

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

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Legislative Document

No. 110

S. P. 53

In Senate, January 19, 1977  
Referred to the Committee on Legal Affairs. Sent down for concurrence  
and ordered printed.

MAY M. ROSS, Secretary

Presented by Senator Pierce of Kennebec.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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**AN ACT Relating to the Regulation of Games of Chance.**

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

**Sec. 1.** 17 MRSA § 330, as last amended by PL 1975, c. 740, §§ 3 and 4, is repealed and the following enacted in its place:

**§ 330. Definitions**

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

1. Distributor. "Distributor" shall mean a person, firm, corporation, association or organization that sells, markets or otherwise distributes sealed tickets, gambling apparatus or any other implements of gambling that may be used in the lawful conduct of a licensed game of chance.

2. Game of chance. "Game of chance" shall mean a game, contest, scheme or device in which a person stakes or risks something of value for an opportunity to win something of value and in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestant or participant may also be a factor therein. For the purposes of this chapter, "Beano" or "Bingo" is not to be included in this definition.

3. Licensee. "Licensee" shall mean a firm, corporation, association or organization licensed by the Chief of the State Police to operate a game of chance.

4. Printer. "Printer" shall mean a person, firm, corporation, association or organization that reproduces in printed form, for sale or distribution, materials to be used in the conduct of a licensed game of chance.

5. Raffle. "Raffle" shall mean a game of chance in which:

A. A person, or persons, pays or agrees to pay something of value for a chance, represented and differentiated by a number, to win a prize;

B. One or more of the chances is to be designated the winning chance;

C. The winning chance is to be determined as a result of a drawing from a container holding numbers representative of all chances sold; and

D. A holder of a winning chance does not receive something of value worth more than \$5,000.

6. Roulette. "Roulette" shall mean a game of chance in which players bet on the compartment of a revolving wheel into which a small ball will come to rest.

7. Slot machine. "Slot machine" shall mean any machine which operates by inserting a coin, token or similar object, setting the internal mechanism of the machine in motion, and by the application of the element of chance may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise or tickets.

8. Something of value. "Something of value" means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise directly or indirectly contemplating transfer of money or property, or of any interest therein, or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge.

Sec. 2. 17 MRSA § 331, sub-§ 2, ¶ A, as enacted by PL 1975, c. 424, § 1, is amended to read:

A. Nonprofit organizations. Any agricultural society eligible for the state stipend under Title 7, section 62, or any bona fide, nonprofit organization which is either charitable, educational, political, civic, recreational, fraternal, patriotic or religious or any auxiliary thereof;

Sec. 3. 17 MRSA § 331, sub-§ 5, as enacted by PL 1975, c. 424, § 1, is repealed.

Sec. 4. 17 MRSA § 332, as amended by PL 1975, c. 410, § 1-A, is repealed and the following enacted in its place:

### § 332. Issuance of license

1. Organizations eligible. Notwithstanding other provisions of law, the Chief of the State Police may issue a license to operate a game of chance to an agricultural society eligible for the state stipend under Title 7, section 62, or to a bona fide nonprofit charitable, educational, political, civic, recreational, fraternal, patriotic or religious organization, or to a volunteer fire department, any of which shall have been founded, chartered or organized in this State prior to its application for a license.

2. Games conducted by licensee members only. A game of chance licensed pursuant to this section shall be operated and conducted for the exclusive benefit of the licensee and shall be operated and conducted only by duly authorized members of the licensee who shall have established permanent residency in the State prior to the operation or conduct of these games.

3. Schemes prohibited. No license shall be issued for the conduct or operation of any slot machine or roulette, or for the operation of any games commonly known as policy or numbers.

4. Location. Any license issued pursuant to this section shall specify the premises or location where the organization may operate the game of chance specified in the license and the operation of the game of chance shall be limited to the premises or location described in the license. No game of chance shall be conducted in any premises or location other than those premises or location where the licensee usually holds, conducts or gathers for its regular meetings. A game of chance conducted by an agricultural society shall be conducted only on the grounds of the agricultural society and shall be conducted only during the annual fair of the agricultural society. No game of chance licensed under this chapter shall be conducted in any hotel, motel, restaurant, bar or tavern open to the general public.

5. Multiple licenses. An organization eligible to obtain a license to operate a game of chance may be issued licenses to operate more than one game of chance. Each license issued shall be valid for the operation of no more than one game of chance, the nature of which shall be specified on the license.

6. Equipment. No license shall be issued to any organization for the operation of a game of chance unless all gambling equipment or apparatus to be used in the operation of the game is owned absolutely by the licensee, except that gambling equipment or apparatus may be loaned by one of the organizations eligible to obtain a license under subsection 1 to another organization if that organization or apparatus is used without payment or compensation. As used in this subsection, equipment which is "owned" shall include equipment which has been purchased and is being paid for in installments.

