ONE UNDER THE CARD
5 GAMES ACT; ALLOWING A NONPROFIT ORGANIZATION LICENSED AS A CARD ROOM CONTRACTOR
6 TO PROVIDE BLACKJACK; CREATING A STATE SPECIAL REVENUE ACCOUNT; TAXING PROCEEDS
7 FROM BLACKJACK TABLES; LIMITING THE NUMBER OF TABLES PER ESTABLISHMENT; SETTING A
8 MAXIMUM BET LIMIT; EXPANDING RULEMAKING AUTHORITY; AND AMENDING SECTIONS 23-5-112,
9 23-5-308, 23-5-309, 23-5-311, 23-5-312, AND 23-5-317, MCA."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12
13 **NEW SECTION. Section 1. Blackjack live card game table -- permit -- fees -- disposition of fees.**

14 (1) (a) A nonprofit organization that is licensed as a card room contractor as provided in 23-5-324 and uses card
15 game dealers that are licensed as provided in 23-5-308 may be granted an annual permit for the placement of
16 live blackjack or twenty-one game tables. An organization licensed under this section must be an independent
17 contractor that contracts to place live blackjack or twenty-one tables at a licensed premises.

18 (b) A permit is not required for live blackjack or twenty-one games played for prizes of minimal value,
19 as defined by department rule.

20 (2) (a) The annual permit fee for each live blackjack or twenty-one game table operated in a licensed
21 operator's premises is \$500 for each table and may not be prorated.

22 (b) The department shall retain for administrative purposes the permit fee charged for the issuance of
23 the permit.

24 (3) No more than three tables may be located within the same establishment.
25

26 **NEW SECTION. Section 2. Blackjack proceeds state special revenue account.** (1) There is an
27 account in the state special revenue fund established by 17-2-102 to be known as the blackjack proceeds fund.

28 (2) There must be deposited in the account tax proceeds received pursuant to [section 3].
29

30 **NEW SECTION. Section 3. Live blackjack or twenty-one gross proceeds tax -- records --**

1 **quarterly statement and payment.** (1) A licensed operator shall pay to the department a tax of 2% of the gross
2 proceeds from each live blackjack or twenty-one table operated under this part. A licensed operator may deduct
3 from the gross proceeds amounts equal to amounts stolen from tables if the amounts stolen are not repaid by
4 insurance or under a court order, if a law enforcement agency investigated the theft, and if the theft is the result
5 of unauthorized entry and physical removal of the money and the amounts stolen are documented.

6 (2) A licensed operator shall keep a record of the gross proceeds from each table issued a permit under
7 this part in the form the department requires. The records must be subject to inspection by the department at all
8 times during the business hours of the licensee.

9 (3) For each table issued a permit under this part, a licensed operator shall, within 15 days after the end
10 of each quarter and in the manner prescribed by the department, complete and deliver to the department a
11 statement showing the total gross proceeds, together with the total amount due the state as live blackjack gross
12 proceeds tax for the preceding quarter. The statement must contain other relevant information that the
13 department requires.

14 (4) The department shall:

15 (a) in accordance with the provisions of 17-2-124, forward the 50% of the tax collected under this section
16 to the state treasurer for deposit into the account established in [section 2]; and

17 (b) deposit 50% of the tax collected under this section in a state special revenue account to the credit
18 of the department of justice. The department may expend the money deposited in the account only for purposes
19 of enforcement of gambling laws.

20

21 **Section 4.** Section 23-5-112, MCA, is amended to read:

22 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to parts
23 1 through 8 of this chapter:

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

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

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

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

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

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

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

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

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

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

15 (8) "Blackjack" means a gambling card game in which players try to acquire cards with a face value as
16 close as possible to 21 without going over. For purposes of parts 1 through 8 of this chapter, the gambling card
17 game referred to as "twenty-one" is the same as blackjack.

18 ~~(8)~~(9) "Card game table" or "table" means a live card game table:

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

21 (b) operated by a senior citizen center.

22 ~~(9)~~(10) "Card game tournament" means a gambling activity for which a permit has been issued involving
23 participants who pay valuable consideration for the opportunity to compete against each other in a series of live
24 card games conducted over a designated period of time.

25 ~~(10)~~(11) "Dealer" means a person with a dealer's license issued under part 3 of this chapter.

26 ~~(11)~~(12) "Department" means the department of justice.

