

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 819

6
7 H.P. 651

House of Representatives, February 18, 1983

8 On Motion of Representative Cox of Brewer referred to the Committee
9 on Legal Affairs. Sent up for concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

11 Presented by Representative Ingraham of Houlton.
Cosponsor: Representative Tuttle of Sanford.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Permit Fraternal Organizations
18 to have Game Machines on Premises When the
19 Proceeds are Used for Charitable Purposes.
20

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

23 Sec. 1. 17 MRSA §330, sub-§§1-A, and 1-B are
24 enacted to read:

25 1-A. Authorized purpose. "Authorized purpose"
26 means a charitable, educational, religious or
27 public-spirited purpose. This term is defined to
28 have the purpose of benefiting an indefinite number
29 of persons, either by bringing their minds or hearts
30 under the influence of education or religion, reliev-
31 ing their bodies from disease, suffering or con-
32 straint, assisting them to establish themselves in
33 life, or erecting or maintaining public buildings or
34 works, or otherwise lessening the burden of govern-

1 ment. This term does not include the erection, ac-
2 quisition, improvement, maintenance or repair of
3 property, real, personal or mixed, unless that prop-
4 erty is and will be used exclusively for one or more
5 of the purposes stated in this subsection.

6 1-B. Bona fide nonprofit fraternal or veterans'
7 service organization. "Bona fide nonprofit fraternal
8 or veterans' service organization" means a fraternal
9 or veterans' service organization, association or
10 corporation which:

11 A. Has actively engaged prior to its initial
12 application for a license in serving one or more
13 of the authorized purposes in this State;

14 B. Has received and used, and in good faith
15 expects to continue to receive and use, funds
16 from sources other than the conducting of games
17 of chance for the furtherance of an authorized
18 purpose; and

19 C. Is either:

20 (1) Incorporated in this State as a corpora-
21 tion or as an association not for pecuniary
22 profit, and is empowered by its articles of
23 incorporation to further one or more of the
24 authorized purposes; or

25 (2) If unincorporated, is organized in this
26 State as an organization not for pecuniary
27 profit, has a membership of not less than 25
28 persons and is authorized by its written
29 constitution, charter or bylaws, or by the
30 written constitution, charter or bylaws, of
31 a parent organization of which it is a part,
32 to further one or more of the authorized
33 purposes.

34 Sec. 2. 17 MRSA §330, sub-§2, as repealed and
35 replaced by PL 1977, c. 350, §1, is amended to read:

36 2. Game of chance. "Game of chance" shall mean
37 means a game, contest, scheme or device in which a
38 person stakes or risks something of value for an
39 opportunity to win something of value and in which

1 the outcome depends in a material degree upon an ele-
2 ment of chance, notwithstanding that skill of the
3 contestant or participant may also be a factor
4 therein. For the purposes of this chapter, beano or
5 bingo is not to be included in this definition.

6 Sec. 3. 17 MRSA §332, sub-§3, as amended by
7 1979, c. 271, §2, is further amended to read:

8 3. Schemes prohibited. No license shall may be
9 issued for the conduct or operation of any machine,
10 slot machine or roulette, or for the operation of any
11 games commonly known as policy or numbers; except
12 that the Chief of the State Police may issue a li-
13 cense to operate a machine or slot machine to a bona
14 fide nonprofit fraternal or veterans' service orga-
15 nization if the machine or slot machine is operated
16 solely on premises owned or leased by the licensee
17 for the purpose of holding the organization's meet-
18 ings and if, after reasonable costs of operation are
19 deducted, all net profits are used solely for author-
20 ized purposes.

21 Sec. 4. 17 MRSA §332, sub-§4, as amended by PL
22 1981, c. 593, §2, is further amended to read:

23 4. Location. A license, issued pursuant to this
24 section, shall specify the location where the orga-
25 nization may operate the licensed game of chance,
26 machine or slot machine. No licensee may operate
27 games of chance, machines or slot machines in more
28 than one location at the same time.

29 A. An agricultural society shall operate a game
30 of chance only on the grounds of the agricultural
31 society and only during the annual fair of the
32 agricultural society.

33 B. No other licensee may operate a game of
34 chance on premises to which the general public
35 has access; except a bona fide nonprofit orga-
36 nization may operate a game of chance at any
37 location described in the license if the opera-
38 tion does not exceed 3 days in a 6-month period
39 and is conducted only by members of the organiza-
40 tion.

