

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND TWENTY-FIRST LEGISLATURE

FIRST SPECIAL SESSION
August 21, 2003 to August 22, 2003

The General Effective Date For
First Special Session
Non-Emergency Laws Is
November 22, 2003

SECOND REGULAR SESSION
January 7, 2004 to January 30, 2004

The General Effective Date For
Second Regular Session
Non-Emergency Laws Is
April 30, 2004

SECOND SPECIAL SESSION
February 3, 2004 to April 30, 2004

The General Effective Date For
Second Special Session
Non-Emergency Laws Is
July 30, 2004

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Penmor Lithographers
Lewiston, Maine
2004

INITIATED BILL OF THE STATE OF MAINE
REFERRED TO THE VOTERS BY
THE ONE HUNDRED AND TWENTY-FIRST LEGISLATURE
AND APPROVED AT REFERENDUM

CHAPTER 1

I.B. 2 - L.D. 1371

**An Act To Allow Slot Machines at
Commercial Horse Racing Tracks**

**Be it enacted by the People of the State of
Maine as follows:**

Sec. 1. 7 MRSA §76 is enacted to read:

§76. Agricultural Fair Support Fund

1. Fund created. The Treasurer of State shall establish an account to be known as the "Agricultural Fair Support Fund" and shall credit to it all the money received for that purpose under Title 8, section 923, subsection 1, paragraph A, subparagraph 4.

2. Disbursement. No later than January 31st of each year, all funds held as of the end of the previous calendar year in the Agricultural Fair Support Fund must be distributed by the Treasurer of State as follows:

A. Sixty percent of these funds must be distributed to all entities licensed as agricultural fairs by the department that during the previous year were licensed to and did accept pari-mutuel wagers on harness horse races. Each licensed entity must receive a proportionate distribution based upon the number of days in the preceding year each licensee raced during its regular fair meet. The funds must be used by the fairs to supplement purses; and

B. Forty percent of these funds must be divided among all entities licensed as agricultural fairs by the department. These funds must be distributed in the same proportion as funds distributed for premium reimbursement and may be used at the fairs' discretion.

Sec. 2. 8 MRSA §263-C, sub-§4, as reallocated by PL 1999, c. 790, Pt. A, §8, is amended to read:

4. Duties. The executive director has the following duties:

A. Management of the work of the commission, including:

- (1) Rulemaking;

- (2) Processing appeals;

- (3) Licensing of tracks and off-track betting facilities; ~~and~~

- (4) Setting race dates; and

- (5) Registration of slot machines and licensing of slot machine operators and slot machine distributors; and

B. Management of the work of the department regarding harness racing ~~and~~ off-track betting and slot machine operations, including:

- (1) Supervision of all staff involved in harness racing ~~and~~ off-track betting and slot machine functions;

- (2) Management of the collection and distribution of revenues under this chapter;

- (3) Budget development and management;

- (4) Policy development with regard to harness racing ~~and~~ off-track betting and slot machines;

- (5) Management of participant licensing;

- (6) Enforcement of harness racing ~~and~~ off-track betting and slot machine statutes and rules;

- (7) Investigation of harness racing ~~and~~ off-track betting and slot machine violations;

- (8) Facilitating the development of positive working relationships in the harness racing industry and State Government; and

- (9) Making reports to the Governor and Legislature and recommendations to the commissioner regarding harness racing ~~and~~ off-track betting and slot machine operations and the need for changes in statutes and rules.

Sec. 3. 8 MRSA §271, sub-§1, as amended by PL 2001, c. 567, §3, is further amended to read:

