

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

**Due to an error
in printing,
page 14 of this document
is defective.**



121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1371

I.B. 2

House of Representatives, March 18, 2003

An Act To Allow Slot Machines at Commercial Horse Racing Tracks

Transmitted to the Clerk of the 121st Maine Legislature by the Secretary of State on
February 26, 2003 and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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

4 **Sec. 1. 7 MRSA §76** is enacted to read:

6 **§76. Agricultural Fair Support Fund**

8 **1. Fund created.** The Treasurer of State shall establish an
10 account to be known as the "Agricultural Fair Support Fund" and
12 shall credit to it all the money received for that purpose under
14 Title 8, section 923, subsection 1, paragraph A, subparagraph 4.

16 **2. Disbursement.** No later than January 31st of each year,
18 all funds held as of the end of the previous calendar year in the
20 Agricultural Fair Support Fund must be distributed by the
22 Treasurer of State as follows:

24 **A.** Sixty percent of these funds must be distributed to all
26 entities licensed as agricultural fairs by the department
28 that during the previous year were licensed to and did
30 accept pari-mutuel wagers on harness horse races. Each
32 licensed entity must receive a proportionate distribution
34 based upon the number of days in the preceding year each
36 licensee raced during its regular fair meet. The funds must
38 be used by the fairs to supplement purses; and

40 **B.** Forty percent of these funds must be divided among all
42 entities licensed as agricultural fairs by the department.
44 These funds must be distributed in the same proportion as
46 funds distributed for premium reimbursement and may be used
48 at the fairs' discretion.

50 **Sec. 2. 8 MRSA §263-C, sub-§4**, as reallocated by PL 1999, c.
790, Pt. A, §8, is amended to read:

4. Duties. The executive director has the following duties:

A. Management of the work of the commission, including:

- (1) Rulemaking;
- (2) Processing appeals;
- (3) Licensing of tracks and off-track betting facilities; and
- (4) Setting race dates; and
- (5) Registration of slot machines and licensing of slot machine operators and slot machine distributors; and

2 B. Management of the work of the department regarding
harness racing and, off-track betting and slot machine
4 operations, including:

6 (1) Supervision of all staff involved in harness
racing and, off-track betting and slot machine
8 functions;

10 (2) Management of the collection and distribution of
revenues under this chapter;

12 (3) Budget development and management;

14 (4) Policy development with regard to harness racing
16 and, off-track betting and slot machines;

18 (5) Management of participant licensing;

20 (6) Enforcement of harness racing and, off-track
betting and slot machine statutes and rules;

22 (7) Investigation of harness racing and, off-track
24 betting and slot machine violations;

26 (8) Facilitating the development of positive working
relationships in the harness racing industry and State
28 Government; and

30 (9) Making reports to the Governor and Legislature and
recommendations to the commissioner regarding harness
32 racing and, off-track betting and slot machine
operations and the need for changes in statutes and
34 rules.

36 **Sec. 3. 8 MRSA §271, sub-§1**, as amended by PL 2001, c. 567,
§3, is further amended to read:

38 **1. Licensing.** If the commission is satisfied that all of
40 this chapter and rules prescribed by the commission have been
substantially complied with during the past year and will be
42 fully complied with during the coming year by the person,
association or corporation applying for a license; that the
44 applicant, its members, directors, officers, shareholders,
employees, creditors and associates are of good moral character;
46 that the applicant is financially responsible; and that the award
of racing dates to the applicant is appropriate under the
48 criteria contained in subsection 2, it may issue a license for
the holding of harness horse races or meets for public exhibition
50 with pari-mutuel pools, which must expire on December 31st. The

