

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1715

H.P. 1205

House of Representatives, March 9, 1999

**An Act to Allow Charitable Nonprofit Organizations to Conduct Limited
Video Gaming.**

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative TESSIER of Fairfield.
Cosponsored by Senator DAGGETT of Kennebec and
Representatives: FISHER of Brewer, FRECHETTE of Biddeford, MAILHOT of Lewiston,
MAYO of Bath, TRUE of Fryeburg, TUTTLE of Sanford, Senators: CAREY of Kennebec,
FERGUSON of Oxford.

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

2
4 **Sec. 1. 8 MRSA §372, sub-§2, ¶I**, as repealed and replaced by PL 1993, c. 349, §23, is amended to read:

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

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

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

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

22 K. Carry out the duties assigned to the director under
24 Title 17, chapter 16, including developing and maintaining a
26 central computer system to monitor licensed video gaming
28 terminals and coordinating and cooperating with the Chief of
30 the State Police in implementing and enforcing that chapter.

32 **Sec. 4. 8 MRSA §374, sub-§1, ¶L**, as amended by PL 1997, c.
34 301, §1, is further amended to read:

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

Sec. 5. 8 MRSA §374, sub-§1, ¶M, as enacted by PL 1997, c.
301, §2, is amended to read:

M. The imprinting on all lottery tickets sold in the State
of the overall odds of winning a prize for each game; and

Sec. 6. 8 MRSA §374, sub-§1, ¶N is enacted to read:

N. Rules to administer and enforce Title 17, chapter 16,
which may be adopted jointly with the Chief of the State
Police. These rules are routine technical rules pursuant to
Title 5, chapter 375, subchapter II-A.

2 **Sec. 7. 17 MRSA §348** is enacted to read:

4 **§348. Applicability**

6 Except as expressly provided in chapter 16, this chapter
6 does not apply to video gaming terminals.

8 **Sec. 8. 17 MRSA c. 16** is enacted to read:

10 **CHAPTER 16**

12 **VIDEO GAMING TERMINALS**

14 **SUBCHAPTER I**

16 **GENERAL PROVISIONS**

18 **§361. Definitions**

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

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

30 2. Director. "Director" means the Director of the Bureau
32 of Alcoholic Beverages and Lottery Operations in the Department
32 of Administrative and Financial Services.

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

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

40 5. Drug-dependent person. "Drug-dependent person" has the
42 same meaning as set forth in Title 5, section 20003, subsection
42 12.

44 6. Engaged in reckless or negligent conduct. "Engaged in
46 reckless or negligent conduct" means that the applicant, either
48 consciously disregarding or failing to be aware of a risk that
50 the applicant's conduct would cause such a result, engaged in
52 conduct that in fact created a substantial risk of death, serious
52 bodily injury or bodily injury to another human being and the
52 applicant's disregard or failure to be aware of that risk, when
52 viewed in light of the nature and purpose of the applicant's
52 conduct and the circumstances known to the applicant, involved a

2 gross deviation from the standard of conduct that a reasonable
3 and prudent person would observe in the same situation.

4 7. Formal charging instrument. "Formal charging
5 instrument" means a complaint, indictment, information, juvenile
6 petition or other formal written accusation against a person for
7 some criminal or juvenile offense.

8
9 8. Fugitive from justice. "Fugitive from justice" means a
10 person described in Title 15, section 201, subsection 4; or 18
11 United States Code, Section 921, Subsection (a), Paragraph (15)
12 or a person subject to an outstanding warrant of arrest in this
13 State or any other jurisdiction for a crime punishable by
14 imprisonment for one year or longer.

15 9. Illegal gaming machine. "Illegal gaming machine" or
16 "illegal machine" means a machine as defined in section 330 that:

17 A. Is required to be licensed under this chapter, but is
18 not so licensed;

19 B. Is required to be licensed under chapter 14, but is not
20 so licensed; or

21 C. Is licensed under either chapter 14 or this chapter, but
22 is being operated in a manner that violates the license.

23 10. Licensee. "Licensee" means a person licensed by the
24 Chief of the State Police to operate a video gaming terminal.

25 11. Net terminal income. "Net terminal income" means money
26 inserted into a video gaming terminal minus credits paid out in
27 cash.

28 12. Operate. "Operate" means to offer for use.

29 13. Payback value. "Payback value" means the value of
30 credits granted to players by a video gaming terminal compared to
31 the value of money inserted into the terminal by players,
32 calculated on an annual basis.

33 14. Person. "Person" means an individual, corporation,
34 association or partnership.

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

2 16. Video gaming terminal. "Video gaming terminal" means a
3 machine that, upon insertion of coin or currency, is available to
4 play or simulate the play of a video game authorized by the Chief
5 of the State Police, including but not limited to poker, keno,
6 blackjack and line games utilizing a video display and
7 microprocessor, in which by chance the player may receive free
8 games or credits that may be redeemed for cash.

10 17. Video gaming terminal distributor. "Video gaming
11 terminal distributor" means a person who owns video gaming
12 terminals and who distributes or places video gaming terminals or
13 associated equipment for use in this State.

14 18. Video gaming terminal manufacturer. "Video gaming
15 terminal manufacturer" means a person who assembles or produces
16 video gaming terminals or associated equipment for sale or use in
17 this State.

