

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1354

H.P. 996

House of Representatives, March 13, 2003

### **An Act To Permit Video Gaming for Money Conducted by Nonprofit Organizations**

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative THOMPSON of China.  
Cosponsored by Senator GAGNON of Kennebec and  
Representatives: CLARK of Millinocket, RINES of Wiscasset, SAVIELLO of Wilton.

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4       **Sec. 1. 8 MRSA §372, sub-§2, ¶I**, as repealed and replaced by PL 1993, c. 349, §23, is amended to read: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

50       **Sec. 5. 8 MRSA §374, sub-§1, ¶M**, as enacted by PL 1997, c.  
52       301, §2, is amended to read:

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

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

60           N. Rules to administer and enforce Title 17, chapter 16,  
62           which may be adopted jointly with the Chief of the State

2 Police. These rules are routine technical rules pursuant to  
3 Title 5, chapter 375, subchapter 2-A.

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

6 **§348. Applicability**

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

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

12 **CHAPTER 16**

14 **VIDEO GAMING TERMINALS**

16 **SUBCHAPTER I**

18 **GENERAL PROVISIONS**

20 **§361. Definitions**

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

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

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

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

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

39 5. **Drug-dependent person.** "Drug-dependent person" has the  
40 same meaning as set forth in Title 5, section 20003, subsection  
41 12.

42 6. **Engaged in reckless or negligent conduct.** "Engaged in  
43 reckless or negligent conduct" means that the applicant, either  
44 consciously disregarding or failing to be aware of a risk that  
45 the applicant's conduct would cause such a result, engaged in  
46 the applicant's conduct would cause such a result, engaged in

2 conduct that in fact created a substantial risk of death, serious  
3 bodily injury or bodily injury to another human being and the  
4 applicant's disregard or failure to be aware of that risk, when  
5 viewed in light of the nature and purpose of the applicant's  
6 conduct and the circumstances known to the applicant, involved a  
7 gross deviation from the standard of conduct that a reasonable  
8 and prudent person would observe in the same situation.

9  
10 **7. Formal charging instrument.** "Formal charging  
11 instrument" means a complaint, an indictment, information, a  
12 juvenile petition or other formal written accusation against a  
13 person for some criminal or juvenile offense.

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

20 **9. Illegal gaming machine.** "Illegal gaming machine" or  
21 "illegal machine" means a machine as defined in section 330 that:

22  
23 A. Is required to be licensed under this chapter, but is  
24 not so licensed;

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

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

29  
30 **10. Licensee.** "Licensee" means a person licensed by the  
31 Chief of the State Police to operate a video gaming terminal.

32  
33 **11. Net terminal income.** "Net terminal income" means money  
34 inserted into a video gaming terminal minus credits paid out in  
35 cash.

36  
37 **12. Operate.** "Operate" means to offer for use.

38  
39 **13. Payback value.** "Payback value" means the value of  
40 credits granted to players by a video gaming terminal compared to  
41 the value of money inserted into the terminal by players,  
42 calculated as a percentage on an annual basis.

43  
44 **14. Person.** "Person" means an individual, corporation,  
45 association or partnership.

2        15. Uniform location application. "Uniform location  
3 application" means a written application submitted by a licensee  
4 to the Chief of the State Police.

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

14        17. 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        18. 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.

22        **§362. License required**

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

32        **§363. Administration and enforcement**

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

38        **§364. Powers and duties of Chief of State Police**

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

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

44        B. Investigate the direct or indirect ownership or control  
45 of a video gaming terminal or associated equipment by any  
46 licensee;

48        C. Adopt rules necessary to administer and enforce this  
49 chapter, including the power to jointly adopt rules with the  
50

2 Maine State Lottery Commission. These rules are routine  
3 technical rules pursuant to Title 5, chapter 375, subchapter  
4 2-A;

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

8 E. Approve or disapprove terms and conditions of uniform  
9 location agreements.

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

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

14 B. Adopt rules, which are routine technical rules pursuant  
15 to Title 5, chapter 375, subchapter 2-A, to prevent  
16 undesirable conduct relating to the operation of video  
17 gaming terminals, including the following:

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

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

23 (3) The use of obscene advertising;

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

26 (5) The infiltration of organized crime into the  
27 operation of video gaming terminals;

28 (6) The presence of disorderly persons in a location  
29 where video gaming terminals are in use; and

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

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

2           (1) A person has illegally tampered with the terminal  
3           as described in section 394, subsection 2;

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

7           (3) The terminal does not meet the licensure  
8           requirements of this chapter; or

9           (4) The licensee is guilty of criminal conduct; and

10           D. Approve uniform location applications submitted by  
11           licensees pursuant to section 372, subsection 2.

