

HOUSE BILL NO. 434

INTRODUCED BY E. BUTTREY, J. DOOLING, J. SMALL, S. FITZPATRICK, J. KASSMIER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATING TO SPORTS WAGERING;
REQUIRING SPORTS WAGERING FACILITIES TO HAVE AN APPROPRIATE ALCOHOLIC BEVERAGE
LICENSE; PROHIBITING CERTAIN LOTTERY PURCHASES THROUGH THIRD PARTIES; ALLOWING
CERTAIN LOTTERY PURCHASES THROUGH THIRD PARTIES; PROVIDING A GRANDFATHER CLAUSE;
REVISING A DEFINITION; AMENDING SECTIONS 23-7-103 AND 23-7-302, MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 23-7-103, MCA, is amended to read:

"23-7-103. Definitions. As used in this chapter, the following definitions apply:

(1) "Commission" means the state lottery and sports wagering commission created by 23-7-201.

(2) "Director" means the director appointed by the governor under 23-7-210 to administer and
manage the state lottery.

(3) (a) "Lottery game" means any procedure, including any online or other procedure using a
machine or electronic device, by which one or more prizes are distributed among persons who have paid for a
chance to win a prize and includes but is not limited to weekly (or other, longer time period) winner games,
instant winner games, daily numbers games, sports pool games, and sports wagering.

(b) The term does not mean games prohibited by Title 23, chapter 5, part 1; Calcutta pools
governed by Title 23, chapter 5, part 2; card games regulated by Title 23, chapter 5, part 3; raffles and bingo
games governed by Title 23, chapter 5, part 4; and sports pools governed by Title 23, chapter 5, part 5.

(4) "Lottery license" means a license issued by the state lottery that authorizes a sales agent to
sell lottery tickets at a fixed place of business.

(5) "Prizes" means any winning tickets, chances, wagers, or bets validated by the state lottery
central gaming system and sold by any sales agent.

(6) "Sales agent" means an entity that holds a lottery license or sports wagering license as provided in this chapter.

(7) (a) "Sports wagering" means accepting wagers on sporting events or portions of sporting events, or on the individual performance statistics of athletes in a sporting event or combination of sporting events, by any system or method of wagering, including but not limited to in-person or over the internet through websites and on mobile devices. The term includes but is not limited to single-game bets, teaser bets, parlays, over-under, money line, pools, exchange wagering, in-game wagering, in-play bets, and proposition bets.

(b) The term does not include:

(i) any wagers made outside the state;

(ii) any fantasy or simulated game or contest such as fantasy sports in which:

(A) participants own, manage, or coach imaginary teams;

(B) all prizes and awards offered to winning participants are established and made known to participants in advance of the game or contest;

(C) the winning outcome of the game or contest reflects the relative skill of the participants and is determined by statistics generated by actual individuals, including athletes in the case of sporting events; and

(D) no winning outcome is based solely on the performance of an individual athlete or on the score, point spread, or any performances or any single real-world team or any combination of real-world teams.

(8) "Sports wagering account" means a financial record established in a sports wagering facility for an individual in which funds may be deposited or withdrawn and winnings may be credited for sports wagering.

(9) "Sports wagering equipment" means a mechanical, electronic, or other device, mechanism, or other gaming equipment and related supplies that is connected to the state lottery central gaming system and used or consumed in the operation of sports wagering at the licensed sports wagering facility including a self-service terminal installed to accept sports wagers.

(10) "Sports wagering facility" means a lottery location approved under a sports wagering license and licensed under Title 23, chapter 5, as a gambling operator. A sports wagering facility must have an appropriate alcohol beverage license as defined in 23-5-119.

(11) "Sports wagering license" means a license issued by the state lottery that authorizes the operation of sports wagering through sports wagering equipment, including sports wagering conducted through

mobile application or other digital platforms that is initiated and received or otherwise made exclusively within the physical confines using location-based services of the single approved sports wagering facility.

(12) "State lottery" means the Montana state lottery and sports wagering agency created and operated pursuant to this chapter.

(13) (a) "Wager" or "bet" means the staking or risking by a person of something of value upon an agreement or understanding that the person or another person will receive something of value in the event of a certain outcome.

(b) The terms "wager" or "bet" do not include:

(i) any activity governed by the securities laws of the United States or the Securities Act of Montana in Title 30, chapter 10;

(ii) a contract of indemnity or guarantee, including a contract for insurance; or

(iii) participation in any game or contest in which the participants do not stake or risk anything of value other than personal efforts of the participants in playing the game or contest or obtaining access to the internet, or points or credits that the sponsor of the game or contest provides to participants free of charge and that can be used or redeemed only for participation in games or contests offered by the sponsor."

Section 2. Section 23-7-302, MCA, is amended to read:

"23-7-302. Sales restrictions. (1) The price of each lottery game ticket, chance, wager, or bet must be clearly stated on the ticket, chance, wager, or bet. The price of a lottery game chance vended by a machine or electronic device must be clearly stated on the machine or device.

(2) Tickets, chances, wagers, or bets may not be sold to or purchased by persons under 18 years of age.

(3) Tickets, chances, wagers, or bets may not be purchased on credit. Tickets, chances, wagers, or bets may be purchased only with cash, check, or debit card and may not be purchased on credit. The use of a debit card is limited to the daily withdrawal amount of the issuing debit card lending institution.

(4) Tickets, chances, wagers, or bets may not be sold to or purchased by commissioners, the director, the director's staff, gaming suppliers doing business with the state lottery, suppliers' officers and employees, employees of any firm auditing or investigating the state lottery, governmental employees auditing

or investigating the state lottery, or members of their households.

~~(5) The purchase or delivery of tickets, chances, wagers, or bets for a fee may not be facilitated through a courier, service, or third party -~~ THE DELIVERY OR FULFILLMENT OF ORDERS FOR LOTTERY WEEKLY WINNER GAMES, INSTANT WINNER GAMES, DAILY GAMES, TICKETS, OR CHANCES IS ALLOWED THROUGH A LICENSED MONTANA LOTTERY RETAILER AND MAY BE FACILITATED THROUGH A COURIER, SERVICE, OR THIRD PARTY. SPORTS WAGERING AS PROVIDED IN THIS CHAPTER MAY NOT BE FACILITATED THROUGH A COURIER, SERVICE, OR THIRD PARTY.

~~(5)(6)~~ The names of elected officials may not appear on any ticket, chance, wager, or bet."

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 4. Applicability -- grandfather clause.** [Section 1] does not apply to approved sports wagering facilities for a sports wagering facility licensed before [the effective date of this act].

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