

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

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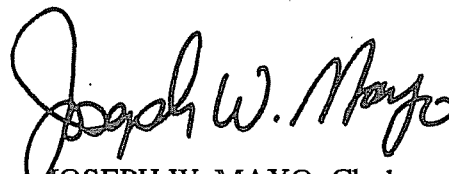
House of Representatives, March 16, 1993

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**An Act to Authorize Video Gaming.**

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

  
JOSEPH W. MAYO, Clerk

Presented by Representative PLOURDE of Biddeford.  
Cosponsored by Senator CONLEY of Cumberland and  
Representatives: AHEARNE of Madawaska, ALIBERTI of Lewiston, CARON of Biddeford,  
CARROLL of Gray, CASHMAN of Old Town, DiPIETRO of South Portland, DRISCOLL of  
Calais, DUTREMBLE of Biddeford, GEAN of Alfred, GOULD of Greenville, GRAY of  
Sedgwick, HATCH of Skowhegan, HICHBORN of Howland, LIBBY of Buxton, LORD of  
Waterboro, MARTIN of Van Buren, MORRISON of Bangor, O'GARA of Westbrook,  
POULIOT of Lewiston, RICKER of Lewiston, SWAZEY of Bucksport, THOMPSON of  
Lincoln, TOWNSEND of Eastport, TUFTS of Stockton Springs, VIGUE of Winslow, Senator:  
VOSE of Washington.

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

2           Sec. 1. 8 MRSA §372, sub-§2, ¶I, as amended by PL 1991, c. 780,  
4 Pt. Y, §§110 and 111 and repealed and replaced by c. 796, §1 and  
6 affected by §§4 and 5, is repealed and the following enacted in  
its place:

8           I. Carry on a continuous study and investigation of the  
10 lotteries throughout the State and the operation and  
12 administration of similar laws that may be in effect in  
other states or countries;

14           Sec. 2. 8 MRSA §372, sub-§2, ¶J, as enacted by PL 1991, c. 780,  
Pt. Y, §112, is amended to read:

16           J. Assign duties as necessary to a designee; and

18           Sec. 3. 8 MRSA §372, sub-§2, ¶K is enacted to read:

20           K. Carry out the duties assigned to the director under  
22 Title 17, chapter 16, including development and maintenance  
24 of a central computer system to monitor licensed video  
lottery terminals and coordinating and cooperating with the  
Chief of the State Police in implementing and enforcing that  
chapter.

26           Sec. 4. 8 MRSA §374, sub-§1, ¶¶K and L, as enacted by PL 1987,  
28 c. 505, §2, are amended to read:

30           K. The manner and amount of compensation to be paid  
32 licensed sales agents necessary to provide for the adequate  
availability of tickets or shares to prospective buyers and  
34 for the convenience of the general public; and

36           L. The apportionment of the total annual revenue accruing  
from the sale of lottery tickets or shares and from all  
38 other sources for the payment of prizes to the holders of  
winning tickets or shares; for the payment of costs incurred  
40 in the operation and administration of the lotteries,  
including the expenses of the commission and the costs  
42 resulting from any contract or contracts entered into for  
promotional, advertising, consulting or operational services  
44 or for the purchase or lease of lottery equipment and  
materials; for the repayment of the money appropriated to  
46 the State Lottery Fund; and for transfer to the General Fund  
for distribution pursuant to section 387; and

48           Sec. 5. 8 MRSA §374, sub-§1, ¶M is enacted to read:

2 M. Rules to administer and enforce Title 17, chapter 16,  
3 which may be adopted jointly with the Chief of the State  
4 Police.

6 Sec. 6. 17 MRSA §348 is enacted to read:

8 **§348. Applicability**

10 Except as expressly provided in chapter 16, this chapter  
11 does not apply to video lottery terminals.

12 Sec. 7. 17 MRSA c.16 is enacted to read:

14 **CHAPTER 16**

16 **VIDEO LOTTERY TERMINALS**

18 **SUBCHAPTER I**

20 **GENERAL PROVISIONS**

22 **§361. Definitions**

24 As used in this chapter, unless the context otherwise  
25 indicates, the following terms have the following meanings.

26 **1. Associated equipment.** "Associated equipment" means any  
28 proprietary device, machine or part used in the manufacture or  
29 maintenance of a video lottery terminal, including but not  
30 limited to integrated circuit chips, printed wired assemblies,  
31 printed wired boards, printing mechanisms, video display monitors  
32 and metering devices.

34 **2. Director.** "Director" means the Director of the Bureau  
35 of Alcoholic Beverages and Lottery Operations in the Department  
36 of Administrative and Financial Services.

38 **3. Drug abuser.** "Drug abuser" has the same meaning as set  
39 forth in Title 5, section 20003, subsection 10.

40 **4. Drug addict.** "Drug addict" has the same meaning as set  
41 forth in Title 5, section 20003, subsection 11.

44 **5. Drug-dependent person.** "Drug-dependent person" has the  
45 same meaning as set forth in Title 5, section 20003, subsection  
46 12.

