

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 982

6
7 S.P. 361

In Senate, March 12, 1985

8 Referred to the Committee on Legal Affairs. Sent down for concurrence
9 and ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Tuttle of York.

11 Cosponsored by Representative Rioux of Biddeford, Representative
Jacques of Waterville and Representative Paul of Sanford.

12 STATE OF MAINE
13

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

17 AN ACT to Permit Fraternal Organizations to
18 have Game Machines on Premises when
19 Proceeds are used for Charitable
20 Purposes.
21

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

24 Sec. 1. 17 MRSA §330, sub-§§1-B and 1-C are en-
25 acted to read:

26 1-B. Authorized purpose. "Authorized purpose"
27 means a charitable, educational, religious or
28 public-spirited purpose. This term is defined to
29 have the purpose of benefiting an indefinite number
30 of persons, either by bringing their minds or hearts
31 under the influence of education or religion, reliev-
32 ing their bodies from disease, suffering or con-
33 straint, assisting them to establish themselves in
34 life, erecting or maintaining public buildings or
35 works, or otherwise lessening the burden of govern-
36 ment. This term does not include the erection, ac-

1 quisition, improvement, maintenance or repair of
2 property, real, personal or mixed, unless that prop-
3 erty is and will be used exclusively for one or more
4 of the purposes stated in this subsection.

5 1-C. Bona fide nonprofit fraternal or veterans'
6 service organization. "Bona fide nonprofit fraternal
7 or veterans' service organization" means a fraternal
8 or veterans' service organization, association or
9 corporation which:

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

13 B. Has received and used, and in good faith ex-
14 pects to continue to receive and use, funds from
15 sources other than the conducting of games of
16 chance for the furtherance of an authorized pur-
17 pose;

18 C. Has been in existence for at least 5 years
19 prior to application for a license to operate a
20 machine or slot machine; and

21 D. Is either:

22 (1) Incorporated in this State as a corpo-
23 ration or as an association not for pecu-
24 niary profit, and is empowered by its arti-
25 cles of incorporation to further one or more
26 of the authorized purposes; or

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

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

1 2. Game of chance. "Game of chance" shall mean
2 means a game, contest, scheme or device in which a
3 person stakes or risks something of value for an op-
4 portunity to win something of value and in which the
5 outcome depends in a material degree upon an element
6 of chance, notwithstanding that skill of the contes-
7 tant or participant may also be a factor therein. For
8 the purposes of this chapter, beano or bingo is not
9 to be included in this definition.

10 Sec. 3. 17 MRSA §332, sub-§3, as amended by PL
11 1983, c. 705, §5, is further amended to read:

12 3. Schemes prohibited. No license may be issued
13 for the conduct or operation of any machine, slot ma-
14 chine, roulette, or any games commonly known as poli-
15 cy or numbers, ~~except that a license may be issued~~
16 ~~for any electronic video machine.~~ Any electronic
17 video machine which constitutes a game of chance, as
18 defined in section 330, subsection 2, shall be fully
19 governed by the laws contained in this chapter; ~~ex-~~
20 ~~cept that the Chief of the State Police may issue a~~
21 ~~license to operate no more than 5 machines or slot~~
22 ~~machines to a bona fide nonprofit fraternal or veter-~~
23 ~~ans' service organization if the machine or slot ma-~~
24 ~~chine is operated solely on premises owned or leased~~
25 ~~by the licensee for the purpose of holding the~~
26 ~~organization's meetings and if, after reasonable~~
27 ~~costs of operation are deducted, 50% of all net prof-~~
28 ~~its are paid to the State and the remaining net prof-~~
29 ~~its are used solely for authorized purposes.~~

30 Sec. 4. 17 MRSA §332, sub-§4, as amended by PL
31 1981, c. 593, §2, is further amended to read:

32 4. Location. A license, issued pursuant to this
33 section, shall specify the location where the organi-
34 zation may operate the licensed game of chance, ma-
35 chine or slot machine. No licensee may operate games
36 of chance, machines or slot machines in more than one
37 location at the same time.

38 A. An agricultural society shall operate a game
39 of chance only on the grounds of the agricultural
40 society and only during the annual fair of the
41 agricultural society.

1 B. No other licensee may operate a game of
2 chance on premises to which the general public
3 has access; except a bona fide nonprofit organi-
4 zation may operate a game of chance at any loca-
5 tion described in the license if the operation
6 does not exceed 3 days in a 6-month period and is
7 conducted only by members of the organization.

8 Sec. 5. 17 MRSA §332, sub-§5, as enacted by PL
9 1977, c. 350, §4, is amended to read:

10 5. Multiple licenses. An organization eligible
11 to obtain a license to operate a game of chance, ma-
12 chine or slot machine may be issued licenses to oper-
13 ate more than one game of chance, machine or slot
14 machine. Each license issued shall be valid for the
15 operation of no more than one game of chance, machine
16 or slot machine, the nature of which shall be speci-
17 fied on the license.