1. Licensing. If the commission is satisfied that all of this chapter and rules prescribed by the commission have been substantially complied with during the past year and will be fully complied with during the coming year by the person, association or corporation

applying for a license; that the applicant, its members, directors, officers, shareholders, employees, creditors and associates are of good moral character; that the applicant is financially responsible; and that the award of racing dates to the applicant is appropriate under the criteria contained in subsection 2, it may issue a license for the holding of harness horse races or meets for public exhibition with pari-mutuel pools, which must expire on December 31st. The fee for a license is \$100 or \$10 per week, whichever is higher. The commission shall provide a booklet containing harness racing laws and rules and relevant portions of the Maine Administrative Procedure Act to every initial licensee and a fee not to exceed \$10 must be included in the license fee to cover the cost of this publication. The commission shall provide necessary revisions of this booklet to those persons renewing licenses at the time of renewal and shall include the cost of the revisions, not to exceed \$10, in the renewal fee. The license must set forth the name of the licensee, the place where the races or race meets are to be held and the specific race dates and time of day or night during which racing may be conducted by the licensee. If the commission determines that the location where a commercial track is licensed to conduct races is unavailable, it may permit a licensee to transfer its license to another location. The substitute location and the races conducted there by the licensee must be conducted in accordance with this chapter. ~~Any such license issued is not transferable or assignable.~~ The District Court Judge, as designated in Title 4, chapter 5, may revoke any license issued at any time for violation of the commission's rules or licensing provisions upon notice and hearing. ~~The license of any corporation is automatically revoked, subject to Title 5, chapter 375, upon the~~ A license issued under this section is transferable or assignable as long as the commission finds that the transferee or assignee satisfies all elements for the issuance of the license being transferred or assigned. A change in ownership, legal or equitable, of 50% or more of the voting stock of the a corporation and the corporation may not hold a harness horse race or meet for public exhibition without a new license licensed under this section constitutes a transfer of the license.

Sec. 4. 8 MRSA §§296 and 297 are enacted to read:

§296. Fund to supplement harness racing purses

1. Fund created. A fund is established to supplement harness racing purses to which the commission shall credit all payments received pursuant to section 923, subsection 1, paragraph A, subparagraph (2) for distribution in accordance with this section.

2. Distribution. On May 30th, September 30th and January 30th, all amounts credited to the fund established by this section as of the last day of the

preceding month and not distributed before that day must be distributed to each commercial track licensed to operate slot machines under section 911, with each track receiving that amount of the money available for distribution determined by multiplying that amount times a fraction, the numerator of which is the total number of live race days conducted by the commercial track during the preceding time period and the denominator of which is the total number of race days conducted by all commercial tracks licensed to operate slot machines under section 911 during that time period. The payment in January must be adjusted so that for the prior 3 time periods each commercial track receives that fraction of the total money distributed over the full year from the fund established by this section, the amount determined by multiplying the total amount of money times a fraction, the numerator of which is the number of live race days conducted by the commercial track during the calendar year and the denominator of which is the total number of race days conducted by all commercial tracks licensed to operate slot machines under section 911 during that calendar year. The funds distributed pursuant to this section must be used to supplement harness racing purses.

3. Rules. The commission may adopt rules to enforce the obligation of licensees to use funds distributed under this section to supplement harness racing purses and to require licensees to account for funds.

§297. Working capital advance

The commission is authorized to establish an advance to the commission from any licensee under section 911 in an amount of up to \$250,000 to fund any necessary start-up costs associated with the implementation of a system of slot machines in the State pursuant to chapter 30. Funds advanced for this purpose must be credited against the licensee's obligation to pay the first \$250,000 to the commission under section 923.

Sec. 5. 8 MRSA c. 30 is enacted to read:

CHAPTER 30

SLOT MACHINES

SUBCHAPTER 1

GENERAL PROVISIONS

§901. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Associated equipment. "Associated equipment" means any proprietary device, machine or part

used in the manufacture or maintenance of a slot machine, including, but not limited to, integrated circuit chips, printed wire assemblies, printed wire boards, printing mechanisms, video display monitors and metering devices.

2. Commission. "Commission" means the State Harness Racing Commission within the Department of Agriculture, Food and Rural Resources.

3. Director. "Director" means the executive director of the commission.

4. Drug abuser. "Drug abuser" has the same meaning as set forth in Title 5, section 20003, subsection 10.

5. Drug addict. "Drug addict" has the same meaning as set forth in Title 5, section 20003, subsection 11.

6. Drug-dependent person. "Drug-dependent person" has the same meaning as set forth in Title 5, section 20003, subsection 12.

7. Distribute. "Distribute" means to sell, lease, license, place or otherwise make available for use in the State.

8. Fugitive from justice. "Fugitive from justice" has the same meaning as set forth in Title 15, section 201, subsection 4.