2 fee for a license is \$100 or \$10 per week, whichever is higher.
3 The commission shall provide a booklet containing harness racing
4 laws and rules and relevant portions of the Maine Administrative
5 Procedure Act to every initial licensee and a fee not to exceed
6 \$10 must be included in the license fee to cover the cost of this
7 publication. The commission shall provide necessary revisions of
8 this booklet to those persons renewing licenses at the time of
9 renewal and shall include the cost of the revisions, not to
10 exceed \$10, in the renewal fee. The license must set forth the
11 name of the licensee, the place where the races or race meets are
12 to be held and the specific race dates and time of day or night
13 during which racing may be conducted by the licensee. If the
14 commission determines that the location where a commercial track
15 is licensed to conduct races is unavailable, it may permit a
16 licensee to transfer its license to another location. The
17 substitute location and the races conducted there by the licensee
18 must be conducted in accordance with this chapter. ~~Any such~~
19 ~~license issued is not transferable or assignable.~~ The District
20 Court Judge, as designated in Title 4, chapter 5, may revoke any
21 license issued at any time for violation of the commission's
22 rules or licensing provisions upon notice and hearing. ~~The~~
23 ~~license of any corporation is automatically revoked, subject to~~
24 ~~Title 5, chapter 375, upon the~~ A license issued under this
25 section is transferable or assignable as long as the commission
26 finds that the transferee or assignee satisfies all elements for
27 the issuance of the license being transferred or assigned. A
28 change in ownership, legal or equitable, of 50% or more of the
29 voting stock of the a corporation and the corporation may not
30 hold a harness horse race or meet for public exhibition without a
31 new license licensed under this section constitutes a transfer of
32 the license.

33 **Sec. 4. 8 MRSA §§296 and 297** are enacted to read:

34 **§296. Fund to supplement harness racing purses**

35 **1. Fund created.** A fund is established to supplement
36 harness racing purses to which the commission shall credit all
37 payments received pursuant to section 923, subsection 1,
38 paragraph A, subparagraph (2) for distribution in accordance with
39 this section.

40 **2. Distribution.** On May 30th, September 30th and January
41 30th, all amounts credited to the fund established by this
42 section as of the last day of the preceding month and not
43 distributed before that day must be distributed to each
44 commercial track licensed to operate slot machines under section
45 911, with each track receiving that amount of the money available
46 for distribution determined by multiplying that amount times a
47 fraction, the numerator of which is the total number of live race
48 horses and the denominator is the total number of live race
49 horses.

2 days conducted by the commercial track during the preceding time
3 period and the denominator of which is the total number of race
4 days conducted by all commercial tracks licensed to operate slot
5 machines under section 911 during that time period. The payment
6 in January must be adjusted so that for the prior 3 time periods
7 each commercial track receives that fraction of the total money
8 distributed over the full year from the fund established by this
9 section, the amount determined by multiplying the total amount of
10 money times a fraction, the numerator of which is the number of
11 live race days conducted by the commercial track during the
12 calendar year and the denominator of which is the total number of
13 race days conducted by all commercial tracks licensed to operate
14 slot machines under section 911 during that calendar year. The
15 funds distributed pursuant to this section must be used to
16 supplement harness racing purses.

17 3. Rules. The commission may adopt rules to enforce the
18 obligation of licensees to use funds distributed under this
19 section to supplement harness racing purses and to require
20 licensees to account for funds.

21 **§297. Working capital advance**

22 The commission is authorized to establish an advance to the
23 commission from any licensee under section 911 in an amount of up
24 to \$250,000 to fund any necessary start-up costs associated with
25 the implementation of a system of slot machines in the State
26 pursuant to chapter 30. Funds advanced for this purpose must be
27 credited against the licensee's obligation to pay the first
28 \$250,000 to the commission under section 923.

29 **Sec. 5. 8 MRSA c. 30 is enacted to read:**

30 **CHAPTER 30**

31 **SLOT MACHINES**

32 **SUBCHAPTER 1**

33 **GENERAL PROVISIONS**

34 **§901. Definitions**

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

37 1. Associated equipment. "Associated equipment" means any
38 proprietary device, machine or part used in the manufacture or
39 maintenance of a slot machine, including, but not limited to,
40 integrated circuit chips, printed wire assemblies, printed wire
41 components, and any other device, machine or part used in the
42 manufacture or maintenance of a slot machine.

2 boards, printing mechanisms, video display monitors and metering
3 devices.

4 2. Commission. "Commission" means the State Harness Racing
5 Commission within the Department of Agriculture, Food and Rural
6 Resources.

8 3. Director. "Director" means the executive director of the
9 commission.

10 4. Drug abuser. "Drug abuser" has the same meaning as set
11 forth in Title 5, section 20003, subsection 10.

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

14 6. Drug-dependent person. "Drug-dependent person" has the
15 same meaning as set forth in Title 5, section 20003, subsection
16 12.

17 7. Distribute. "Distribute" means to sell, lease, license,
18 place or otherwise make available for use in the State.

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

21 9. Gross slot income. "Gross slot income" means money or
22 credits inserted into a slot machine minus money or credits or
23 prizes paid out to winners.