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

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

15           A. Propose to the State Liquor and Lottery Commission for  
16           adoption rules necessary to administer and enforce this  
17           chapter, including rules to be adopted jointly with the  
18           Chief of the State Police. These rules are routine  
19           technical rules pursuant to Title 5, chapter 375, subchapter  
20           2-A; and

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

31           2. Duties. The director shall:

32           A. Develop, install and test a central computer system with  
33           continuous on-line polling to all licensed video gaming  
34           terminals to provide auditing program information. The  
35           system may not limit participation to only one manufacturer  
36           of video gaming terminals by either the cost of implementing  
37           the necessary program modifications to communicate or an  
38           inability to communicate with the central computer system.  
39           In developing the system, the director shall allow for a  
40           5-year phase-in period in accordance with section 373,



2 subsection 3 for licensees to acquire equipment capable of  
3 interfacing with a central computer system;

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

6 C. Attempt to determine the cause of any video gaming  
7 terminal malfunction detected by the central computer system  
8 and notify the Chief of the State Police of any suspected  
9 tampering with a video gaming terminal or any other  
10 violation of this chapter or the rules adopted under this  
11 chapter;

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

15 E. Collect funds due the State under section 383 and  
16 deposit them in the Video Gaming Fund established in section  
17 384;

18 F. Immediately notify the Chief of the State Police of the  
19 failure of any licensee to comply with section 383;

20 G. Certify monthly to the Treasurer of State, the Maine  
21 State Lottery Commission and the Commissioner of  
22 Administrative and Financial Services a full and complete  
23 statement of all video gaming terminal revenue, credits  
24 disbursed by licensees, administrative expenses and the  
25 allocation of net terminal income for the preceding month;

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

32 I. Prepare and submit to the Commissioner of Administrative  
33 and Financial Services a budget; and

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

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

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

2 SUBCHAPTER 2

4 LICENSING

6 §371. License to operate

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

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

16 B. Is exempt from federal taxation under the Internal  
18 Revenue Code, Section 501(c)(3), 501(c)(4), 501(c)(8),  
20 501(c)(10) or 501(c)(19); and

22 C. Owns or leases the premises upon which the video gaming  
24 terminals will be located and uses those premises to fulfill  
26 the primary charitable or nonprofit purpose of the  
28 organization. If the premises are leased, the lease must  
30 run for a term longer than the license term.

32 Notwithstanding paragraph B, an organization that holds a license  
34 under section 332 to operate an electronic video machine on the  
36 effective date of this chapter is eligible to apply for a license  
38 under this section to operate video gaming terminals for up to 18  
40 months, provided the organization applies for federal tax status  
42 as specified in paragraph B. If the Chief of the State Police  
44 determines that the organization is making a good faith effort to  
46 secure the required tax status and is likely to be given such  
48 status, the Chief of the State Police may extend the term of the  
50 license for an additional 6 months to allow the United States  
Internal Revenue Service time to complete processing the  
application for tax status. If the organization applied for such  
status and was rejected within 3 years of the effective date of  
this section, that organization is not eligible under this  
subsection.

40 2. Qualifications for license. A person may be issued a  
42 license to operate a video gaming terminal if the person is  
44 eligible for a license under subsection 1 and has sufficient  
46 financial assets to meet the financial obligations imposed by  
48 this chapter and a method acceptable to the Chief of the State  
Police for meeting those obligations, and the individual and each  
officer, director or partner of the corporation, association or  
partnership:

50 A. Has not been convicted in Maine or any other  
jurisdiction of a misdemeanor crime of domestic violence,

- 2           within the meaning of 18 United States Code, Section 921,  
3           Subsection (a), Paragraph (33);
- 4           B. Does not have a formal charging instrument pending in  
5           Maine or any other jurisdiction for a misdemeanor crime of  
6           domestic violence, within the meaning of 18 United States  
7           Code, Section 921, Subsection (a), Paragraph (33);
- 8
- 9           C. Has not been convicted in Maine or any other  
10           jurisdiction within the past 3 years of 3 or more crimes  
11           punishable by imprisonment for less than one year, if those  
12           convictions arose from different criminal episodes;
- 13
- 14           D. Has not engaged within the past 3 years in reckless or  
15           negligent conduct that is substantiated by information of  
16           record by a governmental entity;
- 17
- 18           E. Is current in payment of all taxes, interest and  
19           penalties owed to the State or to a municipality, excluding  
20           items under formal dispute or appeal pursuant to applicable  
21           statutes or ordinances;
- 22
- 23           F. Has not been involved in any criminal activity and has  
24           not been convicted of a crime punishable by one year or more  
25           of imprisonment in any jurisdiction unless at least 10 years  
26           have passed since satisfactory completion of the sentence or  
27           probation imposed by the court for the crime;
- 28
- 29           G. Has not been convicted of a violation of this chapter or  
30           chapter 14 or of equivalent laws in any other state;
- 31
- 32           H. Has not been adjudicated within the past 3 years of  
33           having committed a juvenile offense involving conduct that,  
34           if committed by an adult, would cause the Chief of the State  
35           Police to refuse to approve a license application under this  
36           section;
- 37
- 38           I. Is not a fugitive from justice, a drug abuser, a drug  
39           addict, a drug-dependent person, an illegal alien or a  
40           person who was discharged from the United States Armed  
41           Forces under dishonorable conditions within 3 years prior to  
42           the date of application;
- 43
- 44           J. Has completed the application form and complied with the  
45           requirements of section 375; and
- 46
- 47           K. Has not knowingly made a false statement of material  
48           fact to the Chief of the State Police in applying for a  
49           license under this chapter or chapter 14.
- 50