48 **6. Formal charging instrument.** "Formal charging  
49 instrument" means a complaint, indictment, information, juvenile

2 petition or other formal written accusation against a person for  
3 some criminal or juvenile offense.

4 7. Fugitive from justice. "Fugitive from justice" has the  
5 same meaning as set forth in Title 15, section 201, subsection 4.

6 8. Licensee. "Licensee" means a person licensed by the  
7 Chief of the State Police to operate a video lottery terminal.

10 9. Net terminal income. "Net terminal income" means money  
11 inserted into a video lottery terminal minus credits paid out in  
12 cash.

14 10. Operate. "Operate" means to offer for public use.

16 11. Payback value. "Payback value" means the value of  
17 credits granted to players by a video lottery terminal compared  
18 to the value of money inserted into the terminal by players,  
19 calculated on an annual basis.

20 12. Person. "Person" means an individual, corporation,  
21 association or partnership.

24 13. Reckless or negligent conduct. "Reckless or negligent  
25 conduct" means that the applicant, either consciously  
26 disregarding or failing to be aware of a risk that the  
27 applicant's conduct would cause such a result, engaged in conduct  
28 that in fact created a substantial risk of death, serious bodily  
29 injury or bodily injury to another human being and the  
30 applicant's disregard or failure to be aware of that risk, when  
31 viewed in light of the nature and purpose of the applicant's  
32 conduct and the circumstances known to the applicant, involved a  
33 deviation from the standard of conduct that a reasonable and  
34 prudent person would observe in the same situation.

36 14. Uniform location agreement. "Uniform location  
37 agreement" means a written agreement between a licensee and a  
38 video lottery terminal distributor that governs the terms and  
39 conditions of the placement of video lottery terminals on the  
40 premises of the licensee and that is on a form developed by the  
41 Chief of the State Police.

42 15. Video lottery terminal. "Video lottery terminal" means  
43 a machine that, upon insertion of coin or currency, is available  
44 to play or simulate the play of a video game authorized by the  
45 Chief of the State Police, including but not limited to poker,  
46 keno, blackjack and line games utilizing a video display and  
47 microprocessor in which by chance the player may receive free  
48 games or credits that may be redeemed for cash. "Video lottery

2 terminal" does not include a machine that directly dispenses  
3 coins, cash or tokens.

4 16. Video lottery terminal distributor. "Video lottery  
5 terminal distributor" means a person who owns video lottery  
6 terminals and who distributes or places video lottery terminals  
7 or associated equipment for use in this State.

8  
9 17. Video lottery terminal manufacturer. "Video lottery  
10 terminal manufacturer" means a person who assembles or produces  
11 video lottery terminals or associated equipment for sale or use  
12 in this State.

13 18. Video lottery terminal wholesaler. "Video lottery  
14 terminal wholesaler" means a person who sells video lottery  
15 terminals or associated equipment for distribution in this State.

16  
17 **§362. License required**

18  
19 A person may not manufacture, distribute, sell, operate or  
20 place a video lottery terminal for use in this State unless the  
21 person is licensed to do so by the Chief of the State Police. A  
22 person may not place for public use or operate a video lottery  
23 terminal in this State unless the machine is licensed by the  
24 Chief of the State Police.

25  
26 **§363. Administration and enforcement**

27  
28 The Chief of the State Police and the director shall  
29 administer and enforce the provisions of this chapter as  
30 specified in this chapter.

31  
32 **§364. Powers and duties of the Chief of the State Police**

33  
34 1. Powers. In addition to powers conferred by any other  
35 provision of law, the Chief of the State Police may:

36  
37 A. Regulate, supervise and exercise general control over  
38 the operation of video lottery terminals;

39  
40 B. Investigate the direct or indirect ownership or control  
41 of any licensee;

42  
43 C. Adopt rules necessary to administer and enforce this  
44 chapter, including the power to jointly adopt rules with the  
45 State Lottery Commission;

46  
47 D. In any investigation conducted under this chapter, issue  
48 subpoenas to compel the attendance of witnesses and the  
49 production of evidence relevant to any fact at issue; and  
50

2 E. Approve or disapprove terms and conditions of uniform  
3 local agreements.

4

6

2. Duties. The Chief of the State Police shall:

8 A. Investigate or cause to be investigated all complaints  
9 made to the State Police and all violations of this chapter  
10 or the rules adopted under this chapter;

10

12

B. Adopt rules to prevent undesirable conduct relating to  
13 the operation of video lottery terminals, including the  
14 following:

14

16

(1) The practice of any fraud or deception upon a  
17 player of a video lottery terminal;

18

20

(2) The presence of a video lottery terminal in or at  
19 premises that may be unsafe due to fire hazard or other  
20 such conditions;

22

(3) The use of obscene advertising;

24

(4) The solicitation on a public way of persons to  
25 play video lottery terminals;