27 ~~(12)~~(13) "Distributor" means a person who:

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

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

1 ~~(13)~~(14) (a) "Gambling" or "gambling activity" means risking any money, credit, deposit, check, property,
2 or other thing of value for a gain that is contingent in whole or in part upon lot, chance, or the operation of a
3 gambling device or gambling enterprise.

4 (b) The term does not mean conducting or participating in:

5 (i) promotional games of chance;

6 (ii) amusement games regulated by Title 23, chapter 6, part 1; or

7 (iii) social card games of bridge, cribbage, hearts, pinochle, pitch, rummy, solo, and whist played solely
8 for prizes of minimal value, as defined by department rule.

9 ~~(14)~~(15) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot
10 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling
11 activity.

12 ~~(15)~~(16) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity,
13 scheme, or agreement to provide gambling or a gambling device to the public.

14 ~~(16)~~(17) (a) "Gift enterprise" means a gambling activity in which persons have qualified to obtain property
15 to be awarded by purchasing or agreeing to purchase goods or services.

16 (b) The term does not mean:

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

19 (ii) a promotional game of chance;

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

21 (iv) a savings promotion raffle offered by a bank, trust company, mutual savings bank, savings and loan
22 association, or credit union authorized to do business and accept deposits in this state under state or federal law
23 and conducted in compliance with 23-5-413 that entitles individual members or depositors equal chances to win
24 a designated prize by depositing a sum of money during a specified savings period; or

25 (v) an entry into a raffle as a result of paying membership dues or making a purchase of an item offered
26 during a fundraising event held by a nonprofit organization.

27 ~~(17)~~(18) "Gross proceeds" means gross revenue received less prizes paid out.

28 ~~(18)~~(19) "House player" means a person participating in a card game who has a financial relationship
29 with the operator, card room contractor, or dealer or who has received money or chips from the operator, card
30 room contractor, or dealer to participate in a card game.

1 ~~(19)~~(20) "Illegal gambling device" means a gambling device not specifically authorized by statute or by
2 the rules of the department. The term includes:

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

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

11 ~~(20)~~(21) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically
12 authorized by a statute or a rule of the department. The term includes:

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

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

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

21 (d) credit gambling; and

22 (e) internet gambling.

23 ~~(24)~~(22) (a) "Internet gambling", by whatever name known, includes but is not limited to the conduct of
24 any legal or illegal gambling enterprise through the use of communications technology that allows a person using
25 money, paper checks, electronic checks, electronic transfers of money, credit cards, debit cards, or any other
26 instrumentality to transmit to a computer information to assist in the placing of a bet or wager and corresponding
27 information related to the display of the game, game outcomes, or other similar information.

28 (b) The term does not include the operation of a simulcast facility or advance deposit wagering with a
29 licensed advance deposit wagering hub operator allowed by Title 23, chapter 4, the state lottery provided for in
30 Title 23, chapter 7, or a raffle authorized under Title 23, chapter 5, part 4, that is sponsored by a nonprofit

1 organization and that is registered with the department. If all aspects of the gaming are conducted on Indian lands
 2 in conformity with federal statutes and with administrative regulations of the national Indian gaming commission,
 3 the term does not include class II gaming or class III gaming as defined by 25 U.S.C. 2703.

4 ~~(22)~~(23) "Keno" means a game of chance in which prizes are awarded using a card with 8 horizontal rows
 5 and 10 columns on which a player may pick up to 10 numbers. A keno caller, using authorized equipment, shall
 6 select at random at least 20 numbers out of numbers between 1 and 80, inclusive.

7 ~~(23)~~(24) "Keno caller" means a person 18 years of age or older who, using authorized equipment,
 8 announces the order of the numbers drawn in live keno.

9 ~~(24)~~(25) "License" means a license for an operator, dealer, card room contractor, manufacturer of devices
 10 not legal in Montana, sports tab game seller, manufacturer of electronic live bingo or keno equipment, other
 11 manufacturer, distributor, or route operator that is issued to a person by the department.

12 ~~(25)~~(26) "Licensee" means a person who has received a license from the department.

13 ~~(26)~~(27) "Live card game" or "card game" means a card game that is played in public between persons
 14 on the premises of a licensed gambling operator or in a senior citizen center.