1 Sec. 5. 17 MRSA §332, sub-§5, as enacted by PL
2 1977, c. 350, §4, is amended to read:

3 5. Multiple licenses. An organization eligible
4 to obtain a license to operate a game of chance,
5 machine or slot machine may be issued licenses to
6 operate more than one game of chance, machine or slot
7 machine. Each license issued shall be valid for the
8 operation of no more than one game of chance, machine
9 or slot machine, the nature of which shall be speci-
10 fied on the license.

11 Sec. 6. 17 MRSA §333, as enacted by PL 1973,
12 c.735, §3, is amended to read:

13 §333. Application

14 An application to operate or conduct a game of
15 chance, machine or slot machine shall be on forms
16 provided by the Chief of the State Police. ~~Sueh~~ The
17 application shall be signed by a duly authorized
18 officer of the organization. It shall contain the
19 full name and address of the organization, a full de-
20 scription of the game of chance, machine or slot
21 machine, the location where the game is to be con-
22 ducted or machine or slot machine operated, and any
23 other information deemed necessary by the Chief of
24 the State Police for the issuance of a license to
25 operate a game of chance, machine or slot machine.
26 An application to operate or conduct a game of
27 chance, machine or slot machine shall bear the con-
28 sent of the municipal officers of the town or city in
29 which ~~sueh~~ the game of chance, machine or slot
30 machine is to be operated or conducted.

31 Sec. 7. 17 MRSA §334, as amended by PL 1981, c.
32 593, §3, is further amended to read:

33 §334. Evidence

34 The Chief of the State Police may require such
35 evidence as he may deem necessary to satisfy him that
36 an applicant organization conforms to the restric-
37 tions and other provisions of this chapter. Char-
38 ters, organizational papers, bylaws or other such
39 written orders of founding which outline or otherwise
40 explain the purpose for which ~~sueh~~ that organization

1 was founded, shall, upon request, be forwarded to the
2 Chief of the State Police. The Chief of the State
3 Police may require of any licensee or of any person
4 operating, conducting or assisting in the operation
5 of a licensed game of chance, machine or slot machine
6 evidence as he may deem necessary to satisfy him that
7 the person is a duly authorized member of the licen-
8 see, or a person employed by the licensee as a bar-
9 tender, as required by section 332, subsection 2.
10 Upon request, this evidence shall be forwarded to the
11 Chief of the State Police.

12 Sec. 8. 17 MRSA §335, as repealed and replaced
13 by PL 1975, c. 424, §2, is amended to read:

14 §335. Proceeds

15 Proceeds of any games of chance, machines or slot
16 machines shall not be used to provide salaries, wages
17 or other remuneration to members, officers or employ-
18 ees of any organization authorized to conduct games
19 of chance, machines or slot machines under this
20 Title.

21 Sec. 9. 17 MRSA §336, as repealed and replaced
22 by PL 1977, c. 350, §6, is amended to read:

23 §336. Records; licenses

24 1. Records required. The treasurer of any orga-
25 nization conducting a game of chance, or operating a
26 machine or slot machine, or other officer designated
27 by him, shall keep a record of all financial trans-
28 actions involving those games of chance, machines or
29 slot machines. The records shall include an exact
30 account of all income from games of chance, machines
31 or slot machines, a list of all expenses, including,
32 but not limited to, the cost of prizes, printing,
33 licenses and administration, and shall include an
34 exact account of the disposition of all other pro-
35 ceeds for the games of chance, machines or slot
36 machines, including, but not limited to, all gifts,
37 grants and payments to any person, firm, corporation,
38 association or organization for any purpose whatso-
39 ever. All records of financial transactions involving
40 the games of chance, machines or slot machines shall
41 be separate and distinguishable from all other finan-

1 cial records of the organization. Income from more
2 than one game of chance, machine or slot machine may
3 be entered into one account.

4 2. Disposition of funds reports. Within 6 days
5 after the last day of any period during which a li-
6 censed game of chance, machine or slot machine is
7 conducted, the licensee shall file with the Chief of
8 the State Police a disposition of funds form pre-
9 scribed and furnished by the Chief of the State
10 Police, detailing for the period the total receipts
11 and expenditures of the game, machine or slot machine
12 and the disposition of funds. Every statement shall
13 be made under oath by an officer of the licensee or
14 by the member in charge of the conduct of the game,
15 machine or slot machine.