9. Gross slot income. "Gross slot income" means money or credits inserted into a slot machine minus money or credits or prizes paid out to winners.

10. Licensee. "Licensee" means a person licensed by the commission to operate a slot machine in accordance with section 911.

11. Operate. "Operate" means to offer for public use.

12. Pari-mutuel facility. "Pari-mutuel facility" means a location at which a person is licensed under chapter 11 to accept pari-mutuel wagers on horse races.

13. Person. "Person" means an individual, corporation, association, partnership, trust or other business organization.

14. Slot machine. "Slot machine" means any mechanical, electrical or electronic device, contrivance or machine or other device, contrivance or machine that, upon insertion of a coin, token, credit or similar object or thing of value, is available to play or operate, the play or operation of which by the element of chance may deliver or entitle the person playing or operating the device, contrivance or machine to receive cash, tokens or credits to be exchanged for

cash, merchandise or anything of value, whether the payoff is made automatically from the device, contrivance or machine or in any other manner, and includes progressive electronic gaming devices with a payoff that increases as the electronic gaming device is played.

15. Slot machine distributor. "Slot machine distributor" means a person who is licensed under this chapter to distribute slot machines and associated equipment for use in the State.

16. Uniform location agreement. "Uniform location agreement" means a written agreement between a licensee and a slot machine distributor that governs the terms and conditions of the placement of slot machines on the premises of the licensee.

§902. License required

1. Operation of slot machines. A person may operate a slot machine in this State if the person is licensed to do so by the commission under section 911, but not otherwise.

2. Distribution of slot machines. A person may distribute a slot machine and associated equipment for use in this State if the person is licensed to do so by the commission under section 913, but not otherwise.

3. Slot machines. A person may not operate or distribute a slot machine in this State unless the machine is registered with the commission under section 912.

4. Ownership of slot machines. A person may not place or operate a slot machine for use in this State if the slot machine is owned by any person other than a slot machine distributor licensed under section 913.

§903. Administration and enforcement

The commission shall enforce and administer the provisions of this chapter.

§904. Powers and duties of the commission

1. Powers. The commission may:

A. Regulate, supervise and exercise general control over the ownership, operation and distribution of slot machines;

B. Adopt rules necessary to administer and enforce this chapter;

C. Investigate any alleged violations of this chapter or rules adopted under this chapter and investigate the direct or indirect ownership or control of any licensee or slot machine distributor;

D. In any investigation conducted under this chapter, issue subpoenas to compel the attendance of witnesses and the production of evidence relevant to any fact at issue;

E. Enter the offices, facilities or other places of business of a licensee or slot machine distributor to determine compliance with this chapter and rules adopted under this chapter;

F. Require a licensee to file an annual financial report with the commission, including a balance sheet and profit and loss statement, a list of all persons having any beneficial interest in the licensee, and such other information as the commission may require, all in such form as the commission may establish by rule;

G. Keep accurate and complete records of its proceedings and to certify the records as may be appropriate;

H. Take any other action as may be reasonable or appropriate to enforce this chapter and the rules adopted under this chapter;

I. Approve or disapprove terms and conditions of uniform location agreements; and

J. Subject to any applicable laws relating to public contracts, enter into a contract for the performance of the commission's duties under this chapter. A contract awarded or entered into by the commission may not be assigned by the holder of the contract except by specific approval of the commission.

2. Duties. The commission shall:

A. Investigate or cause to be investigated all complaints made to the commission regarding ownership, distribution or operation of slot machines and all violations of this chapter or the rules adopted under this chapter;

B. Adopt rules to prevent undesirable conduct relating to the ownership, distribution and operation of slot machines, including, but not limited to, the following:

(1) The practice of any fraud or deception upon a player of a slot machine;

(2) The presence of a slot machine in or at premises that may be unsafe due to fire hazard or other such conditions;

(3) The use of obscene advertising;

(4) The infiltration of organized crime into the ownership, distribution or operation of slot machines; and

(5) The presence of disorderly persons in a location where slot machines are in use;