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

10           4. Hearing process. The municipal officers or, in the case  
11 of an unincorporated place, the county commissioners of the  
12 county in which the unincorporated place is located may hold a  
13 public hearing for the consideration of the applications for new  
14 video gaming terminal licenses. The municipal officers or county  
15 commissioners may hold a public hearing for the consideration of  
16 requests for renewal of licenses.

18           A. The Chief of the State Police shall prepare and supply  
19 license application forms.

20           B. The municipal officers or the county commissioners shall  
21 provide, at the applicant's prepaid expense, public notice  
22 of a hearing held under this section by causing a notice  
23 stating the time and place of hearing to appear at least 6  
24 consecutive days before the date of the hearing in a daily  
25 newspaper having general circulation in the municipality or  
26 unincorporated place where the premises are located or 2  
27 consecutive weeks before the date of the hearing in a weekly  
28 newspaper having general circulation in the municipality or  
29 unincorporated place where the premises are located.

30           C. In granting or denying an application, the municipal  
31 officers or the county commissioners shall indicate the  
32 reasons for their decision and provide a written statement  
33 of their reasons to the applicant.

### 34           §372. Placement and ownership of terminals

35           1. Number of terminals; location. No more than 5 video  
36 gaming terminals may be placed on the premises of a licensee. A  
37 terminal may not be placed in any location other than the  
38 premises of the licensee. A licensee must own or control the  
39 premises on which a video gaming terminal is located. The  
40 terminal area must be designed to permit the licensee or an agent  
41 of the licensee to see and control the area at all times to  
42 ensure compliance with the provisions of this chapter.

43           2. Uniform location application. Each location must be  
44 subject to an approved uniform location application. A copy of  
45 the application must be submitted to the Chief of the State  
46

2 Police. The Chief of the State Police may approve or disapprove  
3 any uniform location application. If the uniform location  
4 application is disapproved, the Chief of the State Police shall  
5 provide written reasons for the denial.

6 3. Appeal to commissioner. Any licensee denied approval of  
7 a uniform location application may appeal the decision of the  
8 Chief of the State Police to the Commissioner of Public Safety.  
9 The commissioner shall hold a hearing to include the licensee and  
10 the Chief of the State Police or the chief's designee before  
11 rendering a decision on the appeal. The commissioner shall  
12 render a decision within 30 days of the hearing.

14 **§373. Licensing of terminals**

16 1. License required. A video gaming terminal may not be  
17 placed for public use or operated in this State unless the  
18 terminal is licensed by the Chief of the State Police. The  
19 terminal license must be prominently displayed on the terminal.  
20 Language describing the odds of winning the game and warning of  
21 the danger of compulsive gambling must also be prominently  
22 displayed on the terminal.

24 2. Requirements for license. To be licensed, a video  
25 gaming terminal:

26 A. May offer only games permitted by the Chief of the State  
27 Police;

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

30 C. May not directly dispense coins, cash or tokens;

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

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

37 F. After completion of the 5-year phase-in period described  
38 in subsection 3, must have nonresettable meters housed in a  
39 readily accessible locked terminal area that keep a  
40 permanent record of all cash inserted into the video gaming  
41 terminal, credits awarded by the terminal, credits played  
42 for video games and credits distributed by tickets made by  
43 the terminal's printer;

2 G. After completion of the 5-year phase-in period described  
3 in subsection 3, must be capable of printing a ticket  
4 voucher stating the value of the credits for the player at  
5 the end of play, the time of day in 24-hour format showing  
6 hours and minutes, the date, the terminal's serial number,  
7 the sequential number of the ticket voucher, and an  
8 encrypted validation number from which the validity of the  
9 credits may be determined;

10 H. After completion of the 5-year phase-in period described  
11 in subsection 3, must have accounting software that keeps an  
12 electronic record of information that includes, but is not  
13 limited to, total cash inserted into the video gaming  
14 terminal, total credits awarded by the terminal, total  
15 credits played for video games, total credits distributed by  
16 tickets made by the terminal's printer and the payback  
17 percentage of each video game; and

18 I. After completion of the 5-year phase-in period described  
19 in subsection 3, must be linked to the central computer  
20 system developed under section 365 to provide auditing  
21 program information.

22  
23 3. Phase-in period; rules. Requirements governing the  
24 technical capabilities of video gaming terminals must be phased  
25 in over a period of 5 years from the effective date of this Act.  
26 The Chief of the State Police shall adopt rules to implement this  
27 subsection. Rules adopted pursuant to this subsection are  
28 routine technical rules as defined in Title 5, chapter 375,  
29 subchapter 2-A.

