



**MINUTES  
GAMING ADVISORY COUNCIL**

*September 25, 2015  
Missoula, 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	Bob McAnally
Tim Carson	Steve Morris
Jed Fitch	Kevin Myhre

**DIVISION STAFF PRESENT**

Rick Ask                  Angela Nunn                  Dave Jeseritz                  Ben Kamerzel                  Jeff Vittatoo

**SUMMARY OF COUNCIL ACTION**

- ◆ **The Council voted unanimously to approve the minutes of the May 15, 2015 meeting.**
- ♥ **The Council voted to conceptually approve the Administrative Rules Proposal for Temporary Operating Authority.**
- ♣ **The Council voted to approve the Amendments for ARM 23.16.1702.**
- ♠ **The Council voted unanimously to approve the rules proposal for Publicly Traded Corporations.**
- ◆ **The Council voted unanimously to draft amendments to 23-5-629, MCA.**
- ♥ **The Council set the next meeting for January 29, 2015 in Helena.**

**CALL TO ORDER AND ROLL CALL**

Chairman Kennedy called the meeting to order at 10:00 a.m. All members were present except for Mike Kennelly, Senator Mark Blasdel, and Representative Casey Schreiner who were excused. The minutes from the May 15, 2015 meeting were approved unanimously.

## **GAMBLING CONTROL DIVISION UPDATE**

### **Division Update**

#### **Statistics**

Ms. Nunn provided an overview of statistics for fourth quarter (FY2015). She explained that video gambling machine tax collections for the fourth quarter were approximately \$15 million, which was less than a 1% decrease from the previous quarter, and a 2% increase compared to collections in the fourth quarter fiscal year of 2014. Ms. Nunn explained that the License Applications are up 26%. VGM permits were down 4.6% compared to FY14. Ms. Nunn explained that the Division will be watching trends in number of licenses and permits issued. Overall Ms. Nunn explained that the Division is down in permits and licenses, but tax collections have increased.

#### **Investigations Updates**

Mr. Jeseritz explained to the Council members and all who were present that they are at the season of sports pool boards for the NFL. Mr. Jeseritz explained that there is additional information on Sports Pool Boards located on our website in the Frequently Asked Questions page, and asked the Council Members and all present to guide the public to this page to seek this online information in order to assist them in running sports pool boards the correct way. Mr. Jeseritz explained the Investigations Bureau is down one investigator, and will be soon hiring another investigator to fill the position.

#### **TSS Updates**

Mr. Kamerzel explained to the Council Members that the Lab is down a position as well and look to fill the position within the month. Mr. Kamerzel explained that upwards of four to five manufacturers are looking to upgrade their platforms within their existing machines.

### **OLD BUSINESS**

#### **Key Employee/Manager Discussions**

Mr. Ask began the discussion by explaining why the subcommittee was formed which was to identify the employee or manager that licensees and/or applicants should be disclosing and providing background and fingerprint information for, and limit it to the person that has the most implements and influence and control. There was also discussion to see if it is necessary to require management agreements. Mr. Ask explains after meeting with Industry and the subcommittee, the Division has drawn up an initial form and framework for trying to identify a key employee or manager. The subcommittee will meet again before the next Council meeting to continue discussions.

## **NEW BUSINESS**

### **Temporary Authority**

The Administrative Rules proposal for temporary operating authority has been conceptually approved unanimously by the Council. In coordination with the Liquor Control Division, the requirements will include:

- Application filed electronically;
- Application is deemed complete by licensing staff;
- No adverse reports on owners, officers, or managers at the time of the request;
- Premises licensed within the last 12 months (existing location);
- Good standing verification of the seller;
- Issued for no more than 45 days (extensions only for issues outside of applicant's control);

### **Publicly Traded Corporations**

In the GAC meeting on May 15, 2015, Ms. Nunn brought up the concern for questions to the Division on when Publicly Traded Corporations need to file a new license application when an investor jumps to a new threshold of ownership. The Council voted unanimously to pass this proposal.

### **Sports Pool Tabs**

The Division has drawn up amendments to clean up the language for ARM 23.16.1702. The Council voted to approve the amendments. The motion was made to approve the rule amendment; it was seconded and passed unanimously.

### **Upcoming Rules Proposals**

Mr. Ask discussed the upcoming rules:

- There will be a new Calcutta fee of \$25 effective October 1, 2015.
- Minimal values for social card games will be defined.
- Other rule clarifications:
  - Sports Pools
  - Raffles
  - Casino Nights

### **150 Foot Rule**

Mr. Ask discussed with the Council the 150 Foot Rule statute (23-5-629, MCA). The intent of this statute is to limit opportunities for larger entities that operated in an inter-related fashion from becoming too compacted. Mr. Ask recommended it may be necessary to draft a proposal to create an amendment to the gaming statute, to be presented and approved at the next meeting. A motion was made to approve Mr. Ask's recommendation for creating an amendment to MCA 23-5-629. It passed unanimously.

### **Dinner Cruise**

Mr. Ask brought the topic of dinner cruises to discussion on whether or not it is an idea that can be feasible. Mr. Carson deemed having video gambling machines on the boat was not practical, however Mr. Carson and Mr. Fitch agreed with Mr. Ask's idea of looking into live games to be allowable.

### **Gift Enterprise**

Ms. Parrish, who was representing the Credit Unions and financial institutions in Montana, was given the floor to further discuss her request for an exception to the gift enterprises. Ms. Parrish explained that this proposal is designed to motivate people to save money. The process would be to open a certificate of deposit (CD) with the minimum balance. Ms. Parrish further explains when certain thresholds were met; the individual receives a ticket to have a chance to win a prize in a quarterly prize drawing. Mr. Kennedy requested the division move forward with discussions with the Attorney General.

### **Fantasy Leagues**

Mr. Ask discussed that legislators and citizens of Montana have questioned as to why a Montana citizen cannot participate in online fantasy leagues. Mr. Ask explains that this activity is defined as gambling in Montana. Mr. Ask proposed to create a white paper for the Council and the Attorney General that will provide options.

### **Other Topics**

The discussion of sports pool wagers was a topic of interest the Council asked to keep on the agenda to determine limits. License streamlining was another topic of interest to create a new application or short form where a licensee acquires a new location and does not have to fill out an entirely new application. Other topics that were mentioned to be discussed at the next meeting include: debit card usage, crowdfunding, and the Division's revenue fund.

### **FINAL BUSINESS**

The Council scheduled their next meeting for January 29, 2016 in Helena. The meeting adjourned at 12:00 p.m.