

SENATE BILL NO. 168

INTRODUCED BY G. HERTZ, R. LYNCH, M. NOLAND

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING STATE LOTTERY LAWS RELATING TO SALES AGENT COMMISSIONS; ALLOWING SALES AGENTS TO RECEIVE AN ADDITIONAL COMMISSION FOR THE SALE OF CERTAIN WINNING LOTTERY TICKETS; AND AMENDING SECTIONS 23-7-301 AND 23-7-311, MCA."

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

**Section 1.** Section 23-7-301, MCA, is amended to read:

**"23-7-301. Sales agents -- licenses.** (1) Lottery tickets, chances, wagers, or bets may be sold only by a sales agent licensed by the director in accordance with this section.

(2) The commission shall by rule determine the places at which state lottery games and sports wagering tickets, chances, wagers, or bets may be sold.

(3) (a) Before issuing a license, the director shall consider:

- (i) the financial responsibility and security of the applicant and the applicant's business or activity;
- (ii) the accessibility of the applicant's place of business or activity to the public; and
- (iii) the sufficiency of existing licenses to serve the public convenience and the volume of the

expected sales.

(b) A person under 18 years of age may not sell lottery tickets, chances, wagers, or bets.

(c) A license as an agent to sell lottery tickets, chances, or wagers and bets may not be issued to any person to engage in business exclusively as a lottery ticket, chance, or sports wagering sales agent.

(d) A license as an agent to sell wagers or bets may not be issued to any professional or collegiate sports:

- (i) athlete;
- (ii) coach;
- (iii) assistant coach;

1 (iv) team staff;

2 (v) team owner;

3 (vi) referee; or

4 (vii) employee.

5 (4) The director may issue temporary licenses ~~upon~~on conditions that the director considers  
6 necessary.

7 (5) (a) Two license types are available:

8 (i) lottery only; and

9 (ii) sports wagering only.

10 (b) License applicants shall complete the application process pursuant to this chapter and  
11 corresponding administrative rules.

12 (6) The director may require a bond from any licensed agent in an amount provided in the  
13 commission's rules and may purchase a blanket bond covering the activities of licensed agents.

14 (7) A licensed agent shall display the license or a copy of the license conspicuously in accordance  
15 with the commission's rules.

16 (8) A license is not assignable or transferable.

17 (9) An employee of a sales agent may not be required to sell lottery game tickets, chances, or  
18 wagers or bets if the sale is against the employee's religious or moral beliefs.

19 (10) (a) Sales agents are entitled to a commission of:

20 (i) no more than 10% of the face value of tickets and chances that they purchase from the lottery  
21 and do not return and no more than 10% of the face value of a wager or bet; and

22 (ii) a sales commission as provided in 23-7-311.

23 (b) However, to further the sale of lottery products and sports wagering, the state lottery and sports  
24 wagering commission may adopt rules providing additional commissions to sales agents based on incremental  
25 sales. Commissions may not come from that part of all gross revenue that is net revenue and is paid to the  
26 general fund. The commissions are statutorily appropriated, as provided in 17-7-502, to the lottery.

27 (11) Each sales agent shall keep a complete and up-to-date set of records and accounts fully  
28 showing the agent's sales and provide it for inspection ~~upon~~on request of the commission, the director, the

1 department of administration, the office of the legislative auditor, or the office of the attorney general.

2 (12) Sales agents may pay the state lottery only by check, bankdraft, electronic funds transfer, or  
3 other recorded, noncash, financial transfer method as determined by the director.

4 (13) A license may be suspended or revoked for failure to maintain the license qualifications  
5 provided in subsection (3) or for violation of any provision of this chapter or a commission rule. Prior to  
6 suspension or revocation, the licensee must be given notice and an opportunity for a hearing."

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8 **Section 2.** Section 23-7-311, MCA, is amended to read:

9 **"23-7-311. Drawings for and payment of prizes -- unclaimed prizes.** (1) All drawings must be held  
10 in public. The selection of winning tickets, chances, wagers, or bets may not be performed by an employee of  
11 the state lottery or by a member of the commission. All drawings may be witnessed by a professional staff  
12 employee of the legislative auditor's office, and all state lottery drawing equipment used in public drawings to  
13 select winning prizes or participants for prizes must be examined by the director's staff prior to and after each  
14 public drawing.

15 (2) (a) The commission shall provide a sales commission that is 1% of the prize, for a maximum of  
16 \$50,000, to sales agents selling a winning lottery ticket with a value of \$100,000 or greater.

17 (b)— \_\_\_The commission may by rule provide for the payment of prizes by sales agents, whether or not  
18 the paying agent sold the winning ticket, chance, wager, or bet whenever the amount of the prize is less than  
19 an amount set by commission rule.

20 (3) (a) Except as provided in subsection (3)(b), lottery jackpot prizes over \$100,000 may in the  
21 discretion of the commission be paid either in one lump sum or in equal yearly installments without interest over  
22 a period of not more than 20 years and in yearly installment payments of not less than \$20,000.

23 (b) If the commission enters into an agreement under the provisions of 23-7-202(8) to participate in  
24 a lottery game for prizes of over \$100,000 that requires payment periods of more than 20 years or yearly  
25 installment payments of less than \$20,000 as a condition of participation, the commission may adopt the  
26 installment payment amounts and time periods necessary to comply with the conditions of the game.

27 (4) Prizes not claimed within 6 months are forfeited and must be paid into the state lottery fund. No  
28 interest is due on a prize when a claim is delayed but made within 6 months.

