

HOUSE BILL NO. 475

INTRODUCED BY B. TSCHIDA

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR MONTANA PARIMUTUEL SPORTS WAGERING THROUGH THE BOARD OF HORSERACING; PROVIDING DEFINITIONS; PROVIDING AUTHORITY FOR THE BOARD TO CONDUCT SPORTS WAGERING THROUGH PARIMUTUEL FACILITIES AND PARIMUTUEL NETWORKS; AND AMENDING SECTIONS 23-4-101, 23-4-104, 23-4-201, 23-4-202, 23-4-301, 23-4-302, 23-4-304, 23-5-112, 23-5-801, 23-5-802, 23-5-805, AND 23-5-806, 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 (11) "Parimutuel facility" means a facility licensed by the board at which fantasy sports leagues and sports
9 wagering are conducted and wagering on the outcome under a parimutuel system is permitted.

10 (12) "Parimutuel network" means an association licensed by the board to:

11 (a) compile and distribute fantasy sports league rosters and weekly point totals for licensed parimutuel
12 facilities and to manage statewide parimutuel wagering pools on fantasy sports leagues; and

13 (b) administer sports wagering.

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

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

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

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

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

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

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

30 (19) "Source market fee" means the portion of a wager made with a licensed advance deposit wagering

1 hub operator by a Montana resident that is paid to the board.

2 (20) "Sports wagering" or "sports wagers" means a parimutuel form of sports wagering applicable to all
 3 professional sporting events as provided in Title 23, chapter 5, part 8.

4 ~~(20)~~(21) "Steward" means an official hired by the department and by persons sponsoring a race meet
 5 to regulate and control the day-to-day conduct and operation of a sanctioned meet.

6 ~~(24)~~(22) "Wild horse ride" means a wild horse riding contest in which three-person teams attempt to
 7 saddle a wild horse and ride it completely around a track with the first to do so declared the winner."
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9 **Section 2.** Section 23-4-104, MCA, is amended to read:

10 **"23-4-104. Duties of board.** The board shall adopt rules to govern race meets and the parimutuel
 11 system. These rules shall include the following:

12 (1) definitions;

13 (2) auditing;

14 (3) supervision of the parimutuel system;

15 (4) corrupt practices;

16 (5) supervision, duties, and responsibilities of the executive secretary, presiding steward, racing
 17 secretary, and other racing officials;

18 (6) licensing of all personnel who have anything to do with the substantive operation of racing;

19 (7) the establishment of dates for race meets and meetings in the best interests of breeding and racing
 20 in this state;

21 (8) the veterinary practices and standards that must be observed in connection with race meets;

22 (9) absolute responsibility of trainers for the condition of horses and mules, regardless of the acts of third
 23 parties;

24 (10) licensing or renewal of a license of a person whose license has been suspended by the board or
 25 another horseracing jurisdiction;

26 (11) setting license fees commensurate with the cost of issuing a license;

27 (12) the time, conduct, and supervision of:

28 (a) simulcast races, and fantasy sports leagues, sports wagering; and

29 (b) parimutuel betting on simulcast races, and fantasy sports leagues, and sports wagering;

30 (13) licensing, approval, and regulation of simulcast facilities; and

1 (14) licensing, approval, and regulation of match bronc rides and wild horse rides."
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Section 3. Section 23-4-201, MCA, is amended to read:

4 **"23-4-201. Licenses -- contracts.** (1) (a) A person may not hold a race meet or conduct fantasy sports
5 league wagering or sports wagering through a parimutuel facility, parimutuel network, or a simulcast parimutuel
6 network conducting a fantasy sports league or sports wagering in this state without a valid license issued by the
7 department under this chapter. A person applying for a license to hold a race meet under this chapter shall file
8 with the department an application that must set forth the time, place, and number of days the license will
9 continue and other information the board requires.

10 (b) A person may not conduct simulcast racing through a simulcast parimutuel network without having
11 entered into a contract with the board.