18 19. Video gaming terminal wholesaler. "Video gaming
19 terminal wholesaler" means a person who sells video gaming
20 terminals or associated equipment for distribution in this State.
21

22 **§362. License required**

23
24 A person may not manufacture, distribute, sell, operate or
25 place a video gaming terminal for use in this State unless the
26 person is licensed to do so by the Chief of the State Police. A
27 person may not place for use or operate a video gaming terminal
28 in this State unless the machine is licensed by the Chief of the
29 State Police.
30

31 **§363. Administration and enforcement**

32
33 The Chief of the State Police and the director shall
34 administer and enforce the provisions of this chapter as
35 specified in this chapter.
36

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

38
39 1. Powers. In addition to powers conferred by any other
40 provision of law, the Chief of the State Police may:

41
42 A. Regulate, supervise and exercise general control over
43 the operation of video gaming terminals;

44
45 B. Investigate the direct or indirect ownership or control
46 of any licensee;

47
48 C. Adopt rules necessary to administer and enforce this
49 chapter, including the power to jointly adopt rules with the
50 State Lottery Commission. These rules are routine technical
51 rules pursuant to Title 5, chapter 375, subchapter II-A;
52

2 D. In any investigation conducted under this chapter, issue
3 subpoenas to compel the attendance of witnesses and the
4 production of evidence relevant to any fact at issue; and

6 E. Approve or disapprove terms and conditions of uniform
7 location agreements.

8
9 2. Duties. The Chief of the State Police shall:

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

13 B. Adopt rules, which are routine technical rules pursuant
14 to Title 5, chapter 375, subchapter II-A, to prevent
15 undesirable conduct relating to the operation of video
16 gaming terminals, including the following:

17
18
19 (1) The practice of any fraud or deception upon a
20 player of a video gaming terminal;

21
22 (2) The presence of a video gaming terminal in or at
23 premises that may be unsafe due to fire hazard or other
24 such conditions;

25
26 (3) The use of obscene advertising;

27
28 (4) The solicitation on a public way of persons to
29 play video gaming terminals;

30
31 (5) The infiltration of organized crime into the
32 operation of video gaming terminals or into the
33 distribution of the terminals;

34
35 (6) The presence of disorderly persons in a location
36 where video gaming terminals are in use; and

37
38 (7) The use of the word "casino" to describe any video
39 gaming terminal licensed under this chapter or as the
40 name or any part of the name of the licensed premises
41 or of a portion of the premises where the video gaming
42 terminal is located;

43
44 C. Direct the director to disable any video gaming terminal
45 if the Chief of the State Police has reason to believe that:

46
47 (1) A person has illegally tampered with the terminal;

48
49 (2) The funds from the terminal have not been
50 distributed, deposited or allocated in accordance with
51 section 383;
52

- 2 (3) The terminal does not meet the licensure
3 requirements of this chapter; or
- 4
- 5 (4) The licensee is guilty of criminal conduct; and
- 6
- 7 D. In accordance with the Maine Administrative Procedure
8 Act, develop industry standards for uniform location
9 agreements to be used as the basis of agreements between
10 distributors and licensees.

12 **§365. Powers and duties of director**

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

16

17 A. Propose to the State Liquor and Lottery Commission for
18 adoption rules necessary to administer and enforce this
19 chapter, including rules to be adopted jointly with the
20 Chief of the State Police. These rules are routine
21 technical rules pursuant to Title 5, chapter 375, subchapter
22 II-A; and

23

24 B. Subject to approval of the State Liquor and Lottery
25 Commission and to any applicable laws relating to public
26 contracts, enter into a contract for performance of the
27 director's duties under this chapter. All contracts must be
28 awarded in accordance with rules adopted by the Department
29 of Administrative and Financial Services pursuant to Title
30 5, chapters 141 to 145 and Title 5, sections 1812 and 1813.
31 A contract awarded or entered into by the director may not
32 be assigned by the holder of the contract, except by
33 specific approval of the commission.

34

35 2. Duties. The director shall:

36

37 A. Develop, install and test a central computer system with
38 continuous on-line polling to all licensed video gaming
39 terminals to provide auditing program information. The
40 communications system may not limit participation to only
41 one manufacturer of video gaming terminals by either the
42 cost in implementing the necessary program modifications to
43 communicate or the inability to communicate with the central
44 communications system;

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

47

48 C. Attempt to determine the cause of any video gaming
49 terminal malfunction detected by the central computer system
50 and notify the Chief of the State Police of any suspected
51 tampering with a video gaming terminal or any other
52 terminal.

2 violation of this chapter or the rules adopted under this
3 chapter;

4 D. Cause the central computer system to disable a video
5 gaming terminal as directed by the Chief of the State Police
6 in accordance with section 364;

8 E. Collect funds due the State under section 383 and
9 deposit them in the Video Gaming Fund established in section
10 384;

12 F. Immediately notify the Chief of the State Police of the
13 failure of any distributor to comply with section 383;

14 G. Certify monthly to the Treasurer of State, the State
15 Lottery Commission and the Commissioner of Administrative
16 and Financial Services a full and complete statement of all
17 video gaming terminal revenue, credits disbursed by
18 licensees, administrative expenses and the allocation of net
19 terminal income for the preceding month;

22 H. Submit by January 15th an annual report to the Governor
23 and the joint standing committee of the Legislature having
24 jurisdiction over gaming matters. The report must include
25 information on video gaming terminal revenue, credits
26 disbursed by licensees, administrative expenses and the
27 allocation of net terminal income for the preceding year;

28 I. Prepare and submit to the Commissioner of Administrative
29 and Financial Services a budget for the program's
30 administration; and

32 J. Cooperate with the Chief of the State Police in
33 implementing and enforcing the provisions of this chapter.

36 **§366. Applicability of chapter 14**

38 Except as expressly provided in this chapter, chapter 14
39 does not apply to video gaming terminals. Section 335 relating
40 to use of proceeds applies to the use of net terminal income by
41 licensees under this chapter.

42 **SUBCHAPTER II**

44 **LICENSING**

46 **§371. License to operate**

48 1. Eligible entities. The Chief of the State Police may
49 issue a license to operate video gaming terminals to a person who:
50

2 A. Is eligible for a license to conduct games of chance
3 pursuant to section 332;

4 B. Is exempt from federal taxation under the Internal
5 Revenue Code, Section 501(c)(3), 501(c)(4), 501(c)(8),
6 501(c)(10) or 501(c)(19); and

7 C. Owns or leases the premises upon which the video gaming
8 terminals will be located and uses those premises to fulfill
9 the primary charitable or nonprofit purpose of the
10 organization. If the premises are leased, the lease must
11 run for a term longer than the license term.