16 3. Records maintained for 3 years. Every licen-
17 see which has conducted a game of chance, machine or
18 slot machine shall maintain and keep for a period of
19 3 years reports as may be necessary to substantiate
20 the records and reports required by this section or
21 by the rules ~~and regulations~~ adopted under this chap-
22 ter.

23 4. Location. All records which shall be main-
24 tained by a licensee pursuant to this section and
25 pursuant to the rules ~~and regulations~~ adopted under
26 this chapter shall be kept and maintained on the
27 premises where the game of chance, machine or slot
28 machine has been conducted or at the primary business
29 office of the licensee, which office shall be desig-
30 nated by the licensee in the license application.
31 All these records shall be open to inspection by the
32 Chief of the State Police or his representative and
33 no licensee ~~shall~~ may refuse the Chief of the State
34 Police or his representative the right to inspect or
35 audit the records. Refusal to permit inspection or
36 audit of the records shall not constitute a crime
37 under this chapter but shall constitute grounds for
38 revocation of license.

39 Sec. 10. 17 MRSA §337, 3rd ¶, as repealed and
40 replaced by PL 1977, c. 350, §8, is amended to read:

41 No distributor ~~shall~~ may sell, market or other-
42 wise distribute gambling apparatus or implements to

1 any person or organization, except to persons or
2 organizations licensed to operate machines or slot
3 machines or conduct or operate games of chance under
4 section 332, or eligible to conduct a raffle pursuant
5 to section 331, subsection 2. No distributor ~~shall~~
6 may lease or loan or otherwise distribute free of
7 charge any gambling apparatus or implements to any
8 organization eligible to operate a game of chance,
9 machine or slot machine.

10 Sec. 11. 17 MRSA §338, first ¶, as repealed and
11 replaced by PL 1977, c. 350, §9, is amended to read:

12 Except as provided in section 337, no Maine
13 printer ~~shall~~ may print materials to be used in the
14 conduct of a licensed game of chance or operation of
15 a machine or slot machine unless licensed by the
16 Chief of the State Police. A printer licensed under
17 this section may act as his own distributor without
18 having to be licensed as a distributor providing nei-
19 ther he nor anyone in his behalf acts as a salesman
20 for his services connected with a game of chance out-
21 side of the confines of his premises described in his
22 printer's license. If such the printer or someone
23 else acts as a salesman for his services in connec-
24 tion with a game of chance outside of the premises
25 described in his printer's license, either such the
26 printer or any person or persons acting in his behalf
27 shall be licensed as a distributor.

28 Sec. 12. 17 MRSA §339, sub-§1, as repealed and
29 replaced by PL 1977, c. 350, §11, is amended to read:

30 1. Original application fee. The original appli-
31 cation for a license to operate a game of chance,
32 machine or slot machine shall be accompanied by a fee
33 of \$5. This shall not be a fee for a license and
34 shall not be refundable.

35 Sec. 13. 17 MRSA §339, sub-§2, as amended by PL
36 1981, c. 412, §2 is further amended to read:

37 2. Operation of games of chance, machine or slot
38 machine. Except as provided in subsection 3, the fee
39 for a license to operate a game of chance, machine or
40 slot machine shall be \$6 for each week computed on a
41 Monday to Sunday basis or portion thereof. The li-

1 cense may be issued for a calendar month for a fee of
2 \$24.

3 Any combination of monthly or weekly licenses may be
4 issued. Except as provided in subsection 3, licenses
5 to conduct any authorized game of chance, machine or
6 slot machine may be issued for a period not to exceed
7 6 months on one application.

8 Sec. 14. 17 MRSA §339, sub-§6, as repealed and
9 replaced by PL 1977, c.350, §11, is amended to read:

10 6. Application. Licenses to operate any author-
11 ized game of chance, machine or slot machine may be
12 issued for a period not to exceed 6 months on one
13 application.

14 Sec. 15. 17 MRSA §340, as repealed and replaced
15 by PL 1977, c. 350, §12, is amended to read:

16 §340. Persons under 16 years of age

17 No licensee ~~shall~~ may permit persons under the
18 age of 16 years to take part in a game of chance or
19 operate a machine or slot machine. No person under
20 the age of 16 years ~~shall~~ may sell chances, except in
21 relation to charitable, religious or recognized youth
22 associations.