12 (2) A person who participates in a race meet, except for a match bronc ride or a wild horse ride, must
13 be licensed and charged an annual fee set by the board. The annual fee must be paid to the department and
14 used for expenses of administering this chapter. Each person holding a license under this chapter shall comply
15 with this chapter and with the rules adopted and orders issued by the board.

16 (3) A license may not be issued to a person who has failed to pay the fees, taxes, or money required
17 under this chapter.

18 (4) An application to hold a race meet must be submitted to the department, and the board shall act on
19 the application within 30 days. The board is the sole judge of whether the race meet may be licensed and the
20 number of days the meet may continue.

21 (5) The board shall require that a fair board and an independent racing association conducting a race
22 meet comply with the requirements of the rules adopted by the board before granting a license.

23 (6) A racing association consisting of a local fair board or an association approved by a local fair board
24 may submit a contract proposal to the board to hold a simulcast race meet in a simulcast facility.

25 (7) An unexpired license held by a person who violates this chapter or who fails to pay to the department
26 the sums required under this chapter is subject to cancellation and revocation by the board.

27 (8) A license to operate a parimutuel facility conducting fantasy sports league wagering and sports
28 wagering may not be issued to an applicant unless the applicant is also licensed under Title 23, chapter 5."
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Section 4. Section 23-4-202, MCA, is amended to read:

1 **"23-4-202. Penalty for violations of law -- authority of board -- judicial review.** (1) (a) A person
2 holding a race meet or an owner, trainer, or jockey participating in a race meet, except a participant in a match
3 bronc ride or a wild horse ride, without first being licensed under this chapter or a person violating this chapter
4 is guilty of a misdemeanor.

5 (b) A person operating a parimutuel facility, parimutuel network, or simulcast parimutuel network that
6 conducts fantasy sports league wagering or sports wagering without first being licensed under this chapter or a
7 person violating this chapter is guilty of a misdemeanor.

8 (c) A person conducting simulcast racing through a simulcast parimutuel network without having entered
9 into a contract with the board is guilty of a misdemeanor.

10 (2) The board or, upon the board's authorization, the board of stewards of a race meet at which the
11 stewards officiate may exclude from racecourses a person whom the board or board of stewards considers
12 detrimental to the best interest of racing as defined by rules of the board.

13 (3) As its own formal act or through an act of a board of stewards of a race meet, the board may suspend
14 or revoke any license issued by the department to a licensee and assess a fine, not to exceed \$1,000, against
15 a licensee who violates any of the provisions of this chapter or any rule or order of the board. In addition to the
16 suspension or revocation and fine, the board may prohibit application for relicensure for a 2-year period. Fines
17 collected under this subsection must be deposited in the general fund.

18 (4) The board shall promulgate rules implementing this chapter, including the right to a hearing for
19 individuals against whom action is taken or proposed under this chapter. The rules may include provisions for
20 the following:

21 (a) summary imposition of penalty by the stewards of a race meet, including a fine and license
22 suspension, subject to review under the contested case provisions of the Montana Administrative Procedure Act;

23 (b) stay of a summary imposition of penalty by either the board or board of stewards;

24 (c) retention of purses pending final disposition of complaints, protests, or appeals of stewards' rulings;

25 (d) setting aside of up to 3% of exotic wagering on races, including simulcast races, to be deposited in
26 a state special revenue account. The board shall then distribute all funds collected under this subsection (4)(d)
27 to live race purses or for other purposes that the board considers appropriate for the good of the existing
28 horseracing industry.