24 10. Licensee. "Licensee" means a person licensed by the
25 commission to operate a slot machine in accordance with section
26 911.

27 11. Operate. "Operate" means to offer for public use.

28 12. Pari-mutuel facility. "Pari-mutuel facility" means a
29 location at which a person is licensed under chapter 11 to accept
30 pari-mutuel wagers on horse races.

31 13. Person. "Person" means an individual, corporation,
32 association, partnership, trust or other business organization.

33 14. Slot machine. "Slot machine" means any mechanical,
34 electrical or electronic device, contrivance or machine or other
35 device, contrivance or machine that, upon insertion of a coin,
36 token, credit or similar object or thing of value, is available
37 to play or operate, the play or operation of which by the element
38 of chance may deliver or entitle the person playing or operating
39 the device, contrivance or machine to receive cash, tokens or
40 other prizes.

2 credits to be exchanged for cash, merchandise or anything of
3 value, whether the payoff is made automatically from the device,
4 contrivance or machine or in any other manner, and includes
5 progressive electronic gaming devices with a payoff that
6 increases as the electronic gaming device is played.

7 15. Slot machine distributor. "Slot machine distributor"
8 means a person who is licensed under this chapter to distribute
9 slot machines and associated equipment for use in the State.

10 16. Uniform location agreement. "Uniform location
11 agreement" means a written agreement between a licensee and a
12 slot machine distributor that governs the terms and conditions of
13 the placement of slot machines on the premises of the licensee.

14 **§902. License required**

15 1. Operation of slot machines. A person may operate a slot
16 machine in this State if the person is licensed to do so by the
17 commission under section 911, but not otherwise.

18 2. Distribution of slot machines. A person may distribute
19 a slot machine and associated equipment for use in this State if
20 the person is licensed to do so by the commission under section
21 913, but not otherwise.

22 3. Slot machines. A person may not operate or distribute a
23 slot machine in this State unless the machine is registered with
24 the commission under section 912.

25 4. Ownership of slot machines. A person may not place or
26 operate a slot machine for use in this State if the slot machine
27 is owned by any person other than a slot machine distributor
28 licensed under section 913.

29 **§903. Administration and enforcement**

30 The commission shall enforce and administer the provisions
31 of this chapter.

32 **§904. Powers and duties of the commission**

33 1. Powers. The commission may:

34 A. Regulate, supervise and exercise general control over the
35 ownership, operation and distribution of slot machines;

36 B. Adopt rules necessary to administer and enforce this
37 chapter;

2 C. Investigate any alleged violations of this chapter or
4 rules adopted under this chapter and investigate the direct
or indirect ownership or control of any licensee or slot
machine distributor;

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

10 E. Enter the offices, facilities or other places of
12 business of a licensee or slot machine distributor to
determine compliance with this chapter and rules adopted
14 under this chapter;

16 F. Require a licensee to file an annual financial report
with the commission, including a balance sheet and profit
18 and loss statement, a list of all persons having any
beneficial interest in the licensee, and such other
20 information as the commission may require, all in such form
as the commission may establish by rule;

22 G. Keep accurate and complete records of its proceedings
24 and to certify the records as may be appropriate;

26 H. Take any other action as may be reasonable or
appropriate to enforce this chapter and the rules adopted
28 under this chapter;

30 I. Approve or disapprove terms and conditions of uniform
location agreements; and

32 J. Subject to any applicable laws relating to public
34 contracts, enter into a contract for the performance of the
commission's duties under this chapter. A contract awarded
36 or entered into by the commission may not be assigned by the
holder of the contract except by specific approval of the
38 commission.

40 **2. Duties.** The commission shall:

42 A. Investigate or cause to be investigated all complaints
made to the commission regarding ownership, distribution or
44 operation of slot machines and all violations of this
chapter or the rules adopted under this chapter;

46 B. Adopt rules to prevent undesirable conduct relating to
the ownership, distribution and operation of slot machines,
48 including, but not limited to, the following:

- 2 (1) The practice of any fraud or deception upon a
player of a slot machine;
- 4 (2) The presence of a slot machine in or at premises
that may be unsafe due to fire hazard or other such
6 conditions;
- 8 (3) The use of obscene advertising;
- 10 (4) The infiltration of organized crime into the
ownership, distribution or operation of slot machines;
12 and
- 14 (5) The presence of disorderly persons in a location
where slot machines are in use;

