

MONTANA TAVERN TIMES

Promotional Activities - May 1, 2012

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After receiving a "Roulette Challenge" promotional card in the mail from a local car dealership this week, I decided it would be appropriate to review the statute and rules associated with promotional activities.

A "promotional game of chance" is defined in 23-5-112 (34), MCA, but is basically a promotional activity offered to the public in which no purchase is required (or expected) and a prize is awarded by simulating a legal gambling activity (e.g. a raffle) or by operating a device that was manufactured or intended for use for purposes other than gambling.

Any promotional devices, machines, instruments, schemes, activities, etc. that simulate or incorporate any aspect of the following games are prohibited and shall not be approved by the department:

- Banking card games such as blackjack, twenty-one, jacks or better, etc.
- Dice games such as craps, hazard, or chuck-a-luck.
- Sports betting (except where authorized in law – such as horse racing, sports pools, and pick the winners).
- Table games such as roulette or faro.

Payouts or prizes for a promotional game of chance, offered by a gambling licensee and/or an on-premises consumption liquor licensee, are subject to the maximum payout limits of the legal gambling activity being simulated. For example, raffles are the most common gambling activity associated with a promotional game of chance. An operator may set up an activity in which everyone that comes into their location can enter their name into a drawing for a specific item. As a reminder, the operator may not require that any purchase be made before their name is entered. Because it is simulating a raffle, they must comply with the raffle statute and rules including the prize limit of \$5,000 (for-profit organizations). All prizes must be awarded and the date of the drawing should be included on the registration materials.

Many gambling operators conduct a promotional scheme commonly called names such as "Match Play", "\$5 for \$5", or "\$20 for \$20", in which an establishment pays for video gambling machine play to customers who purchase additional play on the machine. In order to offer this promotional activity, they must post a clearly readable sign on a wall in the operator's establishment in full view of patrons playing video gambling machines. The sign shall include the following language:

This establishment requests that if you accept one of our promotions or promotional coupons for video gambling machine play that you play the machine for [time limit established by location] minutes.

Any customer or patron of this establishment may print a valid ticket voucher and cash-out any valid ticket voucher at any time during machine play. Mont. Code Ann. §23-5-608.

If a customer or patron of this establishment chooses to cash-out their free or credit play in less than [time limit established by location] minutes, the establishment will cash-out their valid ticket voucher in full but reserves the right to refuse this promotional offer for future play.

If the operator does not suggest, impose, recommend, or state a time limit, they are exempt from the sign requirement.

While sports betting is not allowed, a promotional activity called “pick-the-winners” may, on a case-by-case basis, be approved by the department. “Pick-the-winners” is a sports guessing game in which participants choose one team to win a sports event from a pre-designated number of sports events during a particular week. The participant that chooses the most winning teams wins a pre-designated prize which shall not exceed the value of \$100.

All devices, machines, instruments, apparatuses, or contrivances which are used in bona fide promotional games of chance must be approved by the department before the device may be played or displayed in public. The requirements for submitting a proposed device are in 23.16.3501(7), ARM.

Any proposed promotional games of chance conducted via wire, satellite, telephone communication, Internet, or similar remote electronic forum must receive prior approval from the department.

As for the “Roulette Challenge” promotional card I received in the mail, it is the Department’s opinion that this is an illegal promotional game of chance based on its reference to roulette (23.16.3501(3)(d), ARM).

For any questions or more information on promotional activities, please call the Gambling Control Division at (406) 444-1971 or email gcd@mt.gov. (References: 23-5-112, MCA; 23.16.3501, ARM)