29 (e) using 2% of exotic wagering on live racing to be immediately and equally distributed to all purses
30 except stakes races;

- 1 (f) assessment of penalty and interest on the late payment of fines, which must be paid before licenses
2 are reinstated;
- 3 (g) definition of exotic forms of wagering on races to be allowed;
- 4 (h) standards for simulcast facilities;
- 5 (i) conduct and supervision of simulcast races and parimutuel betting or wagering on simulcast races;
- 6 (j) conduct and supervision of parimutuel facilities, parimutuel networks, simulcast parimutuel networks,
7 and parimutuel wagering on fantasy sports leagues and sports wagering conducted at parimutuel facilities;
- 8 (k) conduct and supervision of match bronc rides and wild horse rides; and
- 9 (l) conduct and supervision of advance deposit wagering.
- 10 (5) The district court of the first judicial district of the state has exclusive jurisdiction for judicial review
11 of cases arising under this chapter."
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13 **Section 5.** Section 23-4-301, MCA, is amended to read:

14 **"23-4-301. Parimutuel betting -- other betting illegal -- penalty.** (1) It is unlawful to make, report,
15 record, or register a bet or wager on the result of a contest of speed, skill, or endurance of an animal, whether
16 the contest is held within or outside this state, except under 23-5-502 or this chapter.

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

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

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

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

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

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

8 (a) may accept advance deposit wagering money for races conducted by a licensed race meet;

9 (b) may not accept a wager in an amount in excess of the money on deposit in the account of a person
10 who wishes to make the wager;

11 (c) may not allow a person under 18 years of age to open an account with the advance deposit wagering
12 hub operator, make a wager from an account, or otherwise have access to an account;

13 (d) shall include a statement in any of its advertising for advance deposit wagering that a person under
14 18 years of age is not allowed to participate;

15 (e) shall verify the identification, residence, and age of each person seeking to open an advance deposit
16 wagering account;

17 (f) shall agree to pay to the board a source market fee in an amount equal to a percentage, as set forth
18 in its license agreement, of the total amount wagered by Montana residents from their accounts with the advance
19 deposit wagering hub operator; and

20 (g) shall agree to a payment schedule of source market fees as set forth in its license agreement.

21 (8) (a) It is unlawful for a person or organization to accept a Montana wager without being licensed by
22 the state of Montana as provided in this chapter.

23 (b) A violation of subsection (8)(a) is an illegal gambling enterprise, as defined in 23-5-112, and is
24 punishable as provided by law.

25 (9) It is unlawful to:

26 (a) conduct pool selling or bookmaking or to wager on a fantasy sports league or sports wagering other
27 than by the parimutuel system and by being physically present at the licensed parimutuel facility;

28 (b) permit a minor to use the parimutuel system; or

29 (c) conduct internet or telephone wagering on fantasy sports leagues or sports wagering."
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1 **Section 6.** Section 23-4-302, MCA, is amended to read:

2 **"23-4-302. Distribution of deposits -- breakage.** (1) Each licensee conducting the parimutuel system
3 for a simulcast race meet shall distribute all funds deposited in any pool to the winner of the parimutuel pool, less
4 an amount that in the case of exotic wagering on races may not exceed 26% and in all other races may not
5 exceed 20% of the total deposits plus the odd cents of all redistribution to be based on each dollar deposited
6 exceeding a sum equal to the next lowest multiple of 10, known as "breakage".

7 (2) Each licensee conducting the parimutuel system for a simulcast race meet shall distribute all funds
8 deposited with the licensee in any pool for the simulcast race meet, less an amount that in the case of exotic
9 wagering on these races may not exceed 26%, unless the signal originator percentage is higher, in which case
10 the Montana simulcast licensee may adopt the same percentage withheld as the place where the signal
11 originated, and that in all other of these races may not exceed 20% of the total deposits plus the odd cents of all
12 redistribution to be based on each dollar deposited exceeding a sum equal to the next lowest multiple of 10,
13 known as "breakage".

14 (3) Each licensee conducting a parimutuel system for a simulcast race meet shall deduct 1% of the total
15 amount wagered on the race meet and deposit it in a state special revenue account. The board shall then
16 distribute all funds collected under this subsection to live race purses or for other purposes that the board
17 considers appropriate for the good of the existing horseracing industry.

18 (4) (a) Source market fees from licensed advance deposit wagering hub operators must be deposited
19 by the board in the board's state special revenue account.