C. Disable any slot machine following a determination that:

(1) A person has illegally tampered with the slot machine;

(2) The funds from the slot machine have not been distributed, deposited or allocated in accordance with section 923; or

(3) The slot machine does not meet the registration requirements of this chapter or rules adopted under this chapter;

D. Collect funds due to the State under section 923;

E. Certify monthly to the Commissioner of Agriculture, Food and Rural Resources a full and complete statement of all slot machine revenue, credits disbursed by licensees, administrative expenses and the allocation of gross slot income for the preceding month;

F. Submit by January 15th an annual report to the Governor and the joint standing committee of the Legislature having jurisdiction over legal affairs of slot machine revenue, credits disbursed by licensees, administrative expenses and the allocation of gross slot income for the preceding year; and

G. Prepare and submit to the Department of Agriculture, Food and Rural Resources a budget for the administration of this chapter.

SUBCHAPTER 2

LICENSING

§911. License to operate

1. Eligible persons. The commission may issue a license to operate slot machines to any person who is licensed to operate a commercial track, as defined in section 275-A, that satisfies the following criteria:

A. The commercial track is located at or within a 5-mile radius of the center of a commercial track that conducted harness racing with pari-mutuel wagering on more than 25 days during calendar year 2002; and

B. The operation of slot machines at the commercial track is approved by the voters of the municipality in which the commercial track to be licensed is located by referendum election held at any time after December 31, 2002 and before December 31, 2003.

2. Requirements for license. The person applying for a license under subsection 1 must satisfy the qualifications set forth in section 914.

3. Operation of machines. A licensee may operate a slot machine on any day during the calendar year at the location where the commercial track is licensed to accept pari-mutuel wagers on horse races, without restriction on hours of operation.

4. Placement of slot machines. A licensee shall prohibit persons under 21 years of age from any area in which a slot machine is located except that persons 18 to 20 years of age may be present if directly employed by the licensee or a slot machine distributor.

5. Uniform location agreement. Each slot machine is subject to a uniform location agreement between the slot machine distributor and the licensee. A copy of the agreement must be submitted to the commission. The uniform location agreement is the complete and sole agreement between the licensee and the slot machine distributor regarding slot machines. No other agreement between the licensee and the slot machine distributor is legally binding.

6. Disclosure of other contracts and agreements. A licensee must disclose to the director any and all contracts or agreements the licensee establishes with a slot machine distributor.

7. Restriction against proliferation. A license may not be issued under subsection 1 to any commercial track located within 100 miles of any existing licensee.

§912. Registration of slot machines

1. Registration required. A slot machine may not be operated or distributed in this State unless the slot machine is registered by the commission, the operator is licensed by the commission under section 911 and the distributor of the slot machine is licensed under section 913.

2. Requirements for registration. To be registered, a slot machine:

A. May not have any means of manipulation that affect the random probabilities of winning a game;

B. Must have one or more mechanisms that accept coin or cash in the form of bills and that are designed to prevent a person from obtaining credits or cash without paying;

C. Must be designed to suspend operation until reset if a person attempts, by physical or other tampering, to obtain credits or cash without paying;

D. Must have nonresettable meters housed in a readily accessible locked slot machine area that keep a permanent record of all cash inserted into the slot machine, credits or cash awarded by the slot machine, credits played for games and credits distributed by tickets issued by the slot machine; and

E. Must have accounting software that keeps an electronic record of information that includes, but is not limited to, total cash inserted into the slot machine; total cash awarded, total credits played for games and total credits distributed by tickets made by the slot machine; and the pay-back percentage of each game.

3. Examination of prototypes. The commission shall examine prototypes of slot machines and associated equipment of slot machine distributors seeking registration as required in this chapter. The commission shall require the slot machine distributor seeking examination and approval of the slot machine or associated equipment to pay the anticipated cost of the examination before the examination occurs. After the examination occurs, the commission shall refund overpayments or charge and collect amounts sufficient to reimburse the commission for underpayments of actual cost. The commission may contract for the examinations of slot machines and associated equipment as required by this section.

4. Unregistered slot machine subject to confiscation. Any slot machine that is not registered as required by this section is contraband and a public nuisance and is subject to confiscation by any law enforcement officer.

