

**MONTANA DEPARTMENT OF JUSTICE
GAMBLING CONTROL DIVISION**

**Biennial Report
Fiscal Years 2021 – 2022**



and

**Report of the
Gaming Advisory Council**

December 2022

Gambling Control Division
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Executive Summary

The video gambling machine tax collections (a key indicator for the industry) saw a 30.4% increase in fiscal year 2021. Due to the COVID 19 pandemic, collections greatly increased from FY20. Collections showed a 4.16% increase in FY22. These tax collections provided approximately \$153 million to the state general fund over the reporting period.

The division issued approximately 19,130 permits for video gambling machines each fiscal year with an average of 17,020 machines active each quarter. This is up by approximately 2.5% compared to FY19 and FY20.

A substantial portion of the division's work relates to alcoholic beverage licensing, auditing, inspecting, and investigating. For example, 23% of the applications received by the division in FY21 and FY22 were for alcohol-only licenses, 74% were for alcohol and gambling licenses, and only 3% were for gambling-only licenses. Also, 46% of the premises inspections completed by our investigations staff were done at locations with an alcoholic beverage license (not a gambling license), 53% of inspections were done at locations with both a gambling operator license and an alcoholic beverage license, and 1% of inspections were done at locations with only a gambling operator license

The division continued to provide support for programs assisting those adversely affected by legalized gambling including compulsive gamblers and their families. That was primarily done through its relationship with the Montana Council on Problem Gambling.

The division successfully provided educational resources on gambling statutes and rules for licensees and the public and increased its communication efforts through a variety of media platforms.

The Gaming Advisory Council met four times during the reporting period. During meetings, they discussed a number of topics, including proposals that were passed during the most recent Legislative Session. Details of council discussions can be found on page 18.

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Gambling in Montana

Brief History

Montana's 1889 Constitution made all forms of gambling illegal. However, illegal gambling always existed in some local jurisdictions. In the 1930s and 1940s, the legislature legalized certain limited forms of gambling. The 1949 Legislature and the attorney general declared a "law enforcement emergency" to crack down on illegal gambling. In 1950, the State Supreme Court ruled that slot machines and punchboards were illegal under the state Constitution.

In 1972, Montana voters approved a new Constitution that allowed the legislature to approve specific gambling activities. The 1973 Legislature legalized bingo, raffles, card games, and sports pools. In 1976, the State Supreme Court ruled that video keno was a form of bingo, which marked the beginning of legal video gambling machines. The legislature added video poker to keno in 1985 and, in 1986, voters approved a state lottery. The legislature enacted a 15% tax on video gambling machines in 1987.

Prior to 1989, responsibility for regulating most forms of gambling in Montana rested with local governments. This decentralized system resulted in an inconsistent application of the law regarding gambling activities in the state. Some cities and counties vigorously controlled gambling within their boundaries while other jurisdictions took a more relaxed stance. A consistent approach to gambling regulation was nonexistent.

The 1989 Legislature centralized gambling regulation under the Department of Justice. Statutory duties assigned to the department included adopting administrative rules, licensing gambling providers and activities, collecting and distributing gambling taxes, testing and approving video gambling machines, and enforcing gambling laws.

Current Regulation

The Attorney General is responsible for the Department of Justice which includes the Gambling Control Division. The Gambling Control Division's jurisdiction extends to all forms of gambling except horse racing and the activities offered by the Montana Lottery.

The following gambling activities are authorized and regulated by the Division:

- video gambling machines that offer keno, poker, bingo, or line games;
- live card games including poker and panguingue;
- live bingo and live keno;
- certain sports pool and sport tab games;
- Calcutta pools;

- casino nights;
- raffles;
- certain dice games including cee-lo and shake-a-day and shaking for music or drinks;
- live fantasy sports leagues; and
- fishing derbies and betting on natural occurrences.

The Montana Lottery is attached to the Department of Administration and the Board of Horse Racing is administratively attached to the Department of Commerce.

Public Policy

The legislature has adopted the following public policy statement (23-5-110, MCA) with regard to gambling regulation in Montana:

“(1) The legislature finds that for the purpose of ensuring the proper gambling environment in this state it is necessary and desirable to adopt a public policy regarding public gambling activities in Montana. The legislature therefore declares it is necessary to:

(a) create and maintain a uniform regulatory climate that assures players, owners, tourists, citizens, and others that the gambling industry in this state is fair and is not influenced by corrupt persons, organizations, or practices;

(b) protect legal public gambling activities from unscrupulous players and vendors and detrimental influences;

(c) protect the public from unscrupulous proprietors and operators of gambling establishments, games, and devices;

(d) protect the state and local governments from those who would conduct illegal gambling activities that deprive those governments of their tax revenues;

(e) protect the health, safety, and welfare of all citizens of this state, including those who do not gamble, by regulating gambling activities; and

(f) promote programs necessary to provide assistance to those who are adversely affected by legalized gambling, including compulsive gamblers and their families.

(2) The legislature adopts the policy that an applicant for a license or permit or other department approval under parts 1 through 8 of this chapter does not have a right to the issuance of a license or permit or the granting of the approval sought. The issuance of a license or permit issued or other department approval granted pursuant to the provisions of parts 1 through 8 of this chapter is a privilege revocable only for good cause. A holder does not acquire a vested right in the license or permit issued or other department approval granted. A license or permit issued under parts 1 through 8 of this chapter may not be sold, assigned, leased, or transferred.

(3) Revenue to fund the expense of administration and control of gambling as regulated by parts 1 through 8 of this chapter must be derived solely from fees, taxes, and penalties on gambling activities, except the gambling activities of the Montana state lottery and the parimutuel industry.”