20 (b) The board shall pay 80% of the source market fees generated between May 1 and the following April
21 30 to live race meet licensees based on each live race meet licensee's percentage of the total annual on-track
22 parimutuel handle during the previous live race season. Prior to the beginning of each year's live race season,
23 the correct percentage must be distributed by the board to each live race meet licensee to be used for race
24 purses or other purposes that the board considers appropriate for the good of the horseracing industry.

25 (c) Ten percent of the source market fees paid to the board in a calendar year may be retained by the
26 board for the payment of administrative expenses. One-half of the remaining 10% of the source market fees paid
27 to the board in a calendar year must, by January 31 of the following calendar year, be paid to the owner bonus
28 program and the other one-half to the breeder bonus program.

29 (5) (a) The parimutuel network licensee conducting fantasy sports league wagering and sports wagering
30 shall distribute all funds deposited in the pool to the winner of the parimutuel pool less the takeout amount of not

1 more than 30% of the total deposits.

2 (b) The takeout amount must be distributed according to the yearly license agreement between the
3 parimutuel facility licensee, the parimutuel network licensee, and the board. No more than 10% of the amount
4 collected under this subsection (5)(b) may be appropriated by the legislature for administration of this chapter.
5 The remaining portion collected under this subsection (5)(b) must be deposited in a state special revenue
6 account. The board shall then distribute this portion to live race purses and for other purposes that the board
7 considers appropriate for the good of the existing horseracing industry.

8 (c) The odd cents of all redistribution based on each dollar deposited that exceeds a sum equal to the
9 next lowest multiple of 10, known as "breakage", as well as unclaimed winning tickets from each parimutuel pool,
10 must be distributed by the board to live race purses or for other purposes that the board considers appropriate
11 for the good of the existing horseracing industry."
12

13 **Section 7.** Section 23-4-304, MCA, is amended to read:

14 **"23-4-304. Gross receipts -- department's percentage -- collection and allocation.** (1) (a) Each live
15 race meet licensee shall pay to the department within 5 days following receipt by the licensee 1% of the gross
16 receipts of each day's parimutuel betting at each race meet. At the end of each race meet the licensee shall
17 prepare a report to the department showing the amount of the overpayments and underpayments. If the report
18 shows the underpayments to be in excess of the overpayments, the balance must be paid to the department.
19 Money paid to the department may be used for the expenses incurred in carrying out this chapter. The licensee
20 shall, at the same time, pay to the department all funds collected under 23-4-202(4)(d) on exotic wagering on
21 races. These funds must be deposited in a state special revenue account. The board shall then distribute all funds
22 collected under 23-4-202(4)(d) to live race purses or for other purposes that the board considers appropriate for
23 the good of the existing horseracing industry.

24 (b) Each licensed simulcast facility shall pay to the department either 1% of the gross receipts of each
25 day's parimutuel betting at each race meet or the actual cost to the board of regulating the simulcast race meet,
26 whichever is higher. The money must be paid to the department within 5 days after receipt of the money by the
27 licensee. At the end of each race meet the licensed simulcast facility shall prepare a report to the department
28 showing the amount of the overpayments and underpayments. If the report shows the underpayments to be in
29 excess of the overpayments, the balance must be paid to the department. Money paid to the department must
30 be deposited in an account in the state special revenue fund and must be used for the administration of this

1 chapter. The licensed simulcast facility shall, at the same time, pay to the department all funds collected under
 2 23-4-202(4)(d) on exotic wagering on races. These funds must be deposited in a state special revenue account.
 3 The board shall then distribute all funds collected under 23-4-202(4)(d) to live race purses or for other purposes
 4 that the board considers appropriate for the good of the existing horseracing industry.

5 (c) The licensed parimutuel network conducting fantasy sports league wagering and sports wagering
 6 shall pay the funds distributed pursuant to 23-4-302(5)(b) to the department within 10 days after receipt of the
 7 money by the licensee.