12
13
14 Notwithstanding paragraph B, an organization that holds a license
15 under section 332 to operate an electronic video machine on the
16 effective date of this chapter is eligible to apply for a license
17 under this section to operate video gaming terminals for up to 18
18 months, provided the organization applies for federal tax status
19 as specified in paragraph B. If the Chief of the State Police
20 determines that the organization is making a good faith effort to
21 secure the required tax status and is likely to be given such
22 status, the Chief of the State Police may extend the term of the
23 license for an additional 6 months to allow the United States
24 Internal Revenue Service time to complete processing the
25 application for tax status. If the organization applied for such
26 status and was rejected within 3 years of the effective date of
27 this section, that organization is not eligible under this
28 subsection.

29
30 2. Qualifications for license. A person may be issued a
31 license to operate a video gaming terminal if the person is
32 eligible for a license under subsection 1, has sufficient
33 financial assets to meet the financial obligations imposed by
34 this chapter and a method acceptable to the Chief of the State
35 Police for meeting those obligations and the individual and each
36 officer, director or partner of the corporation, association or
37 partnership:

38
39 A. Has not been convicted in Maine or any other
40 jurisdiction of a misdemeanor crime of domestic violence,
41 within the meaning of 18 United States Code, Section 921,
42 Subsection (a), Paragraph (33);

43 B. Does not have a formal charging instrument pending in
44 Maine or any other jurisdiction for a misdemeanor crime of
45 domestic violence, within the meaning of 18 United States
46 Code, Section 921, Subsection (a), Paragraph (33);

47 C. Has not been convicted in Maine or any other
48 jurisdiction within the past 3 years of 3 or more crimes
49 punishable by imprisonment for less than one year, if those
50 convictions arose from different criminal episodes;
51
52

2 D. Has not engaged within the past 3 years in reckless or
4 negligent conduct that is substantiated by information of
 record by a governmental entity;

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

12 F. Has not been involved in any criminal activity and has
14 not been convicted of a crime punishable by one year or more
 of imprisonment in any jurisdiction unless at least 10 years
16 have passed since satisfactory completion of the sentence or
 probation imposed by the court for the crime;

18 G. Has not been convicted of a violation of this chapter or
 chapter 14 or of equivalent laws in any other state;

20 H. Has not been adjudicated within the past 3 years of
22 having committed a juvenile offense involving conduct that,
 if committed by an adult, would cause the Chief of the State
24 Police to refuse to approve a license application under this
 section;

26 I. Is not a fugitive from justice, a drug abuser, a drug
28 addict, a drug-dependent person, an illegal alien or a
 person who was discharged from the United States Armed
30 Forces under dishonorable conditions within 3 years prior to
 the date of application;

32 J. Has completed the application form and complied with the
 requirements of section 375; and

34 K. Has not knowingly made a false statement of material
36 fact to the Chief of the State Police in applying for a
 license under this chapter or chapter 14.

38 3. Local approval of application for license. The Chief of
40 the State Police may not issue a license to operate a video
 gaming terminal until the initial application for the license is
42 first approved by the municipal officers of the municipality in
 which the applicant's premises are located or, if the premises
44 are located in an unincorporated place, until the application is
 approved by the county commissioners of the county in which the
46 unincorporated place is located.

48 4. Hearing process. The municipal officers or, in the case
50 of an unincorporated place, the county commissioners of the
 county in which the unincorporated place is located may hold a
52 public hearing for the consideration of the applications for new
 video gaming terminal licenses. The municipal officers or county

2 commissioners may hold a public hearing for the consideration of
3 requests for renewal of licenses.

4 A. The Chief of the State Police shall prepare and supply
5 application forms.

6
7 B. The municipal officers or the county commissioners shall
8 provide, at the applicant's prepaid expense, public notice
9 of a hearing held under this section by causing a notice
10 stating the time and place of hearing to appear at least 6
11 consecutive days before the date of the hearing in a daily
12 newspaper having general circulation in the municipality
13 where the premises are located or 2 consecutive weeks before
14 the date of the hearing in a weekly newspaper having general
15 circulation in the municipality where the premises are
16 located.

17 C. In granting or denying an application, the municipal
18 officers or the county commissioners shall indicate the
19 reasons for their decision and provide a copy to the
20 applicant.

21
22 **§372. Placement and ownership of terminals**

23
24 1. Number of terminals; location. No more than 5 video
25 gaming terminals may be placed on the premises of a licensee. A
26 terminal may not be placed in any location other than the
27 premises of the licensee. A licensee must own or control the
28 premises on which a video gaming terminal is located. The
29 terminal area must be designed to permit the licensee or an agent
30 of the licensee to see and control the area at all times to
31 ensure compliance with the provisions of this chapter.

32
33 2. Uniform location agreement. Each location must be
34 subject to a uniform location agreement between the distributor
35 and the licensee. A copy of the agreement must be submitted to
36 the Chief of the State Police. The Chief of the State Police may
37 approve or disapprove any uniform location agreement. If the
38 uniform location agreement is disapproved, the Chief of the State
39 Police must provide written reasons for the denial. The uniform
40 location agreement is the complete and sole agreement between the
41 licensee and the distributor regarding video gaming terminals.
42 No other agreement between the licensee and the distributor is
43 legally binding.

44
45 3. Appeal to commissioner. Any distributor or licensee
46 denied approval of a uniform location agreement may appeal the
47 decision of the Chief of the State Police to the Commissioner of
48 Public Safety. The commissioner shall hold a hearing to include
49 the distributor, the licensee and the Chief of the State Police
50 or the chief's designee before rendering a decision on the

2 appeal. The commissioner shall render a decision within 30 days
3 of the hearing.

4 4. Disclosure of other contracts and agreements. A
5 distributor shall disclose to the Chief of the State Police any
6 other contracts or agreements that the distributor or a
7 subsidiary of the distributor has made with a licensee.

