

# MAINE STATE LEGISLATURE

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# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 350

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S.P. 130

In Senate, February 12, 2013

### An Act To Amend the Laws Governing Gambling

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Submitted by the Department of Public Safety pursuant to Joint Rule 204.  
Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator TUTTLE of York.  
Cosponsored by Representative BEAULIEU of Auburn.

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

2 **Sec. 1. 8 MRSA §1001, sub-§2**, as amended by IB 2009, c. 2, §1, is further  
3 amended to read:

4 **2. Associated equipment.** "Associated equipment" means any component part used,  
5 or intended for use, in a slot machine or table game, ~~including, but not limited to,~~  
6 ~~software, integrated circuit chips, printed wired assemblies, printed wired boards, printing~~  
7 ~~mechanisms, video display monitors and metering devices.~~

8 **Sec. 2. 8 MRSA §1001, sub-§13-A** is enacted to read:

9 **13-A. Electronic facsimile.** "Electronic facsimile" means a game approved by the  
10 board that is played in an electronic or electromechanical format that replicates a table  
11 game by incorporating all of the characteristics of the game. "Electronic facsimile" does  
12 not include a slot machine.

13 **Sec. 3. 8 MRSA §1001, sub-§20**, as amended by IB 2009, c. 2, §7, is further  
14 amended to read:

15 **20. Gaming employee.** "Gaming employee" means any person connected directly  
16 with a gambling facility, including cashiers, change personnel, counting room personnel,  
17 hosts, persons who extend credit or offer complimentary services, machine mechanics,  
18 security personnel, supervisors or managers. "Gaming employee" also includes  
19 employees of a slot machine distributor ~~or~~ table game distributor or gambling services  
20 vendor whose duties are directly involved with repair or distribution of slot machines,  
21 gaming devices or table games.

22 **Sec. 4. 8 MRSA §1001, sub-§27**, as amended by IB 2009, c. 2, §9, is further  
23 amended to read:

24 **27. Key executive.** "Key executive" means any executive of a licensee having  
25 power to exercise a significant influence over decisions concerning the operation or  
26 distribution of slot machines ~~or~~ table games or gambling services.

27 **Sec. 5. 8 MRSA §1001, sub-§34**, as enacted by PL 2003, c. 687, Pt. A, §5 and  
28 affected by Pt. B, §11, is amended to read:

29 **34. Payback percentage.** "Payback percentage" means the percentage, ~~on an annual~~  
30 ~~average basis,~~ of the total value of money or tokens, credits or similar objects or things of  
31 value used to play a slot machine that is returned to players of that slot machine as  
32 winnings, prizes or credits.

33 **Sec. 6. 8 MRSA §1001, sub-§36-A**, as enacted by PL 2009, c. 266, §1, is  
34 amended to read:

35 **36-A. Promotional credit.** "Promotional credit" means any noncashable electronic  
36 thing of value used solely to play a slot machine that is provided by a slot machine  
37 operator or a casino operator to customers and approved by the Gambling Control Board.

1 Promotional credits played by slot machine customers have no value attributed to their  
2 use for purposes of calculating gross slot machine income, net slot machine income and  
3 payback percentage.

4 **Sec. 7. 8 MRSA §1001, sub-§45**, as enacted by PL 2003, c. 687, Pt. A, §5 and  
5 affected by Pt. B, §11, is repealed.

6 **Sec. 8. 8 MRSA §1003, sub-§2, ¶H**, as enacted by PL 2003, c. 687, Pt. A, §5  
7 and affected by Pt. B, §11, is amended to read:

8 H. Pursuant to subchapter 5, cause the department to investigate all complaints made  
9 to the board regarding ownership, distribution or operation of slot machines or table  
10 games and all violations of this chapter or rules adopted under this chapter;

11 **Sec. 9. 8 MRSA §1003, sub-§2, ¶L**, as enacted by PL 2003, c. 687, Pt. A, §5 and  
12 affected by Pt. B, §11, is amended to read:

