



**MINUTES  
GAMING ADVISORY COUNCIL**

*October 5, 2018  
Helena, Montana*

This is a summary of the Council meeting. The meeting in its entirety is recorded in a digital audio file format and maintained at the Gambling Control Division office at 2550 Prospect Avenue, Helena, Montana. Exhibits (if any) are on file in the office of the Gambling Control Division.

**COUNCIL MEMBERS PRESENT**

(Chairman) Mark Kennedy  
Sen. Mark Blasdel  
Merle Frank

Mike Kenneally  
Carole Lankford  
Steve Morris

Bill Slaughter  
Cory Swanson

**DIVISION STAFF PRESENT**

Angela Nunn   Dave Jeseritz   Andy Ritter   Anne Gerken   Matt Eckdahl   Greg Janysek

**SUMMARY OF COUNCIL ACTION**

- ◆ **The Council voted unanimously to approve the minutes from the May 11, 2018 meeting.**
- ♥ **Councilman Morris recommended a subcommittee be formed to further research sports betting. This recommendation was approved.**
- ♣ **Councilman Slaughter made a motion to include the proposed change for machine possession in the DOJ/GAC bill. The motion passed unanimously.**
- ♠ **Councilman Frank made the motion to include the nonprofit activity heads or tails in the DOJ/GAC bill. The proposal passed unanimously.**
- ◆ **The Council scheduled the next meeting for June 21, 2019 in Helena. The meeting adjourned at 12:20 p.m.**

**CALL TO ORDER AND ROLL CALL**

Chairman Kennedy called the meeting to order at 10:00 a.m. All members were present except Representative Dale Mortensen, who was excused.

Chief of Staff Mike Milburn was present for opening remarks.

The minutes from the May 11, 2018 meeting were approved unanimously.

## **GAMBLING CONTROL DIVISION UPDATE**

### **Operations Bureau Update & Statistics**

Administrator Nunn gave a brief introduction of GCD staff that were present for the meeting. Ms. Nunn provided an overview of statistics for fourth quarter FY18. She explained that video gambling machine tax collections for the fourth quarter were approximately \$15.5 million, which was a 4% increase from the previous quarter, and overall collections for FY18 was approximately \$60 million. Ms. Nunn explained that the Division received 88 license applications in fourth quarter. Ms. Nunn also explained the Division permitted 19,000 gambling machines, which was 3% decrease from FY17. The number of Live Bingo permits issued 136 permits in FY18. She indicated 136 Casino Night permits and 98 Calcutta permits were issued during FY18. Live card tables permitted were down 3%, the number of card dealers were down 8%. Ms. Nunn also explained the division issued 157 large-stakes tournament permits, and 13 small-stakes tournament permits.

Ms. Nunn noted that the division is working on collecting first quarter VGM taxes. She also mentioned that there are various forms, guides, resources, and website updates being worked on.

### **Investigations Bureau Update**

Mr. Jeseritz explained to the Council that the Investigations Bureau conducted 1,516 premises inspections YTD for calendar year 2018. Mr. Jeseritz noted that the Bozeman Investigator position was filled and was still in the process of filling the vacant Helena position.

### **Technical Services Section Update**

Ms. Nunn announced to the Council that Mr. Ben Kamerzel had retired after thirty plus years. She explained that the Lab Engineers have been covering his functions, while it is vacant. Ms. Nunn mentioned that the Technical Services Administrative Rules were in the process of being adopted.

## **OTHER UPDATES**

### **Alcohol Beverage Control Division (ABCD) Update**

Ms. Becky Schlauch provided a high-level update regarding ABCD activities.

### **Montana Board of Horse Racing**

Mr. Tom Tucker provided updates regarding Board of Horse Racing activities.

## **Montana Council on Problem Gambling Update**

Mr. Brad Longcake provided an overview of the upcoming activities and outreach efforts taking place.

### **Other**

The Montana Lottery and Montana Indian Gaming Association were invited but unable to attend.

