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Credit Gambling - November 1, 2012

By Angela Nunn

Operations Bureau Chief, Gambling Control Division

Cash or credit? As the biggest shopping season begins, we are all very used to hearing that question, but what does it mean in the gambling arena? In response to some expressed interest in the topic, this article will provide a reminder on the rules and regulations surrounding credit gambling.

Credit gambling is prohibited. In every gambling activity (with limited exceptions), the consideration to play a game of chance must be paid in full, in cash, and in advance of any play. A check or debit card may be used to obtain cash, but it must be delivered and accepted unconditionally. That means an operator may not accept or hold a check, credit card, or debit card pending the outcome of a gambling activity. No operator may grant a loan of any kind at any time to a player or permit a deferred payment including post-dated checks, IOUs, or similar practices.

A person may repurchase a check previously cashed on the operator's premises, but only if the cash is presented by noon on the day following the date written on the check. Returned checks such as non-sufficient funds (NSF) or dishonored checks are not subject to the same requirement.

A licensee may accept debit cards to provide cash to customers for gambling purposes, but the cardholder must enter a PIN number. A debit card cannot be run as a credit card for purposes of obtaining cash for gambling. No licensee may accept credit cards for cash advances or the sale of items that may be redeemed for cash, such as gambling chips, money orders, checks, e-checks, vouchers, travelers checks, wire transfers, or gift cards.

Any merchandise or services (including tips) paid for with a credit card may be refunded or reimbursed through an adjustment to the customer's credit card account, and *not* by a cash refund (unless a gift card was purchased for over \$5 and the amount remaining on the card is less than \$5).

As noted previously, there are limited exceptions for raffles and the play of authorized live card games which are normally scored using points.

For any questions or more information, please call the Gambling Control Division at (406) 444-1971 or email gcd@mt.gov. (References: 23-5-157, MCA; 23.16.202, ARM)