8 (2) Prior to the beginning of the live racing season, funds collected under 23-4-202(4)(d) must be
 9 distributed by the department, after first passing through a state special revenue account, to be used for race
 10 purses that are distributed to each live race meet by the board or for other purposes that the board considers
 11 appropriate for the good of the horseracing industry."

12

13 **Section 8.** Section 23-5-112, MCA, is amended to read:

14 **"23-5-112. Definitions.** Unless the context requires otherwise, the following definitions apply to parts
 15 1 through 8 of this chapter:

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

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

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

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

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

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

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

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

1 game is won by the person or persons who first cover one or more previously designated arrangements of
2 numbers on the bingo card.

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

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

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

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

10 (b) operated by a senior citizen center.

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

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

15 (11) "Department" means the department of justice.

16 (12) "Distributor" means a person who:

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

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

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

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

24 (i) promotional games of chance;

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

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

28 (14) "Gambling device" means a mechanical, electromechanical, or electronic device, machine, slot
29 machine, instrument, apparatus, contrivance, scheme, or system used or intended for use in any gambling
30 activity.

1 (15) "Gambling enterprise" means an activity, scheme, or agreement or an attempted activity, scheme,
2 or agreement to provide gambling or a gambling device to the public.

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

5 (b) The term does not mean:

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

8 (ii) a promotional game of chance;

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

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

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

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

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

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

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

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

30 (20) "Illegal gambling enterprise" means a gambling enterprise that violates or is not specifically

1 authorized by a statute or a rule of the department. The term includes:

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

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

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

10 (d) credit gambling; and

11 (e) internet gambling.

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

17 (b) The term does not include the operation of a simulcast facility or advance deposit wagering with a
18 licensed advance deposit wagering hub operator allowed by Title 23, chapter 4, the state lottery provided for in
19 Title 23, chapter 7, or a raffle authorized under Title 23, chapter 5, part 4, that is sponsored by a nonprofit
20 organization and that is registered with the department. If all aspects of the gaming are conducted on Indian lands
21 in conformity with federal statutes and with administrative regulations of the national Indian gaming commission,
22 the term does not include class II gaming or class III gaming as defined by 25 U.S.C. 2703.

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

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

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

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

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

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

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

9 (28) "Manufacturer" means a person who:

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

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

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

18 (29) "Nonprofit organization" means an organization established as a nonprofit to support charitable,
19 religious, scholastic, educational, veterans', fraternal, beneficial, civic, senior citizens', or service organizations'
20 charitable activities, scholarships or educational grants, or community service projects.

21 (30) "Operator" means a person who purchases, receives, or acquires, by lease or otherwise, and
22 operates or controls for use in public a gambling device or gambling enterprise authorized under parts 1 through
23 8 of this chapter.

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

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

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

30 (34) "Promotional game of chance" means a scheme, by whatever name known, for the disposal or

1 distribution of property among persons who have not paid or are not expected to pay any valuable consideration
2 or who have not purchased or are not expected to purchase any goods or services for a chance to obtain the
3 property, a portion of it, or a share in it. The property is disposed of or distributed by simulating a gambling
4 enterprise authorized by parts 1 through 8 of this chapter or by operating a device or enterprise approved by the
5 department that was manufactured or intended for use for purposes other than gambling.

6 (35) "Public gambling" means gambling conducted in:

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

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

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

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

16 (37) "Route operator" means a person who:

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

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

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

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

26 (39) (a) "Slot machine" means a mechanical, electrical, electronic, or other gambling device, contrivance,
27 or machine that, upon insertion of a coin, currency, token, credit card, or similar object or upon payment of any
28 valuable consideration, is available to play or operate, the play or operation of which, whether by reason of the
29 skill of the operator or application of the element of chance, or both, may deliver or entitle the person playing or
30 operating the gambling device to receive cash, premiums, merchandise, tokens, or anything of value, whether

1 the payoff is made automatically from the machine or in any other manner.

