

MAINE STATE LEGISLATURE

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(After Deadline)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1042

S.P. 350 In Senate, April 1, 1987
Approved for Introduction by a Majority of the Legislative
Council pursuant to Joint Rule 27.

Reference to the Committee on Legal Affairs suggested and
ordered printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.

Cosponsored by Representative JACQUES of Waterville,
Senator TUTTLE of York, Representative MCGOWAN of Canaan.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT to Permit Certain Nonprofit
2 Organizations to have Game Machines
3 on Premises when Proceeds are used for
4 Charitable Purposes.
5

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

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

10 1-B. Authorized purpose. "Authorized purpose"
11 means a charitable, educational, religious or
12 public-spirited purpose. This term is defined to
13 have the purpose of benefiting an indefinite number
14 of persons, either by bringing their minds or hearts
15 under the influence of education or religion; reliev-

1 ing their bodies from disease, suffering or con-
2 straint; assisting them to establish themselves in
3 life; erecting or maintaining public buildings or
4 works; or otherwise lessening the burden of govern-
5 ment. This term does not include the erection, ac-
6 quisition, improvement, maintenance or repair of,
7 real, personal or mixed property, unless that proper-
8 ty is or will be used exclusively for one or more of
9 the purposes stated in this subsection.

10 1-C. Bona fide nonprofit fraternal or veterans'
11 service organization. "Bona fide nonprofit fraternal
12 or veterans' service organization" means a fraternal
13 or veterans' service organization, association or
14 corporation which:

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

18 B. Has received and used, and in good faith ex-
19 pects to continue to receive and use, funds from
20 sources other than the conducting of games of
21 chance for the furtherance of an authorized pur-
22 pose;

23 C. Has been in existence for at least 5 years
24 prior to application for a license to operate a
25 machine or slot machine; and

26 D. Is either:

27 (1) Incorporated in this State as a corpo-
28 ration or as a nonprofit association and is
29 empowered by its articles of incorporation
30 to further one or more of the authorized
31 purposes; or

32 (2) If unincorporated, is organized in this
33 State as a nonprofit organization has a mem-
34 bership of not less than 25 persons and is
35 authorized by its written constitution,
36 charter or bylaws, or by the written consti-
37 tution, charter or bylaws, of a parent orga-
38 nization of which it is a part, to further
39 one or more of the authorized purposes.

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

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

12 Sec. 3. 17 MRSA §332, sub-§3, as amended by PL
13 1983, c. 705, §5, is further amended to read:

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

32 Sec. 4. 17 MRSA §332, sub-§4, as amended by PL
33 1981, c. 593, §2, is further amended to read:

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

40 A. An agricultural society shall operate a game
41 of chance only on the grounds of the agricultural

1 society and only during the annual fair of the
2 agricultural society.

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

10 **Sec. 5.** 17 MRSA §332, sub-§5, as enacted by PL
11 1977, c. 350, §4, is amended to read:

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

20 **Sec. 6.** 17 MRSA §333, as enacted by PL 1973, c.
21 735, §3, is amended to read:

22 **§333. Application**

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

40 **Sec. 7.** 17 MRSA §334, as amended by PL 1981, c.
41 593, §3, is further amended to read:

1 §334. Evidence

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

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

22 §335. Proceeds

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

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

31 §336. Records; licenses

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

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

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

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

32 4. Location. All records which shall be main-
33 tained by a licensee pursuant to this section and
34 pursuant to the rules and regulations adopted under
35 this chapter shall be kept and maintained on the
36 premises where the game of chance, machine or slot
37 machine has been conducted or at the primary business
38 office of the licensee, which office shall be desig-
39 nated by the licensee in the license application. All
40 these records shall be open to inspection by the
41 Chief of the State Police or his representative and
42 no licensee shall may refuse the Chief of the State
43 Police or his representative the right to inspect or
44 audit the records. Refusal to permit inspection or

1 audit of the records shall not constitute a crime un-
2 der this chapter but shall constitute grounds for
3 revocation of license.