### **OLD BUSINESS**

#### **Legislative Proposal**

Ms. Nunn explained to the Council that although sports pool and machine possession changes have been presented and discussed at past meetings, the proposed changes had evolved. Packets were handed out to the Council to follow what has changed in these proposals. The first change that was discussed was the matter of clarifying who can offer a sports pool. Ms. Nunn refreshed the Council that there was a discrepancy between two statutes. The Council recommended to require that not only do those who offer sports pools have an appropriate alcoholic beverage license, they need to have a gambling operator license as well. Ms. Nunn reported back to the Council the information requested regarding how many appropriate alcoholic beverage licenses had been issued who do not have a gambling operator license. Councilman Morris made a motion to approve the proposed changes. The motion passed unanimously.

Next Ms. Nunn explained to the Council the issue regarding machine possession was presented in a past meeting. She briefly discussed the current law and explained the difficulties the Department is experiencing. Ms. Nunn noted that the purpose of this proposal was to clarify the terminology and eliminate the distinction of illegal and legal antique devices, as well as change how old a machine must be to qualify as antique from 25 years to 30 years. Ms. Nunn provided statistics on how many machines would become legal antiques if the change was approved and passed in the upcoming Legislative Session. Councilman Slaughter made a motion to include the proposed change for machine possession in the DOJ/GAC bill. The motion passed unanimously.

### **NEW BUSINESS**

#### **Sports Betting**

Ms. Nunn explained that gaming had been significantly changed in the United States due to the Supreme Court repealing the Professional and Amateur Sports Protection Act (PASPA) in May 2018. Ms. Nunn also noted nothing had changed in Montana upon that repeal but had opened up the opportunity for the Legislature to authorize sports betting. Based on the research, training, and meetings, Ms. Nunn compiled a list of potential areas that need to be considered in order to regulate this activity properly. Chairman Kennedy opened the discussion to the floor for Industry Representatives to weigh in on the matter.

Mr. Neil Peterson from the Gaming Industry Association (GIA) indicated that the GIA did not have a position for supporting or opposing sports betting in Montana. Mr. Peterson explained that the GIA has some ideas on how this would work but have many unanswered questions. Mr. Peterson also noted that he does not think Montana should be on the leading edge of sports betting, therefore would propose the Gaming Advisory Council back a study bill.

Mr. John Iverson from the Montana Tavern Association (MTA) explained to the Council that they did not have a position to support or oppose sports betting in Montana, however noted there must be some minimum criteria that is met in order for this activity to be allowed in Montana.

Ms. Ronda Wiggers from Montana Coin Machine Operators Association (MCMOA) explained that they share many of the questions that had been presented. Ms. Wiggers also explained that the MCMOA would like to introduce a bill in the upcoming Legislative Session.

Councilman Morris recommended a subcommittee be formed to further research sports betting. This recommendation was approved. Members Morris, Kenneally, Blasdel, and Lankford were appointed to the subcommittee.

### **Electronic Door Locks/Immediate Access**

Ms. Nunn explained to the Council that the department has had some discussions with Industry in regard to Alcohol Beverage Control Division's rule that requires doors in a licensed location to be unlocked while the public is on the licensed premises and requires immediate access for law enforcement. Ms. Nunn followed indicating there was some interest by industry in having the ability to lock doors at a given point during the night. Ms. Nunn explained to the Council that both departments are working with Industry to come up with a solution.

Mr. Neil Peterson explained to the Council the concerns he had for licensees having to leave their doors unlocked.

### **Industry Topics**

Mr. John Iverson provided a white paper handout to the Council in regard to the nonprofit fundraising activity heads/tails. Mr. Iverson explained that this activity is currently illegal because it is not specifically authorized in statute, therefore has proposed that this is included in the GAC/Department bill. Councilman Frank made the motion to include. The proposal passed unanimously.

### **Other Proposals**

Councilman Frank provided some discussion in regard to progressive jackpots, and the potential for establishments allowing more than 20 VGMs at a premium price. No action was taken at this time.

### **Draft Administrative Rules**

Ms. Nunn presented to the Council the draft Administrative Rules regarding the denial of a gambling license, permit, or authorization, administrative procedures to investigate gambling activities and alleged violations of Title 23, chapter 5, credit gambling, card dealer process, and updated terminology.

### **Public Comment**

There was no public comment.

### **Final Business**

The Council scheduled the next meeting for June 21, 2019 in Helena. The meeting adjourned at 12:20 p.m.