30  
31 4. Amount of play; payback value. A video gaming terminal  
32 may be played for a maximum of \$5 in a single game. A video  
33 gaming terminal may not accept more than \$20 at a time. The  
34 maximum prize awarded may not exceed the value of \$1,250. The  
35 payback value of each type of video game offered by each terminal  
36 must be at least 80%.

37  
38 5. Examination of prototypes. The Chief of the State  
39 Police and the Attorney General shall examine all prototypes of  
40 video gaming terminals and associated equipment for which a video  
41 gaming terminal manufacturer seeks a license as required in this  
42 chapter. The Chief of the State Police shall require the  
43 manufacturer seeking the examination and approval of the video  
44 gaming terminal or associated equipment to pay the anticipated  
45 actual cost of the examination before the examination occurs.  
46 After the examination occurs, the Chief of the State Police shall  
47 refund overpayments or charge and collect amounts sufficient to  
48 reimburse the Chief of the State Police for underpayments of  
49 actual cost. The Chief of the State Police may contract for the  
50

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

4 6. 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 or wholesaler**

10 1. Qualifications. To be licensed as a video gaming  
11 terminal manufacturer or wholesaler, a person must meet the  
12 qualifications set forth in section 371, subsection 2.

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

22 3. Preparation of list. The Chief of the State Police  
23 shall prepare a list of state-certified distributors of video  
24 gaming terminals.

26 **§375. Applications; investigation**

28 1. Form. An application for a license required under this  
29 chapter must be on a 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 partnership,  
36 corporation 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

2           or more or for a misdemeanor crime of domestic  
3           violence?"

4           (2) "Is there a formal charging instrument now pending  
5           against you in this or any other jurisdiction for a  
6           juvenile offense that involves conduct that, if  
7           committed by an adult, would be punishable by  
8           imprisonment for one year or more or would constitute a  
9           misdemeanor crime of domestic violence?"

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

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

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

16           (6) "Have you been discharged from the United States  
17           Armed Forces under dishonorable circumstances within  
18           the past 5 years?"

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

20           (8) "Have you been convicted within the past 3 years  
21           of 3 or more crimes punishable by imprisonment of less  
22           than one year?"

23           (9) "Have you been adjudged within the past 3 years to  
24           have committed 3 or more juvenile offenses involving  
25           conduct that, if committed by an adult, would be  
26           punishable by imprisonment of less than one year?"

27           (10) "To your knowledge, have you engaged within the  
28           past 3 years in reckless or negligent conduct that is  
29           substantiated by the records of a governmental entity?"

30           **2. Signature as certification.** The applicant, by affixing  
31           the applicant's signature to the application, certifies the  
32           following:

33           A. That the statements made in the application and any  
34           documents made a part of the application are true and  
35           correct;

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



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

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

16 A. Whether the information supplied on the application or  
17 on any documents made a part of the application is true and  
18 correct;

19 B. Whether each of the requirements of this section has  
20 been met; and

21 C. Whether the applicant meets the requirements for  
22 licensure under this chapter.

23 This requirement includes taking whatever action is necessary to  
24 permit the Chief of the State Police or a designee to have access  
25 to confidential records held by banks, the courts, law  
26 enforcement agencies and the military for the purposes stated in  
27 this subsection.

28 4. Investigations; national criminal history record check.  
29 Any individual applying for a license, any partner of a  
30 partnership or any officer, director or holder of any ownership  
31 interest of a corporation or association applying for a license  
32 as a licensee, manufacturer or wholesaler must submit to a  
33 background investigation by the Chief of the State Police to  
34 verify the applicant's compliance with the requirements of  
35 section 371, subsection 2. In order to determine the eligibility  
36 of an applicant for a license under this chapter, the Chief of  
37 the State Police shall require the applicant to furnish a full  
38 set of fingerprints to enable a criminal background investigation  
39 to be conducted. The Chief of the State Police shall submit the  
40 fingerprints to the Federal Bureau of Investigation for a  
41 national criminal history record check.

42 5. Notification of municipal officers. An applicant for a  
43 license to operate a video gaming terminal must send a copy of  
44 the application to the officers of the municipality or  
45 the municipality.

2 unincorporated place in which the terminal will be operated. The  
3 applicant must certify in the application that the copy has been  
4 sent and must list the names and addresses of the persons to whom  
5 the copy was sent.

6 **§376. Fees; term of license; nontransferable**

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

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

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

16 C. A license to operate a video gaming terminal is a Level  
17 2 license and the fee for a video gaming terminal operator  
18 license is \$600 per terminal.

19 In addition to the annual license fee, the Chief of the State  
20 Police may charge a one-time application fee for a license issued  
21 under this chapter in an amount equal to the actual cost of  
22 processing the application and performing any background  
23 investigations. All fees collected pursuant to this section must  
24 be deposited directly into the Video Gaming Fund, established in  
25 section 384.

