

MONTANA TAVERN TIMES

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Among other things, summer is a perfect time for rodeos and golf tournaments. Many times those are accompanied by a Calcutta pool. If you have ever been to a rodeo where they auctioned off the bull riders prior to the event, you have witnessed a Calcutta pool. This article will explore what a Calcutta pool is and the rules associated with holding one.

Rule defines a Calcutta pool as “a form of auction pool wherein participants in the pool bid on the competitors in an underlying event with each successful bidder wagering the amount he has bid on the competitor he has ‘purchased’; at the conclusion of the underlying event the pool of wagers placed on all competitors is divided amongst the pool participants who have ‘purchased’ the winners of the underlying event according to the rules of the particular Calcutta pool.”

Let’s break it down. Calcutta pools are a legal gambling activity that requires a permit. Anyone (individual, group, association, or organization) can apply for a permit; no gambling operator license is necessary; and there is no permit fee. There is no minimum or maximum bid or payout. The proceeds (amount left after prizes and administrative costs) must go to a charitable cause (does not have to be an official nonprofit). Participants must be 18 years or older to bid in an auction pool. You cannot bid or wager on school-sponsored events.

While there are many events that can have a Calcutta pool, I will use the bull riding competition as an example to walk through the process.

- **Step 1:** Identify the “underlying event” or actual game, tournament, or contest with *more than two* entrants which is wagered upon by the participants. For example, a bull riding competition may be an underlying event if it has more than two riders for participants to wager on.
- **Step 2:** Formulate the rules for your Calcutta pool. The rules need to include:
 - What/when your event is;
 - Ex. Bull Riding Competition at the “Town” Rodeo on July 9, 2011 beginning at 7:30 PM.
 - Payouts (at least 50% of the total pool must be paid out in prizes);
 - Ex. 1st place – 40%, 2nd place – 30%, 3rd place – 20%
 - Administrative Costs (only expenses, there should not be profits for the sponsor);
 - Ex. \$50.00 for auctioneer
 - Intended use of proceeds (the amount left in a Calcutta pool after administrative costs and prizes have been paid).
 - Ex. 10% of total pool will be given to the 4H Club
- **Step 3:** Complete a Calcutta Pool Application and submit it to the Gambling Control Division *along with a copy of the rules* at least ten working days prior to the date of the event. Ten days is necessary due to license staff workload and allows time to obtain missing information if

necessary prior to the event. The application is available on our website at: www.doj.mt.gov/gaming/forms/26.pdf . It can be submitted by mail or fax. The application must include the following information:

- the date, time, and location of the auction *and* the event;
 - the number of competitors in the underlying event (actual number or best estimate);
 - the value of prizes to be awarded (a prize may be a percentage of the total wagers);
 - any projected costs of administering the pool;
 - the intended use of the proceeds of the pool;
 - a copy of the rules of the Calcutta pool
- **Step 4:** The permit must be issued prior to the event and the *rules need to be publically posted*.

There are no official reporting or record keeping requirements after the Calcutta is held. For more information, please call our office at (406) 444-1971 or email gcd@mt.gov. (References: Title 23, Chapter 5, Part 2, MCA; Title 23, Chapter 16, Subchapter 28, ARM)