15 ~~(27)~~(28) (a) "Lottery" means a scheme, by whatever name known, for the disposal or distribution of
 16 property among persons who have paid or promised to pay valuable consideration for the chance of obtaining
 17 the property or a portion of it or for a share or interest in the property upon an agreement, understanding, or
 18 expectation that it is to be distributed or disposed of by lot or chance.

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

20 ~~(28)~~(29) "Manufacturer" means a person who:

21 (a) assembles from raw materials or subparts a completed piece of equipment or pieces of equipment
 22 of any kind to be used as a gambling device and who sells the equipment directly to a licensed distributor, route
 23 operator, or operator;

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

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

29 ~~(29)~~(30) "Nonprofit organization" means an organization established as a nonprofit to support charitable,
 30 religious, scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organizations'

1 charitable activities, scholarships or educational grants, or community service projects.

2 ~~(30)~~(31) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
3 operates or controls for use in public a gambling device or gambling enterprise authorized under parts 1 through
4 8 of this chapter.

5 ~~(31)~~(32) "Permit" means approval from the department to make available for public play a gambling
6 device or gambling enterprise approved by the department pursuant to parts 1 through 8 of this chapter.

7 ~~(32)~~(33) "Person" or "persons" means both natural and artificial persons and all partnerships,
8 corporations, associations, clubs, fraternal orders, and societies, including religious and charitable organizations.

9 ~~(33)~~(34) "Premises" means the physical building or property within or upon which a licensed gambling
10 activity occurs, as stated on an operator's license application and approved by the department.

11 ~~(34)~~(35) "Promotional game of chance" means a scheme, by whatever name known, for the disposal or
12 distribution of property among persons who have not paid or are not expected to pay any valuable consideration
13 or who have not purchased or are not expected to purchase any goods or services for a chance to obtain the
14 property, a portion of it, or a share in it. The property is disposed of or distributed by simulating a gambling
15 enterprise authorized by parts 1 through 8 of this chapter or by operating a device or enterprise approved by the
16 department that was manufactured or intended for use for purposes other than gambling.

17 ~~(35)~~(36) "Public gambling" means gambling conducted in:

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

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

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

24 ~~(36)~~(37) "Raffle" means a form of lottery in which each participant pays valuable consideration for a ticket
25 to become eligible to win a prize. Winners must be determined by a random selection process approved by
26 department rule.

27 ~~(37)~~(38) "Route operator" means a person who:

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

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

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

3 ~~(38)~~(39) "Senior citizen center" means a facility operated by a nonprofit or governmental organization that
4 provides services to senior citizens in the form of daytime or evening educational or recreational activities and
5 does not provide living accommodations to senior citizens. Services qualifying under this definition must be
6 recognized in the state plan on aging adopted by the department of public health and human services.

7 ~~(39)~~(40) (a) "Slot machine" means a mechanical, electrical, electronic, or other gambling device,
8 contrivance, or machine that, upon insertion of a coin, currency, token, credit card, or similar object or upon
9 payment of any valuable consideration, is available to play or operate, the play or operation of which, whether
10 by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the
11 person playing or operating the gambling device to receive cash, premiums, merchandise, tokens, or anything
12 of value, whether the payoff is made automatically from the machine or in any other manner.

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

14 ~~(40)~~(41) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter
15 and the rules of the department."
16

17 **Section 5.** Section 23-5-308, MCA, is amended to read:

18 **"23-5-308. Card game dealers -- license.** (1) Except as provided in 23-5-318, a person may not deal
19 cards in a live card game of panguingue, ~~or~~ poker, or twenty-one without being licensed annually by the
20 department.

21 (2) The license fee for panguingue or poker, for the first year in which the license is effective is \$75, and
22 the annual renewal fee is \$25. The fee may not be prorated.

23 (3) The license fee for blackjack or twenty-one, for the first year in which the license is effective is \$200,
24 and the annual renewal fee is \$100. The fee may not be prorated.

25 ~~(3)~~(4) The department shall retain for administrative purposes the license fee charged for the issuance
26 of a dealer's license.

27 ~~(4)~~(5) A licensed dealer shall keep on the dealer's person and display upon request the dealer's license
28 when working as a dealer.

29 ~~(5)~~(6) (a) The department shall adopt rules to implement temporary licensing procedures until a
30 permanent license is issued to a dealer.