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

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

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

37 **§377. Actions relating to licenses**

38 **1. Refusal to renew license.** The Chief of the State Police  
39 may refuse to renew a license issued under this chapter for just  
40 cause after a hearing in accordance with the Maine Administrative  
41 Procedure Act.

2           2. Suspension of license by Chief of State Police. The  
Chief of the State Police may suspend a license issued under this  
4 chapter for just cause for a period of up to 180 days. The  
license may be suspended under this subsection only if the Chief  
6 of the State Police receives a written statement made under oath  
from a law enforcement officer establishing probable cause for  
8 the suspension. The Chief of the State Police shall immediately  
notify the licensee in writing of the suspension and the date the  
10 suspension is to take effect. If the licensee wishes to have a  
hearing, the licensee must notify the District Court in writing  
12 within 20 days of the date of the suspension. If a hearing is  
requested, the license remains suspended pending the outcome of  
14 the hearing. If the Chief of the State Police suspends a license  
under this subsection, the licensee is entitled to a refund, on a  
16 pro rata basis, of the license fee for the remainder of the  
license period.

18           3. Suspension or revocation of license by District Court.  
The District Court may suspend or revoke a license issued under  
20 this chapter for just cause.

22           4. Just cause. As used in this section, "just cause" means:

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

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

30           C. Becoming ineligible to hold that license.  
32

34           5. Ineligibility period following refusal to issue or renew  
license or revocation of license. A person may not apply to the  
36 Chief of the State Police for any license under this chapter less  
than 2 years after the Chief of the State Police refused to issue  
38 or renew a license under this chapter or less than 2 years after  
the District Court revoked a license issued to the person under  
40 this chapter.

### 42                                   SUBCHAPTER 3

#### 44                                   VIDEO GAMING TERMINAL OPERATION; ALLOCATION OF FUNDS

#### 46                           §381. Limits on video gaming terminal use

48           1. Hours of play. A licensee may not permit a person to  
50 play a video gaming terminal at any time other than a time when

2 the sale of liquor is permissible under Title 28-A, section 4,  
3 subsection 1.

4 2. Age of player. A licensee may not permit a person under  
5 21 years of age to play a video gaming terminal.

6 3. Time and money limits imposed by licensee. A licensee  
7 may impose a daily limit on the amount of time or money spent by  
8 a person playing the video gaming terminals on the licensee's  
9 premises.

10 4. Play by members and guests. Only persons who are  
11 members of the licensee organization or guests of those members  
12 may play a video gaming terminal on the premises of the licensee.

13 **§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 minimum amount required by federal  
19 law to be reported to the United States Internal Revenue Service,  
20 the licensee shall require the person to complete a form listing  
21 the person's name, address and social security number. The  
22 licensee shall promptly send the form to the Department of  
23 Administrative and Financial Services, Bureau of Revenue Services.

24 **§383. Allocation of funds**

25 1. Allocation of net terminal income. Net terminal income  
26 must be allocated as follows:

27 A. Eight percent must be sent to the Treasurer of State for  
28 deposit in the Video Gaming Fund established in section 384;  
29 and

30 B. Two percent must be sent to the Treasurer of State for  
31 deposit in the Compulsive Gambling Rehabilitation Fund  
32 established in Title 22, section 1700-A.

33 C. Ninety percent must be paid to the licensee. If a  
34 licensee has obtained use of a video gaming terminal from a  
35 state certified distributor, the distributor must be paid,  
36 pursuant to an agreement between the licensee and the  
37 distributor, out of the funds received by the licensee under  
38 this paragraph.

39 2. Deposit of state funds. Each licensee shall maintain a  
40 bank account accessible by the State for the deposit of funds

2 owed to the State under this chapter. The licensee shall deposit  
3 in that account the State's share of the net terminal income  
4 attributable to video gaming terminals owned or leased. The  
5 licensee shall deposit in that account the State's share of net  
6 terminal income attributable to terminals. If the day on which  
7 funds must be deposited is not a business day, the funds must be  
8 deposited on the next business day after that date.

10 3. Use of state share. At the end of each fiscal year  
11 beginning after June 30, 2005, the Treasurer of State shall  
12 transfer to the Local Government Fund created in Title 30-A,  
13 section 5681 an amount equal to 10% of the state share of net  
14 terminal income derived from video gaming terminals during that  
15 fiscal year, net of state administrative costs. Thirty days  
16 after the end of each fiscal year, the Treasurer of State shall  
17 transfer to the Public Education Fund, established in Title 30-A,  
18 section 5686, all unexpended amounts of the previous fiscal  
19 year's revenues to the Local Government Fund, except those needed  
20 to fund 2 months of expenses for administering this chapter.

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

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

### 32 §384. Video Gaming Fund

34 1. Fund created. There is established the Video Gaming  
35 Fund. The fund consists of all revenue payable to the State  
36 pursuant to sections 376 and 383 and all other money credited or  
37 transferred to the fund from any other fund or source pursuant to  
38 law.

