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BUSINESS & LABOR
EXHIBIT NO. 12
DATE 1-19-09
BILL NO. SB86

DEPARTMENT OF JUSTICE
SB 86: General Revision of Gambling Laws

Background

The Gaming Advisory Council is made up of nine members who represent the legislature, the gaming industry, local government, Native Americans and the general public. State law charges the Council with reporting its recommendations for changes in gambling statutes to the legislature. Over the past two year, the Gaming Advisory Council has developed recommendations for the statutory changes contained in SB 86.

Recommendations Identified by the Gaming Advisory Council

- **Revision of Raffle Laws** – Current law requires raffle sponsors to get a permit from the county commission. The permit requirement and other limits in the statute have been largely ignored by raffle sponsors, with no apparent harm to the public. The amendments to the raffle statute would eliminate:
  - the county permit and accounting requirement
  - the limits on prizes from non-profit sponsors

  Instead, the Department of Justice would be given authority to develop rules regarding raffles and conduct a public education campaign to inform people of the new rules.

- **Eliminate Use of Credit Cards** – State law prohibits gambling on credit but allows the use of credit cards for cash advances. The Gambling Control Division is constantly faced with new credit card products and devices that test efforts to limit use of credit cards to cash advances. For example, there have been proposed devices that charge credit cards for quasi-cash transactions (the sale is recorded as the sale of a money order), designed to get around some of the limitations of credit card agreements. The amendment would allow the use of debit cards but not credit cards, therefore not allowing gamblers to borrow money to gamble.

- **Update Bingo Laws** – Commercial bingo has changed over the past decade. The current law does not allow Montana bingo operators some of the bingo cards and games allowed in other states and tribal casinos. The amendments would allow Montana establishments to keep up with developments in the industry by offering more types of bingo cards and games in live bingo games.

- **License for Associated Businesses** – Some businesses that handle Montana gambling devices or information are not in the gambling business or in the state. For example, the company that recycles gambling machines is in another state. To transfer the machines to the recycler, we need to assure the other state that we have licensed the person who owns the recycling company. The change in statute would create a general associated business license rather than trying to fit these businesses under another type of gambling license.

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- **Clarify Authority to Collect Fingerprints** – A recent audit by the FBI indicated that statutory authority to require fingerprints from applicants for all gambling licenses needs to be clearly set out in the gambling statutes.

- **Clarify Card Room Contractor Application Requirement** – Current law needs to be amended to indicate that a card room contractor must submit a proposed lease rather than a lease that has been executed. The purpose of the review is to assure that no other party has a financial interest in the proposed card room operation. As the law is currently written, it appears that a new card room contractor must enter into a lease before his or her card room contractor license has been approved.

2009 Legislature
January 7, 2009