

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1432, L.D. 1877)

2 SECOND REGULAR SESSION
3

4 ONE HUNDRED AND ELEVENTH LEGISLATURE
5

6 Legislative Document

No. 2325

7
8 H.P. 1761

House of Representatives, March 22, 1984

9 Reported by Representative Cox from the Committee on Legal Affairs
10 and printed under Joint Rule 2.

11 Original bill presented by Representative Cox of Brewer. Cosponsored by
Representative Dudley of Enfield, Representative Perry of Mexico and
Representative Smith of Island Falls.

EDWIN H. PERT, Clerk

12
13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-FOUR
17

18 AN ACT to Prohibit any Type of
19 Gambling Machine.
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 is enacted to
24 read:

25 1-A. Electronic video machine. "Electronic vid-
26 eo machine" means a machine, however operated, which
27 has a video screen featuring an electronically
28 simulated game or games and which does not deliver or
29 entitle the person playing or operating it to receive
30 any cash, premiums, merchandise, tickets or something
31 of value other than the privilege of playing the
32 electronic video machine without charge. A machine
33 which has a video screen featuring an electronically
34 simulated slot machine as a game is not an electronic
35 video machine, but is a machine as defined in subsec-
36 tion 3-A.

1 Sec. 2. 17 MRSA §330, sub-§3-A, as enacted by PL
2 1979, c. 271, §1, is amended to read:

3 3-A. Machine. "Machine" ~~shall mean~~ means any ma-
4 chine, including electronic devices, however oper-
5 ated, the internal mechanism or components of which
6 when set in motion or activated and by the applica-
7 tion of the element of chance may deliver or entitle
8 the person playing or operating the machine to re-
9 ceive cash, premiums, merchandise or, tickets or
10 something of value as defined in subsection 8.

11 Sec. 3. 17 MRSA §330, sub-§7, as repealed and
12 replaced by PL 1977, c. 350, §1, is amended to read:

13 7. Slot machine. "Slot machine" ~~shall mean~~ means
14 any machine which operates by inserting a coin, token
15 or similar object, setting the internal mechanism of
16 the machine in motion, and by the application of the
17 element of chance may deliver or entitle the person
18 playing or operating the machine to receive cash,
19 premiums, merchandise or, tickets or something of
20 value as defined in subsection 8.

21 Sec. 4. 17 MRSA §330, sub-§8, as repealed and
22 replaced by PL 1977, c. 350, §1, is repealed and the
23 following enacted in its place:

24 8. Something of value. "Something of value"
25 means:

26 A. Any money or property;

27 B. Any token, object or article exchangeable for
28 money, property, amusement or entertainment; or

29 C. Any form of credit or promise directly or in-
30 directly contemplating transfer of money or prop-
31 erty, or of any interest therein, or involving
32 extension of a service, entertainment or a privi-
33 lege of playing at a game or scheme without
34 charge.

35 Sec. 5. 17 MRSA §332, sub-§3, as amended by PL
36 1979, c. 271, §2, is further amended to read:

1 3. Schemes prohibited. No license shall may be
2 issued for the conduct or operation of any machine,
3 slot machine or, roulette, or for the operation of
4 any games commonly known as policy or numbers, except
5 that a license may be issued for any electronic video
6 machine. Any electronic video machine which consti-
7 tutes a game of chance, as defined in section 330,
8 subsection 2, shall be fully governed by the laws
9 contained in this chapter.

10 Sec. 6. 17 MRSA §332, sub-§3-B is enacted to
11 read:

12 3-B. Licenses for electronic video ma-
13 chines. The following provisions apply to licenses
14 for electronic video machines.

15 A. The Chief of the State Police may issue a
16 game of chance license to operate an electronic
17 video machine to any society or organization
18 listed in subsection 1, which has been founded,
19 chartered or organized in this State at least 2
20 years prior to its application for a license.

21 B. An electronic video machine licensed under
22 this section shall only be operated for the ex-
23 clusive benefit of the licensee, except that up
24 to 50% of the gross proceeds from the operation
25 of the machine may be paid to the distributor as
26 a rental fee and for service and repair of the
27 machine. Notwithstanding other provisions of
28 this chapter, a licensee may rent an electronic
29 video machine from a distributor.

30 C. No more than 5 electronic video machines may
31 be operated on the licensee's premises. A sepa-
32 rate games of chance license is required for the
33 operation of each electronic video machine.

34 D. A licensee may operate an electronic video
35 machine only on the licensee's premises.

36 E. Two or more licensees may not share the use
37 of any premises for the operation of electronic
38 video machines.

39 F. No distributor or employee of the distributor
40 may be a member of the licensee.

1 Sec. 7. 17 MRSA §339, sub-§2-A is enacted to
2 read:

3 2-A. Operation of electronic video ma-
4 chines. The fee for a game of chance license to op-
5 erate an electronic video machine shall be \$10 for
6 each week computed on a Monday to Sunday basis or
7 portion of a week. The license may be issued for a
8 calendar month for a fee of \$40.

9 Any combination of monthly or weekly licenses may be
10 issued. Licenses to operate an authorized electronic
11 video machine may be issued for a period not to ex-
12 ceed 6 months on one application.

13 Sec. 8. 17 MRSA §343, sub-§7 is enacted to read:

14 7. Bona fide nonprofit organization. The estab-
15 lishment of organizations which exist primarily to
16 operate games of chance and do not have a bona fide
17 nonprofit charitable, educational, political, civic,
18 recreational, fraternal, patriotic, religious or pub-
19 lic safety purpose.