Organization and Activities of the Gambling Control Division

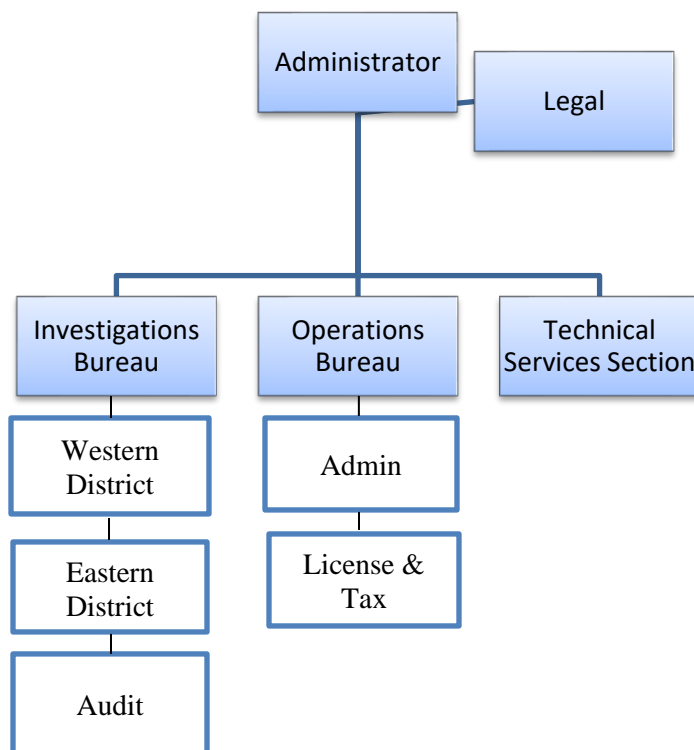
The mission of the Gambling Control Division (GCD) is to create and maintain a uniform regulatory climate to protect the businesses, players, organizations, citizens, and all who are affected by legalized gambling in Montana. The 33 division FTE accomplish this mission through licensing, permitting, collecting, auditing, testing, programming, inspecting, investigating, prosecuting, and reporting.

Under Montana law, businesses must have an appropriate alcoholic beverage license before they can conduct or offer certain gambling activities, specifically live card games, sports pool/sports tab games, and video gambling machines.

The Division has an MOU with Department of Revenue, Alcoholic Beverage Control Division to provide licensing, auditing, and investigative services. Through that role, the division serves as a point of contact for many alcoholic beverage licensees and applicants.

The Division also provides investigative services to DOR for tobacco tax enforcement.

The Division Administrator manages the Division's overall operations which are headquartered in Billings. In addition to management responsibility, the Administrator supports the activities of the Gaming Advisory Council. The organizational structure of the Division is indicated below:



Investigations Bureau

The Gambling Investigations Bureau is organized into Eastern and Western Districts and an Audit Section. In addition to headquarters in Billings, field offices are located in Bozeman, Glendive, Great Falls, Kalispell, Missoula and Helena which includes our Technical Services Lab.

The primary responsibilities of the Investigations Bureau include:

- investigating illegal gambling or alcohol activity;
- execute gambling and alcohol suspensions and revocations;
- investigating any violations of laws related to tobacco taxes or the types of tobacco that can be sold;
- conducting background checks of applicants for a gambling or alcoholic beverage license;
- conducting routine inspections of gambling and/or alcoholic beverage licensed establishments;
- processing applications for temporary card dealer licenses;
- inspecting newly constructed or remodeled establishments that sell alcoholic beverages or offer gambling;
- evaluating variations of legal gambling activities submitted for approval;
- providing local law enforcement training;
- providing topic specific training and resources to licensees and general public, and
- providing assistance in the distribution of problem gambling resources.

The number of gambling, liquor, or tobacco cases (including licensing, criminal, and citizen complaints) completed by the Investigations Bureau was 2,226 in fiscal year 2021, and 3,022 in fiscal year 2022.

The Audit Section has staff located in Billings, Helena and Missoula and provides the following services:

- assists in licensing applicants for a gambling or alcoholic beverage license by conducting financial background reviews;
- conducts full financial reviews of gambling or alcoholic beverage license holders;
- conducts field tax audits; and
- provides support to the Investigations Bureau in interpreting and analyzing financial documents related to suspected illegal gambling activities.

Operations Bureau

The Administrative Section performs a range of functions including:

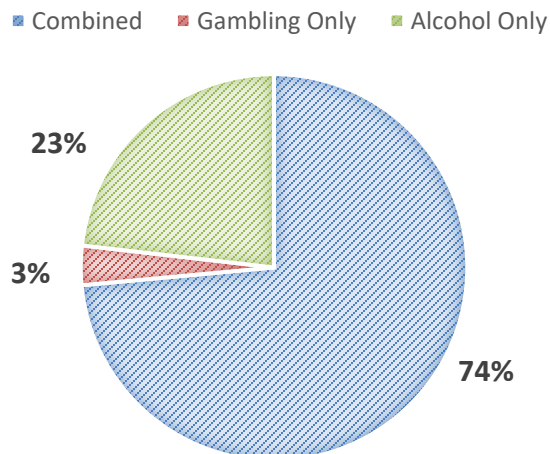
- division management services;
- budget preparation;
- website maintenance;
- coordination of external communication;
- licensee and public education;
- compilation of gambling statistics and reports; and
- assistance in production of problem gambling resources.

The License and Tax Section provides many services including the following:

- processes and issues gambling licenses and permits, including video gambling machine permits;
- collects and distributes license and permit fees;
- maintains all license records;
- collects gambling taxes, fines and penalties; and
- processes machine service forms and tracks machine movement in the state.