§913. Licensing of slot machine distributors

1. License required. A person may not distribute any slot machine in the State unless the person is licensed under this section.

2. Requirements for license. The commission may issue a license to distribute slot machines to an applicant that meets the qualifications set out in section 914.

§914. Qualifications for license

1. Minimum qualifications. A person must satisfy the following qualifications to be a licensee under section 911 or a slot machine distributor under section 913.

A. The person must be of good moral character.

B. The person has not been convicted of a crime punishable by one year or more of imprisonment in any jurisdiction, unless at least 10 years have passed since satisfactory completion of the sen-

tence or probation imposed by the court for the crime.

C. The person has not been convicted of a violation of this chapter or Title 17, chapter 14.

D. The person is not a fugitive from justice, a drug abuser, a drug addict, a drug-dependent person, an illegal alien or a person who was dishonorably discharged from the military forces within 10 years prior to the date of application.

E. The person has completed the application form and complied with the requirements of section 915.

F. The person has sufficient financial assets to meet any financial obligations imposed by this chapter.

G. The person has not knowingly made a false statement of material fact in applying for a license under this chapter.

H. The person has sufficient knowledge and experience in the operation of commercial tracks and slot machines to effectively operate the commercial track and slot machines to which the license application relates in accordance with this chapter and the rules and standards adopted under this chapter.

2. Background investigation; additional qualifications. Before a license is granted under this chapter, the commission shall conduct a thorough background investigation of the applicant to ensure satisfaction of the qualifications set forth in this chapter and such additional qualifications as the commission may establish by rules adopted under section 904. The applicant shall provide information on a form as required by the director.

§915. Applications

1. Form. An application for a license required under this chapter must be on the form provided by the director. The application must contain, but is not limited to, the following information regarding the individual applicant and each officer, director, partner or owner of any legal or beneficial interest in a person applying for a license:

A. Full name;

B. Full current address and addresses for the prior 5 years;

C. A record of previous issuances of, refusals to issue and revocations of a license under this chapter; and

D. All information the commission determines is necessary or appropriate to determine whether the applicant satisfies the minimum qualifications specified in section 914, subsection 1.

2. Signature as certification. The applicant, by affixing the applicant's signature to the application, certifies the following:

A. That the statements made in the application and any documents made a part of the application are true and correct;

B. That the applicant understands that the information provided pursuant to subsection 1, paragraph D is used by the commission, along with other information, in judging good moral character and that this information may be cause for refusal to issue a license; and

C. That the applicant understands that knowingly making a false statement in the application or in a document made a part of the application is grounds for refusal to issue a license or for revocation or suspension of a license.

3. Consent to review records. At the request of the commission, the applicant shall take whatever action is necessary to permit the director to examine all accounts and records in the applicant's possession, under the applicant's control or under the control of 3rd parties but accessible by consent of the applicant, and must authorize all 3rd parties in possession or in control of those accounts or records to allow the director or a designee to examine the accounts and records as the director determines necessary, to ascertain:

A. Whether the information supplied on the application or any documents made a part of the application is true and correct;

B. Whether each of the requirements of this section has been met; or

C. Whether the applicant meets the requirements for licensure under this chapter and under rules adopted under this chapter.

The consent to review records includes the applicant taking whatever action is necessary to permit the commission or its designee to have access to confidential records held by banks, courts, law enforcement agencies and the military for purposes stated in this subsection.

4. Existing license. Commercial tracks with a license to operate under chapter 11 in force as of the effective date of this chapter that satisfy the eligibility requirements of section 911 must be automatically considered a licensee under section 911 and are not

required to submit an application for a license under section 911.

§916. Fees; term of license or registration; transferability

1. Fees. The annual fee for a license or registration issued under this chapter is as follows:

A. Registration of a slot machine under section 912 is \$10;

B. A license for a slot machine distributor under section 913 is \$1,000; and

C. A license for an operator of a slot machine under section 911 is \$1,000.

In addition to the annual license or registration fee, the director may charge a one-time application fee for a license or registration listed in paragraph A, B or C in an amount equal to the actual cost of processing the application and performing any background investigations. All fees collected pursuant to this section must be deposited directly to the General Fund.