20 Sec. 9. 17 MRSA §347 is enacted to read:

21 §347. Vending machines

22 Nothing in this chapter applies to vending ma-
23 chines, the primary purpose of which is to dispense
24 beverages, candy, fruit or other foodstuffs when a
25 coin is inserted into the machine.

26 STATEMENT OF FACT

27 New electronic video machines have been intro-
28 duced into the State which have screens similar to
29 arcade video games but feature electronically
30 simulated card, dice or other games of chance. These
31 machines do not qualify as games of skill under the
32 Revised Statutes, Title 17-A, section 330, subsection
33 2-A, as might some arcade games. Some of the ma-
34 chines are purely amusement devices because they do
35 not offer either extra prizes or something of value
36 and therefore are not regulated under this bill or
37 other state laws. Other machines offer free replays

1 if the operator chances to score well while playing
2 and therefore do offer something of value making them
3 games of chance under state law. This bill allows
4 the licensing of the latter type of electronic ma-
5 chine, but only under the limited circumstances set
6 forth in the Revised Statutes, Title 17-A, section
7 332, subsection 3-B. The Legislature is allowing on-
8 ly this narrow exception to the general prohibition
9 against all machines and slot machines.

10 Section 1 adds a definition of these new elec-
11 tronic video machines. It includes machines featur-
12 ing electronically simulated games on video screens
13 which deliver nothing of value other than free game
14 replays. No other prizes or money may be awarded the
15 player. The bill specifically excludes simulated
16 slot machine games and includes machines operated by
17 any method whether by coin, token or remote control
18 devices. These measures will safeguard against the
19 conditions that led to the use of slot machines and
20 the consequent abuses prior to the 1979 referendum
21 banning slot machines and machines.

22 Sections 2 and 3 eliminate an ambiguity in the
23 present law which is unclear as to whether machines
24 and slot machines which dispense free replays fall
25 within the general prohibition of machines and slot
26 machines as well as those which dispense cash, mer-
27 chandise, premiums or tickets. These sections make
28 it clear that machines and slot machines that dis-
29 pense free replays are prohibited.

30 Section 4 adds the words "amusement or entertain-
31 ment" to the definition of something of value to make
32 it clear that tokens or objects exchangeable for free
33 game replays do constitute something of value under
34 the games of chance law.

35 Section 5 allows a license to issue for an elec-
36 tronic video machine, thereby carving out a narrow
37 exception to the general prohibition against the li-
38 censing of machines of any type. It requires that
39 any electronic video machine which constitutes a game
40 of chance under the Revised Statutes, Title 17, sec-
41 tion 330, subsection 2, be fully governed by the
42 games of chance laws. Thus, whenever an electronic
43 video machine is played by risking something of value

1 in order to win a free game replay, an electronic
2 video machine constitutes a game of chance and is
3 governed by the games of chance laws. If an elec-
4 tronic video machine is played without risking some-
5 thing of value, then it is not a game of chance and
6 there is no coverage under the game of chance laws.

7 Section 6 limits the circumstances under which a
8 license may be issued for an electronic video ma-
9 chine. Controls include:

10 1. Only bona fide nonprofit charitable, educa-
11 tional, political, civic, recreational, fraternal,
12 patriotic or religious organizations or volunteer
13 fire departments which have been organized in Maine
14 at least 2 years prior to their license applications
15 may obtain a license;

16 2. The machines must be operated for the exclu-
17 sive benefit of the licensee, with one limited excep-
18 tion. Up to 50% of the gross proceeds may be paid to
19 the distributor for rental, service or repair fees.
20 It is standard now within the industry to split pro-
21 ceeds on a 50-50 basis. This regulation limits the
22 maximum amount that may be paid to the distributor in
23 order to prevent distributors from siphoning off most
24 proceeds for themselves as occurred when slot ma-
25 chines were legal in Maine. This provision is an ex-
26 ception to those parts of Title 17, section 337 and
27 section 343 which prohibit the leasing of gambling
28 apparatus and require licensees to own all equipment
29 absolutely. Nonprofit groups could not afford to
30 purchase electronic video machines if this require-
31 ment applied here;

32 3. A maximum of 5 machines, each with a separate
33 license, may be operated on the licensee's premises.
34 This prevents a "casino" atmosphere yet permits non-
35 profit groups to earn extra money by operating these
36 machines as well as other games;

37 4. The machines must be operated on the
38 licensee's premises to eliminate the abuses that hap-
39 pened when slot machines were operated on other
40 premises under the umbrella of nonprofit group owner-
41 ship;

1 5. Two or more licensees may not share premises
2 to operate the machines and thereby circumvent the
3 5-machine limitation, again to prevent the existence
4 of "casino" settings; and

5 6. No distributor or distributor's employee may
6 be a member of the licensee. This regulation seeks
7 to prevent distributors from forming sham organiza-
8 tions to operate their machines and thereby keep all
9 of the proceeds rather than a maximum of 50%.

10 Section 7 sets the license fee at \$10 each week
11 for each electronic video machine or \$40 for a month-
12 ly license. This fee is higher than the \$6 games of
13 chance license fee in order to provide funds for ade-
14 quate State Police supervision of electronic video
15 machines.

16 Section 8 directs the State Police Chief to adopt
17 rules to ensure that licenses are issued only to bona
18 fide nonprofit organizations.

19 Section 9 ensures that food or beverage vending
20 machines do not fall under the games of chance law.
21 Although they may technically be covered by this
22 chapter, if they dispense games of chances to win a
23 prize on the wrappers or bottle caps of merchandise,
24 as a policy matter they should not be prohibited by
25 state law.

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