The Gambling Control Division processes both alcoholic beverage and gambling (new and amended) license applications. The License and Tax Section is the first point of contact for all license applications based on a combined processing procedure, but the Department of Revenue retains responsibility for approving and issuing alcoholic beverage licenses. In fiscal year 2021 and fiscal year 2022, the division received a total of 578 new applications. Of that total, 74% were Combined Alcohol/Gambling, 3% were Gambling-only, and 23% were Alcohol-only. Overall, the division received 72% more license applications over the last two fiscal years as compared to the previous two fiscal years.

NEW APPLICATIONS - FY21/FY22



Technical Services Section

Technical Services Section personnel are based in Helena with the exception of two machine inspectors: one in Billings and another in Missoula. The Technical Services Section serves as the primary technical resource for approving and testing video gambling machines.

Major responsibilities of the Technical Services Section include:

- testing video gambling software and hardware;
- testing automated accounting systems;
- providing interpretations of state law and rules to video gambling machine software designers;
- providing random testing of video gambling machines to ensure that software and hardware are functioning as tested; and
- programming the division's database;
- tracking the movement of illegal machines in and out of the state.

The lab closed 68 cases in FY21 and 61 cases in FY22 for new gambling devices or software modifications. The average turnaround time on video gambling machine modifications was 23 days in FY21 and 15 days in FY22. The laboratory is primarily supported by hourly testing fees that are paid by the video gambling machine manufacturers.

Legal Services

An attorney from the State's Attorney's office is assigned to the Gambling Control Division. The attorney's focus is primarily on administrative action against licensees who violate Montana's gambling laws and rules, and on representing the Division in administrative proceedings. In addition, the Gambling Control Division's attorney may assist local county attorneys with gambling-related cases that fall within local jurisdictions. If county attorneys decline prosecution of a criminal case, the division attorney may prosecute the case. The division had 80 docketed legal cases in fiscal year 2021 and 65 docketed legal cases in fiscal year 2022.

Gambling Revenue and Permit Fees

Video Gambling Machine Gross Income Tax – The Video Gambling Machine Gross Income Tax is the most significant source of gambling revenue, and all the tax is distributed to the state general fund. This 15% tax is applied to the gross income from line game, bingo, keno, and poker video gambling machines. Gross machine income is the total receipts from a machine, less the machine’s cash payouts. For example, if during a day \$100 is inserted and played on a video gambling machine and \$60 is cashed out, the gross income for the day would be \$40. The tax would be 15% of that \$40, or \$6.

In fiscal year 2021, the Video Gambling Machine gross income tax generated an estimated \$75 million for the state general fund which represented a 30.4% increase as compared to the amount collected in fiscal year 2020. In fiscal year 2022, the Video Gambling Machine tax generated an estimated \$78 million, which represented a 4.2% increase compared to fiscal year 2021.

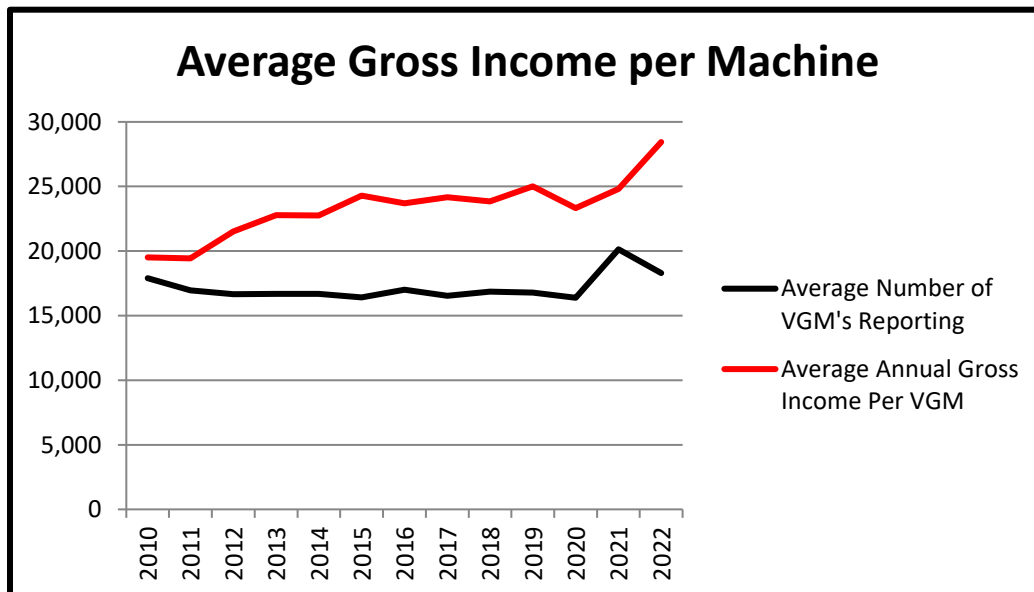
The following chart indicates the video gambling machine tax collection trend over the last ten years:

**Video Gambling Machine Tax Collection
by Fiscal Year**



Average gross income for video gambling machines per fiscal year is indicated in the following chart:

Fiscal Year	Average Number of VGM's Reporting	Total Annual Gross Income	Average Annual Gross Income Per VGM
2011	16,958	\$ 329,559,473	\$ 19,434
2012	16,649	\$ 358,218,613	\$ 21,516
2013	16,695	\$ 380,329,860	\$ 22,781
2014	16,684	\$ 379,607,573	\$ 22,753
2015	16,420	\$ 398,863,520	\$ 24,291
2016	17,007	\$ 406,212,940	\$ 23,708
2017	16,526	\$ 399,588,646	\$ 24,179
2018	16,864	\$ 402,120,393	\$ 23,844
2019	16,792	\$ 419,957,833	\$ 25,009
2020	16,384	\$ 382,211,327	\$ 23,328
2021	20,135	\$ 499,415,187	\$ 24,803
2022	18,122	\$ 520,378,480	\$ 28,720