Sec. 5. 17 MRSA § 334, as amended by PL 1975, c. 410, § 2, is further amended by adding at the end a new sentence to read:

The Chief of the State Police may require of any licensee or of any person operating, conducting or assisting in the operation of a licensed game of chance evidence as he may deem necessary to satisfy him that the person is a duly authorized member of the licensee and has established permanent residency in the State as required by section 332, subsection 2. Upon request, this evidence shall be forwarded to the Chief of the State Police.

Sec. 6. 17 MRSA § 336, as repealed and replaced by PL 1975, c. 424, § 3, is repealed and the following enacted in its place:

### § 336. Records; licenses

1. Records required. 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 those games of chance. The records shall include an exact account of all income from 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 for the 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 the games of chance shall be separate and distinguishable from all other financial records of the organization. Income from more than one game of chance may be entered into one account.

2. Disposition of funds reports. Within 6 days after the last day of any period during which a licensed game of chance is conducted, the licensee shall file with the Chief of the State Police a disposition of funds form prescribed and furnished by the Chief of the State Police, detailing for the period the total receipts and expenditures of the game and the disposition of funds. Every statement shall be made under oath by an officer of the licensee or by the member in charge of the conduct of the game.

3. Records maintained for 3 years. Every licensee which has conducted a game of chance shall maintain and keep for a period of 3 years reports as may be necessary to substantiate the records and reports required by this section or by the rules and regulations adopted under this chapter.

4. Location. All records which shall be maintained by a licensee pursuant to this section and pursuant to the rules and regulations adopted under this chapter shall be kept and maintained on the premises where the game of chance has been conducted or at the primary business office of the licensee, which office shall be designated by the licensee in the license application. All these records shall be open to inspection by the Chief of the State Police or his representative and no licensee shall refuse the Chief of the State Police or his representative the right to inspect or audit the records. Refusal to permit inspection or audit of the records shall not constitute a crime under this chapter but shall constitute grounds for revocation of license.

Sec. 7. 17 MRSA § 336-A is enacted to read:

§ 336-A. Records; distributors and printers

1. Sales agreements. Each distributor shall forward to the Chief of the State Police, prior to delivery of any gambling machine to the purchaser, a copy of all sales agreements, sales contracts or any other agreements involving the sale of any gambling machine. The terms of the sales contract shall include, but not be limited to, the name of seller, name of purchaser, address of seller, address of purchaser, description of the gambling machine including serial number and model name and number, total sale price, any arrangement or terms for payments and the date of final payment.

Any change, modification or alteration of these agreements shall be reported to the Chief of the State Police by the purchaser within 6 days of the change, modification or alteration.

2. **Service agreements.** With the sale of any gambling machine involving a service agreement, the distributor shall forward to the Chief of the State Police a copy of the agreement prior to delivery of the machine. The terms of the service agreements shall include, but not be limited to the name of seller, name of purchaser, address of seller, address of purchaser, description of machine to be serviced, including serial number and model name and number and all prices and payments for that service.

Any change, modification or alteration of the agreement shall be reported to the Chief of the State Police by the purchaser within 6 days of the change, modification or alteration.

3. **Reports.** At the end of each calendar month, every distributor and printer shall file with the Chief of the State Police a report which shall include:

A. The names and addresses of all persons or organizations to which the distributor or printer has distributed equipment and the dates of the distribution;

B. A description of the equipment distributed, including serial number and model name and number; and

C. The quantities of any equipment distributed.

4. **Retention and inspection of records.** Each distributor and printer shall maintain and keep for a period of 3 years, on the premises of the distributor or printer, any records that may be necessary to substantiate the reports required by this section or by the rules and regulations adopted under this chapter. All distributor's and printer's records shall be open to inspection and no licensee shall refuse the Chief of the State Police or his representative the right to inspect or audit the records. Refusal to permit inspection or audit of the records shall not constitute a crime under this chapter but shall constitute grounds for revocation of license.

Sec. 8. 17 MRSA § 337, as last amended by PL 1975, c. 424, § 4, is repealed and the following enacted in its place:

#### § 337. Distributor

Every distributor shall be licensed by the Chief of the State Police.

Every nonresident manufacturer or distributor of gambling apparatus or implements doing business in the State of Maine shall have a Maine agent who shall be licensed as a distributor.

No distributor shall sell, market or otherwise distribute gambling apparatus or implements to any person or organization, except to persons or organizations licensed to operate or conduct games of chance under section 332. No distributor shall lease or loan or otherwise distribute free of charge any gambling apparatus or implements to any organization eligible to operate a game of chance.