2. Term of license and registration. All licenses and registrations issued by the director under this chapter are effective for 10 years and are automatically renewable at the conclusion of the term for an additional term of 10 years, unless revoked pursuant to section 917.

3. Transferable. A license issued under this chapter is transferable or assignable as long as the director finds that the transferee or assignee satisfies all requirements for the issuance of the license transferred or assigned.

§917. Actions relating to licenses and registrations

1. Suspension or revocation of license; refusal to renew. The commission may refuse to renew a license or registration or revoke a license or registration after a hearing in accordance with the Maine Administrative Procedure Act for just cause, including any of the following:

A. The person made or caused to be made a false statement of material fact in obtaining a license or registration under this chapter or in connection with service rendered within the scope of the license or registration issued;

B. The person or the person's agent violated any provision of this chapter or any rule adopted under this chapter; or

C. The holder of a license or registration under this chapter becomes ineligible to hold that license or registration.

The commission may not suspend a license or registration unless the director determines that probable cause exists for the suspension. The commission shall immediately notify the licensee or registration holder in writing of the suspension and the date the suspension is to take effect. If the licensee or registration holder wishes to have a hearing, the licensee or registration holder must petition the Superior Court in writing within 20 days of the date of the suspension and the Superior Court shall conduct a hearing expeditiously. If a hearing is requested, the license or registration remains in effect pending the outcome of the hearing. Suspension, nonrenewal or revocation of a license or registration is subject to appeal as administrative action under the Maine Administrative Procedure Act.

2. Ineligibility period following refusal to issue or renew license or revocation of license. A person may not apply to the commission for any license under section 911 or 913 less than 2 years after the commission refused to issue or renew a license under section 911 or 913 or less than one year after the revocation of a license issued to the person under section 911 or 913.

SUBCHAPTER 3

SLOT MACHINE OPERATION; ALLOCATION OF FUNDS

§921. Limits on slot machine use

1. Age of player. A licensee may not permit a person under 21 years of age to play a slot machine.

2. Time and money limits not required. A licensee is not required to impose a limit on the amount of time or money spent by an individual playing the slot machines on the licensee's premises. A licensee has no civil or criminal liability for the amount of time or money spent by an individual playing slot machines on the licensee's premises.

§922. Payment of credits by licensee

A licensee shall redeem credits for players who earn credits on a slot machine located on the premises of that licensee in accordance with rules adopted by the commission.

§923. Allocation of funds

1. Distribution from commercial track. A licensee shall collect and distribute gross slot income from slot machines operated by the licensee as follows.

A. Twenty-five percent of total gross slot income must be sent to the commission for distribution by the commission as follows:

(1) One percent of total gross slot income must be retained for administrative expenses of the commission. An amount not to exceed \$250,000 may be expended by the commission for addiction counseling services in accordance with rules adopted by the commission;

(2) Seven percent of total gross slot income must be used by the commission to supplement harness racing purses and must be disbursed for that purpose at the times and in the manner prescribed in section 296;

(3) One percent of total gross slot income must be credited by the commission to the Sire Stakes Fund created in section 281;

(4) Three percent of the total gross slot income must be forwarded by the commission to the Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund established in Title 7, section 76;

(5) Ten percent of the total gross slot income must be forwarded by the commission to the State Controller to be credited to the Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a separate account under Title 22, section 1511, subsection 10, with use of funds in the account restricted to the purposes described in Title 22, section 1511, subsection 6, paragraph E;

(6) Two percent of the total gross slot income must be forwarded by the commission to the Finance Authority of Maine for application to the University of Maine System Scholarship Fund created in Title 20-A, section 11631; and

(7) One percent of the total gross slot income must be forwarded by the commission to the board of trustees of the Maine Technical College System to be applied by the board to fund its scholarships program under Title 20-A, section 12716, subsection 1.

B. The balance of the gross slot income must be retained by the licensee from which the licensee is required to pay the slot machine distributor and all other expenses associated with the operation of the slot machines.

2. Failure to deposit funds. A licensee who willfully refuses to comply with this section commits a Class D crime. The license of that person may be revoked by the commission and the slot machines

operated by that licensee may be disabled and may be confiscated by the director.