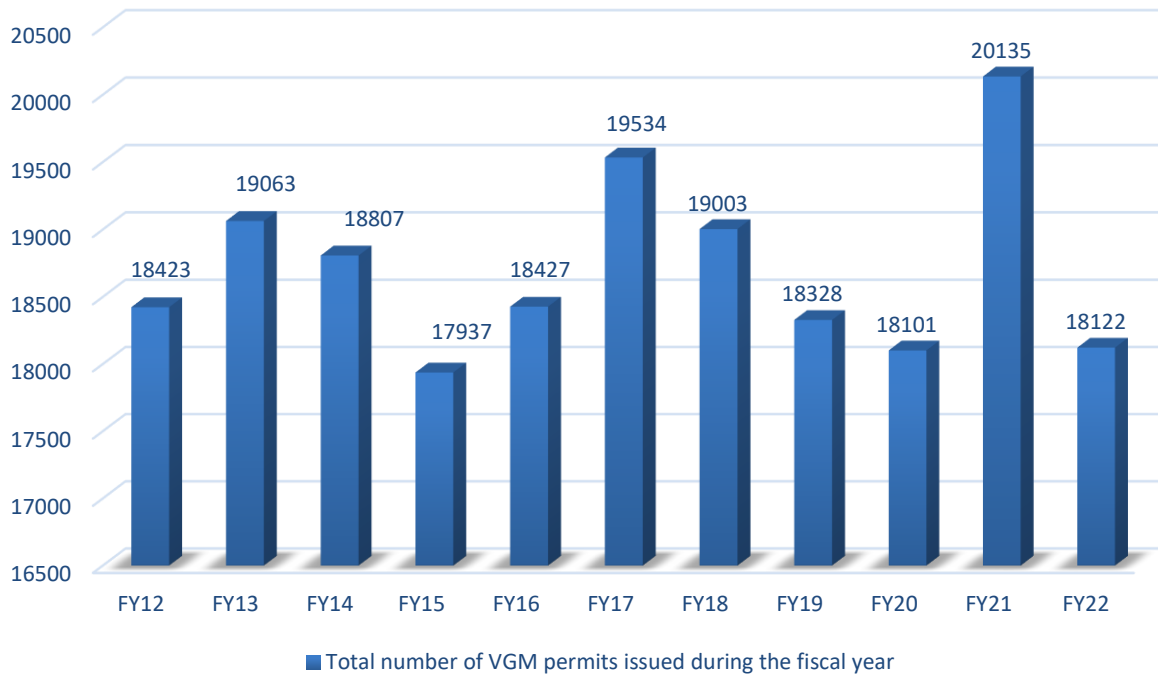


Other Gambling Taxes – In addition to the Video Gambling Machine gross income tax, the Division collects taxes on live keno, live bingo, and sports tabs. Live bingo and live keno are taxed at the rate of 1% of gross proceeds and all of the tax collected is distributed to local government. Total collections are generally around \$7,000 per year.

Sports tab cards are taxed at a flat rate of \$1 per card and the Division retains all of the tax. Historically, this has been a regionally located activity and generally produces collections of approximately \$4,000 annually.

Permit Fees – The Gambling Control Division also collects a number of permit fees related to licensed gambling activities. The most significant permit fee is the \$240 per year fee for each video gambling machine. The fee is split to provide \$100 to local government where the machine is located and \$140 to the Gambling State Special Revenue Fund. If a video gambling machine is permitted after the first quarter of the fiscal year, the fee is prorated by quarter.

VGM permits by Fiscal Year



Distribution of Revenue

GCD collects revenue from several sources – primarily taxes and permits. While the division collects over \$60 million dollars a year, GCD retains only approximately 4% of the total which is deposited into the gambling license fee account (state special fund 02074) to fund division operations.

FY 2021 GCD Distribution of Revenue				
Revenue Source	Total Collected	Distribution of Funds		
		Local Govt.	Gambling Control	General Fund
Antique Slot Machine Dealer	\$ -		\$ -	
Bingo & Keno Permit Fees	\$ 28,625		\$ 28,625	
Calcutta Application Fees	\$ 4,050		\$ 4,050	
Card Dealer License Fees	\$ 7,335		\$ 7,335	
Card Room Contractor Fees	\$ 3,900		\$ 3,900	
Card Table Permit Fees	\$ 43,325	\$ 28,700	\$ 14,625	
Card Tournament Fees	\$ 7,320		\$ 7,320	
Casino Night Permit Fees	\$ 225		\$ 225	
Fines/Penalties	\$ 60,699			\$ 60,699
Lab Test Fees	\$ 122,598		\$ 122,598	
Live Bingo & Keno Tax	\$ 4,930	\$ 4,930		
Manufacturer/Route Operator License Fees	\$ 75,173		\$ 75,173	
Operator License Fees	\$ 161,590		\$ 161,590	
Sports Tab Tax	\$ 650		\$ 650	
VGM Gross Income Tax	\$ 74,917,334			\$ 74,917,334
VGM Permit Fees	\$ 4,253,070	\$ 1,787,000	\$ 2,466,070	
Totals	\$ 79,725,549	\$ 1,820,630	\$ 2,926,886	\$ 74,978,033
Percent of Total	100.00%	2.28%	3.67%	94.05%