Every licensee shall acquire all gambling apparatus and implements from a distributor licensed under this section, unless that gambling apparatus or im-

plements are printed, manufactured or constructed by the licensed organization. At no time shall any licensee print, manufacture or construct any gambling implements or apparatus for distribution to any other licensee. The applicant for a distributor's license, or if the applicant is a firm, corporation, association or other organization, its resident manager, superintendent or official representative shall file an application with the Chief of the State Police on forms furnished by him. No license shall be granted if the applicant, or if the applicant is a firm, corporation, association or other organization, its resident manager, superintendent or official representative submitting the application has been convicted within the prior 10 years of a crime punishable by imprisonment for one year or more.

Sec. 9. 17 MRSA § 338, first sentence, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in its place:

Except as provided in section 337, no Maine printer shall print materials to be used in the conduct of a licensed game of chance unless licensed by the Chief of the State Police.

Sec. 10. 17 MRSA § 338, last ¶, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in its place:

The applicant for a printer's license, or if the applicant is a firm, corporation, association or other organization, its resident manager, superintendent or official representative shall file an application with the Chief of the State Police on forms furnished by him. No license shall be granted if the applicant, or if the applicant is a firm, corporation, association or other organization, its resident manager, superintendent or official representative submitting the application has been convicted within the prior 10 years of a crime punishable by imprisonment for one year or more.

Sec. 11. 17 MRSA § 339, as repealed and replaced by PL 1975, c. 349, § 1, is repealed and the following enacted in its place:

### § 339. Fees

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

2. Operation of games of chance. Except as provided in subsection 3, the fee for a license to operate a game of chance shall be \$5 for each week computed on a Monday to Sunday basis or portion thereof. The license may be issued for a calendar month for a fee of \$20.

Any combination of monthly or weekly licenses may be issued. Except as provided in subsection 3, licenses to conduct any authorized game of chance may be issued for a period not to exceed 6 months on one application.

3. Games of cards. The fee for a license issued to an organization to operate a game of cards, when the organization charges no more than a \$1 entry fee for participation in the games of cards and when no money or valuable thing other than the \$1 daily entry fee is gambled by any person in

connection with the game of cards, shall be \$5 for each calendar year or portion thereof.

4. Distributors. The fee for a license issued to a distributor shall be \$500 for each calendar year or portion thereof.

5. Printers. The fee for a license issued to a printer shall be \$10 for each calendar year or portion thereof.

6. Application. Licenses to operate any authorized game of chance may be issued for a period not to exceed 6 months on one application.

All fees required by this section shall accompany the application for any license which may be issued by authority of this chapter.

Fees submitted as license fees shall be refunded if the license is not issued. Rebates shall not be given for any unused license or portion of an unused license. If any license is suspended or revoked as provided by this chapter, fees paid for licenses issued shall not be refunded.

Sec. 12. 17 MRSA § 340, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in its place:

§ 340. Persons under 16 years of age

No licensee shall permit persons under the age of 16 years to take part in a game of chance. No person under the age of 16 years shall sell chances, except in relation to charitable, religious or recognized youth associations.

No person under the age of 18 years shall be licensed under this chapter.

Sec. 13. 17 MRSA § 341, as amended by PL 1975, c. 349, § 2, is repealed and the following enacted in its place:

§ 341. Limits on games of chance

A licensed game of chance shall be limited as to the amount to be gambled for any one chance to 25¢, except that an organization may operate and conduct a game of cards and charge no more than \$1 daily entry fee for participation in a game of cards, provided that no money or valuable thing other than the \$1 daily entry fee is gambled in connection with a game of cards.

Sec. 14. 17 MRSA § 346, as enacted by PL 1973, c. 735, § 3, is repealed and the following enacted in its place:

Any person who violates this chapter or the rules and regulations promulgated hereunder shall be guilty of a Class D crime.

### STATEMENT OF FACT

Section 1 of this bill, together with sections 3 and 13, is intended to remove a number of restrictions on the operation of raffles by nonprofit organizations. Sections 2 and 3 would permit agricultural fair associations to conduct raffles without obtaining a license and would prohibit the issuance of a license



for a raffle to trade or professional organizations. Section 5 is designed to ensure that persons operating gambling games and devices in this State are Maine residents. Section 6 establishes record-keeping and reporting requirements for those organizations operating gambling games, and section 7, which codifies existing administrative regulations, establishes record-keeping and reporting requirements for distributors of gambling machines and equipment. Sections 8-12 clear up certain inconsistencies in the law, and section 14 brings the penalty provision of the games of chance laws into conformity with the sentencing classifications of the Criminal Code.

Subsection 4 of section 332 of section 4 of this bill, by placing restrictions on where a game of chance may be operated, is intended to remedy a serious problem with the existing law. Current law, which imposes no such restrictions, permits the development of casino gambling in Maine. At present the regulatory machinery of the State is far too insubstantial to control adequately gambling of this sort.