16 C. Disable any slot machine following a determination that:

- 18 (1) A person has illegally tampered with the slot
20 machine;
- 22 (2) The funds from the slot machine have not been
distributed, deposited or allocated in accordance with
24 section 923; or
- 26 (3) The slot machine does not meet the registration
requirements of this chapter or rules adopted under
28 this chapter;

30 D. Collect funds due to the State under section 923;

32 E. Certify monthly to the Commissioner of Agriculture, Food
and Rural Resources a full and complete statement of all
34 slot machine revenue, credits disbursed by licensees,
administrative expenses and the allocation of gross slot
36 income for the preceding month;

38 F. Submit by January 15th an annual report to the Governor
and the joint standing committee of the Legislature having
40 jurisdiction over legal affairs of slot machine revenue,
credits disbursed by licensees, administrative expenses and
42 the allocation of gross slot income for the preceding year;
44 and

46 G. Prepare and submit to the Department of Agriculture, Food
and Rural Resources a budget for the administration of this
48 chapter.

50 SUBCHAPTER 2

LICENSING

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48

§911. License to operate

1. Eligible persons. The commission may issue a license to operate slot machines to any person who is licensed to operate a commercial track, as defined in section 275-A, that satisfies the following criteria:

A. The commercial track is located at or within a 5-mile radius of the center of a commercial track that conducted harness racing with pari-mutuel wagering on more than 25 days during calendar year 2002; and

B. The operation of slot machines at the commercial track is approved by the voters of the municipality in which the commercial track to be licensed is located by referendum election held at any time after December 31, 2002 and before December 31, 2003.

2. Requirements for license. The person applying for a license under subsection 1 must satisfy the qualifications set forth in section 914.

3. Operation of machines. A licensee may operate a slot machine on any day during the calendar year at the location where the commercial track is licensed to accept pari-mutuel wagers on horse races, without restriction on hours of operation.

4. Placement of slot machines. A licensee shall prohibit persons under 21 years of age from any area in which a slot machine is located except that persons 18 to 20 years of age may be present if directly employed by the licensee or a slot machine distributor.

5. Uniform location agreement. Each slot machine is subject to a uniform location agreement between the slot machine distributor and the licensee. A copy of the agreement must be submitted to the commission. The uniform location agreement is the complete and sole agreement between the licensee and the slot machine distributor regarding slot machines. No other agreement between the licensee and the slot machine distributor is legally binding.

6. Disclosure of other contracts and agreements. A licensee must disclose to the director any and all contracts or agreements the licensee establishes with a slot machine distributor.

2 7. Restriction against proliferation. A license may not be
3 issued under subsection 1 to any commercial track located within
4 100 miles of any existing licensee.

6 **§912. Registration of slot machines**

8 1. Registration required. A slot machine may not be
9 operated or distributed in this State unless the slot machine is
10 registered by the commission, the operator is licensed by the
11 commission under section 911 and the distributor of the slot
12 machine is licensed under section 913.

14 2. Requirements for registration. To be registered, a slot
15 machine:

16 A. May not have any means of manipulation that affect the
17 random probabilities of winning a game;

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

22 C. Must be designed to suspend operation until reset if a
23 person attempts, by physical or other tampering, to obtain
24 credits or cash without paying;

26 D. Must have nonresettable meters housed in a readily
27 accessible locked slot machine area that keep a permanent
28 record of all cash inserted into the slot machine, credits
29 or cash awarded by the slot machine, credits played for
30 games and credits distributed by tickets issued by the slot
31 machine; and

34 E. Must have accounting software that keeps an electronic
35 record of information that includes, but is not limited to,
36 total cash inserted into the slot machine; total cash
37 awarded, total credits played for games and total credits
38 distributed by tickets made by the slot machine; and the
39 payback percentage of each game.

40 3. Examination of prototypes. The commission shall examine
41 prototypes of slot machines and associated equipment of slot
42 machine distributors seeking registration as required in this
43 chapter. The commission shall require the slot machine
44 distributor seeking examination and approval of the slot machine
45 or associated equipment to pay the anticipated cost of the
46 examination before the examination occurs. After the examination
47 occurs, the commission shall refund overpayments or charge and
48 collect amounts sufficient to reimburse the commission for
49 underpayments of actual cost. The commission may contract for
50

2 the examinations of slot machines and associated equipment as
3 required by this section.

