

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SEVENTH LEGISLATURE

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## Legislative Document

No. 394

H. P. 316

House of Representatives, January 28, 1975

Referred to the Committee on Legal Affairs. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. DeVane of Ellsworth.

Cosponsor: Mr. Spencer of Standish.

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### STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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**AN ACT to Allow Certain Nonprofit, Volunteer and Educational Organizations to Operate Games of Chance without a License from the Maine State Police.**

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

**Sec. 1. 17 MRSA, § 331**, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in place thereof:

**§ 331. Game of chance**

1. **License required.** No person, firm, corporation, association or organization shall hold, conduct or operate a game of chance within the State unless a license therefor is obtained from the Chief of the State Police.

2. **Exceptions.** However, no license shall be required of any of the following:

**A. Nonprofit organizations.** Any bona fide, nonprofit, charitable, educational, political, civic, recreational, fraternal, patriotic or religious organization or any auxiliary of that organization;

**B. Volunteer public safety organizations.** Any volunteer police force or fire department or ambulance corps;

**C. Classes or organizations in educational institutions.** Any class or organization of an elementary, secondary or post-secondary educational institution operated or accredited by the State of Maine.

Any exempt organization, department or class or combination thereof listed in paragraphs A, B or C may sponsor, operate and conduct a game of chance

without a license only for the exclusive benefit of that organization, department or class or combination thereof and that game of chance shall be conducted only by duly authorized members of the sponsoring organization, department or class or combination thereof.

3. Door prizes. Distribution of tickets to any event upon which appear details concerning any prize to be given away as a result of a drawing is to be considered a game of chance within the meaning of this chapter, except that such distribution of tickets containing only the words "Door Prize," without further description, shall be excluded from the provisions of this chapter, provided that no promotional materials or presentations, written or oral, shall further describe the door prize.

4. "Donation" not to provide an exclusion. The word "Donation" printed on a ticket shall in no way exclude the sponsoring organization from complying with this chapter.

Sec. 2. 17 MRSA, § 332, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in place thereof:

§ 332. License

Notwithstanding other provisions of this Title, the Chief of the State Police may issue a license to operate a game of chance on the grounds of and during the annual fair of any nonprofit agricultural society eligible for the state stipend under Title 7, section 62 when such game of chance is sponsored, operated and conducted for the exclusive benefit of such nonprofit agricultural society by duly authorized members thereof.

No organization authorized to conduct a game of chance under this chapter shall conduct or operate any slot machine or roulette, nor shall it conduct or operate any lottery, except that a license may be issued for the conduct or operation of a raffle as defined in section 330, subsection 3, and that any organization, department or class listed under section 331, subsection 2, may conduct a raffle as defined under section 330 without a license.

With the exception of a raffle, any license to operate a game of chance shall specify the premises or precise location where such game will be operated, and the conduct of that particular game shall be limited to the described premises or location.

Any nonprofit agricultural society entitled to obtain a license to operate a game of chance may be issued licenses to operate more than one game of chance, and any organization authorized to conduct a game of chance under section 331, subsection 2, may operate more than one game of chance. Each license issued shall be valid for the operation of one game of chance which shall be specified on the license.

Sec. 3. 17 MRSA, § 333, 2nd and 3rd sentences, as enacted by PL 1973, c. 735, § 3, are amended to read:

Such application shall be signed by a duly authorized officer of the ~~organization~~ nonprofit agricultural society.

It shall contain the full name and address of the ~~organization nonprofit agricultural society~~, a full description of the game of chance, the location where the game is to be conducted and any other information deemed necessary by the Chief of the State Police for the issuance of a license to operate a game of chance.

Sec. 4. 17 MRSA, § 334, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in place thereof:

§ 334. Evidence

The Chief of the State Police may require such evidence as he may deem necessary to satisfy him that any organization authorized under this Title to conduct a game of chance conforms to the restrictions and other provisions of this Title. Charters, organizational papers, bylaws or other such written orders of founding which outline or otherwise explain the purpose for which such organization was founded, shall, upon request, be forwarded to the Chief of the State Police.