8
9
10 5. Incentives prohibited. A distributor may not offer an
11 incentive to a licensee to accept placement of a video gaming
12 terminal on the premises of the licensee and a licensee may not
13 solicit such an incentive. For purposes of this subsection,
14 "incentive" means any consideration, including merchandise, a
15 premium or bonus in cash or an advance payment of the licensee's
16 share of net terminal income. "Incentive" does not include the
17 licensee's share of net terminal income provided for in section
18 383. A person who violates this subsection is guilty of a Class
19 C crime and that person's license, if any, is revoked and the
20 right to apply for a license under this chapter is precluded.

21
22 6. Ownership of terminals. A person may not place or
23 operate a video gaming terminal for use in this State if the
24 terminal is owned by a person other than a video gaming terminal
25 distributor licensed under this chapter. A video gaming terminal
26 distributor may not own more than 300 video gaming terminals
27 licensed in this State or more than 15% of the total number of
28 video gaming terminals licensed in this State, whichever is
29 lesser.

30 **§373. Licensing of terminals**

31
32 1. License required. A video gaming terminal may not be
33 placed for public use or operated in this State unless the
34 terminal is licensed by the Chief of the State Police. The
35 terminal license must be prominently displayed on the terminal.
36 Language describing the odds of winning the game and warning of
37 the danger of compulsive gambling must also be prominently
38 displayed on the terminal.

39
40 2. Requirements for license. To be licensed, a video
41 gaming terminal:

42
43 A. May offer only games permitted by the Chief of the State
44 Police;

45
46 B. May not have any means of manipulation that affect the
47 random probabilities of winning a game;

48
49 C. May not directly dispense coins, cash or tokens;
50

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

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

10 F. Must have nonresettable meters housed in a readily
12 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
distributed by tickets made by the terminal's printer;

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

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

30 I. Must be linked to the central communications system
32 developed under section 365 to provide auditing program
information.

34 3. Amount of play; payback value. A video gaming terminal
36 may be played for a maximum of \$2 in a single game. A video
38 gaming terminal may not accept more than \$10 at a time. The
40 maximum prize awarded may not exceed the value of \$1,000. The
payback value of each type of game offered by each terminal must
be at least 90%.

42 4. Examination of prototypes. The Chief of the State
44 Police and the Attorney General shall examine prototypes of video
46 gaming terminals and associated equipment of manufacturers
48 seeking a license as required in this chapter. The Chief of the
50 State Police shall require the manufacturer seeking the
52 examination and approval of the video gaming terminal or
associated equipment to pay the anticipated actual cost of the
examination before the examination occurs. After the examination
occurs, the Chief of the State Police shall refund overpayments
or charge and collect amounts sufficient to reimburse the Chief
of the State Police for underpayments of actual cost. The Chief
of the State Police may contract for the examinations of video

2 gaming terminals and associated equipment as required by this
3 section.

4 5. Illegal gaming machine. An illegal gaming machine is
5 subject to seizure and forfeiture to the State pursuant to
6 sections 395 and 396.

8 **§374. Licensing of manufacturer, distributor, wholesaler**

10 1. Qualifications. To be licensed as a video gaming
11 terminal manufacturer, distributor or wholesaler, a person must
12 meet the qualifications set forth in section 371, subsection 2.
13 Employees of video gaming terminal distributors involved in
14 distribution, maintenance and service of video gaming terminals
15 must meet the qualifications set forth in section 371, subsection
16 2, paragraphs A, B, C, D, F, G, H and I.

18 2. Limitation on ownership. A partnership, corporation,
19 person, individual partner or shareholder of more than 5% of a
20 corporation or an immediate family member of a person, individual
21 partner or shareholder of more than 5% of a corporation may not
22 have ownership interests in more than one distributor. For the
23 purposes of this subsection, "immediate family" means a spouse,
24 child, parent, stepchild or stepparent.

26 **§375. Applications; investigation**

28 1. Form. An application for a license required under this
29 chapter must be on the form provided by the Chief of the State
30 Police. The application must be signed by the individual
31 applicant or by a duly authorized officer of the partnership,
32 corporation or association applying for the license. The
33 application must contain, but is not limited to, the following
34 information regarding the individual applicant and each officer,
35 director, partner or owner of any interest in a corporation,
36 partnership or association applying for a license:

38 A. Full name;

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

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

44 D. Answers to the following questions posed in
45 substantially the following form:

48 (1) "Is there a formal charging instrument now pending
49 against you in this or any other jurisdiction for a
50 crime that is punishable by imprisonment for one year
51 or more or for a misdemeanor crime of domestic
52 violence?"

- 2 (2) "Is there a formal charging instrument now pending
4 against you in this or any other jurisdiction for a
6 juvenile offense that involves conduct that, if
8 committed by an adult, would be punishable by
10 imprisonment for one year or more or would constitute a
12 misdemeanor crime of domestic violence?"
- 14 (3) "Have you ever been convicted of a crime described
16 in subparagraph (1) or adjudicated as having committed
18 a juvenile offense as described in subparagraph (2)?"
- 20 (4) "Are you a fugitive from justice?"
- 22 (5) "Are you a drug abuser, drug addict or
24 drug-dependent person?"
- 26 (6) "Have you been discharged from the United States
28 Armed Forces under dishonorable circumstances within
30 the past 5 years?"
- 32 (7) "Are you an illegal alien?"
- 34 (8) "Have you been convicted within the past 3 years
36 of 3 or more crimes punishable by imprisonment of less
38 than one year?"
- 40 (9) "Have you been adjudged within the past 3 years to
42 have committed 3 or more juvenile offenses involving
44 conduct that, if committed by an adult, would be
46 punishable by imprisonment of less than one year?"
- 48 (10) "To your knowledge, have you engaged within the
50 past 3 years in reckless or negligent conduct that is
52 substantiated by the records of a governmental entity?"