13 L. Ensure that the slot machine operator or casino operator does not have access to  
14 any system that is capable of programming slot machines;

15 **Sec. 10. 8 MRSA §1003, sub-§3, ¶I**, as amended by IB 2009, c. 2, §25, is further  
16 amended to read:

17 I. Establishment of a list of persons who are to be excluded or removed from any  
18 slot machine facility or casino, including those persons who voluntarily request that  
19 their names be included on the list of excluded persons. ~~These rules must define the~~  
20 ~~standards for exclusion and removal and include standards regarding persons who are~~  
21 ~~career or professional offenders, as defined by rules of the board, whose presence in a~~  
22 ~~slot machine facility or casino would, in the opinion of the board, be inimical to the~~  
23 ~~interest of the State;:~~

24 (1) Define the standards for exclusion and removal and include standards  
25 regarding persons who are career or professional offenders, as defined by rules of  
26 the board, whose presence in a slot machine facility or casino would, in the  
27 opinion of the board, be inimical to the interest of the State; and

28 (2) Provide that, in addition to any other penalty provided by law, any money or  
29 thing of value that has been obtained by, or is owed to, an excluded person by a  
30 licensee as a result of wagers made by the person after the person has been  
31 excluded may not be paid to the person but must be remitted by the licensee to  
32 the board or its designee for deposit in the General Fund for gambling addiction  
33 services;

34 **Sec. 11. 8 MRSA §1004-A, sub-§2, ¶B**, as enacted by IB 2009, c. 2, §26, is  
35 amended to read:

36 B. The casino must contain a count room and such other secure facilities as may be  
37 required by the board for the counting and storage of cash, coins, tokens, checks,  
38 plaques, gaming vouchers, coupons and other devices or items of value used in  
39 wagering and approved by the board that are received in the conduct of gaming and  
40 for the inspection, counting and storage of dice, cards, chips and other representatives

1 of value. A drop box or other device in which these items are deposited at the  
2 gaming tables, and any area in which these boxes and devices are kept while in use,  
3 must be equipped with a locking device ~~to which there are 2 keys, one of which must~~  
4 ~~be under the exclusive control of the board and the other of which must be under the~~  
5 ~~exclusive control of the casino operator~~ approved by the board. These drop boxes  
6 and other devices may not be brought into or removed from a casino room except at  
7 such times, in such places and according to such procedures as the board may require.

8 **Sec. 12. 8 MRSA §1006, sub-§8** is enacted to read:

9 **8. Voluntary exclusion.** Records and information obtained or developed by the  
10 board as part of establishing and administering the list of persons who voluntarily request  
11 exclusion from any slot machine facility or casino are confidential, except that such  
12 information may be released with the written consent of the person requesting voluntary  
13 exclusion and as is necessary to enforce the voluntary exclusion.

14 **Sec. 13. 8 MRSA §1015, sub-§1**, as amended by IB 2009, c. 2, §32, is further  
15 amended to read:

16 **1. License required.** A person may not be employed by a slot machine operator,  
17 casino operator, slot machine distributor, table game distributor or gambling services  
18 vendor unless the person is licensed to do so by the board, temporarily authorized as an  
19 employee pursuant to subsection 4 or granted a waiver by the board pursuant to  
20 subsection 3.

21 **Sec. 14. 8 MRSA §1015, sub-§§4 and 5** are enacted to read:

22 **4. Employees authorized temporarily.** A new employee of a slot machine  
23 operator, casino operator, slot machine distributor, table game distributor or gambling  
24 services vendor is temporarily authorized to work in a position requiring an employee  
25 license pursuant to subsection 1 as of the date a completed employee license application  
26 is received by the board. A completed employee license application is composed of:

27 A. The completed form for application for an employee license approved by the  
28 board;

29 B. Two complete sets of the fingerprints of the applicant;

30 C. The fee for processing the employee license application as prescribed by the  
31 board; and

32 D. The results of the background investigation conducted by the employer.

33 If the department determines after receiving an employee license application under this  
34 subsection that the application is incomplete, it may suspend the new employee's  
35 temporary authorization until such time as the new employee files a completed  
36 application.