Sec. 5. 17 MRSA, § 335, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in place thereof:

§ 335. Proceeds

Proceeds of any games of chance shall not be used to provide salaries, wages or other remuneration to members, officers or employees of any organization authorized to conduct games of chance under this Title.

Sec. 6. 17 MRSA, § 336, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in place thereof:

§ 336. Records

The treasurer of any organization conducting a game of chance, or other officer designated by him, shall keep a record of all financial transactions involving such games of chance. Such record shall include an exact account of all income from such games of chance, a list of all expenses including, but not limited to, the cost of prizes, printing, licenses and administration, and shall include an exact account of the disposition of all other proceeds from such games of chance including, but not limited to, all gifts, grants and payments to any person, firm, corporation, association or organization for any purpose whatsoever.

All records of financial transactions involving such games of chance shall be separate and distinguishable from all other financial records of such organization. Income from more than one game of chance may be entered into one account.

Sec. 7. 17 MRSA, § 337, 3rd ¶, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in place thereof:

No distributor shall sell, market or otherwise distribute raffle tickets, gambling apparatus or implements to any person or organization, except to non-

profit agricultural societies licensed to operate or conduct games of chance under section 332, or to those organizations, departments or classes listed under section 331, subsection 2.

**Sec. 8.** 17 MRSA, § 337, 4th ¶, as amended by PL 1973, c. 788, § 67, is repealed and the following enacted in place thereof:

Every organization authorized to conduct games of chance in compliance with this Title shall acquire all raffle tickets or gambling apparatus and implements from a distributor licensed under this section, unless said raffle tickets or other gambling apparatus or implements are printed, manufactured or constructed by the organization authorized to conduct the game of chance in which they will be used. At no time shall any organization authorized under this Title to conduct games of chance print, manufacture or construct any raffle tickets or other gambling implements or apparatus for distribution to any other organization authorized under this Title to conduct games of chance.

**Sec. 9.** 17 MRSA, § 339, first ¶, as enacted by PL 1973, c. 735, § 3, is amended to read:

The original application for a license to operate a game of chance shall be accompanied by a fee of \$5 which shall not be refundable.

**Sec. 10.** 17 MRSA, § 339, 3rd ¶, 2nd sentence, as enacted by PL 1973, c. 735, § 3, is amended to read:

Only one license will be required in the event the licensed ~~organization~~ **nonprofit agricultural society** conducts more than one raffle on the date and at the place specified in the application.

**Sec. 11.** 17 MRSA, § 343, first ¶, as enacted by PL 1973, c. 735, § 3, is amended to read:

The Chief of the State Police shall make such rules and regulations as he deems necessary for the administration and enforcement of this chapter and for the licensing, conduct and operation of games of chance and shall have the power and authority to regulate, supervise and exercise general control over the operation of such games, to investigate as to the direct or indirect ownership or control of any ~~licensee~~ **organization conducting a game of chance** and to revoke or suspend any license for just cause after hearing.

**Sec. 12.** 17 MRSA, § 345, as enacted by PL 1973, c. 735, § 3, is amended to read:

#### § 345. Access to premises

Any ~~person, firm, corporation, association or organization~~ **nonprofit agricultural society** making application to the Chief of the State Police to conduct or operate a game of chance or any person, firm, corporation, association or organization ~~licensed~~ **authorized** under this chapter to operate or conduct a game of chance, shall permit inspection of any equipment, prizes, records, or items and materials used or to be used in the conduct or operation of a game of chance.

## FISCAL NOTE

From October 1973 until June 30, 1974, the State Police collected \$15,524 in licensing fees under Title 17, virtually all of it from organizations which would be exempted under this bill. A full year's loss of revenue would be approximately \$20,000 to \$30,000.

## STATEMENT OF FACT

The purpose of Title 17, chapter 14 was to regulate gambling in the State of Maine so as to preclude the intrusion into or creation herein of a criminal element which would control and profit by gambling. The need for such regulation still exists. However, the implementation of this Act has proven to be a nuisance and in some cases a burden to countless groups and organizations which clearly are neither criminal nor accessible to criminals. This bill seeks to enumerate and exempt such organizations from the licensing requirements of Title 17, chapter 14.