2. Signature as certification. The applicant, by affixing
38 the applicant's signature to the application, certifies the
40 following:

42 A. That the statements made in the application and any
44 documents made a part of the application are true and
46 correct;

48 B. That the applicant understands that an affirmative
50 answer to one or more of the questions in subsection 1,
52 paragraph D is cause for refusal; and

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

2 3. Consent to review records. At the request of the Chief
4 of the State Police, the applicant shall take whatever action is
6 necessary to permit the Chief of the State Police to examine all
8 accounts and records in the applicant's possession, under the
10 applicant's control or under the control of 3rd parties but
12 accessible by consent of the applicant and shall authorize all
14 3rd parties in possession or in control of those accounts or
16 records to allow the Chief of the State Police or a designee to
18 examine the accounts and records as the Chief of the State Police
20 determines necessary to ascertain:

22 A. Whether the information supplied on the application or
24 any documents made a part of the application is true and
26 correct;

28 B. Whether each of the requirements of this section has
30 been met; or

32 C. Whether the applicant meets the requirements for
34 licensure under this chapter.

36 This requirement includes taking whatever action is necessary to
38 permit the Chief of the State Police or a designee to have access
40 to confidential records held by banks, the courts, law
42 enforcement agencies and the military for the purposes stated in
44 this subsection.

46 4. Investigations; national criminal history record check.
48 Any individual applying for a license, any partner of a
50 partnership or any officer, director or holder of any ownership
52 interest of a corporation or association applying for a license
54 as a licensee, manufacturer, distributor or wholesaler must
56 submit to a background investigation by the Chief of the State
58 Police to verify the applicant's compliance with the requirements
60 of section 371, subsection 2. In order to determine the
62 eligibility of an applicant for a license under this chapter, the
64 Chief of the State Police shall require the applicant to furnish
66 a full set of fingerprints to enable a criminal background
68 investigation to be conducted. The Chief of the State Police
70 shall submit the fingerprints to the Federal Bureau of
72 Investigation for a national criminal history record check.

74 5. Notification of municipal officers. An applicant for a
76 license to operate a video gaming terminal must send a copy of
78 the application to the officers of the municipality in which the
80 terminal will be operated. The applicant must certify in the
82 application that the copy has been sent and must list the names
84 and addresses of the persons to whom the copy was sent.

86 §376. Fees; term of license; transferability levels

2 1. License levels; fees. The annual fee for a license
issued under this chapter is as follows:

4 A. A license for a video gaming terminal manufacturer is a
Level 1 license and the fee for a video gaming terminal
6 manufacturer license is \$5,000;

8 B. A license for a video gaming terminal wholesaler is a
Level 1 license and the fee for a video gaming terminal
10 wholesaler license is \$5,000;

12 C. A license for a video gaming terminal distributor is a
Level 2 license and the fee for a video gaming terminal
14 distributor license is \$2,500; and

16 D. A license to operate a video gaming terminal is a Level
3 license and the fee for a video gaming terminal operator
18 license is \$100 per terminal.

20 In addition to the annual license fee, the Chief of the State
Police may charge a one-time application fee for a license issued
22 under this chapter in an amount equal to the actual cost of
processing the application and performing any background
24 investigations. All fees collected pursuant to this section must
be deposited directly to the Video Gaming Fund.

26 2. Term of license. All licenses issued by the Chief of
the State Police under this chapter are effective for one year
28 and are renewable annually, unless sooner revoked pursuant to
section 377.

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

32 4. Levels of license; prohibition against multiple
licenses. A person licensed as a video gaming terminal
36 manufacturer or wholesaler under section 374 has a Level 1
license. A person licensed as a video gaming terminal
38 distributor under section 374 has a Level 2 license. A licensee
under section 371 has a Level 3 license. A person may not hold
40 more than one level of license.

42 §377. Actions relating to licenses

44 1. Refusal to renew license. The Chief of the State Police
may refuse to renew a license for just cause after a hearing in
46 accordance with the Maine Administrative Procedure Act.

48 2. Suspension of license by the Chief of the State Police.
The Chief of the State Police may suspend a license issued under
50 this chapter for just cause for a period of up to 180 days. The
license may be suspended under this subsection only if the
52 license may be suspended under this subsection only if the

2 Chief of the State Police receives a written statement made under
4 oath from a law enforcement officer establishing probable cause
6 for the suspension. The Chief of the State Police shall
8 immediately notify the licensee in writing of the suspension and
10 the date the suspension is to take effect. If the licensee
12 wishes to have a hearing, the licensee must notify the
14 Administrative Court in writing within 20 days of the date of the
16 suspension. If a hearing is requested, the license remains
18 suspended pending the outcome of the hearing.

20 3. Suspension or revocation of license by the
22 Administrative Court. The Administrative Court may suspend or
24 revoke a license issued under this chapter for just cause.

26 4. Just cause. As used in this section, "just cause"
28 includes:

30 A. Making or causing to be made a false statement of
32 material fact in obtaining a license under this chapter or
34 in connection with service rendered within the scope of the
36 license issued;

38 B. Violating or having an agent who violated any provision
40 of this chapter or any rule adopted under this chapter; or

42 C. Becoming ineligible to hold that license.

44 5. Ineligibility period following refusal to issue or renew
46 license or revocation of license. A person may not apply to the
48 Chief of the State Police for any license under this chapter less
50 than 2 years after the Chief of the State Police refused to issue
or renew a license under this chapter or less than 2 years after
the Administrative Court revoked a license issued to the person
under this chapter.

SUBCHAPTER III

TERMINAL OPERATION; ALLOCATION OF FUNDS

§381. Limits on terminal use

42 1. Hours of play. A licensee may not permit a person to
44 play a video gaming terminal at any time other than a time when
46 the sale of liquor is permissible under Title 28-A, section 4,
48 subsection 1.

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

3. Time and money limits imposed by licensee. A licensee
may impose a daily limit on the amount of time or money spent by

2 an individual playing the video gaming terminals on the
3 licensee's premises.

4 4. Play by members and guests; public events. Except as
5 provided in this subsection, only persons who are members of the
6 licensee organization or guests of those members may play a video
7 gaming terminal on the premises of the licensee. The licensee
8 may obtain a license to offer the video gaming terminals for
9 public use once every 6 months for a period not to exceed 3
10 consecutive days.