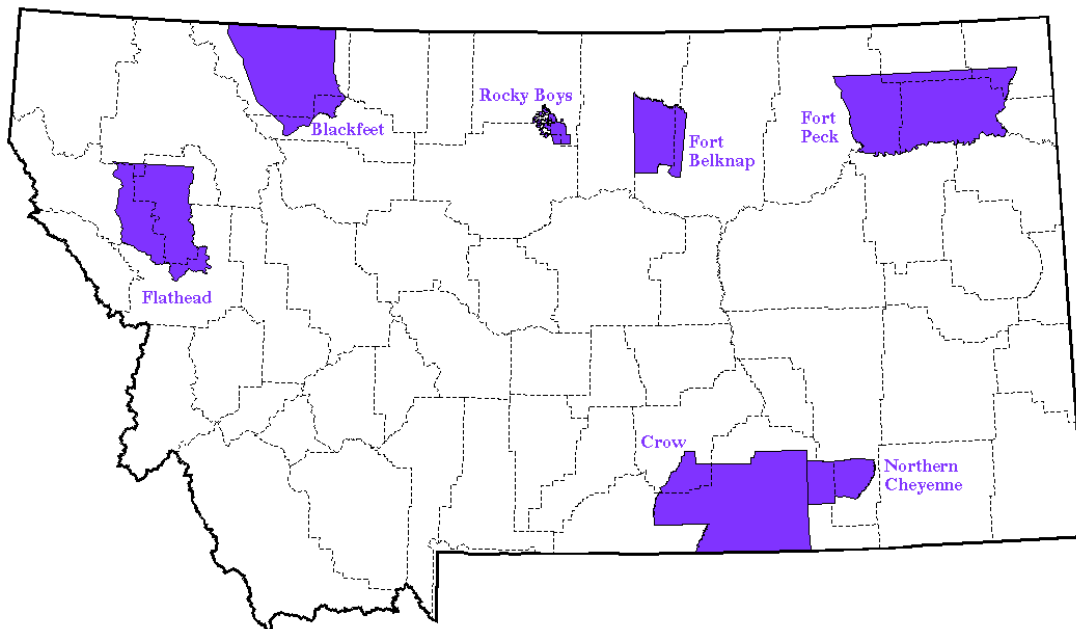
FY 2022 GCD Distribution of Revenue				
Revenue Source	Total Collected	Distribution of Funds		
		Local Govt.	Gambling Control	General Fund
Antique Slot Machine Dealer	\$ -		\$ -	
Bingo & Keno Permit Fees	\$ 30,220		\$ 30,220	
Calcutta Application Fees	\$ 5,700		\$ 5,700	
Card Dealer License Fees	\$ 12,575		\$ 12,575	
Card Room Contractor Fees	\$ 4,800		\$ 4,800	
Card Table Permit Fees	\$ 50,500	\$ 33,400	\$ 17,100	
Card Tournament Fees	\$ 9,730		\$ 9,730	
Casino Night Permit Fees	\$ 850		\$ 850	
Fines/Penalties	\$ 56,628			\$ 56,628
Lab Test Fees	\$ 151,819		\$ 151,819	
Live Bingo & Keno Tax	\$ 6,148	\$ 6,148		
Manufacturer/Route Operator License Fees	\$ 70,653		\$ 70,653	
Operator License Fees	\$ 168,908		\$ 168,908	
Sports Tab Tax	\$ 6,283		\$ 6,283	
VGM Gross Income Tax	\$ 77,881,279			\$ 77,881,279
VGM Permit Fees	\$ 4,118,715	\$ 1,700,075	\$ 2,418,640	
Totals	\$ 82,574,808	\$ 1,739,623	\$ 2,897,279	\$ 77,937,907
Percent of Total	100.00%	2.11%	3.51%	94.38%

Tribal Gaming Compacts

The Indian Gaming Regulatory Act (IGRA) enacted by Congress in 1988 directs the State, upon the request of a tribe, to enter into negotiations for the conduct of class III gaming on Indian Reservations. Class III gaming, as defined under IGRA, includes video gambling machines and other casino-style games. No class III gaming, by tribal members or nonmembers, can be conducted on the reservation unless a compact is in place.

A team of representatives from the Governor's Office negotiates state-tribal compacts for the State on behalf of the Governor.

In existing tribal compacts, the State has negotiated the same types of games that are legal in Montana. With regard to conditions of play, the State has agreed to various payouts of up to \$5,000 for a limited number of tribally owned video gambling machines. The State has also agreed to allow a total number of video gambling machines on the reservation rather than limiting tribes to a specific number of machines to be placed in each tribal premises. State-licensed (e.g. non-tribal) facilities are limited to payouts of \$800 and may have no more than 20 video gambling machines.



In recent years, some tribes have introduced class II video gambling machines. The class II machines resemble class III video gambling machines but are not subject to a state compact because they are considered electronic aids to the play of bingo. The class II video gambling machines can be operated without a state-tribal gaming compact.

Status of Compact Negotiations

Blackfeet Tribe of the Blackfeet Reservation – A compact with the Blackfeet Tribe was terminated in 1997 after being in place for only a brief period of time. Negotiations with the Blackfeet Tribe began in June 2005 and another negotiation session was conducted in 2008 but did not result in a new gaming compact. Currently, the Blackfeet Nation operates the Glacier Peaks Casino, which offers class II gambling, in Browning.

Crow Tribe of the Crow Reservation – On February 7, 2014, the US Department of Interior published its approval of the 8th Amendment to the gaming compact with the Crow Tribe. The compact was originally entered into in 1998 and was scheduled to expire in 2003. A series of amendments continued the agreement, and now this 8th Amendment to the compact extends the agreement for another 15 years or until a new compact is signed, whichever occurs first. The Amendment calls for the parties to begin negotiations toward a new compact upon its approval by the Secretary of Interior.

