

1 HOUSE BILL NO. 787

2 INTRODUCED BY E. BUTTREY

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATING TO GAMBLING
5 ROUTE OPERATORS; ESTABLISHING RESTRICTIONS ON GAMBLING ROUTE OPERATORS THAT WISH
6 TO OWN AN ALCOHOLIC BEVERAGE LICENSE; PROHIBITING UNFAIR COMPETITIVE ADVANTAGES;
7 PROVIDING PENALTIES; AND AMENDING SECTIONS 23-5-129 AND 23-5-603, MCA."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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11 NEW SECTION. **Section 1. Route operator licensed to sell alcohol at retail -- access to financial**
12 **data -- unfair advantage -- use of information prohibited.** (1) To prevent an unfair competitive advantage, a
13 route operator licensed under this chapter that also holds a license to sell alcoholic beverages to the public at
14 retail under Title 16 is subject to the provisions of this section.

15 (2) The route operator may not use financial data that puts the route operator at an unfair
16 competitive advantage relating to the acquisition, administration, and sale of an alcoholic beverage license
17 under Title 16.

18 (3) The route operator may not use financial data as leverage in the acquisition or sale of a license
19 under Title 16.

20 (4) The route operator, in operating the route operator's gambling business, may not restrict video
21 gambling machine games or machines that are in usage or available to the route operator's own alcoholic
22 beverage license from other alcoholic beverage licensees.

23 (5) For the purposes of this section, the term "financial data" means data that is acquired,
24 compiled, or otherwise obtained in the course and scope of the route operator's business that is available only
25 to the route operator through the conduct of the route operator's business and that would put the route operator
26 at a competitive advantage. Financial data includes information available only to the route operator that relates
27 to:

28 (a) alcoholic beverage licensees under Title 16;

- 1 (b) gambling location information;
- 2 (c) consumer gambling information for a particular location or geographic area;
- 3 (d) a licensed location's financial information relating to gambling; or
- 4 (e) any other data that is available only to a route operator and is not otherwise available to the
- 5 public through reasonable investigation.
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7 **Section 2.** Section 23-5-129, MCA, is amended to read:

8 **"23-5-129. Route operator's license -- fees.** (1) It is a misdemeanor for a person to conduct

9 business as a route operator without first obtaining a route operator's license from the department.

10 (2) Except as provided in subsection (6), the department shall charge an annual license fee of

11 \$1,000 for issuing or renewing a route operator's license. The department shall retain the fee for administrative

12 purposes.

13 (3) A route operator's license expires June 30 of each year, and the license fee may not be

14 prorated.

15 (4) Except as provided in subsection (6), the department may charge an additional, one-time

16 license application processing fee to cover the actual cost of processing the original license. The department

17 shall refund any amount of the application processing fee not needed to reimburse the department for actual

18 costs or shall collect an amount sufficient to reimburse the department for actual costs not completely covered

19 by the initial fee charged.

20 (5) The department shall retain for administrative purposes the license and application processing

21 fees collected under this section.

22 (6) The department may waive the license fee provided for in subsection (2) if the applicant is

23 licensed as a manufacturer or distributor and may waive the application processing fee provided for in

24 subsection (4) if the applicant is licensed as a manufacturer, distributor, or operator.

25 (7) The department may not renew or may revoke a license issued under this section for a

26 licensee that is found to have violated [section 1]."

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28 **Section 3.** Section 23-5-603, MCA, is amended to read:

1 **"23-5-603. Video gambling machines -- possession -- play -- restriction.** (1) A licensed operator
2 may make available for public play only the number of approved video gambling machines specifically
3 authorized by this part.

4 (2) The video gambling machines specifically authorized by this part are bingo, poker, keno, video
5 line, and multigame video gambling machines. Only the number of approved machines for which permits have
6 been granted under 23-5-612 may be made available for play by the public on the premises of a licensed
7 operator. The department shall adopt rules allowing a video gambling machine that needs repair to be
8 temporarily replaced while it is being repaired with a video gambling machine that is approved under the permit
9 provisions of this part. A fee may not be charged for the replacement machine.

10 (3) A video line game approved by the department for play must be made available to any licensed
11 machine owner.

12 (4) A manufacturer may not charge a fee for the use of a bingo, poker, keno, video line, or
13 multigame video gambling machine on a daily basis or any other periodic basis.

14 (5) A licensed operator, distributor, route operator, or manufacturer is prohibited from referencing
15 games not authorized under this title in advertising, promoting, or inducing play of a video gambling machine.
16 The department shall further define by rule what advertising is allowed under this subsection.

17 (6) Machines on premises appropriately licensed to sell alcoholic beverages for on-premises
18 consumption, as provided in 23-5-119, must be placed:

19 (a) be placed in a room, area, or other part of the premises in which alcoholic beverages are sold
20 or consumed; ~~and~~

21 (b) be placed within control of the operator for the purpose of preventing access to the machines
22 by persons under 18 years of age; ~~and~~

23 (c) if applicable, be available to the alcoholic beverages licensee by the route operator under
24 [section 1]."

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26 NEW SECTION. Section 4. Codification instruction. [Section 1] is intended to be codified as an
27 integral part of Title 23, chapter 5, part 6, and the provisions of Title 23, chapter 5, part 6, apply to [section 1].

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