18 Sec. 6. 17 MRSA §333, as enacted by PL 1973, c.
19 735, §3, is amended to read:

20 §333. Application

21 An application to operate or conduct a game of
22 chance, machine or slot machine shall be on forms
23 provided by the Chief of the State Police. ~~Such~~ The
24 application shall be signed by a duly authorized of-
25 ficer of the organization. It shall contain the full
26 name and address of the organization, a full descrip-
27 tion of the game of chance, machine or slot machine,
28 the location where the game is to be conducted or ma-
29 chine or slot machine operated, and any other infor-
30 mation deemed necessary by the Chief of the State Po-
31 lice for the issuance of a license to operate a game
32 of chance, machine or slot machine. An application to
33 operate or conduct a game of chance, machine or slot
34 machine shall bear the consent of the municipal offi-
35 cers of the town or city in which ~~such~~ the game of
36 chance, machine or slot machine is to be operated or
37 conducted.

38 Sec. 7. 17 MRSA §334, as amended by PL 1981, c.
39 593, §3, is further amended to read:

40 §334. Evidence

1 The Chief of the State Police may require such
2 evidence as he may deem necessary to satisfy him that
3 an applicant organization conforms to the restric-
4 tions and other provisions of this chapter.
5 Charters, organizational papers, bylaws or other such
6 written orders of founding which outline or otherwise
7 explain the purpose for which ~~such~~ that organization
8 was founded, shall, upon request, be forwarded to the
9 Chief of the State Police. The Chief of the State
10 Police may require of any licensee or of any person
11 operating, conducting or assisting in the operation
12 of a licensed game of chance, machine or slot machine
13 such evidence as he may deem necessary to satisfy him
14 that the person is a duly authorized member of the
15 licensee, or a person employed by the licensee as a
16 bartender, as required by section 332, subsection 2.
17 Upon request, this evidence shall be forwarded to the
18 Chief of the State Police.

19 **Sec. 8.** 17 MRSA §335, as repealed and replaced
20 by PL 1975, 424, §2, is amended to read:

21 §335. Proceeds

22 Proceeds of any games of chance, machines or slot
23 machines shall not be used to provide salaries, wages
24 or other remuneration to members, officers or employ-
25 ees of any organization authorized to conduct games
26 of chance, machines or slot machines under this Ti-
27 tle.

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

30 §336. Records; licenses

31 1. Records required. The treasurer of any orga-
32 nization conducting a game of chance, or operating a
33 machine or slot machine, or other officer designated
34 by him, shall keep a record of all financial transac-
35 tions involving those games of chance, machines or
36 slot machines. The records shall include an exact ac-
37 count of all income from games of chance, machines or
38 slot machines, a list of all expenses, including, but
39 not limited to, the cost of prizes, printing, li-
40 censes and administration, and shall include an exact
41 account of the disposition of all other proceeds for

1 the games of chance, machines or slot machines, in-
2 cluding, but not limited to, all gifts, grants and
3 payments to any person, firm, corporation, associa-
4 tion or organization for any purpose whatsoever. All
5 records of financial transactions involving the games
6 of chance, machines or slot machines shall be sepa-
7 rate and distinguishable from all other financial
8 records of the organization. Income from more than
9 one game of chance, machine or slot machine may be
10 entered into one account.

11 2. Disposition of funds reports. Within 6 days
12 after the last day of any period during which a li-
13 censed game of chance, machine or slot machine is
14 conducted, the licensee shall file with the Chief of
15 the State Police a disposition of funds form pre-
16 scribed and furnished by the Chief of the State Po-
17 lice, detailing for the period the total receipts and
18 expenditures of the game, machine or slot machine and
19 the disposition of funds. Every statement shall be
20 made under oath by an officer of the licensee or by
21 the member in charge of the conduct of the game, ma-
22 chine or slot machine.

23 3. Records maintained for 3 years. Every licens-
24 ee which has conducted a game of chance, machine or
25 slot machine shall maintain and keep for a period of
26 3 years reports as may be necessary to substantiate
27 the records and reports required by this section or
28 by the rules ~~and regulations~~ adopted under this chap-
29 ter.

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

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

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

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

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

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

35 1. Original application fee. The original appli-
36 cation for a license to operate a game of chance, ma-
37 chine or slot machine shall be accompanied by a fee
38 of \$5. This shall not be a fee for a license and
39 shall not be refundable.

40 Sec. 13. 17 MRSA §339, sub-§2, as amended by PL
41 1981, c. 412, §2, is further amended to read:

1 2. Operation of games of chance, machine or slot
2 machine. Except as provided in subsection 3, the fee
3 for a license to operate a game of chance, machine or
4 slot machine shall be \$6 for each week computed on a
5 Monday to Sunday basis or portion thereof. The li-
6 cense may be issued for a calendar month for a fee of
7 \$24.

8 Any combination of monthly or weekly licenses may be
9 issued. Except as provided in subsection 3, licenses
10 to conduct any authorized game of chance, machine or
11 slot machine may be issued for a period not to exceed
12 6 months on one application.

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

16 6. Application. Licenses to operate any autho-
17 rized game of chance, machine or slot machine may be
18 issued for a period not to exceed 6 months on one ap-
19 plication.

