

STATE OF MONTANA
DEPARTMENT OF JUSTICE
GAMBLING CONTROL DIVISION
2550 Prospect Avenue, P.O. Box 201424, Helena, Montana 59620-1424

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Attorney General

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Dear Montana Non-Profit Organization:

The Gambling Control Division has recently been made aware of various fundraising activities offered by certain non-profit organizations in the state that are in violation of Montana's gambling laws and rules. These activities appear to be occurring at annual dinners, fundraising events, and business meetings.

While these activities have largely gone undetected by the Division for a number of years, they are now on our radar and will need to be addressed. The Division's goal is to educate and bring these organizations into compliance with the law for all future events.

This letter invites non-profit organizations to work with the Division to resolve these gambling related issues before violations occur. We also want to educate groups on what activities are problematic, and the requirements of laws and rules related to those activities, and also provide guidance on how the organizations can be compliant in future fundraising events.

ISSUES:

Some of the gambling activities being offered by organizations that are in violation of the Montana gambling laws and rules are:

1. The sale of dinner tables or memberships packages at various dollar levels and including raffle entries in those packages.
2. Selling calendars that include entries into raffle drawings.
3. The uses of credit cards to pay for dinner tables or membership packages where raffle tickets are included in the purchase or the dinner tickets are the raffle tickets.
4. Calcuttas conducted without a permit
5. Selling reverse raffle tickets with a Calcutta auction on the final 12 raffle participants.
6. Selling chances on a sports pool board that exceed legal cost per chance or prize value limits.

7. Sports pool boards that are not authorized by law or approved as a variation by the Gambling Control Division.
8. Offering or participating in illegal gambling activities such as roulette, blackjack, dice games, craps, pull-tabs or punchboards at fundraising events.
9. Playing poker in public without a licensed table or licensed card dealer, or without a Casino night permit.
10. Failing to maintain receipts for merchandise awarded as prizes for raffles or sports pool boards.
11. Failing to maintain records for one year past the date of the raffle drawing, or failing to retain sports pool boards for 90 days after the date of the sports event.
12. Allowing participants in a raffle to pay for raffle chances with a credit card.
13. Allowing persons under the age of 18 to participate in the conduct or play of a gambling activities (except for limited types of raffles).

REMEDIES:

Organizations may not include raffle tickets as a condition of the sale of dinner tables, membership drives, live auctions or Calcuttas. This way, organizations can avoid violations of laws and rules pertaining to gift enterprises, credit gambling, and unauthorized Calcuttas.

Any Calcutta must be permitted by the Division. Calcutta pool permit applications can be found on the Division's website: <https://dojmt.gov/gaming/forms/>

Public sports pool boards must be in compliance with all the laws and rules of the state, including price per space and payouts.

Roulette wheels, blackjack or craps tables, pull tabs and punchboards are specifically identified as illegal gambling devices. The operation of such activities is an illegal gambling enterprise, punishable as a criminal offense. Poker is a highly regulated activity and can only be played publicly through proper licensing, or through a Casino Night permit. Casino Night permit applications can be found on the Division's website: <https://dojmt.gov/gaming/forms/> Sports tabs are approved, but they can only be sold at licensed locations.

Raffles and sports pool boards are regulated through laws and rules, which include record keeping requirements in place to track the compliance of both.

We encourage organizations to visit the Division's website at <https://dojmt.gov/gaming> to review the laws and rules posted there. I have included a few of them on the attached pages that coincide to some of the above-mentioned issues.

If there are further questions about how to host an event that complies with the state's gambling laws and rules, organizations can contact me (406-444-9130) or one of our District Supervisors; Jeff Vittatoe in Missoula (406-329-1478) or Joe Bryce in Billings (406-896-4395).

The Gambling Control Division is eager to work with non-profit associations to help ensure their future events fully comply with the state's gambling laws and regulations.

Sincerely,

Dave

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Gambling Investigations
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References:

Montana Code Annotated:

23-5-111 Construction and application. In view of Article III, section 9, of the Montana constitution, parts 1 through 8 of this chapter must be strictly construed by the department and the courts to allow only those types of gambling and gambling activity that are specifically and clearly allowed by those parts.

23-5-151 Gambling prohibited. Except as specifically authorized by statute, all forms of public gambling, lotteries, and gift enterprises are prohibited.

23-5-112. Definitions.

(13) (a) "**Gambling**" or "**gambling activity**"

(16) (a) "**Gift enterprise**"

(19) "**Illegal gambling device**"

(20) "**Illegal gambling enterprise**"

(36) "**Raffle**"

23-5-157. Gambling on cash basis

23-5-221 Calcutta Pools

23-5-306 through 23-5-311 Card games

23-5-413. Raffle prizes

23-5-501 through 23-5-512. Sports Pools

23-5-701-through 23-5-710 Casino Nights

Administrative Rules of Montana:

23.16.1701 through 23.16.1706 Sports Pool rules

23.16.2602 Raffles

23.16.2801 through 23.16.2806 Calcuttas

23.16.3101 through 23.16.3104 Casino nights