26

28

(5) The infiltration of organized crime into the  
27 operation of video lottery terminals or into the  
28 distributing of the terminals;

30

32

(6) The presence of disorderly persons in a location  
31 where video lottery terminals are in use; or

34

(7) The use of the word "casino" to describe any video  
33 lottery terminal licensed under this chapter or as the  
34 name or any part of the name of the licensed premises  
35 or of a portion of the premises where the video lottery  
36 terminal is located;

36

38

C. Direct the director to disable any video lottery  
37 terminal if the Chief of the State Police has reason to  
38 believe that:

44

(1) A person has illegally tampered with the terminal;

46

(2) The funds from the terminal have not been  
45 distributed, deposited or allocated in accordance with  
46 section 383; or

48

2                   (3) The terminal does not meet the licensure  
                  requirements of this chapter; and

4                   D. In accordance with the Maine Administrative Procedure  
                  Act develop industry standards for uniform location  
6                   agreements to be used as the basis of agreements between  
                  distributors and licensees.

8  
10                   §365. Powers and duties of director

12                   1. Powers. In addition to powers conferred by any other  
                  provision of law, the director may:

14                   A. Propose to the State Lottery Commission for adoption  
                  rules necessary to administer and enforce this chapter,  
16                   including rules to be adopted jointly with the Chief of the  
                  State Police; and

18                   B. Subject to approval of the State Lottery Commission and  
                  to any applicable laws relating to public contracts, enter  
20                   into a contract for performance of the director's duties  
                  under this chapter. All contracts must be awarded in  
22                   accordance with rules adopted by the Department of  
24                   Administrative and Financial Services pursuant to Title 5,  
                  chapters 141 to 145 and Title 5, sections 1812 and 1813. A  
26                   contract awarded or entered into by the director may not be  
                  assigned by the holder of the contract, except by specific  
28                   approval of the commission.

30                   2. Duties. The director shall:

32                   A. Develop, install and test an on-line real-time central  
                  computer system with continuous polling to all licensed  
34                   video lottery terminal locations and terminals to provide  
                  auditing program information. The communications system may  
36                   not limit participation to only one manufacturer of video  
                  lottery terminals by either the cost in implementing the  
38                   necessary program modifications to communicate or the  
                  inability to communicate with the central communications  
40                   system;

42                   B. Maintain and monitor the central computer system to  
                  ensure compliance with this chapter;

44                   C. Attempt to determine the cause of any video lottery  
46                   terminal malfunction detected by the central computer system  
                  and notify the Chief of the State Police of any suspected  
48                   tampering with a video lottery terminal or any other  
                  violation of this chapter or the rules adopted under this  
50                   chapter;



- 2           D. Cause the central computer system to disable a video  
4           lottery terminal as directed by the Chief of the State  
            Police in accordance with section 364;
- 6           E. Collect funds due the State under section 383 and  
8           deposit them in the Video Lottery Fund established in  
            section 384;
- 10          F. Immediately notify the Chief of the State Police of the  
            failure of any distributor to comply with section 383;
- 12          G. Certify monthly to the Treasurer of State, the State  
14          Lottery Commission and the Commissioner of Administrative  
16          and Financial Services a full and complete statement of all  
18          video lottery terminal revenue, credits disbursed by  
            licensees, administrative expenses and the allocation of net  
            terminal income for the preceding month;
- 20          H. Submit by January 15th an annual report to the Governor  
22          and the joint standing committee of the Legislature having  
24          jurisdiction over legal affairs of video lottery terminal  
            revenue, credits disbursed by licensees, administrative  
26          expenses and the allocation of net terminal income for the  
            preceding year;
- 28          I. Prepare and submit to the Commissioner of Administrative  
            and Financial Services a budget for the program's  
30          administration; and
- 32          J. Cooperate with the Chief of the State Police in  
            implementing and enforcing the provisions of this chapter.

34        §366. Applicability of chapter 14

36            Except as expressly provided in this chapter, chapter 14  
38            does not apply to video lottery terminals.

40                            SUBCHAPTER II

42                                    LICENSING

44        §371. License to operate

46            1. Eligible persons. The Chief of the State Police may  
            issue a license to operate a video lottery terminal to a person  
48            licensed to sell liquor for consumption on the premises where  
            sold.

2           2. Qualifications for individual license. An individual  
3           may be issued a license to operate a video lottery terminal if  
4           the individual is eligible for a license under subsection 1 and  
5           the individual:

6           A. Is of good moral character, determined pursuant to  
7           subsection 4;

8           B. Is current in payment of all taxes, interest and  
9           penalties owed to the State or to a municipality, excluding  
10           items under formal dispute or appeal pursuant to applicable  
11           statutes or ordinances;

12           C. Has not been convicted of a crime punishable by one year  
13           or more of imprisonment in any jurisdiction unless at least  
14           10 years have passed since satisfactory completion of the  
15           sentence or probation imposed by the court for the crime;

16           D. Has not been convicted of a violation of this chapter or  
17           chapter 14;

18           E. Is not a fugitive from justice, a drug abuser, a drug  
19           addict, a drug-dependent person, an illegal alien or a  
20           person who was dishonorably discharged from the military  
21           forces within 5 years prior to the date of application;

22           F. Has completed the application form and complied with the  
23           requirements of section 374;

24           G. Has sufficient financial assets to meet the financial  
25           obligations imposed by this chapter and a method acceptable  
26           to the Chief of the State Police for meeting those  
27           obligations; and

28           H. Has not knowingly made a false statement of material  
29           fact to the Chief of the State Police in applying for a  
30           license under this chapter or chapter 14.