4 **Sec. 10.** 17 MRSA §337, 3rd ¶, as amended by PL
5 1985, c. 93, §1, is further amended to read:

6 No distributor may sell, market or otherwise dis-
7 tribute gambling apparatus or implements to any per-
8 son or organization, except to persons or organiza-
9 tions licensed to operate machines or slot machines
10 or conduct or operate games of chance under section
11 332, or eligible to conduct a raffle pursuant to sec-
12 tion 331, subsection 2. No distributor may lease or
13 loan or otherwise distribute free of charge any gam-
14 bling apparatus or implements to any organization el-
15 igible to operate a game of chance, machine or slot
16 machine.

17 **Sec. 11.** 17 MRSA §338, first ¶, as amended by PL
18 1985, c. 93, §2, is further amended to read:

19 Except as provided in section 337, no Maine
20 printer may print materials to be used in the conduct
21 of a licensed game of chance or operation of a ma-
22 chine or slot machine unless licensed by the Chief of
23 the State Police. A printer licensed under this sec-
24 tion may act as his own distributor without having to
25 be licensed as a distributor providing neither he nor
26 anyone in his behalf acts as a salesman for his ser-
27 vices connected with a game of chance outside of the
28 confines of his premises described in his printer's
29 license. If such the printer or someone else acts as
30 a salesman for his services in connection with a game
31 of chance outside of the premises described in his
32 printer's license, either such the printer or any
33 person or persons acting in his behalf must be li-
34 censed as a distributor.

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

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

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

3 2. Operation of games of chance, machine or slot
4 machine. Except as provided in subsection 3, the fee
5 for a license to operate a game of chance, machine or
6 slot machine shall be \$6 for each week computed on a
7 Monday to Sunday basis or portion thereof. The li-
8 cense may be issued for a calendar month for a fee of
9 \$24.

10 Any combination of monthly or weekly licenses may be
11 issued. Except as provided in subsection 3, licenses
12 to conduct any authorized game of chance, machine or
13 slot machine may be issued for a period not to exceed
14 6 months on one application.

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

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

22 Sec. 15. 17 MRSA §340, as amended by PL 1983, c.
23 225, §3, is further amended to read:

24 §340. Persons under 16 years of age

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

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

33 Sec. 16. 17 MRSA §341, sub-§1, as amended by PL
34 1981, c. 698, §90, is further amended to read:

35 1. Limits. A licensed game of chance shall be
36 limited as to the amount to be gambled for any one
37 chance to 50¢, except that an organization may oper-

1 ate and conduct a game of cards and charge no more
2 than \$1 daily entry fee for participation in a game
3 of cards, provided that no money or valuable thing
4 other than \$1 daily entry fee is gambled in connec-
5 tion with a game of cards. A licensed machine or
6 slot machine shall be limited to 25¢ as the amount to
7 be gambled in any one operation.

8 **Sec. 17.** 17 MRSA §342, as amended by PL 1975, c.
9 410, §3, is further amended to read:

10 §342. Reports

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

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

19 §343. Rules

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

38 1. Fraud. The practice of any fraud or deception
39 upon a participant in a game of chance, machine or
40 slot machine;

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

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

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

13 5. Disorderly persons. Presence The presence of
14 disorderly persons in a location where a game of
15 chance is being conducted, or a machine or slot ma-
16 chine is being operated;

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

21 7. Bona fide nonprofit organization. The estab-
22 lishment of organizations which exist primarily to
23 operate games of chance, machines or slot machines
24 and do not have a bona fide nonprofit charitable, ed-
25 ucational, political, civic, recreational, fraternal,
26 patriotic, religious or public safety purpose.

27 Sec. 19. 17 MRSA §345, as amended by PL 1975, c.
28 410, §5, is further amended to read:

29 §345. Access to premises

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

1 the Chief of the State Police or his authorized rep-
2 resentative.

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

11

STATEMENT OF FACT

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

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