4 4. Unregistered slot machine subject to confiscation. Any
5 slot machine that is not registered as required by this section
6 is contraband and a public nuisance and is subject to
7 confiscation by any law enforcement officer.

8 **§913. Licensing of slot machine distributors**

10 1. License required. A person may not distribute any slot
11 machine in the State unless the person is licensed under this
12 section.

13 2. Requirements for license. The commission may issue a
14 license to distribute slot machines to an applicant that meets
15 the qualifications set out in section 914.

16 **§914. Qualifications for license**

17 1. Minimum qualifications. A person must satisfy the
18 following qualifications to be a licensee under section 911 or a
19 slot machine distributor under section 913.

20 A. The person must be of good moral character.

21 B. The person has not been convicted of a crime punishable
22 by one year or more of imprisonment in any jurisdiction,
23 unless at least 10 years have passed since satisfactory
24 completion of the sentence or probation imposed by the court
25 for the crime.

26 C. The person has not been convicted of a violation of this
27 chapter or Title 7, chapter 14.

28 D. The person is not a fugitive from justice, a drug
29 abuser, a drug addict, a drug-dependent person, an illegal
30 alien or a person who was dishonorably discharged from the
31 military forces within 10 years prior to the date of
32 application.

33 E. The person has completed the application form and
34 complied with the requirements of section 915.

35 F. The person has sufficient financial assets to meet any
36 financial obligations imposed by this chapter.

37 G. The person has not knowingly made a false statement of
38 material fact in applying for a license under this chapter.

2 H. The person has sufficient knowledge and experience in
3 the operation of commercial tracks and slot machines to
4 effectively operate the commercial track and slot machines
5 to which the license application relates in accordance with
6 this chapter and the rules and standards adopted under this
7 chapter.

8 **2. Background investigation; additional qualifications.**

9 Before a license is granted under this chapter, the commission
10 shall conduct a thorough background investigation of the
11 applicant to ensure satisfaction of the qualifications set forth
12 in this chapter and such additional qualifications as the
13 commission may establish by rules adopted under section 904. The
14 applicant shall provide information on a form as required by the
15 director.

16 **§915. Applications**

17 **1. Form.** An application for a license required under this
18 chapter must be on the form provided by the director. The
19 application must contain, but is not limited to, the following
20 information regarding the individual applicant and each officer,
21 director, partner or owner of any legal or beneficial interest in
22 a person applying for a license:

23 A. Full name;

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

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

27 D. All information the commission determines is necessary or
28 appropriate to determine whether the applicant satisfies the
29 minimum qualifications specified in section 914, subsection
30 1.

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

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

37 B. That the applicant understands that the information
38 provided pursuant to subsection 1, paragraph D is used by
39 the commission, along with other information, in judging
40 good moral character and that this information may be cause
41 for refusal to issue a license; and

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

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

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

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

24 C. Whether the applicant meets the requirements for
26 licensure under this chapter and under rules adopted under
 this chapter.

28 The consent to review records includes the applicant taking
30 whatever action is necessary to permit the commission or its
32 designee to have access to confidential records held by banks,
 courts, law enforcement agencies and the military for purposes
 stated in this subsection.

34 4. Existing license. Commercial tracks with a license to
36 operate under chapter 11 in force as of the effective date of
38 this chapter that satisfy the eligibility requirements of section
 911 must be automatically considered a licensee under section 911
 and are not required to submit an application for a license under
 section 911.

40 **§916. Fees; term of license or registration; transferability**

42 1. Fees. The annual fee for a license or registration
44 issued under this chapter is as follows:

46 A. Registration of a slot machine under section 912 is \$10;

48 B. A license for a slot machine distributor under section
50 913 is \$1,000; and

2 C. A license for an operator of a slot machine under section
3 911 is \$1,000.

4 In addition to the annual license or registration fee, the
5 director may charge a one-time application fee for a license or
6 registration listed in paragraph A, B or C in an amount equal to
7 the actual cost of processing the application and performing any
8 background investigations. All fees collected pursuant to this
9 section must be deposited directly to the General Fund.

10 **2. Term of license and registration.** All licenses and
11 registrations issued by the director under this chapter are
12 effective for 10 years and are automatically renewable at the
13 expiration of the term for an additional term of 10 years, unless
14 provided pursuant to section 917.

15 **3. Transferable.** A license issued under this chapter is
16 transferable or assignable as long as the director finds that the
17 licensee or assignee satisfies all requirements for the
18 exercise of the license transferred or assigned.