12 **§382. Payment of credits by licensee**

14 A licensee shall redeem credits for players who earn credits
15 on terminals located on the premises of that licensee in
16 accordance with rules adopted jointly by the Chief of the State
17 Police and the director. If a person receives a credit
18 redeemable for more than the amount required by federal law to be
19 reported to the United States Internal Revenue Service, the
20 licensee shall require the person to complete a form listing the
21 person's name, address and social security number. The licensee
22 shall promptly send the form to the Bureau of Revenue Services.

24 **§383. Allocation of funds**

26 1. Distributor responsible. A video gaming terminal
27 distributor shall collect and allocate funds from video gaming
28 terminals owned by the distributor in accordance with this
29 section.

30 2. Allocation of net terminal income. Funds must be
31 allocated as follows:

34 A. Thirty-three and one-third percent must be sent to the
35 Treasurer of State for deposit in the Video Gaming Fund
36 created in section 384;

38 B. Thirty-three and one-third percent must be paid to the
39 distributor that owns the machine; and

40 C. Thirty-three and one-third percent must be paid to the
41 licensee.

44 3. Priority of payment to State. If funds collected from a
45 video gaming terminal are not sufficient to pay the amounts due
46 the State, the distributor and the licensee, the distributor
47 shall reduce the amount allocated to the distributor, the
48 licensee or both. The distributor may not reduce the amount
49 allocated to the State.

50 4. Deposit of state funds. Each distributor shall maintain
51 a bank account accessible by the State for the deposit of funds
52

2 owed to the State under this chapter. The distributor shall
3 deposit in that account the State's share of the net terminal
4 income attributable to terminals owned by the distributor during
5 the first 15 days of each month not later than the 22nd day of
6 the month. The distributor shall deposit in that account the
7 State's share of net terminal income attributable to terminals
8 owned by the distributor between the 16th and the last day of
9 each month not later than the 7th day of the next month. If the
10 day on which funds must be deposited is not a business day, the
11 funds must be deposited on the next business day after that date.

12 5. Use of state share. At the end of each fiscal year
13 beginning after June 30, 1999, the Treasurer of State shall
14 transfer to the Local Government Fund created in Title 30-A,
15 section 5681 an amount equal to 10% of the state share of net
16 terminal income derived from video gaming terminals during that
17 fiscal year, net of state administrative costs. Thirty days
18 after the end of each fiscal year, the Treasurer of State shall
19 transfer to the General Fund all unexpended amounts of the
20 previous fiscal year's revenues to the Local Government Fund,
21 except those needed to fund 2 months of expenses for
22 administering this chapter.

23 6. Failure to deposit funds. A distributor who willfully
24 fails to comply with this section commits a Class C crime. The
25 license of that person may be revoked by the Administrative Court
26 and the video gaming terminals to which the undeposited funds are
27 attributable may be disabled by the director at the direction of
28 the Chief of the State Police.

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

32 **§384. Video Gaming Fund**

33 1. Fund created. There is created and established a
34 separate fund to be known as the Video Gaming Fund and to be
35 deposited in depositories the Treasurer of State selects. The
36 fund consists of all revenue payable to the State pursuant to
37 sections 376 and 383 and all other money credited or transferred
38 to the fund from any other fund or source pursuant to law.

39 2. Use of money. The money in the Video Gaming Fund may be
40 appropriated or allocated only:

41 A. For expenses incurred in implementing or enforcing this
42 chapter;

43 B. For payment to the Local Government Fund pursuant to
44 section 383; and

C. For payment to the General Fund.

3. Committee review of allocation. The Commissioner of Administrative and Financial Services and the Commissioner of Public Safety shall submit to the joint standing committee of the Legislature having jurisdiction over gaming matters for review all proposals for allocations from the Video Gaming Fund. The proposed allocations for each fiscal year must be submitted by January 1st preceding the start of the fiscal year.

SUBCHAPTER IV

ENFORCEMENT AND PENALTIES

§391. Reports; records

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

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

§392. Access to premises, equipment, records

A person holding a license under this chapter shall permit the Chief of the State Police or the chief's designee to inspect any equipment, prizes, records or items and materials used or to be used in the operation of any video gaming terminal manufactured, owned, distributed or operated by that person. A person holding a license under this chapter shall consent in writing to the examination of all accounts, bank accounts and records in the license holder's possession or under the license holder's control and shall authorize all 3rd parties in possession or in control of those accounts or records to allow the Chief of the State Police or the chief's designee to examine 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
16 before the Superior Court to show cause why that witness should
18 not be adjudged in contempt. The court shall, in a summary
20 manner, hear the evidence and, if it is such as to warrant the
22 court to do so, punish the witness in the same manner and to the
24 same extent as for contempt committed before the Superior Court
26 or with reference to the process of the Superior Court.

18 **§394. Violations**

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

24 A. Permitting a person under 21 years of age to play a
26 video gaming terminal licensed pursuant to this chapter;

28 B. Permitting a person to play a video gaming terminal
30 licensed pursuant to this chapter at a time other than a
32 time when the sale of liquor is permissible under Title
34 28-A, section 4, subsection 1;

36 C. Extending credit to a person in order for the person to
38 play a video gaming terminal;

40 D. Permitting a person to use a credit card as a method of
42 payment for playing a video gaming terminal; and

44 E. Permitting a visibly intoxicated person to play a video
46 lottery terminal.

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

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

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

C. Manufacturing, distributing, selling, operating or
 placing a video gaming terminal for use in this State
 without a license or manufacturing, distributing, selling,

2 operating or placing an illegal terminal for use in this
3 State; and

4 D. Placing for public use or operating an unlicensed video
5 gaming terminal in this State.

6
7 3. Class D crimes by any person. A person who violates any
8 provision of this chapter or any rule adopted under this chapter
9 for which a specific penalty is not provided commits a Class D
10 crime.

12 **§395. Seizure and forfeiture of illegal gaming machines**

14 1. Forfeiture. An illegal gaming machine, including any
15 monetary contents, is subject to forfeiture to the State.

