

HOUSE BILL NO. 550

INTRODUCED BY C. KNUDSEN, E. BUTTREY, F. ANDERSON, S. KERNS, R. MARSHALL

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO THE SALE OF VIDEO GAMBLING MACHINES BY A LICENSED OPERATOR TO ANOTHER LICENSED OPERATOR OR LICENSED MANUFACTURER, DISTRIBUTOR, OR ROUTE OPERATOR; REMOVING THE REQUIREMENT THAT THE LICENSED OPERATOR MUST OBTAIN PERMITS FOR THE MACHINES AND LEGALLY OPERATE THEM PRIOR TO THE SALE; AMENDING SECTION 23-5-614, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 23-5-614, MCA, is amended to read:

"23-5-614. Sale of video gambling machines. (1) A licensed operator who is not licensed as a manufacturer, distributor, or route operator may sell up to 20 video gambling machines in a calendar year if the operator:

- (a) ~~had obtained permits for the machines and legally operated them prior to the sale; and~~
- (b) ~~sells the machines to another licensed operator or to a licensed manufacturer, distributor, or route operator.~~

(2) A lienholder who acquires title to video gambling machines through a foreclosure action involving a licensed manufacturer, distributor, route operator, or operator may sell the machines to a licensed manufacturer, distributor, route operator, or operator.

(3) A licensed manufacturer or distributor may sell video gambling machines and associated equipment approved by the department for delivery to any jurisdiction outside of this state if the sale and transportation of the machines or equipment complies with all applicable local, tribal, state, and federal laws and regulations. Prior to the date of the sale, the seller shall notify the department of the terms of the sale, the identities of the seller, purchaser, and person to whom the shipment will be made, the type and number of machines or equipment to be sold, and the method of shipment and provide the department with the approval

1 of the jurisdiction in which the machines or equipment will be received. A person convicted of purposely or
2 knowingly violating this subsection shall be punished as provided in 23-5-162."

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4 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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