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

3 (40) "Video gambling machine" is a gambling device specifically authorized by part 6 of this chapter and
4 the rules of the department."
5

6 **Section 9.** Section 23-5-801, MCA, is amended to read:

7 **"23-5-801. Fantasy sports leagues -- sports wagering defined.** (1) As used in this part, a "fantasy
8 sports league" means a gambling activity conducted in the following manner:

9 ~~(1)~~(a) A fantasy sports league consists of a limited number of persons or groups of persons who pay an
10 entrance fee for membership in the league. The entrance fee may include an administrative fee.

11 ~~(2)~~(b) Each league member creates a fictitious team composed of athletes from a given professional
12 sport, such as baseball, basketball, or football. Player selection is conducted through random drawings, a bidding
13 process, or by selection from a roster prepared by the parimutuel network coordinator.

14 ~~(3)~~(c) Except for fantasy sports leagues operated under Title 23, chapter 4, after the initial teams are
15 selected, interim replacement of players may occur by trade or purchase. A specific fee, which may not exceed
16 the total entrance fee, is charged for each transaction.

17 ~~(4)~~(d) A method, as defined by league rules, is devised to permit each team to compete against other
18 teams in the league. Points are awarded to a team according to the performance of individual players or teams
19 or both during a designated time period.

20 ~~(5)~~(e) A league member may be eligible to receive a payout based on the number of points accumulated.
21 Payouts, which may be in the form of cash or prizes, are awarded according to league rules.

22 ~~(6)~~(f) The roster of eligible participants prepared by the parimutuel network must be provided to each
23 league member.

24 ~~(7)~~(g) Rules governing the conduct of the fantasy sports league must be provided in writing to each
25 league member.

26 (2) As used in this part, "sports wagering" means a parimutuel gambling activity conducted in the
27 following manner:

28 (a) Sports wagers are placed at a parimutuel facility through a parimutuel network through a totalizer
29 machine with live odds fluctuating during the wagering cycle until the close or post time of the event.

30 (b) Morning line odds are set to start the contest and as sports wagers are made the odds will fluctuate

- 1 until post time, meaning odds can increase or decrease depending on how the participants are selected.
- 2 (c) Sports wagering does not include point spreads or money lines. The participant sets the odds line.
- 3 (d) Current odds must be displayed online or a mobile application as well as at the parimutuel facility
- 4 terminal locations.
- 5 (e) Sports wagers must include a minimum mandatory payout scale.
- 6 (f) Sports wagering may include:
- 7 (i) head-to-head wagering on live professional sporting events;
- 8 (ii) advanced future wagering on professional championship events;
- 9 (iii) win, place, and show wagering on individual events;
- 10 (iv) over/under wagering on live sporting events;
- 11 (v) pick 3, pick 5, and pick 6 wagering on a specific group of games; and
- 12 (vi) exacta, trifecta, and superfecta wagering that is based on running order."

13

14 **Section 10.** Section 23-5-802, MCA, is amended to read:

15 **"23-5-802. Fantasy sports leagues and sports wagering authorized.** It is lawful to conduct or

16 participate in a fantasy sports league or sports wagering, including a fantasy sports league or sports wagering

17 that is operated under a parimutuel system of wagering regulated under Title 23, chapter 4. It is unlawful to wager

18 on a fantasy sports league or sports wagering by telephone or by the internet."

19

20 **Section 11.** Section 23-5-805, MCA, is amended to read:

21 **"23-5-805. Payouts -- administrative fees charged by commercial establishments.** (1) Except as

22 provided in subsection (2)(b), the total value of payouts to all league members and sports wagering participants

23 must equal the amount collected for entrance, administrative, and transactions fees, minus payment for

24 administrative expenses.

25 (2) (a) Except as provided in subsection (2)(b), if a commercial establishment charges an administrative

26 fee for conducting a fantasy sports league or sports wagering, the fee for each participant may not be more than

27 15% of the amount charged as a participant's entrance fee.

28 (b) The parimutuel network, as defined in 23-4-101, shall distribute all funds wagered on fantasy sports

29 leagues and sports wagering in any wagering pool pursuant to the requirements of 23-4-302 and 23-4-304."

30