Under the terms of the 8th Amendment to the compact, the number of class III video gambling machines the Tribe may offer was increased from 400 to 925. Of those class III video gambling machines, up to 1/3 may be categorized as “high stakes,” with wagers up to \$50 per play, and prizes up to \$5,000 per wager. The remaining two-thirds of the class III video gambling machines are categorized as “regular stakes,” with wagers up to \$10 per play, and prizes up to \$3,000 per wager.

Salish & Kootenai Tribes of the Flathead Reservation – The State and the Tribes entered into a five-year compact in 2001 which expired on November 30, 2006. The Tribes and the state negotiating team entered into negotiations in March 2006. Negotiations did not result in a new compact or an extension of the existing compact. On November 30, 2006, video gambling machine permits for 37 state-licensed gambling locations were canceled and all video gambling machines were removed from the reservation. The Tribes now operate the Kwa Taq Nuk and Gray Wolf Peaks casinos that offer class II video gambling machines and card games.

Gross Ventre & Assiniboine Tribes of the Fort Belknap Reservation – The State and the Fort Belknap Indian Community Council signed a state-tribal gaming compact in August 2007. This is the first gaming compact signed between the Tribes and the State since IGRA was signed into law in 1988. Under the agreement, the Tribes may have up to 400 Class III video gambling machines with a maximum wager of \$5 and maximum payout of \$2,000.

Assiniboine & Sioux Tribes of the Fort Peck Reservation – In December 2012, the State and the Assiniboine and Sioux Tribes of Fort Peck signed a new class III gaming compact, which was approved by the U.S. Department of Interior on December 20, 2012. In addition to other forms of gambling that are legal in Montana, the 2012 compact allows up to a total of 750 Class III machines to be operated within the Reservation, which includes maximum wagers of \$10 and maximum payouts of \$2,500 for “regular stakes” machines. The compact also provides that up to 20% of the Class III machines on any premises may be “high stakes” which may have a maximum wager of \$50 and a maximum payout of \$5,000.

Northern Cheyenne Tribe of the Northern Cheyenne Reservation – In January 2013, the Northern Cheyenne Tribe and the State of Montana signed a new class III gaming compact, which was approved by the U.S. Department of Interior on March 8, 2013. In addition to other forms of gambling that are legal in Montana, the 2013 compact allows to be operated within the Reservation up to 750 class III machines at tribal casinos located within the Reservation and on the Tongue River Reservoir Trust Lands. The compact provides for maximum payouts of \$3,000.

Chippewa-Cree Tribe of the Rocky Boy’s Reservation – In December 2012, the State and the Chippewa Cree Tribe signed a new class III state-tribal gaming compact, which was approved by the U.S. Department of Interior on February 4, 2013. In addition to other forms of gambling that are legal in Montana, the 2012 compact allows up to 750 class III machines to be operated within the Reservation, with maximum wagers of up to \$10. The compact provides for maximum payouts of \$3,000 in up to 500 machines, and maximum payouts of \$5,000 in up to 250 machines.

For more information and links to the current compacts, visit our website:

<https://dojmt.gov/gaming/state-tribal-gaming-compacts/>.



2021 - 2022 Gaming Advisory Council
Report to the Department of Justice and the 2021 Legislature

Council Members:

NAME	REPRESENTING	LOCATION	TERM
Sen. Ryan Lynch	Legislature (Senate)	Butte	April 2021-April 2023
Merle Frank	Gaming Industry	Billings	Dec 2017-Jan 2022
Mike Kenneally	Gaming Industry	Butte	Jan 2014-Jan 2023
Carol Lankford*	Native Americans	Ronan	Oct 2018-Oct 2021
Steve Morris (Chair)	Gaming Industry	Helena	June 1999-Jan 2023
Scott Aspenlieder	Public at Large	Billings	April 2021-April 2024
Samson Boyd	Native Americans	Helena	Oct. 2021-Oct. 2023
Garret McFarland	Local Government	Miles City	May 2021-May 2024
Gregory Frazer	House of Rep.	Deer Lodge	May 2021-May 2023
Jesse Ramos*	Local Government	Helena	Mar. 2021-Mar 2023

* indicates member is no longer active.

The Gaming Advisory Council is authorized by statute ([2-15-2021, MCA](#)). The statutory duties assigned to the Gaming Advisory Council (GAC) are:

- to hold meetings and study all aspects of gambling in Montana;
- to review and comment on administrative rules proposed by the Department; and
- to submit a biennial report to the Department of Justice and the Legislature with recommendations regarding the state's gambling laws and the Department's administrative rules and operations.

The GAC has nine members: one member each from the Senate and House of Representatives, one public member, two local government representatives, one Native American representative and three gaming industry representatives. The President of the Senate and the Speaker of the House appoint the legislators to the Council, while the Attorney General selects the remaining members. Each member serves a three-year term.

Gaming Advisory Council Deliberations and Activities

This section provides a brief summary of each of the meetings that took place in the interim between the 2021 and 2023 legislative sessions. The minutes of all Gaming Advisory Council Meetings are available on the Department of Justice website at <https://dojmt.gov/gaming/gaming-advisory-council/>.

June 25th, 2021 – The first meeting following the legislative session was held in Billings. Attorney General Austin Knudsen provided opening comments.

Mr. Gackle provided a high-level update on the proposals that were passed during the Legislative Session, which included patrons dice games, sports pools, and player rewards

Division Staff provided updates for the Operations Bureau, Investigations Bureau, and the Technical Services Section.