19 **Actions relating to licenses and registrations**

20 **. Suspension or revocation of license; refusal to renew.**
21 The commission may refuse to renew a license or registration or
22 renew a license or registration after a hearing in accordance
23 with the Maine Administrative Procedure Act for just cause,
24 including any of the following:

25 A. The person made or caused to be made a false statement of
26 material fact in obtaining a license or registration under
27 this chapter or in connection with service rendered within
28 the scope of the license or registration issued;

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

31 C. The holder of a license or registration under this
32 chapter becomes ineligible to hold that license or
33 registration.

34 The commission may not suspend a license or registration unless
35 the director determines that probable cause exists for the
36 suspension. The commission shall immediately notify the licensee
37 or registration holder in writing of the suspension and the date
38 the suspension is to take effect. If the licensee or
39 registration holder wishes to have a hearing, the licensee or
40 registration holder must petition the Superior Court in writing
41 within 20 days of the date of the suspension and the Superior
42 Court shall conduct a hearing expeditiously. If a hearing is

2 requested, the license or registration remains in effect pending
3 the outcome of the hearing. Suspension, nonrenewal or revocation
4 of a license or registration is subject to appeal as
5 administrative action under the Maine Administrative Procedure
6 Act.

7 2. Ineligibility period following refusal to issue or renew
8 license or revocation of license. A person may not apply to the
9 commission for any license under section 911 or 913 less than 2
10 years after the commission refused to issue or renew a license
11 under section 911 or 913 or less than one year after the
12 revocation of a license issued to the person under section 911 or
13 913.

14 **SUBCHAPTER 3**

15 **SLOT MACHINE OPERATION; ALLOCATION OF FUNDS**

16 **§921. Limits on slot machine use**

17 1. Age of player. A licensee may not permit a person under
18 21 years of age to play a slot machine.

19 2. Time and money limits not required. A licensee is not
20 required to impose a limit on the amount of time or money spent
21 by an individual playing the slot machines on the licensee's
22 premises. A licensee has no civil or criminal liability for the
23 amount of time or money spent by an individual playing slot
24 machines on the licensee's premises.

25 **§922. Payment of credits by licensee**

26 A licensee shall redeem credits for players who earn credits
27 on a slot machine located on the premises of that licensee in
28 accordance with rules adopted by the commission.

29 **§923. Allocation of funds**

30 1. Distribution from commercial track. A licensee shall
31 collect and distribute gross slot income from slot machines
32 operated by the licensee as follows.

33 A. Twenty-five percent of total gross slot income must be
34 sent to the commission for distribution by the commission as
35 follows:

36 (1) One percent of total gross slot income must be
37 retained for administrative expenses of the commission.
38 An amount not to exceed \$250,000 may be expended by the

2 commission for addiction counseling services in
3 accordance with rules adopted by the commission;

4 (2) Seven percent of total gross slot income must be
5 used by the commission to supplement harness racing
6 purses and must be disbursed for that purpose at the
7 times and in the manner prescribed in section 296;

8 (3) One percent of total gross slot income must be
9 credited by the commission to the Sire Stakes Fund
10 created in section 281;

11 (4) Three percent of the total gross slot income must
12 be forwarded by the commission to the Treasurer of
13 State, who shall credit the money to the Agricultural
14 Fair Support Fund established in Title 7, section 76;

15 (5) Ten percent of the total gross slot income must be
16 forwarded by the commission to the State Controller to
17 be credited to the Fund for a Healthy Maine established
18 by Title 22, section 1511 and segregated into a
19 separate account under Title 22, section 1511,
20 subsection 10, with use of funds in the account
21 restricted to the purposes described in Title 22,
22 section 1511, subsection 6, paragraph E;

23 (6) Two percent of the total gross slot income must be
24 forwarded by the commission to the Finance Authority of
25 Maine for application to the University of Maine System
26 Scholarship Fund created in Title 20-A, section 11631;
27 and

28 (7) One percent of the total gross slot income must be
29 forwarded by the commission to the board of trustees of
30 the Maine Technical College System to be applied by the
31 board to fund its scholarships program under Title
32 20-A, section 12716, subsection 1.

33 B. The balance of the gross slot income must be retained by
34 the licensee from which the licensee is required to pay the
35 slot machine distributor and all other expenses associated
36 with the operation of the slot machines.