40 2. Use of money. The money in the Video Gaming Fund may be  
41 used only:

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

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

46 C. For payment to the Public Education Fund, established in  
47 Title 30-A, section 5686.  
50

2           D. For payment to the Compulsive Gambler Rehabilitation  
4           Fund, established in Title 22, section 1700-A.

6                               **SUBCHAPTER 4**

8                               **ENFORCEMENT AND PENALTIES**

10           **§391. Reports; records**

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

22           2. Location. A license holder shall maintain all records  
24           required by this chapter or by rules adopted under this chapter  
26           at the primary business office within this State of the license  
28           holder or on the premises where the video gaming terminal is  
30           operated. In the case of a video gaming terminal manufacturer or  
32           wholesaler, the records must be maintained at the primary  
34           business office of the manufacturer or wholesaler. The primary  
36           business office must be designated by the license holder in the  
38           license application. All records must be open to inspection by  
40           the Chief of the State Police, the director or the designee of  
42           either of them, and a license holder may not refuse the Chief of  
44           the State Police, the director or the designee of either of them  
46           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.

32           **§392. Access to premises, equipment, records**

34           A person holding a license under this chapter shall permit  
36           the Chief of the State Police or the chief's designee to inspect  
38           any equipment, prizes, records or items and materials used or to  
40           be used in the operation of any video gaming terminal  
42           manufactured, owned or operated by that person. A person holding  
44           a license under this chapter shall consent in writing to the  
46           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.

48           **§393. Contempt**

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

15 **§394. Violations**

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

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

20 B. Permitting a person to play a video gaming terminal  
21 licensed pursuant to this chapter at a time other than a  
22 time when the sale of liquor is permissible under Title  
23 28-A, section 4, subsection 1;

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

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

28 E. Permitting a visibly intoxicated person to play a video  
29 gaming terminal.

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

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

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

37 C. Manufacturing, distributing, selling, operating or  
38 placing a video gaming terminal for use in this State  
39 without a license or manufacturing, distributing, selling,  
40 operating or placing a video gaming terminal for use in this State  
41 without a license or manufacturing, distributing, selling,  
42 operating or placing a video gaming terminal for use in this State  
43 without a license or manufacturing, distributing, selling,  
44 operating or placing a video gaming terminal for use in this State  
45 without a license or manufacturing, distributing, selling,  
46 operating or placing a video gaming terminal for use in this State  
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99 without a license or manufacturing, distributing, selling,  
100 operating or placing a video gaming terminal for use in this State

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

10           §395. Seizure and forfeiture of illegal gaming machines

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

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

22           3. Procedure. Forfeitures under this section must be  
23           accomplished by the following procedure.

24           A. A district attorney or the Attorney General may petition  
25           the Superior Court in the name of the State in the nature of  
26           a proceeding in rem to order forfeiture of an illegal gaming  
27           machine and any monetary contents. The petition must be  
28           filed in the court having jurisdiction over the property.

29           B. The proceeding is an in rem civil action, in which the  
30           State has the burden of proving all material facts by a  
31           preponderance of the evidence.

32           C. The court shall order the State to give notice of the  
33           pendency of the action and the right to be heard by  
34           certified or registered mail or hand delivery by a deputy  
35           sheriff to any person who appears to have an interest in the  
36           illegal machine and any monetary contents. Receipt by a  
37           person then licensed to operate a motor vehicle in the State  
38           is presumed when notice is mailed to the last known address  
39           of that person on file with the Department of the Secretary  
40           of State, Bureau of Motor Vehicles.



2 D. The court shall promptly, but not less than 2 weeks  
4 after notice, hold a hearing on the petition under paragraph  
6 A after an answer is filed by a person served with notice  
under paragraph C. At the hearing, the court shall hear  
evidence and make findings of fact and enter conclusions of  
law.

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

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

30 A. The records must show:

32 (1) From whom the illegal machine and any monetary  
34 contents were received;

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

40 (3) To whom the illegal machine and any monetary  
42 contents are delivered;

44 (4) The date and manner of destruction or disposition  
46 of the illegal machine; and

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

50 B. The records must be open to inspections by all federal  
and state officers authorized by the laws of the United

2 States, a state or territory of the United States or a  
3 foreign nation to investigate or prosecute gambling laws.

4 C. The Department of Public Safety shall maintain a  
5 centralized record of illegal machines seized. At least  
6 quarterly, the department shall provide a report of the  
7 disposition of property previously held by the department to  
8 the Commissioner of Administrative and Financial Services  
9 and the legislative Office of Fiscal and Program Review.  
10 These records must include an estimate of the fair market  
11 value of items seized.

12  
13 5. Report to court. Persons making final disposition or  
14 destruction of an illegal gaming machine or its monetary contents  
15 under court order shall report, under oath, to the court the  
16 exact circumstances of the destruction or disposition.