3. Late payments. The commission may adopt rules establishing the dates on which payments required by this section are due. All payments not remitted when due must be paid together with interest on the unpaid balance at a rate of 1.5% per month.

SUBCHAPTER 4

ENFORCEMENT AND PENALTIES

§931. Reports; records

1. Reports; records. The commission may require from any licensee under section 911, a slot machine distributor licensed under section 913 or holder of a registration under section 912 whatever records and reports the director considers necessary for the administration and enforcement of this chapter.

2. Location. A holder of a license or registration under this chapter shall maintain all records required by this chapter or by rules adopted under this chapter at the primary business office within this State of the license holder or on the premises where the slot machine is operated. In the case of a slot machine distributor, the records must be maintained at the primary business office of the slot machine distributor. The primary business office must be designated by the license holder in the license application. All records must be open to inspection and audit by the commission or its designee and a license holder may not refuse the commission or its designee the right to inspect or audit the records. Refusal to permit inspection or audit of the records constitutes grounds for revocation of the license or registration.

§932. Access to premises, equipment and records

A person holding a license or registration under this chapter shall permit the director to inspect any equipment, prizes, records or items and materials used or to be used in the operation of any slot machine owned, distributed or operated by that person. A person holding a license or registration under this chapter shall consent in writing to the examination of all the licensee's books and records related to operations licensed under this chapter and shall authorize all 3rd parties in possession or in control of those books and records to allow the director or the director's designee to examine such books and records as the director determines necessary.

§933. Contempt

If a witness refuses to obey a subpoena issued by the commission to give any evidence to proper inquiry by the commission, the commission may petition the Superior Court in the county where the refusal

occurred to find the witness in contempt. The commission shall cause to be served on the witness an order requiring that witness to appear before the Superior Court to show cause why that witness should not be adjudged in contempt. The court shall, in a summary manner, hear the evidence and, if the evidence warrants the court to do so, punish the witness in the same manner and to the same extent as for contempt before the Superior Court or with reference to the process of the Superior Court.

§934. Violations

1. Violations by licensees. The commission shall adopt by rule under section 904 a schedule of fines and other disciplinary actions against licensees and slot machine distributors for violation of the provisions of this chapter and rules adopted under this chapter.

2. Class C crimes by any person. A person commits a Class C crime if that person:

A. Tamper with a slot machine with intent to interfere with the proper operation of that slot machine;

B. Manipulates or intends to manipulate the outcome, payback or operation of a slot machine by physical tampering or any other means; or

C. Operates or distributes a slot machine in this State without a license.

§935. Fines and suspensions

To enforce the provisions of this chapter and any rules adopted under this chapter, the commission is authorized to establish a schedule of fines for each violation of this chapter or each violation of the rules. The commission is authorized to levy a fine, after notice and hearing, for each violation of this chapter or each violation of the rules.

The commission is authorized to establish a schedule of suspensions of licenses and may levy suspensions for each violation of this chapter or the rules adopted pursuant to this chapter.

Any person aggrieved by any fine or suspension imposed by the commission may seek judicial review pursuant to the Maine Administrative Procedure Act.

§936. Rules

Rules adopted pursuant to this chapter are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

§937. Applicability of Title 17, chapter 14

Except as expressly provided in this chapter, the provisions of Title 17, chapter 14 do not apply to the ownership, distribution or operation of slot machines in the State.

Sec. 6. 22 MRSA §1511, sub-§10 is enacted to read:

10. Restricted accounts. The State Controller is authorized to establish separate accounts within the fund in order to segregate money received by the fund from any source, whether public or private, that requires as a condition of the contribution to the fund that the use of the money contributed be restricted to one or more of the purposes specified in subsection 6. Money credited to a restricted account established under this subsection may be applied only to the purposes to which the account is restricted.

Sec. 7. 25 MRSA §3902, sub-§4 is enacted to read:

4. Notice of violation of slot machine law. A liquor enforcement officer who notices a violation of any provision of Title 8, chapter 30 shall promptly notify the State Harness Racing Commission of the violation.

Effective January 4, 2004.
