

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SECOND LEGISLATURE

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Legislative Document

No. 110

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H. P. 102

House of Representatives, January 13, 1965

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

JEROME G. PLANTE, Clerk

Presented by Mr. Dumont of Augusta.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-FIVE

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**AN ACT Relating to Sweepstakes Races and Allocating Proceeds for  
Educational Purposes.**

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

**R. S., T. 8, c. 26, additional.** Title 8 of the Revised Statutes is amended by adding a new chapter 26 to read as follows:

**‘CHAPTER 26.**

**SWEEPSTAKES**

**Sec. 671. Commission.** There is created a State Sweepstakes Commission, hereinafter in this chapter called the “commission”, consisting of 3 members who shall be appointed and may be for cause removed by the Governor with the advice and consent of the Council. One member shall be appointed for one year, one for 2 years and one for 3 years, and upon the expiration of their terms of office their successors shall be appointed for a term of 3 years. Any vacancy shall be filled by appointment for the unexpired term. The members shall serve until their successors are appointed and qualified. No member of the commission shall have any pecuniary or other interest in any licensee licensed under this chapter to conduct a sweepstakes race.

**Sec. 672. Organization.** The commissioners shall select one from their number to be chairman and another to be secretary of the commission. Two of the members of the commission shall constitute a quorum to do business. It shall be the duty of the secretary to keep a record of all proceedings of the commission and to preserve all books, documents, papers and records addressed to its care.

**Sec. 673. Bond.** Members of the commission shall give bond to the State in such amount as shall be determined under Title 5, section 9.

Sec. 674. Compensation. Each member of the Commission shall receive a salary of \$2,400 per year and shall be allowed his reasonable expenses, including transportation, incurred in the performance of his duties.

Sec. 675. Office. The commission shall have an office in Augusta.

Sec. 676. Disbursements. The compensation of the commissioners, expenses of the commissioners, compensation of assistants and other necessary expenses of the commission, including suitable furniture, equipment, supplies and office expense shall be charged to and paid out of the funds received under this chapter, provided that no payment shall be made until sufficient money has been received under this chapter to cover said payments.

Sec. 677. Report. The commission shall make an annual report to the Governor on or before the first day of February in each year, including therein an account of its actions, receipts derived under this chapter, the practical effects of the application thereof, and any recommendation for legislation which the commission deems advisable.

Sec. 678. Authorization. The commission is authorized to contract with any licensee to conduct, within the enclosure of any race track of a licensee where there is held a race or race meet licensed and conducted under chapter 13, but not elsewhere, not over 2 sweepstakes races in each calendar year. Tickets for such sweepstakes shall be sold by the commission, such sales to be made only within such enclosure and in state liquor stores.

Sec. 679. Rules and regulations. The commission shall make the rules and regulations for the holding and conducting of such sweepstake races and the sales of tickets thereon not inconsistent with this chapter and shall be empowered to employ such technical assistants and employees, under the Personnel Law, to carry out this chapter. The commission shall establish and fix the purses, not exceeding in the aggregate for a single calendar year the sum of \$200,000, to be awarded horses in said sweepstakes races; shall establish the price, to be not more than \$3 each, for which tickets upon said sweepstakes shall be sold; shall establish the method whereby tickets sold upon said sweepstake races shall be determined to be winning tickets; and shall establish the money or prizes to be awarded holders of winning tickets.

In establishing the money or prizes to be awarded the holders of winning tickets and the purses for the horses, the commission shall be governed by the fact that the primary purpose of the sweepstakes is to raise revenue for the benefit of public education. They shall conduct such studies and make such investigation, either directly or through their agents, as will apprise them of the prizes and money awarded to the holders of winning tickets in similar drawings wherever held. They shall consider the size of purses for the horses as bearing on the question of gaining public confidence in the sweepstakes races. They shall fix the prizes and amounts of money to be awarded winners as well as the purses for the horses in such manner as will yield the largest net revenue for the benefit of public education, bearing in mind the expenses to be incurred, and all other factors which tend to influence net revenue.

Sec. 680. Disposition of proceeds. Notwithstanding any other provision of

law, the commission shall hold the proceeds of ticket sales in a special fund, from which it shall pay expenses incident to the administration of this chapter, such expenses to include, but not be limited to, the expenses incurred in the printing, distribution and sale of tickets, the purses awarded horses, the prize money awarded the holders of winning tickets, as well as the net expense incurred by the licensee necessary and incidental to the conduct of said races. Any balance remaining from such proceeds shall be paid to the Treasurer of State who shall keep the same in a separate fund which shall be paid out on December 15th of each year to the school administrative units of the State on a flat grant per resident pupil basis. Such grants shall be used for educational purposes and no part of said special fund shall be diverted, by transfer or otherwise, to any other purpose whatsoever.

Sec. 681. Local option. The following question shall be submitted to the voters in cities and towns on the usual ballot at the biennial election in November of 1966 and at each biennial election thereafter: "Shall sweepstakes tickets be sold in this city or town?"

If a majority of the qualified voters present and voting at any biennial election of a city or town signifies disapproval of the above question, the commission shall not sell tickets under this chapter in said city or town.

If a majority of the qualified voters present and voting at any biennial election of a city or town signifies approval of the above question, the commission shall, if possible under this chapter, sell tickets in said city or town.

The following question shall be submitted to the voters in all cities and towns on a special ballot prepared by the Secretary of State at a special state-wide election on the Tuesday following the first Monday of November: "Shall sweepstakes tickets be sold in this city or town?" Section 681 authorizing the commission to sell tickets or prohibiting the sale of tickets shall be applicable to the results of the vote in cities and towns provided for by this section.

Sec. 683. Special taxes. If the Governor and Council so authorize, the commission may add to the selling price authorized under section 679 an amount not in excess of the amount of any tax levied against the proceeds in the hands of said commission, and the commission may pay such taxes out of such proceeds, but only under protest. In paying any such tax the commission is instructed to assert with its protest, in addition to such other reasons as it may deem appropriate, the contention of the State of Maine that taxes may not lawfully be imposed upon the type of state revenue raising measures for educational purposes as is represented by this chapter.'