17  
18 6. Seizure. An illegal gaming machine together with any  
19 monetary contents is contraband and may be seized by any law  
20 enforcement officer pursuant to subsection 7 or 8.

21  
22 7. Process for seizure. At the request of the State ex  
23 parte, the court may issue any preliminary order or process  
24 necessary to seize or secure the property for which forfeiture is  
25 sought and provide for its custody.

26  
27 A. Process for seizure of the property may issue only upon  
28 a showing of probable cause. The application for process  
29 for seizure of the property and the issuance, execution and  
30 return of the process are subject to the provisions of  
31 applicable state law.

32  
33 B. Any property subject to forfeiture under this section  
34 may be seized upon process.

35  
36 8. Seizure without process. Seizure without process may be  
37 made when seizure is incident to a legal search or inspection if  
38 the law enforcement officer has probable cause to believe the  
39 property seized is an illegal gaming machine.

#### 40 **§396. Criminal forfeiture**

41  
42  
43 1. Forfeiture upon conviction of violation. A person  
44 convicted of a violation of this chapter forfeits to the State  
45 all rights, privileges, interests and claims to property that is  
46 subject to forfeiture pursuant to section 395. All rights,  
47 privileges, interest and title in property subject to forfeiture  
48 under this section vest in the State upon the commission of the  
49 act giving rise to forfeiture pursuant to section 395.  
50

2           **2. Proceeding by indictment.** Property subject to  
3 forfeiture that is not yet the subject of a final order pursuant  
4 to section 395 may be proceeded against by indictment or  
5 superseding indictment of a grand jury in any related criminal  
6 proceeding in which one or more persons with an interest in the  
7 property have been simultaneously indicted for one or more  
8 violations of this chapter. At any time prior to trial, the  
9 State, with the consent of the court and any defendant with an  
10 interest in the property, may file an ancillary charging  
11 instrument or information alleging that that property is subject  
12 to criminal forfeiture. Upon commencement of a criminal  
13 forfeiture by indictment or information of any property that may  
14 be the subject of any pending civil action commenced pursuant to  
15 section 395, the civil action must be immediately stayed and  
16 subrogated to the criminal forfeiture action. Discovery in the  
17 criminal action must be as provided by the Maine Rules of  
18 Criminal Procedure.

19           **3. Seizure upon finding of probable cause.** Property subject  
20 to forfeiture that has not already been seized but has been  
21 indicted by a grand jury pursuant to this section may also be  
22 ordered seized based upon the grand jury's finding of probable  
23 cause pursuant to section 395.

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

46           **5. Person interested in forfeited property.** A person not  
47 charged in the indictment may not intervene in the criminal  
48 action. Following the entry of a verdict of forfeiture of  
49  
50

2 property pursuant to this section or the entry of a guilty plea  
3 in open court on the record, the State shall provide written  
4 notice of its intent to dispose of the property to any person  
5 known to have alleged an interest in the property. The notice  
6 may be by certified, return receipt mail or as otherwise ordered  
7 by the court. Receipt by a person then licensed to operate a  
8 motor vehicle in the State is presumed when notice is mailed to  
9 the last known address of that person on file with the Department  
10 of the Secretary of State, Bureau of Motor Vehicles. A person  
11 other than the defendant asserting a legal interest in the  
12 property within 30 days of the date of receipt of the notice may  
13 petition the court for a hearing to adjudicate the validity of  
14 any alleged interest in the property. The hearing must be held  
15 before the court without jury. The request for the hearing must  
16 be signed by the petitioner under penalty of perjury and must  
17 state the nature and extent of the petitioner's right, title or  
18 interest in the property, the time and circumstances of the  
19 petitioner's acquisition of the right, title or interest in the  
20 property, any additional facts supporting the petitioner's claim  
21 and the relief sought. Upon the filing of any petition for  
22 hearing, the court shall schedule the hearing as soon as  
23 practicable, but in no event later than 6 months after the  
24 petition is filed or after the sentencing of any defendant  
25 convicted upon the same indictment. The court shall issue or  
26 amend a final order of forfeiture in accordance with its  
27 determination if, after the hearing, the court determines that  
28 the petitioner has established by a preponderance of the evidence  
29 that:

30 A. The petitioner has a legal right, title or interest in  
31 the property and the right, title or interest renders the  
32 order of forfeiture invalid in whole or in part because the  
33 right, title or interest was vested in the petitioner rather  
34 than any defendant or was superior to any right, title or  
35 interest to the exclusion of any defendant at the time of  
36 the commission of the acts that gave rise to the forfeiture  
37 of the property under this section; and

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

42 **6. Title to property following forfeiture.** Following the  
43 entry of a verdict of forfeiture of property pursuant to this  
44 section or the entry of a guilty plea in open court on the  
45 record, the State has clear title to property that is the subject  
46 of the indictment or information and order of forfeiture and may  
47 order all or a portion of the property forfeited to the State to  
48 be disposed of pursuant to section 395.  
49  
50

2     §397. Payment to Attorney General

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

8     §398. Implementation

10            A video gaming terminal may not be operated under this  
12     chapter before April 1, 2004.

14     §399. Rules

16            Rules adopted pursuant to this chapter are routine technical  
   rules pursuant to Title 5, chapter 375, subchapter 2-A.