23 No person under the age of 18 years ~~shall~~ may be
24 licensed under this chapter.

25 Sec. 16. 17 MRSA §341, sub-§1, as amended by PL
26 1981, c. 698, §90, is further amended to read:

27 1. Limits. A licensed game of chance shall be
28 limited as to the amount to be gambled for any one
29 chance to 50¢, except that an organization may oper-
30 ate and conduct a game of cards and charge no more
31 than \$1 daily entry fee for participation in a game
32 of cards, provided that no money or valuable thing
33 other than \$1 daily entry fee is gambled in connec-
34 tion with a game of cards. A licensed machine or
35 slot machine shall be limited to 25¢ as the amount to
36 be gambled in any one operation.

37 Sec. 17. 17 MRSA §342, as amended by PL 1975, c.
38 410, §3, is further amended to read:

1 §342. Reports

2 The Chief of the State Police shall require from
3 any licensed printer or distributor, or from any
4 organization authorized to operate a game of chance,
5 machine or slot machine, whatever reports he deems
6 necessary for the purpose of the administration and
7 enforcement of this chapter.

8 Sec. 18. 17 MRSA §343, as repealed and replaced
9 by PL 1975, c. 410, §4, is amended to read:

10 §343. Rules

11 The Chief of the State Police shall have the
12 power to make and adopt rules ~~and regulations~~, not
13 inconsistent with law, which he may deem necessary
14 for the administration and enforcement of this chap-
15 ter and for the licensing, conduct and operation of
16 games of chance, machines and slot machines. He
17 shall have the power and authority to regulate,
18 supervise and exercise general control over the oper-
19 ation of ~~such~~ those games, machines or slot machines,
20 to investigate as to the direct or indirect ownership
21 or control of any organization conducting a game of
22 chance, machine or slot machine and to revoke or sus-
23 pend any license for just cause after hearing. In
24 establishing ~~such~~ the rules, he shall, in addition to
25 the standards set forth in other provisions of this
26 chapter, be guided by the following standards setting
27 forth conduct, conditions and ~~activity~~ activities
28 deemed undesirable:

29 1. Fraud. The practice of any fraud or deception
30 upon a participant in a game of chance, machine or
31 slot machine;

32 2. Unsafe premises. The conduct of a game of
33 chance, machine or slot machine in or at premises
34 which may be unsafe due to fire hazard or other such
35 conditions;

36 3. Advertising and solicitation. Advertising
37 which is obscene, or solicitation on a public way of
38 persons to participate in a game of chance, machine
39 or slot machine;

1 4. Organized crime. Infiltration of organized
2 crime into the operation of games of chance, machine
3 or slot machines, or into the printing or distrib-
4 uting of gambling materials;

5 5. Disorderly persons. Presence of disorderly
6 persons in a location where a game of chance is being
7 conducted or machine or slot machine operated; and

8 6. Leasing of equipment. Use of equipment which
9 is not owned absolutely, or for which rental is made
10 for ~~said~~ that use in the operation of a game of
11 chance, machine or slot machine.

12 Sec. 19. 17 MRSA §345, as amended by PL 1975, c.
13 410, §5, is further amended to read:

14 §345. Access to premises

15 Any person, firm, corporation, association or
16 organization making application to the Chief of the
17 State Police to conduct or operate a game of chance,
18 machine or slot machine or any such person, firm,
19 corporation, association or organization authorized
20 under this chapter to operate or conduct a game of
21 chance, machine or slot machine, shall permit inspec-
22 tion of any equipment, prizes, records, or items and
23 materials used or to be used in the conduct or opera-
24 tion of a game of chance, machine or slot machine by
25 the Chief of the State Police or his authorized
26 representative.

27 Any firm, corporation, association or organiza-
28 tion licensed to operate a game of chance shall
29 permit at any and all times the State Fire Marshal or
30 any inspector from his office, or the city or town
31 fire inspectors of the municipality in which the li-
32 censed game, machine or slot machine is being con-
33 ducted or operated, to enter and inspect the licensed
34 premises.

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STATEMENT OF FACT

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The purpose of this bill is to allow bona fide nonprofit fraternal and veterans' services organizations to operate on premises gaming machines or slot machines if all net profits are used solely for authorized charitable purposes.

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