16
17 2. Court jurisdiction. An illegal gaming machine and any
18 monetary contents may be declared forfeited by any court that has
19 jurisdiction over the illegal machine or final jurisdiction over
20 any related criminal proceeding brought under this chapter or by
21 the Superior Court for Kennebec County. Property subject to
22 forfeiture may be kept or stored at any location within the
23 territorial boundaries of the State and is subject to the
24 authority of any court in which a petition seeking the forfeiture
25 of that property is filed.

26
27 3. Procedure. Forfeitures under this section must be
28 accomplished by the following procedure.

29
30 A. A district attorney or the Attorney General may petition
31 the Superior Court in the name of the State in the nature of
32 a proceeding in rem to order forfeiture of an illegal gaming
33 machine and any monetary contents. The petition must be
34 filed in the court having jurisdiction over the property.

35
36 B. The proceeding is an in rem civil action, in which the
37 State has the burden of proving all material facts by a
38 preponderance of the evidence.

39
40 C. The court shall order the State to give notice of the
41 pendency of the action and the right to be heard by
42 certified or registered mail or hand delivered by a deputy
43 sheriff to any person who appears to have an interest in the
44 illegal machine and any monetary contents. Receipt by a
45 person then licensed to operate a motor vehicle in the State
46 is presumed when notice is mailed to the last known address
47 of that person on file with the Department of the Secretary
48 of State, Bureau of Motor Vehicles.

49
50 D. The court shall promptly, but not less than 2 weeks
51 after notice, hold a hearing on the petition after an answer
52 is filed by a person served with notice under paragraph C.

2 At the hearing, the court shall hear evidence and make
3 findings of fact and enter conclusions of law.

4 E. Based on the findings and conclusions, the court shall
5 issue a final order from which the parties have a right of
6 appeal. The final order must provide for disposition of the
7 illegal gaming machine and any monetary contents by the
8 State. Any revenue generated by the disposition of the
9 illegal machine and any monetary contents of the machine
10 must be used to pay the reasonable expenses of the
11 forfeiture proceedings, seizure, storage, maintenance of
12 custody, advertising and notice. The balance, if any, must
13 be deposited in the General Fund.

14 4. Records. Any law enforcement officer, department or
15 agency having custody of an illegal gaming machine or any
16 monetary contents of an illegal gaming machine, or having
17 disposed of the illegal gaming machine or any monetary contents,
18 shall keep and maintain during the pendency of the action full
19 and complete records in accordance with this subsection. Upon
20 issuance by the court of a final order ordering the disposition,
21 destruction or return of the illegal machine or the monetary
22 contents, the officer, department or agency shall transmit a copy
23 of those records to the Department of Public Safety for inclusion
24 into a centralized record.

25 A. The records must show:

26 (1) From whom the illegal machine and any monetary
27 contents were received;

28 (2) Under what authority the illegal machine and any
29 monetary contents are held, received or disposed of;

30 (3) To whom the illegal machine and any monetary
31 contents are delivered;

32 (4) The date and manner of destruction or disposition
33 of the illegal machine; and

34 (5) The exact kinds, quantities and forms of illegal
35 gaming machines and the exact amount of any monetary
36 contents of any machine held in custody or disposed of.

37 B. The records must be open to inspections by all federal
38 and state officers authorized by the laws of the United
39 States, a state or territory of the United States or a
40 foreign nation to investigate or prosecute gambling laws.

41 C. The Department of Public Safety shall maintain a
42 centralized record of illegal machines seized. At least
43 quarterly, the department shall provide a
44 centralized record of illegal machines seized.

2 report of the disposition of property previously held by the
3 department to the Commissioner of Administrative and
4 Financial Services and the legislative Office of Fiscal and
5 Program Review. These records must include an estimate of
6 the fair market value of items seized.

7 5. Report to the court. Persons making final disposition
8 or destruction of an illegal gaming machine or its monetary
9 contents under court order shall report, under oath, to the court
10 the exact circumstances of the destruction or disposition.

11 6. Seizure. An illegal gaming machine together with any
12 monetary contents is contraband and may be seized by any law
13 enforcement officer pursuant to subsection 7 or 8.

14 7. Process for seizure. At the request of the State ex
15 parte, the court may issue any preliminary order or process
16 necessary to seize or secure the property for which forfeiture is
17 sought and provide for its custody.

18 A. Process for seizure of the property may issue only upon
19 a showing of probable cause. The application for process
20 for seizure of the property and the issuance, execution and
21 return of the process are subject to the provisions of
22 applicable state law.

23 B. Any property subject to forfeiture under this section
24 may be seized upon process.

25 8. Seizure without process. Seizure without process may be
26 made when seizure is incident to a legal search or inspection if
27 the law enforcement officer has probable cause to believe the
28 property seized is an illegal gaming machine.

29 **§396. Criminal forfeiture**

30 1. Forfeiture upon conviction of violation. A person
31 convicted of a violation of this chapter forfeits to the State
32 all rights, privileges, interests and claims to property that is
33 subject to forfeiture pursuant to section 395. All rights,
34 privileges, interest and title in property subject to forfeiture
35 under this section vest in the State upon the commission of the
36 act giving rise to forfeiture pursuant to section 395.

37 2. Proceeding by indictment. Property subject to
38 forfeiture that is not yet the subject of a final order pursuant
39 to section 395 may be proceeded against by indictment or
40 superseding indictment of the grand jury in any related criminal
41 proceeding in which one or more persons with an interest in the
42 property have been simultaneously indicted for one or more
43 violations of this chapter. At any time prior to trial, the
44

2 State, with the consent of the court and any defendant with an
3 interest in the property, may file an ancillary charging
4 instrument or information alleging that that property is subject
5 to criminal forfeiture. Upon commencement of a criminal
6 forfeiture by indictment or information of any property that may
7 be the subject of any pending civil action commenced pursuant to
8 section 395, the civil action must be immediately stayed and
9 subrogated to the criminal forfeiture action. Discovery in the
10 criminal action must be as provided by the Maine Rules of
11 Criminal Procedure.