The Alcohol Beverage Control Division provided a handout that included high-level legislative updates and updates regarding ABCD activities. Montana Council on Problem Gambling, and Montana Lottery also provided updates. Montana Board of Horse Racing and Montana Indian Gaming Association were invited but unable to attend.

October 15th, 2021 – The Council met in Helena to further discuss the issues introduced during the June meeting. Division staff provided updates for the Operations Bureau, Investigations Bureau, and the Technical Services Section. The Council nominated and voted Councilman Steve Morris as Chair.

Mr. Gackle presented a brief overview to the council on the Division's funding sources and provided a handout outlining the Division's distribution of revenue for fiscal year 2019 through fiscal year 2021. Mr. Gackle also presented to the Council a proposed change related to sports boards and providing an additional option to allow for locations alternative ways to store and payout cash for this activity.

Updates were provided by the Alcohol Beverage Control Division, Montana Board of Horse Racing, Montana Lottery, and the Montana Council on Problem Gambling. The Montana Indian Gaming Association was invited but unable to attend.

March 11th, 2022 – This Council meeting was held in Billings and via Zoom. Division staff provided updates for the Operations Bureau, Investigations Bureau, and the Technical Services Section. Mr. Gackle presented a brief overview to the Council on the Division’s funding sources.

Ms. Shauna Helfer of the Gaming Industry Association and Ms. Ronda Wiggers of the Montana Coin Machine Operators provided public comment regarding Negative Tax.

Updates were provided by the Alcohol Beverage Control Division, the Montana Council on Problem Gambling and the Montana Lottery. The Montana Indian Gaming Association, and the Montana Board of Horse Racing were invited but unable to attend.

October 27th, 2022 – This Council meeting was held in Billings and via Zoom.

Division staff provided updates for the Operations Bureau, Investigations Bureau, and the Technical Services Section. Deputy Chief of Staff Gackle and Administrator Johnson mentioned there has been positive feedback with moving the Divisions Tax & License Department to Billings allowing for more interaction with the industry as well as expanding the hiring pool for tax and license positions.

Updates were provided by the Alcohol Beverage Control Division, the Montana Council on Problem Gambling, and the Montana Lottery. The Montana Indian Gaming Association and Montana Board of Horse Racing were invited but unable to attend.

Fiscal Year 2021 Video Gambling by City					
CITY	Number of Video Gambling Machines	Estimated Population (7/1/2021)	Average persons per VGM	Number of Gambling Locations	Video Gambling Tax Collected
Belgrade	203	11,608	57	13	\$ 1,172,447
Billings	2,275	117,445	52	132	\$ 14,014,235
Bozeman	415	54,539	131	31	\$ 2,887,312
Columbia Falls	176	5,545	32	12	\$ 968,869
Deer Lodge	88	2,935	33	7	\$ 415,795
Dillon	114	3,976	35	12	\$ 457,984
Glendive	217	4,871	22	17	\$ 877,453
Great Falls	1,364	60,403	44	90	\$ 6,589,923
Hamilton	204	4,905	24	13	\$ 993,694
Havre	326	9,314	29	26	\$ 1,096,662
Helena	742	33,120	45	53	\$ 4,160,796
Kalispell	624	26,110	42	37	\$ 3,988,205
Laurel	245	7,180	29	14	\$ 1,080,072
Lewistown	161	6,048	38	15	\$ 585,334
Livingston	198	8,386	42	15	\$ 984,295
Miles City	281	8,397	30	22	\$ 1,044,384
Missoula	1,091	74,822	69	74	\$ 5,899,784
Sidney	201	6,197	31	16	\$ 938,938
Whitefish	181	8,492	47	12	\$ 801,328

Fiscal Year 2022 Video Gambling by City					
CITY	Number of Video Gambling Machines	Estimated Population (7/1/2021)	Average persons per VGM	Number of Gambling Locations	Video Gambling Tax Collected
Belgrade	205	11,608	57	13	\$ 1,039,009
Billings	2,344	117,445	50	132	\$ 13,516,485
Bozeman	455	54,539	120	31	\$ 2,899,402
Columbia Falls	146	5,545	38	12	\$ 871,033
Deer Lodge	95	2,935	31	7	\$ 420,538
Dillon	108	3,976	37	12	\$ 409,926
Glendive	228	4,871	21	17	\$ 871,006
Great Falls	1,375	60,403	44	90	\$ 5,807,841
Hamilton	203	4,905	24	13	\$ 948,596
Havre	328	9,314	28	26	\$ 994,060
Helena	735	33,120	45	52	\$ 3,855,829
Kalispell	659	26,110	40	39	\$ 3,776,289
Laurel	229	7,180	31	13	\$ 1,078,110
Lewistown	163	6,048	37	15	\$ 565,008
Livingston	199	8,386	42	15	\$ 1,002,457
Miles City	264	8,397	32	22	\$ 971,348
Missoula	1,108	74,822	68	74	\$ 5,750,244
Sidney	202	6,197	31	16	\$ 866,577
Whitefish	178	8,492	48	12	\$ 785,206

*Bureau, US Census. "City and Town Population Totals: 2020-2021." *The United States Census Bureau*, 1 July 2021, www.census.gov/data/tables/time-series/demo/popest/2020s-total-cities-and-towns.html.