18            Sec. 9. 22 MRSA c. 276 is enacted to read:

20                             CHAPTER 276

22                             COMPULSIVE GAMBLER REHABILITATION

24     §1700-A. Compulsive Gambler Rehabilitation Fund

26            1. Creation of fund. The Compulsive Gambler Rehabilitation  
28     Fund, referred to in this section as "the fund," is established  
30     as a nonlapsing fund to provide rehabilitation services to  
   persons who are compulsive gamblers and are determined to be  
   eligible according to rules adopted by the department under  
   subsection 2.

32            2. Administration. The department shall administer the  
34     fund and shall adopt rules as necessary to administer the fund  
36     and to determine the criteria for eligible recipients. Rules  
   adopted pursuant to this subsection are routine technical rules  
   as defined in Title 5, chapter 375, subchapter 2-A.

38            3. Funds. In addition to funds deposited pursuant to Title  
40     8, section 383, the fund may receive money from any source,  
   including grants, gifts, bequests and donations.

42            Sec. 10. 25 MRSA §3902, sub-§4 is enacted to read:

44            4. Notice of violation of video gaming terminal laws. A  
46     liquor enforcement officer who notices a potential violation of  
48     any provision of Title 17, chapter 16 shall promptly notify the  
   Chief of the State Police of the potential violation.

50            Sec. 11. 28-A MRSA §807 is enacted to read:

2  
3 **§807. Notice to Chief of State Police**

4 The commission shall notify the Chief of the State Police of  
5 the suspension or revocation of any license under this chapter.  
6 The commission shall also notify the Chief of the State Police of  
7 any investigation of a violation of any provision of this Title.

8 **Sec. 12. 28-A MRSA §1054, sub-§11, ¶C** is enacted to read:

10 C. A municipality may not combine a permit to operate a  
11 video gaming terminal, as defined in Title 17, section 361,  
12 with any other permit. The fee for a permit to operate a  
13 video gaming terminal may not be higher than the fee for any  
14 other special entertainment permit issued by the  
15 municipality.

16  
17 **Sec. 13. 30-A MRSA §5686** is enacted to read:

18 **§5686. Public Education Fund**

20  
21 In order to aid in financing education services, the Public  
22 Education Fund is established. Money in the Public Education  
23 Fund must be distributed to each municipality in proportion to  
24 the product of the population of the municipality multiplied by  
25 the property tax burden of the municipality as defined in section  
26 5681.

28  
29 **SUMMARY**

30  
31 This bill allows operation of video gaming terminals by  
32 nonprofit organizations that are eligible for games of chance  
33 licenses and that are exempt from federal tax under Internal  
34 Revenue Code, Section 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10)  
35 or 501(c)(19). These sections of the tax code refer to  
36 charitable organizations, civic leagues, fraternal benefit  
37 societies, domestic fraternal societies and associations and  
38 veterans' organizations. Organizations that currently have  
39 licenses for electronic video machines but do not qualify under  
40 one of those code sections may apply for an initial license while  
41 they seek the required federal tax status. The organization  
42 applying for the license must own or lease the premises on which  
43 the terminals will be placed and must use the premises for its  
44 charitable or nonprofit purpose.

46 Video gaming terminal manufacturers, wholesalers and  
47 operators must be licensed by the Chief of the State Police,  
48 following background investigations of the applicants and their  
49 major business partners. Local approval is required for a  
50 license to operate video gaming terminals.

2           The license specifies the number of terminals allowed on the  
premises, and the maximum number of terminals allowed is 5 per  
4 licensee. Terminals must be licensed by the Chief of the State  
Police and must be connected to a computer system operated by the  
6 Director of the Bureau of Alcoholic Beverages and Lottery  
Operations within the Department of Administrative and Financial  
8 Services. By the end of a 5-year phase-in period, this computer  
system must provide continuous on-line monitoring of video gaming  
10 terminal activity. Persons under 21 years of age are not allowed  
to use the machines. Only members of the organization and their  
12 guests are allowed to play. The maximum dollar amount for each  
play is \$5 and the maximum payout is \$1,250. Each game on each  
14 machine must return at least 80% of wagers to players, calculated  
on an annual basis.

16  
          Net terminal income, which is income after payback to  
18 players, is divided as follows: 8% to the State for payment into  
the Video Gaming Fund for administrative expenses, municipal  
20 revenue sharing and Public Education Fund revenue; 2% to the  
Compulsive Gambler Rehabilitation Fund; and 90% to the licensee.

22  
          Licenses are issued for one year. Applicants for an initial  
24 license must pay the actual costs of processing the application  
and performing the background investigation.

26