31           3. Qualifications for partnership, corporation or  
32           association license. A partnership may be licensed to operate a  
33           video lottery terminal if the partnership is eligible for a  
34           license under subsection 1 and the partnership was organized in  
35           this State, the partnership meets the qualifications of  
36           subsection 2, paragraphs B to G and each partner of the  
37           partnership meets all the requirements of subsection 2. A  
38           corporation or association may be licensed to operate a video  
39           lottery terminal if the association or corporation is eligible  
40           for a license under subsection 1 and the corporation or  
41           association was organized in this State, the corporation or  
42           association meets the qualifications of subsection 2, paragraphs  
43           and

2 B to G and each officer, director and owner of any interest of  
3 the corporation or association meets all the requirements of  
4 subsection 2.

5 4. Determination of good moral character. The Chief of the  
6 State Police shall make a determination of moral character solely  
7 on the basis of information recorded by governmental entities  
8 within 5 years of receipt of the application, including, but not  
9 limited to, the following matters:

10 A. Information of record relative to incidents of abuse by  
11 the applicant of family or household members, provided  
12 pursuant to Title 19, section 770, subsection 1;

13 B. Information of record relative to convictions of the  
14 applicant for crimes punishable by imprisonment for less  
15 than one year or adjudications of the applicant for juvenile  
16 offenses involving conduct that, if committed by an adult,  
17 are punishable by imprisonment for less than one year;

18 C. Information of record indicating that the applicant has  
19 engaged in reckless or negligent conduct;

20 D. Information of record relative to adjudications of the  
21 applicant for civil violations; and

22 E. Information of record regarding charges against the  
23 applicant for any crime in any jurisdiction.

24 5. Municipal permit required. The Chief of the State  
25 Police may not issue a license to operate a video lottery  
26 terminal to any person who has not obtained a special  
27 entertainment permit for video lottery terminals, pursuant to  
28 Title 28-A, section 1054, from the municipality in which the  
29 video lottery terminal will be located.

30 6. Placement of terminals. No more than 3 video lottery  
31 terminals may be placed on the premises of a licensee. A  
32 terminal may not be placed in any location other than the  
33 premises of the licensee. A terminal must be placed in an area  
34 of the premises separated by a physical barrier from any part of  
35 the premises not dedicated to the operation of video lottery  
36 terminals. This area must be clearly labelled as an area that  
37 persons under the age of 21 may not enter. The area must be  
38 located and designed to permit the licensee or an agent of the  
39 licensee to see and control the area at all times to ensure  
40 compliance with the provisions of this chapter.

41 7. Uniform location agreement. Each video lottery terminal  
42 must be subject to a uniform location agreement between the  
43 licensee and the municipality in which the terminal is located.

2 distributor and the licensee. A copy of the agreement must be  
3 submitted to the Chief of the State Police. The Chief of the  
4 State Police may approve or disapprove any uniform location  
5 agreement. If the uniform location agreement is disapproved, the  
6 Chief of the State Police must provide written reasons for the  
7 denial. The uniform location agreement is the complete and sole  
8 agreement between the licensee and the distributor regarding  
9 video lottery terminals. No other agreement between the licensee  
10 and the distributor is legally binding.

11 8. Appeal to commissioner. Any distributor or licensee  
12 denied approval of a uniform location agreement may appeal the  
13 decision of the Chief of the State Police to the Commissioner of  
14 Public Safety. The commissioner shall hold a hearing to include  
15 the distributor, the licensee and the Chief of the State Police  
16 or the chief's designee prior to rendering a decision on the  
17 appeal. The commissioner shall render a decision within 30 days  
18 of the hearing.

19 9. Disclosure of other contracts and agreements. A  
20 distributor shall disclose to the Chief of the State Police any  
21 other contracts or agreements that the distributor or a  
22 subsidiary of the distributor has made with a licensee.  
23

24 10. Incentives prohibited. A distributor may not offer an  
25 incentive to a licensee to accept placement of a video lottery  
26 terminal on the premises of the licensee and a licensee may not  
27 solicit such an incentive. For purposes of this subsection,  
28 "incentive" means any consideration, including a premium or bonus  
29 in cash, an advance payment of the licensee's share of net  
30 terminal income or merchandise. "Incentive" does not include the  
31 licensee's share of net terminal income provided for in section  
32 383. A person who violates this subsection is guilty of a Class  
33 C crime and that person's license, if any, is revoked and the  
34 right to apply for a license under this chapter is precluded.  
35