- 1 (b) The rules must provide that a temporary license:
 2 (i) may be issued at a local department office or at another public location designated by the department;
 3 and
 4 (ii) may only be issued upon the payment of the license application fee and submission of an application,
 5 required fingerprints, and proof that the applicant for a temporary license has a verifiable offer of employment from
 6 a licensed operator or card room contractor."
 7

8 **Section 6.** Section 23-5-309, MCA, is amended to read:

9 **"23-5-309. Requirements for conducting card games.** (1) Except as provided in 23-5-310, 23-5-317,
 10 and 23-5-318, a live card game must be played on a live card game table for which a permit has been issued and
 11 on the premises of a licensed operator.

12 (2) Except as provided in 23-5-318, a live card game of blackjack, panguingue, or poker, or twenty-one
 13 must be played in the presence and under the control of a licensed dealer."
 14

15 **Section 7.** Section 23-5-311, MCA, is amended to read:

16 **"23-5-311. Authorized card games.** (1) The card games authorized by this part are and are limited to
 17 the card games known as bridge, cribbage, hearts, panguingue, pinochle, pitch, poker, rummy, solo, twenty-one,
 18 and whist.

19 (2) A person may conduct or participate in a live card game or make a live card game table available for
 20 public play of a live card game only if it is specifically authorized by this part and described by department rules.

21 (3) This part does not apply to games simulated on electronic video gambling machines authorized under
 22 part 6 of this chapter."
 23

24 **Section 8.** Section 23-5-312, MCA, is amended to read:

25 **"23-5-312. Prizes not to exceed \$800 -- maximum bet.** (1) ~~A~~ Except as provided in subsection (3), a
 26 prize for an individual live card game may not exceed the value of \$800. Games may not be combined in any
 27 manner so as to increase the value of the ultimate prize awarded. Except during a tournament conducted under
 28 23-5-317, all prizes must be awarded immediately upon completion of each hand.

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

1 (3) The maximum bet for an individual playing a hand of a blackjack or twenty-one game is \$50."

2

3 **Section 9.** Section 23-5-317, MCA, is amended to read:

4 **"23-5-317. Tournaments.** (1) (a) A licensed operator who has a permit for placing at least one live card
5 game table on the operator's premises may apply to the department for an annual large-stakes live card game
6 tournament permit. A large-stakes tournament permit allows the operator to conduct up to 16 large-stakes
7 tournaments a year on the operator's premises.

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

10 (c) A large-stakes tournament may not be conducted for more than 5 consecutive days.

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 16-tournament limit.

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

18 (f) An operator issued a large-stakes tournament permit may conduct up to three charitable large-stakes
19 tournaments a year that are not counted toward the operator's annual 16-tournament limit. The operator shall
20 notify the department of the charitable tournament at least 5 days before the start of the tournament.

21 (g) An operator may charge an entry fee for a large-stakes tournament, which may include a fee to cover
22 expenses incurred from conducting the tournament. The total amount paid by a participant to enter a large-stakes
23 tournament, including any additional purchase of chips or other payment during the tournament, may not exceed
24 \$1,875. A participant in a large-stakes tournament who has been eliminated from competition during the
25 tournament may reenter the tournament by paying an additional fee if the tournament rules allow the participant
26 to reenter the tournament.

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

29 (2) (a) A licensed operator who has a permit for placing at least one live card game table on the
30 operator's premises may apply to the department for an annual small-stakes live card game tournament permit.

1 A small-stakes tournament permit allows the operator to conduct daily small-stakes tournaments on the operator's
2 premises.

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

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

9 (d) A small-stakes tournament permit holder may place one additional live card table on the
10 permit holder's premises, which may be used only for a small-stakes tournament. The tournament may be
11 conducted on permitted card tables and the additional tournament card table.

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

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

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

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

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

22 (6) Only a dealer licensed under 23-5-308 may deal cards at a large-stakes or small-stakes blackjack,
23 poker, or panguingue, or twenty-one tournament.

24 (7) The face value of the chips used does not govern the value of the pot awarded at the end of the
25 tournament.

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

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

30 (10) The provisions of this part and the department rules governing live card games apply to live card

1 games conducted as part of a tournament unless otherwise provided."

2

3 NEW SECTION. **Section 10. Codification instruction.** [Sections 1 through 3] are intended to be
4 codified as an integral part of Title 23, chapter 5, part 3, and the provisions of Title 23, chapter 5, part 3, apply
5 to [sections 1 through 3].

6

- END -