37 Temporary authorization is not available for renewal of employee licenses.

38 **5. Termination of temporary authorization.** Unless suspended or revoked, a  
39 temporary authorization under subsection 4 continues until the granting or denial of the

1 new employee's employee license application in accordance with sections 1016, 1017 and  
2 1019 and any applicable rules adopted by the board. An applicant whose temporary  
3 authorization is suspended or revoked is not eligible for employment in a position  
4 requiring an employee license pursuant to subsection 1 until such time as the suspension  
5 or revocation is withdrawn or an employee license is issued.

6 **Sec. 15. 8 MRSA §1016, sub-§1, ¶D**, as amended by IB 2009, c. 2, §33, is  
7 further amended to read:

8 D. In the case of a person applying to be a slot machine operator or casino operator,  
9 the person has sufficient knowledge and experience in the business of operating slot  
10 machines or casinos to effectively operate the slot machine facilities or casino to  
11 which the license application relates in accordance with this chapter and the rules and  
12 standards adopted under this chapter; and

13 **Sec. 16. 8 MRSA §1016, sub-§1, ¶E**, as enacted by PL 2003, c. 687, Pt. A, §5  
14 and affected by Pt. B, §11, is repealed.

15 **Sec. 17. 8 MRSA §1016, sub-§1, ¶F**, as enacted by PL 2003, c. 687, Pt. A, §5  
16 and affected by Pt. B, §11, is amended to read:

17 F. If the applicant is a business organization, the applicant is organized in this State,  
18 although that business organization may be a wholly or partially owned subsidiary of  
19 an entity that is organized pursuant to the laws of another state or a foreign country;  
20 and.

21 **Sec. 18. 8 MRSA §1016, sub-§1, ¶G**, as enacted by PL 2003, c. 687, Pt. A, §5  
22 and affected by Pt. B, §11, is repealed.

23 **Sec. 19. 8 MRSA §1016, sub-§1-A** is enacted to read:

24 **1-A. Further qualifications.** In addition to the qualifications set forth in subsection  
25 1, and notwithstanding Title 5, chapter 341, the board may refuse to grant a license if the  
26 person has had a gambling-related license application denied or an adverse action taken  
27 against a gambling-related license by authorities in this State or any other jurisdiction.  
28 For purposes of this subsection, "adverse action" includes, but is not limited to, a  
29 condition resulting from an administrative, civil or criminal violation, a suspension or  
30 revocation of a license or a voluntary surrender of a license to avoid or resolve a civil,  
31 criminal or disciplinary action. In making a determination under this subsection, the  
32 board shall consider whether the person has established sufficient rehabilitation to  
33 warrant the public trust.

34 **Sec. 20. 8 MRSA §1016, sub-§2**, as amended by PL 2009, c. 487, Pt. B, §3, is  
35 further amended to read:

36 **2. Suitability.** In addition to the ~~minimum~~ qualifications set forth in subsection 1  
37 and subsection 1-A, a person may not receive a license unless the board determines that  
38 the person is suitable and that the public interest is served by granting or renewing the  
39 person's license. In making a determination of suitability, the board shall consider  
40 whether the person:

- 1 A. Is of good moral character. In determining whether a person is of good moral  
2 character, the board shall consider qualities that include but are not limited to  
3 honesty, candor, trustworthiness, diligence, reliability, observance of fiduciary and  
4 financial responsibility and respect for the rights of others;
- 5 B. Has not in any jurisdiction been convicted of or pled guilty or nolo contendere to  
6 a crime punishable by one year or more of imprisonment;
- 7 C. Has not been adjudicated of committing a civil violation or been convicted of a  
8 criminal violation involving dishonesty, deception, misappropriation or fraud;
- 9 D. Has not engaged in conduct in this State or any other jurisdiction that would  
10 constitute a violation of this chapter, chapter 11 involving gambling, Title 17, chapter  
11 13-A or 62 or Title 17-A, chapter 39 or substantially similar offenses in other  
12 jurisdictions;
- 13 E. Is not a fugitive from justice, a drug abuser, a drug addict, a drug-dependent  
14 person, an illegal alien or a person who was dishonorably discharged from the Armed  
15 Forces of the United States;
- 16 F. Is current in filing all applicable tax returns and in the payment of all taxes,  
17 penalties and interest owed to this State, any other state or the Internal Revenue  
18 Service, excluding items under formal appeal; and
- 19 G. Has demonstrated financial responsibility. For the purposes of this paragraph,  
20 "financial responsibility" means a demonstration of a current and expected future  
21 condition of financial solvency sufficient to satisfy the board that the person can  
22 successfully engage in business without jeopardy to the public health, safety and  
23 welfare. "Financial responsibility" may be determined by an evaluation of the total  
24 history concerning the person, including past, present and expected condition and  
25 record of financial solvency, business record and accounting and managerial  
26 practices.

27 Title 5, chapter 341 does not apply to this section.

28 **Sec. 21. 8 MRSA §1016, sub-§3**, as enacted by PL 2003, c. 687, Pt. A, §5 and  
29 affected by Pt. B, §11, is amended to read:

30 **3. Applicant other than individual.** If the person required to meet the ~~minimum~~  
31 qualifications and suitability requirements specified in subsections 1, 1-A and 2 is a  
32 business organization, the key executives, directors, officers, partners, shareholders,  
33 creditors, owners and associates of the person must meet the suitability requirements  
34 specified in subsection 2.

35 **Sec. 22. 8 MRSA §1017, sub-§1, ¶¶C and D**, as enacted by PL 2003, c. 687, Pt.  
36 A, §5 and affected by Pt. B, §11, are amended to read:

37 C. A record of previous issuances and denials of or any adverse action taken against  
38 a gambling-related license or application under this chapter or in any other  
39 jurisdiction. For purposes of this paragraph, "adverse action" includes, but is not  
40 limited to, a condition resulting from an administrative, civil or criminal violation, a

1 suspension or revocation of a license, or a voluntary surrender of a license to avoid or  
2 resolve a civil, criminal or disciplinary action;

3 D. All information the board determines is necessary or appropriate to determine  
4 whether the applicant satisfies the ~~minimum~~ qualifications specified in section 1016,  
5 ~~subsection~~ subsections 1 and 1-A; and

6 **Sec. 23. 8 MRSA §1020, sub-§2, ¶D**, as enacted by PL 2003, c. 687, Pt. A, §5  
7 and affected by Pt. B, §11, is repealed.

8 **Sec. 24. 8 MRSA §1020, sub-§2, ¶G**, as enacted by PL 2003, c. 687, Pt. A, §5  
9 and affected by Pt. B, §11, is amended to read:

10 G. Must have a minimum average daily aggregate payback percentage of 89%  
11 computed for all slot machines operated at each slot machine facility or casino on a  
12 weekly basis; and

### 13 SUMMARY

14 This bill makes the following changes to the gambling laws.

15 1. It changes definitions and other provisions of law in order to reflect the addition of  
16 casinos.

17 2. It amends the laws governing the establishment of a list of persons who are to be  
18 excluded from a slot machine facility or casino to require the forfeiture of money from  
19 the winnings of voluntarily excluded persons and the deposit of this money in the General  
20 Fund for gambling addiction services, and to require the protection of the information as  
21 confidential of those who voluntarily place themselves on the exclusion list.

22 3. It changes the way certain keys are handled within casinos.

23 4. It allows for temporary authorization to allow employees to work in positions for  
24 which a license is required during the licensing process.

25 5. It changes the laws governing when the Gambling Control Board within the  
26 Department of Public Safety may refuse to grant a license to a person based on a previous  
27 adverse action taken against that person.

28 6. It removes the requirement that all key executives be citizens or permanent  
29 residents of the United States.

30 7. It removes the requirement that slot machines have nonresettable meters.