### 36 §372. Licensing of terminals

37 1. License required. A video lottery terminal may not be  
38 placed for public use or operated in this State unless the  
39 terminal is licensed by the Chief of the State Police. The  
40 terminal license must be prominently displayed on the terminal.  
41

42 2. Requirements for license. To be licensed, a video  
43 lottery terminal:

44 A. May only offer games permitted by the Chief of the State  
45 Police;  
46

2 B. May not have any means of manipulation that affect the  
random probabilities of winning a game;

4 C. Must have one or more mechanisms that accept coin or  
cash in the form of bills and that are designed to prevent a  
6 person from obtaining credits without paying;

8 D. Must be designed to suspend operation until reset if a  
person attempts, by physical or other tampering, to obtain  
10 credits without paying;

12 E. Must have nonresettable meters housed in a readily  
accessible locked terminal area that keep a permanent record  
14 of all cash inserted into the terminal, credits awarded by  
the terminal, credits played for video games and credits  
16 distributed by tickets made by the terminal's printer;

18 F. Must be capable of printing a ticket voucher stating the  
value of the credits for the player at the completion of  
20 each video game; the time of day in 24-hour format showing  
hours and minutes; the date; the terminal's serial number;  
22 the sequential number of the ticket vouchers; and an  
encrypted validation number from which the validity of the  
24 credits may be determined;

26 G. Must have accounting software that keeps an electronic  
record of information that includes, but is not limited to,  
28 the following: total cash inserted into the terminal; total  
credits awarded by the terminal, total credits played for  
30 video games and total credits distributed by tickets made by  
the terminal's printer; and the payback percentage of each  
32 video game; and

34 H. Must be linked to the on-line central communications  
system developed under sections 364 and 365 to provide  
36 continuous auditing program information.

38 3. Amount of play; payback value. A video lottery  
40 terminal may be played for a minimum of 25¢ and a maximum of \$2  
in a single game. The maximum prize awarded may not exceed the  
42 value of \$1,000. The payback value of each type of game offered  
by each terminal must be at least 80%.

44 4. Examination of prototypes. The Chief of the State  
46 Police and the Attorney General shall examine prototypes of video  
lottery terminals and associated equipment of manufacturers  
48 seeking a license as required in this chapter. The Chief of the  
State Police shall require the manufacturer seeking the  
50 examination and approval of the video lottery terminal or  
associated equipment to pay the anticipated actual cost of the

2 examination before the examination occurs. After the examination  
4 occurs, the Chief of the State Police shall refund overpayments  
6 or charge and collect amounts sufficient to reimburse the Chief  
8 of the State Police for underpayments of actual cost. The Chief  
10 of the State Police may contract for the examinations of video  
12 lottery terminals and associated equipment as required by this  
14 section.

16 5. **Unlicensed terminal subject to confiscation.** Any  
18 terminal that is not licensed as required by this section is  
20 contraband and a public nuisance and is subject to confiscation  
22 by any law enforcement officer.

24 6. **Ownership of terminals.** A person may not place or  
26 operate a video lottery terminal for public use in this State if  
28 the terminal is owned by a person other than a video lottery  
30 terminal distributor licensed under this chapter. A video  
32 lottery terminal distributor may not own more than 400 video  
34 lottery terminals licensed in this State or more than 15% of the  
36 total number of video lottery terminals licensed in this State,  
38 whichever is greater.

40 §373. **Licensing of manufacturer, distributor, wholesaler**

42 1. **Qualifications.** To be licensed as a video lottery  
44 terminal manufacturer, distributor or wholesaler, a person must  
46 meet the qualifications set forth in section 371, excluding  
48 subsection 1. Any individual applying for a license, any partner  
50 of a partnership or any officer, director or holder of any  
ownership interest of a corporation or association applying for a  
license as a manufacturer, distributor or wholesaler must submit  
to a background investigation by the Chief of the State Police to  
verify the applicant's compliance with the requirements of  
section 371, excluding subsection 1.

36 2. **Levels of license; prohibition against multiple**  
38 **licenses.** A person licensed as a video lottery terminal  
40 manufacturer or wholesaler has a Level 1 license. A person  
42 licensed as a video lottery terminal distributor has a Level 2  
44 license. A licensee has a Level 3 license. A person may not  
46 hold more than one level of license.

48 §374. **Applications**

50 1. **Form.** An application for a license required under this  
chapter must be on the form provided by the Chief of the State  
Police. The application must be signed by the individual  
applicant or by a duly authorized officer of the partnership,  
corporation or association applying for the license. The  
application must contain the following information regarding the

2 individual applicant and each officer, director, partner or owner  
3 of any interest in a corporation, partnership or association  
4 applying for a license:

5 A. Full name;

6 B. Full current address and addresses for the prior 5 years;

7 C. A record of previous issuances of, refusals to issue and  
8 revocations of a license under this chapter; and

9 D. Answers to the following questions posed in  
10 substantially the following form:

11 (1) "Is there a formal charging instrument now pending  
12 against you in this or any other jurisdiction for a  
13 crime that is punishable by imprisonment for one year  
14 or more?"