12 3. Seizure upon finding of probable cause. Property subject
13 to forfeiture that has not already been seized but has been
14 indicted by the grand jury pursuant to this section may also be
15 ordered seized based upon the grand jury's finding of probable
16 cause pursuant to section 395.

17 4. Trial against property. Trial against property charged
18 by indictment or information may be by jury and must be held in a
19 single proceeding together with the trial of the related criminal
20 violation. Forfeiture of the property must be proved by the
21 State by a preponderance of the evidence. The court, in its
22 discretion, may allow any defendant with an interest in property
23 indicted pursuant to this section to waive the right to trial by
24 jury as against the property while preserving the right to trial
25 by jury of any crime alleged. At trial by jury, the court, upon
26 motion of a defendant or the State, may separate the trial of the
27 matter against the defendant from the trial of the matter against
28 the property subject to criminal forfeiture. If the court
29 bifurcates the jury trial, the court shall first instruct and
30 submit to the jury the issue of the guilt or innocence of
31 defendants to be determined by proof beyond a reasonable doubt
32 and shall restrict argument of counsel to those issues. After a
33 verdict upon the guilt or innocence of all defendants, the court
34 shall instruct and submit to the jury the issue of the forfeiture
35 of the property to be determined by proof by a preponderance of
36 the evidence and the court shall restrict argument to those
37 issues. A special verdict must be returned as to the extent of
38 the interest in property subject to forfeiture, if any.

39 5. Person interested in forfeited property. A person not
40 charged in the indictment may not intervene in the criminal
41 action. Following the entry of a verdict of forfeiture of
42 property pursuant to this section or the entry of a guilty plea
43 in open court on the record, the State shall provide written
44 notice of its intent to dispose of the property to any person
45 known to have alleged an interest in the property. The notice
46 may be by certified, return receipt mail or as otherwise ordered
47 by the court. Receipt by a person then licensed to operate a
48 motor vehicle in the State is presumed when notice is mailed to
49 the last known address of that person on file with the Department
50 of the Secretary of State, Bureau of Motor Vehicles. A person
51 may be notified by registered mail to the last known address of
52 that person on file with the Department of the Secretary of State,

2 other than the defendant asserting a legal interest in the
3 property within 30 days of the date of receipt of the notice may
4 petition the court for a hearing to adjudicate the validity of
5 any alleged interest in the property. The hearing must be held
6 before the court without jury. The request for the hearing must
7 be signed by the petitioner under penalty of perjury and must
8 state the nature and extent of the petitioner's right, title or
9 interest in the property, the time and circumstances of the
10 petitioner's acquisition of the right, title or interest in the
11 property, any additional facts supporting the petitioner's claim
12 and the relief sought. Upon the filing of any petition for
13 hearing, the court shall schedule the hearing as soon as
14 practicable, but in no event later than 6 months after the
15 petition is filed or after the sentencing of any defendant
16 convicted upon the same indictment. The court shall issue or
17 amend a final order of forfeiture in accordance with its
18 determination if, after the hearing, the court determines that
19 the petitioner has established by a preponderance of the evidence
20 that:

21 A. The petitioner has a legal right, title or interest in
22 the property and the right, title or interest renders the
23 order of forfeiture invalid in whole or in part because the
24 right, title or interest was vested in the petitioner rather
25 than any defendant or was superior to any right, title or
26 interest to the exclusion of any defendant at the time of
27 the commission of the acts that gave rise to the forfeiture
28 of the property under this section; and

29 B. The petitioner is a bona fide purchaser for value of the
30 right, title or interest in the property and was at the time
31 of purchase reasonably without cause to believe that the
32 property was subject to forfeiture under this section.

33 6. Title to property following forfeiture. Following the
34 entry of a verdict of forfeiture of property pursuant to this
35 section or the entry of a guilty plea in open court on the
36 record, the State has clear title to property that is the subject
37 of the indictment or information and order of forfeiture and may
38 order all or a portion of the property forfeited to the State to
39 be disposed of pursuant to section 395.

40 **§397. Payment to the Attorney General**

41 As provided in Title 5, section 203, the Bureau of the State
42 Police shall pay the Attorney General from the Video Gaming Fund
43 for legal services provided pursuant to this chapter.

44 **§398. Implementation**

45 A video gaming terminal may not be operated under this
46 chapter before April 1, 2000.

2 State Police, following background investigations of the
3 applicants and their major business partners. Local approval is
4 required for a license to operate video gaming terminals.

5 The license specifies the number of terminals allowed on the
6 premises, and the maximum number of terminals allowed is 5 per
7 licensee. Terminals must be licensed by the Chief of the State
8 Police and must be connected to a computer system operated by the
9 Director of the Bureau of Alcoholic Beverages and Lottery
10 Operations. This computer system must provide continuous on-line
11 monitoring of video gaming terminal activity. Persons under 21
12 years of age are not allowed to use the machines. Only members of
13 the organization and their guests are allowed to play, except
14 that the organization may obtain a license to offer the machines
15 for public use once every 6 months for a period of 3 consecutive
16 days. The maximum dollar amount for each play is \$2 and the
17 maximum payout is \$1,000. Each game on each machine must return
18 at least 90% of wagers to players, calculated on an annual basis.

19 A single distributor may not own more than 300 machines or
20 15% of the total number of machines in the State, whichever is
21 less. A person may not hold more than one type of license; for
22 example, a distributor may not also be a licensee or a
23 manufacturer.

24 Net terminal income, which is income after payback to
25 players, is divided as follows: 33 1/3% to the State for payment
26 into the Video Gaming Fund for administrative expenses, municipal
27 revenue sharing and General Fund revenue; 33 1/3% to the
28 distributor; and 33 1/3% to the licensee.

29 Licenses are issued for one year. Applicants for an initial
30 license must pay the actual costs of processing the application
31 and performing the background investigation.
32
33
34