37 2. Failure to deposit funds. A licensee who willfully
38 refuses to comply with this section commits a Class D crime. The
39 license of that person may be revoked by the commission and the
40 slot machines operated by that licensee may be disabled and may
41 be confiscated by the director.

2 commission, the commission may petition the Superior Court in the
3 county where the refusal occurred to find the witness in
4 contempt. The commission shall cause to be served on the witness
5 an order requiring that witness to appear before the Superior
6 Court to show cause why that witness should not be adjudged in
7 contempt. The court shall, in a summary manner, hear the evidence
8 and, if the evidence warrants the court to do so, punish the
9 witness in the same manner and to the same extent as for contempt
10 before the Superior Court or with reference to the process of the
11 Superior Court.

12 **§934. Violations**

14 **1. Violations by licensees.** The commission shall adopt by
15 rule under section 904 a schedule of fines and other disciplinary
16 actions against licensees and slot machine distributors for
17 violation of the provisions of this chapter and rules adopted
18 under this chapter.

20 **2. Class C crimes by any person.** A person commits a Class C
21 crime if that person:

22 A. Tamper with a slot machine with intent to interfere with
23 the proper operation of that slot machine;

24 B. Manipulates or intends to manipulate the outcome, payback
25 or operation of a slot machine by physical tampering or any
26 other means; or

27 C. Operates or distributes a slot machine in this State
28 without a license.

30 **§935. Fines and suspensions**

32 To enforce the provisions of this chapter and any rules
33 adopted under this chapter, the commission is authorized to
34 establish a schedule of fines for each violation of this chapter
35 or each violation of the rules. The commission is authorized to
36 levy a fine, after notice and hearing, for each violation of this
37 chapter or each violation of the rules.

38 The commission is authorized to establish a schedule of
39 suspensions of licenses and may levy suspensions for each
40 violation of this chapter or the rules adopted pursuant to this
41 chapter.

42 Any person aggrieved by any fine or suspension imposed by
43 the commission may seek judicial review pursuant to the Maine
44 Administrative Procedure Act.

45

2 **§936. Rules**

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

6 **§937. Applicability of Title 17, chapter 14**

8 Except as expressly provided in this chapter, the provisions
of Title 17, chapter 14 do not apply to the ownership,
10 distribution or operation of slot machines in the State.

12 **Sec. 6. 22 MRSA §1511, sub-§10** is enacted to read:

14 **10. Restricted accounts.** The State Controller is
authorized to establish separate accounts within the fund in
16 order to segregate money received by the fund from any source,
whether public or private, that requires as a condition of the
18 contribution to the fund that the use of the money contributed be
restricted to one or more of the purposes specified in subsection
20 6. Money credited to a restricted account established under this
subsection may be applied only to the purposes to which the
22 account is restricted.

24 **Sec. 7. 25 MRSA §3902, sub-§4** is enacted to read:

26 **4. Notice of violation of slot machine law.** A liquor
enforcement officer who notices a violation of any provision of
28 Title 8, chapter 30 shall promptly notify the State Harness
Racing Commission of the violation.

32 **SUMMARY**

34 This initiated bill allows the operation of slot machines by
36 certain persons who are licensed to operate a commercial track. A
person under 21 years of age is prohibited from playing a slot
38 machine.

40 The initiated bill provides for regulation of the operation
of slot machines by the State Harness Racing Commission and the
42 Executive Director of the State Harness Racing Commission within
the Department of Agriculture, Food and Rural Resources.

44 Gross income from slot machines, which is income after
payback to players, is divided as follows: 75% is retained by the
46 person licensed to operate the slot machines; 10% must be sent to
the State Controller to be credited directly to the Fund for a
48 Healthy Maine with its use restricted to providing financial
assistance with prescription drugs for adults who are elderly or
50 disabled; 7% must be sent to the State Harness Racing Commission

2 to be used to supplement harness racing purses; 3% must be
forwarded to the Treasurer of State who shall credit the money to
4 the Agricultural Fair Support Fund; 2% must be forwarded to the
Finance Authority of Maine for application to its University of
6 Maine System Scholarship Fund; 1% must be sent to the commission
for application to administrative expenses, including
8 expenditures by the commission for addiction counseling services;
1% must be sent to the board of trustees of the Maine Technical
10 College System for application to its scholarship program and 1%
must be sent to the commission for application to its Sire Stakes
Fund.