15 (2) "Is there a formal charging instrument now pending  
16 against you in this or any other jurisdiction for a  
17 juvenile offense that involves conduct that, if  
18 committed by an adult, would be punishable by  
19 imprisonment for one year or more?"

20 (3) "Have you ever been convicted of a crime described  
21 in subparagraph (1) or adjudicated as having committed  
22 a juvenile offense as described in subparagraph (2)?"

23 (4) "Are you a fugitive from justice?"

24 (5) "Are you a drug abuser, drug addict or  
25 drug-dependent person?"

26 (6) "Have you been dishonorably discharged from the  
27 military forces within the past 5 years?"

28 (7) "Are you an illegal alien?"

29 (8) "To your knowledge, have you been the subject of  
30 an investigation by any law enforcement agency within  
31 the past 5 years regarding the alleged abuse by you of  
32 family or household members?"

33 (9) "Have you been convicted within the past 5 years  
34 of crimes punishable by imprisonment of less than one  
35 year?"

36 (10) "Have you been adjudged within the past 5 years  
37 to have committed juvenile offenses involving conduct

2                   that, if committed by an adult, would be punishable by  
3                   imprisonment of less than one year?"

4                   (11) "To your knowledge, have you engaged within the  
5                   past 5 years in reckless or negligent conduct that has  
6                   been the subject of an investigation by a governmental  
7                   entity?"

8  
9                   **2. Signature as certification.** The applicant, by affixing  
10                   the applicant's signature to the application, certifies the  
11                   following:

12                   A. That the statements made in the application and any  
13                   documents made a part of the application are true and  
14                   correct;

15                   B. That the applicant understands that an affirmative  
16                   answer to one or more of the questions in subsection 1,  
17                   paragraph D, subparagraphs (3) to (7) is cause for refusal;

18                   C. That the applicant understands that the answers to  
19                   questions in subsection 1, paragraph D are used by the Chief  
20                   of the State Police, along with other information, in  
21                   judging good moral character and an affirmative answer to  
22                   one or more of those questions may be cause for refusal to  
23                   issue a license; and

24                   D. That the applicant understands that knowingly making any  
25                   false statement in the application or any document made a  
26                   part of the application is grounds for a refusal to issue a  
27                   license or revocation or suspension of a license.

28                   **3. Consent to review records.** At the request of the Chief  
29                   of the State Police, the applicant shall take whatever action is  
30                   necessary to permit the Chief of the State Police to examine  
31                   accounts and records in the applicant's possession, under the  
32                   applicant's control or under the control of 3rd persons but  
33                   accessible by consent of the applicant, and must authorize all  
34                   3rd parties in possession or in control of those accounts or  
35                   records to allow the Chief of the State Police or a designee to  
36                   examine the accounts and records as the Chief of the State Police  
37                   determines necessary to ascertain:

38                   A. Whether the information supplied on the application or  
39                   any documents made a part of the application is true and  
40                   correct;

41                   B. Whether each of the requirements of this section has  
42                   been met; or

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2           C. Whether the applicant meets the requirements for  
3           licensure under this chapter.

4           This requirement includes taking whatever action is necessary to  
5           permit the Chief of the State Police or a designee to have access  
6           to confidential records held by banks, the courts, law  
7           enforcement agencies and the military for the purposes stated in  
8           this subsection.

10           4. Notification of municipal officers. An applicant for a  
11           license to operate a video lottery terminal must send a copy of  
12           the application to the officers of the municipality in which the  
13           terminal will be operated. The applicant must certify in the  
14           application that the copy has been sent and must list the names  
15           and addresses of the persons to whom the copy was sent.

16           §375. Fees; term of license; transferability

18           1. Fees. The annual fee for a license issued under this  
19           chapter is as follows:

22           A. A license for a video lottery terminal manufacturer is  
23           \$5,000;

24           B. A license for a video lottery terminal wholesaler is  
25           \$5,000;

28           C. A license for a video lottery terminal distributor is  
29           \$5,000; and

30           D. A license to operate a video lottery terminal is \$500  
31           per terminal.

34           In addition to the annual license fee, the Chief of the State  
35           Police may charge a one-time application fee for a license  
36           described in paragraph A, B or C in an amount equal to the actual  
37           cost of processing the application and performing any background  
38           investigations, but not to exceed \$500. All fees collected  
39           pursuant to this section must be deposited directly to the  
40           General Fund.

42           2. Term of license. All licenses issued by the Chief of  
43           the State Police under this chapter are effective for one year  
44           and are renewable annually, unless sooner revoked pursuant to  
45           section 376.

46           3. Nontransferable. A license issued under this chapter is  
47           not transferable or assignable.