20 Sec. 15. 17 MRSA §340, as amended by PL 1983, c.
21 225, §3, is further amended to read:

22 §340. Persons under 16 years of age

23 No licensee, game owner or operator may permit
24 persons under the age of 16 years to take part in a
25 game of chance or operate a machine or slot machine.
26 No person under the age of 16 years may sell chances,
27 except in relation to charitable, religious or recog-
28 nized youth associations.

29 No person under the age of 18 years may be li-
30 censed under this chapter.

31 Sec. 16. 17 MRSA §341, sub-§1, as amended by PL
32 1981, c. 698, §90, is further amended to read:

33 1. Limits. A licensed game of chance shall be
34 limited as to the amount to be gambled for any one
35 chance to 50¢, except that an organization may oper-
36 ate and conduct a game of cards and charge no more
37 than \$1 daily entry fee for participation in a game
38 of cards, provided that no money or valuable thing

1 other than \$1 daily entry fee is gambled in connec-
2 tion with a game of cards. A licensed machine or
3 slot machine shall be limited to 25¢ as the amount to
4 be gambled in any one operation.

5 Sec. 17. 17 MRSA §342, as amended by PL 1975, c.
6 410, §3, is further amended to read:

7 §342. Reports

8 The Chief of the State Police shall require from
9 any licensed printer or distributor, or from any or-
10 ganization authorized to operate a game of chance,
11 machine or slot machine, whatever reports he deems
12 necessary for the purpose of the administration and
13 enforcement of this chapter.

14 Sec. 18. 17 MRSA §343, as amended by PL 1983, c.
15 705, §8, is further amended to read:

16 §343. Rules

17 The Chief of the State Police shall have the pow-
18 er to make and adopt rules ~~and regulations~~, not in-
19 consistent with law, which he may deem necessary for
20 the administration and enforcement of this chapter
21 and for the licensing, conduct and operation of games
22 of chance, machines and slot machines. He shall have
23 the power and authority to regulate, supervise and
24 exercise general control over the operation of ~~such~~
25 those games, machines or slot machines, to investi-
26 gate as to the direct or indirect ownership or con-
27 trol of any organization conducting a game of chance,
28 machine or slot machine and to revoke or suspend any
29 license for just cause after hearing. In establishing
30 ~~such the rules and regulations~~, he shall, in addition
31 to the standards set forth in other provisions of
32 this chapter, be guided by the following standards
33 setting forth conduct, conditions and ~~activity~~
34 activities deemed undesirable:-:

35 1. Fraud. The practice of any fraud or deception
36 upon a participant in a game of chance-, machine or
37 slot machine;

38 2. Unsafe premises. The conduct of a game of
39 chance, machine or slot machine in or at premises

1 which may be unsafe due to fire hazard or other such
2 conditions-;

3 3. Advertising and solicitation. Advertising
4 which is obscene, or solicitation on a public way of
5 persons to participate in a game of chance-, machine
6 or slot machine;

7 4. Organized crime. Infiltration of organized
8 crime into the operation of games of chance, machine
9 or slot machines, or into the printing or distribut-
10 ing of gambling materials-;

11 5. Disorderly persons. Presence of disorderly
12 persons in a location where a game of chance is being
13 conducted- or machine or slot machine being operated;

14 6. Leasing of equipment. Use of equipment which
15 is not owned absolutely, or for which rental is made
16 for said that use in the operation of a game of
17 chance-, machine or slot machine; and

18 7. Bona fide nonprofit organization. The estab-
19 lishment of organizations which exist primarily to
20 operate games of chance, machine or slot machines and
21 do not have a bona fide nonprofit charitable, educa-
22 tional, political, civic, recreational, fraternal,
23 patriotic, religious or public safety purpose.

24 Sec. 19. 17 MRSA §345, as amended by PL 1975, c.
25 410, §5, is further amended to read:

26 §345. Access to premises

27 Any person, firm, corporation, association or or-
28 ganization making application to the Chief of the
29 State Police to conduct or operate a game of chance,
30 machine or slot machine or any such person, firm,
31 corporation, association or organization authorized
32 under this chapter to operate or conduct a game of
33 chance, machine or slot machine, shall permit inspec-
34 tion of any equipment, prizes, records, or items and
35 materials used or to be used in the conduct or opera-
36 tion of a game of chance, machine or slot machine by
37 the Chief of the State Police or his authorized rep-
38 resentative.

1 Any firm, corporation, association or organiza-
2 tion licensed to operate a game of chance, machine or
3 slot machine shall permit at any and all times the
4 State Fire Marshal or any inspector from his office,
5 or the city or town fire inspectors of the municipal-
6 ity in which the licensed game, machine or slot
7 machine is being conducted or operated, to enter and
8 inspect the licensed premises.

9 STATEMENT OF FACT

10 The purpose of this bill is to allow bona fide
11 nonprofit fraternal and veterans' services organiza-
12 tions to operate on premises gaming machines or slot
13 machines if 50% of all net profits are paid over to
14 the State and the remainder of the profits are used
15 solely for authorized charitable purposes.

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