HOUSE BILL NO. 579

INTRODUCED BY E. BUTTREY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE AUTOMATED ACCOUNTING SYSTEM LAWS RELATING TO VIDEO GAMBLING AND PLAYER REWARDS SYSTEMS; PROVIDING FOR CONFIDENTIALITY OF DATA; PROVIDING RULEMAKING; ~~AND~~ AMENDING SECTION 23-5-621, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Privacy of player -- administrative penalty.** (1) The data received from a player reward system that uses an automated accounting and reporting system must remain confidential and is the SOLE intellectual property of the location owner where the device is operated. ~~Access to the data is available only to:~~

~~(a) the department of revenue and department of justice, gambling control division, for auditing and tax purposes;~~

~~(b) the system owner for purposes of conducting business; and~~

~~(c) the licensed location owner where the system is located for the purpose of conducting business.~~ DATA MAY NOT BE USED, DISCLOSED, SOLD, OR ACCESSED FOR ANY PURPOSE WITH THE EXCEPTION OF:

(A) MAINTENANCE OF EQUIPMENT BY THE SYSTEM OWNER OR DEVELOPER; HOWEVER, DATA MAY NOT BE UTILIZED FOR ANY OTHER PURPOSE; AND

(B) CONDUCTING GAMING BUSINESS BY THE LICENSED LOCATION OWNER WHERE THE SYSTEM IS LOCATED.

(2) The data collected from a system may not be shared between licensed locations.

(3) Player information may not be shared between any licensed locations.

(4) A route operator may not ~~require a licensed location owner to use the route operator's rewards system as a requirement of a vending contract~~ TIE THE PURCHASE, LEASE, OR RENTAL OF A PLAYER REWARDS SYSTEM TO A VIDEOGAMING ROUTE OPERATOR CONTRACT.

(5) PLAYER DATA MUST BE RETRIEVABLE IN A COMMON DATA FORMAT SO THAT IT MAY BE REMOVED FROM ONE SYSTEM AND INSTALLED INTO ANOTHER SYSTEM AT THE REQUEST OF THE LICENSE OWNER.

(6) AN APPROVED PLAYER SYSTEM MUST BE AVAILABLE FOR ANY LICENSE OWNER TO PURCHASE, RENT, OR LEASE

UNDER SIMILAR TERMS.

(7) PLAYER DATA MAY BE SOLD OR PASSED FROM A LICENSE HOLDER TO A PARTY PURCHASING THAT SAME LICENSE FOR THE SAME LOCATION OR BY THE SAME LICENSE OWNER IF A NEW LICENSE IS PURCHASED FOR USE AT THE SAME LOCATION.

~~(5)~~(8) The use or sharing of player data or misuse of player data other than authorized in this section will result in an administrative penalty of $100 per player.

Section 2. Section 23-5-621, MCA, is amended to read:

"23-5-621. Rules. (1) The department shall adopt rules that:

(a) implement 23-5-637;

(b) describe the video gambling machines authorized by this part and state the specifications for video gambling machines authorized by this part, including a description of the images and the minimum area of a screen that depicts a bingo, poker, keno, or video line game;

(c) allow video gambling machines to be imported into this state and used for the purposes of trade shows, exhibitions, and similar activities;

(d) allow each video gambling machine to offer any combination of approved bingo, poker, keno, and video line games within the same video gambling machine cabinet if the owner of the video gambling machine has received approval to report video gambling machine information using an approved automated accounting and reporting system or has entered into an agreement with the department to use an approved automated accounting and reporting system;

(e) allow, on an individual license basis, licensed machine owners and operators of machines that use an approved automated accounting and reporting system to:

(i) electronically acquire and use for an individual licensed premises the information and data collected for business management, accounting, and payroll purposes~~; however, the rules must specify that the played meter data made available as a result of an approved automated accounting and reporting system may not be used by licensees for player tracking purposes transferred to a player rewards system~~; and

(ii) acquire and use, at the expense of a licensee, a department-approved site controller;

(f) minimize, whenever possible, the recordkeeping and retention requirements for video gambling machines that use an approved automated accounting and reporting system.

(2) The department's rules for an approved automated accounting and reporting system must, at a

minimum:

(a) provide for confidentiality of information received through the approved automated accounting and reporting system within the limits prescribed by 23-5-115(8) and 23-5-116;

(b) prescribe specifications for maintaining the security and integrity of the approved automated accounting and reporting system;

(c) limit and prescribe the circumstances for electronic issuance of video gambling machine permits and electronic transfer of funds for payment of taxes, fees, or penalties to the department;

(d) describe specifications and a review and testing process for approved automated accounting and reporting systems to be used by licensed operators, including the requirements for electronically captured data; and

(e) prescribe the frequency of reporting from an approved automated accounting and reporting system and provide exceptions for geographically isolated video gambling operators."

NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 23, chapter 5, part 6, and the provisions of Title 23, chapter 5, part 6, apply to [section 1].

NEW SECTION. **SECTION 4. EFFECTIVE DATE.** [THIS ACT] IS EFFECTIVE JANUARY 1, 2020.

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