50           §376. Actions relating to licenses

2           1. Suspension or revocation of license; refusal to renew.  
3           The Chief of the State Police may refuse to renew a license after  
4           a hearing in accordance with the Maine Administrative Procedure  
5           Act. The Administrative Court may suspend or revoke a license  
6           issued under this chapter. The Chief of the State Police may  
7           refuse to renew a license and the Administrative Court may revoke  
8           or suspend a license for just cause, including any of the  
9           following:

10                   A. The person made or caused to be made a false statement  
11                   of material fact in obtaining a license under this chapter  
12                   or in connection with service rendered within the scope of  
13                   the license issued;

14                   B. The person or the person's agent violated any provision  
15                   of this chapter or any rule adopted under this chapter; or

16                   C. The holder of a license under this chapter becomes  
17                   ineligible to hold that license.

18                   2. Ineligibility period following refusal to issue or renew  
19                   or revocation of license. A person may not apply to the Chief of  
20                   the State Police for any license under this chapter less than 2  
21                   years after the Chief of the State Police refused to issue or  
22                   renew a license under this chapter or less than 2 years after the  
23                   Administrative Court revoked a license issued to the person under  
24                   this chapter.

### 30                   SUBCHAPTER III

#### 31                   TERMINAL OPERATION; ALLOCATION OF FUNDS

##### 32                   §381. Limits on terminal use

33                   1. Hours of play. A licensee may not permit a person to  
34                   play a video lottery terminal at any time other than during legal  
35                   hours for the on-premises consumption of liquor.

36                   2. Age of player. A licensee may not permit a person under  
37                   21 years of age to play a video lottery terminal.

38                   3. Time and money limits imposed by licensee. A licensee  
39                   may impose a daily limit on the amount of time or money spent by  
40                   an individual playing the video lottery terminals on the  
41                   licensee's premises.

##### 42                   §382. Payment of credits by licensee

2 A licensee shall redeem credits for players who earn credits  
4 on terminals located on the premises of that licensee, in  
6 accordance with rules adopted jointly by the Chief of the State  
8 Police and the director. If a person receives a credit  
redeemable for more than \$500, the licensee shall require the  
person to complete a form listing the person's name, address and  
social security number. The licensee shall promptly send the  
form to the Bureau of Taxation.

10 **§383. Allocation of funds**

12 1. Distributor responsible. A video lottery terminal  
14 distributor shall collect and allocate funds from video lottery  
16 terminals owned by the distributor in accordance with this  
section.

18 2. Allocation of net terminal income. For the fiscal year  
20 ending June 30, 1994, the distributor shall allocate 40% of the  
22 net terminal income to the State, 22.5% of the net terminal  
24 income to the licensee on whose premises the terminal is located  
26 and 37.5% of the net terminal income to the distributor. For the  
fiscal years beginning on or after July 1, 1995, the distributor  
shall allocate 45% of the net terminal income to the State, 25%  
of the net terminal income to the licensee on whose premises the  
terminal is located and 30% of the net terminal income to the  
distributor.

28 3. Priority of payment to State. If funds collected from a  
30 video lottery terminal are not sufficient to pay the amounts due  
32 the State, the distributor and the licensee, the distributor  
34 shall reduce the amount allocated to the distributor, the  
licensee or both. The distributor may not reduce the amount  
allocated to the State.

36 4. Deposit of state funds. Each distributor shall maintain  
38 a bank account accessible by the State for the deposit of funds  
40 owed to the State under this chapter. The distributor shall  
42 deposit in that account the State's share of the net terminal  
44 income attributable to terminals owned by the distributor during  
46 the first 15 days of each month not later than the 22nd day of  
the month. The distributor shall deposit in that account the  
State's share of net terminal income attributable to terminals  
owned by the distributor between the 16th and the last day of  
each month not later than the 7th day of the next month. If the  
day on which funds must be deposited is not a business day, the  
funds must be deposited on the next business day after that date.

48 5. Use of state share. At the end of each fiscal year  
50 beginning after June 30, 1994, the Treasurer of State shall  
transfer to the Local Government Fund created in Title 30-A,

2 section 5681 an amount equal to 10% of the state share of net  
3 terminal income derived from video lottery terminals during that  
4 fiscal year, net of state administrative costs.

6 6. Failure to deposit funds. A distributor who fails to  
7 comply with this section commits a Class C crime. The license of  
8 that person may be revoked by the Administrative Court and the  
9 terminals to which the undeposited funds are attributable may be  
10 disabled by the director at the direction of the Chief of the  
11 State Police.

12 7. Late payments. All payments not remitted when due must  
13 be paid together with a penalty assessment on the unpaid balance  
14 at a rate of 1.5% per month.

16 **§384. Video Lottery Fund**

18 1. Fund created. There is created and established a  
19 separate fund to be known as the Video Lottery Fund and to be  
20 deposited in such depositories as the Treasurer of State may  
21 select. The fund consists of all revenue payable to the State  
22 pursuant to section 383 and all other money credited or  
23 transferred to the fund from any other fund or source pursuant to  
24 law.