Fiscal Year 2021 Video Gambling by County			
COUNTY	Number of Video Gambling Machines	Number of Gambling Locations	Video Gambling Tax Collected
BEAVERHEAD	199	22	\$513,600.00
BIG HORN	168	10	\$618,815.00
BLAINE	104	9	\$290,990.00
BROADWATER	155	11	\$612,463.00
CARBON	280	24	\$710,752.00
CARTER	7	2	**
CASCADE	1955	129	\$7,684,132.88
CHOUTEAU	71	13	\$129,372.00
CUSTER	367	24	\$1,130,980.00
DANIELS	59	6	\$75,536.00
DAWSON	270	20	\$915,957.00
DEER LODGE	240	26	\$805,119.00
FALLON	70	8	\$179,372.00
FERGUS	258	27	\$666,762.00
FLATHEAD	1710	99	\$7,500,764.00
GALLATIN	1107	86	\$4,731,275.00
GARFIELD	18	2	**
GLACIER	195	11	\$702,414.00
GOLDEN VALLEY	19	4	\$56,799.00
GRANITE	42	7	\$61,231.00
HILL	486	36	\$1,282,615.00
JEFFERSON	194	17	\$552,293.00
JUDITH BASIN	39	8	\$99,106.00
LAKE	42	6	\$70,775.00
LEWIS AND CLARK	1251	89	\$5,557,213.00
LIBERTY	17	3	\$22,107.00
LINCOLN	577	37	\$1,223,082.00
MADISON	85	13	\$234,688.00
MCCONE	22	5	\$81,667.00
MEAGHER	66	8	\$133,546.00
MINERAL	234	16	\$521,857.00
MISSOULA	1619	106	\$7,042,414.00
MUSSELSHELL	96	8	\$262,303.00
PARK	399	35	\$1,132,106.00
PETROLEUM	2	1	**
PHILLIPS	104	13	\$323,462.00
PONDERA	94	12	\$259,575.00
POWDER RIVER	49	6	\$93,771.00
POWELL	137	13	\$450,529.00
PRAIRIE	17	3	\$24,575.00
RAVALLI	580	37	\$1,888,434.00
RICHLAND	393	27	\$1,419,081.00
ROOSEVELT	313	21	\$1,459,796.00
ROSEBUD	191	15	\$515,384.00
SANDERS	285	20	\$685,097.00
SHERIDAN	176	14	\$467,344.00
SILVER BOW	1219	90	\$4,227,640.00
STILLWATER	165	13	\$539,173.00
SWEET GRASS	60	7	\$155,856.00
TETON	75	11	\$168,670.00
TOOLE	191	17	\$318,955.00
TREASURE	0	0	**
VALLEY	155	19	\$496,350.00
WHEATLAND	47	7	\$121,695.00
WIBAUX	49	4	\$192,986.00
YELLOWSTONE	3413	182	\$15,506,791.00

**Confidential tax information (only two or less licensed gambling locations in this county)

Fiscal Year 2022 Video Gambling by County			
COUNTY	Number of Video Gambling Machines	Number of Gambling Locations	Video Gambling Tax Collected
BEAVERHEAD	178	22	\$ 561,569.00
BIG HORN	160	10	\$ 674,520.00
BLAINE	95	9	\$ 231,380.00
BROADWATER	121	10	\$ 628,449.00
CARBON	285	26	\$ 692,313.00
CARTER	7	2	**
CASCADE	1820	121	\$ 7,611,749.00
CHOUTEAU	74	14	\$ 160,691.00
CUSTER	301	22	\$ 1,162,342.00
DANIELS	53	6	\$ 80,739.00
DAWSON	260	22	\$ 965,453.00
DEER LODGE	265	26	\$ 865,187.00
FALLON	71	8	\$ 193,871.00
FERGUS	208	25	\$ 710,808.00
FLATHEAD	1524	96	\$ 7,983,430.00
GALLATIN	935	77	\$ 5,235,253.00
GARFIELD	15	2	**
GLACIER	163	9	\$ 563,344.00
GOLDEN VALLEY	18	3	\$ 39,824.00
GRANITE	34	5	\$ 75,101.00
HILL	429	33	\$ 1,301,885.00
JEFFERSON	172	16	\$ 545,352.00
JUDITH BASIN	35	7	\$ 96,056.00
LAKE	35	5	\$ 85,069.00
LEWIS AND CLARK	1129	81	\$ 5,857,002.00
LIBERTY	17	3	\$ 24,116.00
LINCOLN	550	41	\$ 1,406,727.00
MADISON	116	16	\$ 317,433.00
MCCONE	30	6	\$ 71,512.00
MEAGHER	64	8	\$ 123,879.00
MINERAL	204	15	\$ 546,733.00
MISSOULA	1561	108	\$ 7,712,312.00
MUSSELSHELL	101	9	\$ 255,005.00
PARK	330	31	\$ 1,249,099.00
PETROLEUM	2	1	**
PHILLIPS	108	13	\$ 323,384.00
PONDERA	80	12	\$ 268,827.00
POWDER RIVER	41	5	\$ 105,446.00
POWELL	136	10	\$ 501,235.00
PRAIRIE	17	3	\$ 29,978.00
RAVALLI	484	34	\$ 1,945,548.00
RICHLAND	336	26	\$ 1,390,485.00
ROOSEVELT	301	21	\$ 1,135,156.00
ROSEBUD	164	14	\$ 549,358.00
SANDERS	238	18	\$ 768,979.00
SHERIDAN	185	14	\$ 417,613.00
SILVER BOW	1093	82	\$ 4,445,564.00
STILLWATER	157	14	\$ 541,071.00
SWEET GRASS	41	7	\$ 196,462.00
TETON	78	10	\$ 167,958.00
TOOLE	136	16	\$ 367,473.00
TREASURE	0	0	**
VALLEY	172	21	\$ 556,231.00
WHEATLAND	50	8	\$ 112,013.00
WIBAUX	47	3	\$ 196,038.00
YELLOWSTONE	3070	169	\$ 15,972,105.00

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