26 2. Use of money. The money in the Video Lottery Fund may  
27 be appropriated or allocated only:

28 A. For expenses incurred in implementing or enforcing this  
29 chapter;

32 B. For payment to the Local Government Fund pursuant to  
33 section 383; and

34 C. For payment to the General Fund.

36 3. Committee review of allocation. The director shall  
37 submit to the joint standing committee of the Legislature having  
38 jurisdiction over legal affairs for review all proposals for  
39 allocations from the Video Lottery Fund. The proposed  
40 allocations for each fiscal year must be submitted by January 1st  
41 preceding the start of the fiscal year.

44 **§385. Use of proceeds by nonprofit organizations**

46 Section 335 applies to the use of proceeds from video  
47 lottery terminals by any organization eligible to receive a  
48 license under section 332, except that the organization is not  
49 prohibited from using the proceeds to pay salaries, wages or  
50 remuneration to its employees. An organization eligible to

2 receive a license under section 332 must file with the Chief of  
3 the State Police a disposition of funds form prescribed by the  
4 Chief of the State Police detailing the disposition of proceeds  
5 received from video lottery terminals. Every statement on the  
6 form must be made under oath by an officer of the organization.

#### 8 SUBCHAPTER IV

#### 10 ENFORCEMENT AND PENALTIES

#### 12 §391. Reports; records

14 1. Reports; records. The Chief of the State Police or the  
15 director shall require from any licensed distributor,  
16 manufacturer, wholesaler or licensee whatever records and reports  
17 the chief or the director considers necessary for the  
18 administration and enforcement of this chapter.

20 2. Location. A license holder shall maintain all records  
21 required by this chapter or by rules adopted under this chapter  
22 at the primary business office within this State of the license  
23 holder or on the premises where the video lottery terminal is  
24 operated. In the case of a video lottery terminal manufacturer  
25 or wholesaler, the records must be maintained at the primary  
26 business office of the manufacturer or wholesaler. The primary  
27 business office must be designated by the license holder in the  
28 license application. All records must be open to inspection by  
29 the Chief of the State Police, the director or the designee of  
30 either of them and a license holder may not refuse the Chief of  
31 the State Police, the director or the designee of either of them  
32 the right to inspect or audit the records. Refusal to permit  
33 inspection or audit of the records is not a crime under this  
34 chapter, but does constitute grounds for revocation of the  
35 license.

#### 36 §392. Access to premises, equipment, records

38 A person holding a license under this chapter shall permit  
39 the Chief of the State Police or the chief's designee to inspect  
40 any equipment, prizes, records or items and materials used or to  
41 be used in the operation of any video lottery terminal  
42 manufactured, owned, distributed or operated by that person. A  
43 person holding a license under this chapter shall consent in  
44 writing to the examination of all accounts, bank accounts and  
45 records in the license holder's possession or under the license  
46 holder's control and shall authorize all 3rd parties in  
47 possession or in control of those accounts or records to allow  
48 the Chief of the State Police or the chief's designee to examine  
49 the accounts and records as the chief determines necessary.

2                   **§393. Contempt**

4                   If a witness refuses to obey a subpoena issued by the Chief  
6                   of the State Police or to give any evidence relevant to proper  
8                   inquiry by the chief, the Attorney General may petition the  
10                   Superior Court in the county where the refusal occurred to find  
12                   the witness in contempt. The Attorney General shall cause to be  
14                   served on the witness an order requiring that witness to appear  
                    before the Superior Court to show cause why that witness should  
                    not be adjudged in contempt. The court shall, in a summary  
                    manner, hear the evidence and, if it is such as to warrant the  
                    court to do so, punish the witness in the same manner and to the  
                    same extent as for contempt committed before the Superior Court  
                    or with reference to the process of the Superior Court.

16                   **§394. Violations**

18                   1. Crimes by licensees. A licensee who performs any of the  
20                   following acts commits a Class D crime:

22                   A. Permitting a person under 21 years of age to play a  
                    video lottery terminal licensed pursuant to this chapter; or

24                   B. Permitting a person to play a video lottery terminal  
26                   licensed pursuant to this chapter at a time other than  
                    during the legal hours for the on-premises consumption of  
                    liquor.

28                   2. Class C crimes by any person. A person who performs any  
30                   of the following acts commits a Class C crime:

32                   A. Tampering with a video lottery terminal with intent to  
34                   interfere with the proper operation of that terminal;

36                   B. Manipulating or intending to manipulate the outcome,  
                    payoff or operation of a video lottery terminal by physical  
                    tampering or any other means;

38                   C. Manufacturing, distributing, selling, operating or  
40                   placing a video lottery terminal for use in this State  
                    without a license; or

42                   D. Placing for public use or operating an unlicensed video  
44                   lottery terminal in this State.

46                   3. Class D crimes by any person. A person who violates any  
48                   provision of this chapter or any rule adopted under this chapter  
                    for which a specific penalty is not provided commits a Class D  
                    crime.

50

