

MAINE STATE LEGISLATURE

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E I G H T Y - E I G H T H L E G I S L A T U R E

Legislative Document

No. 1103

H. P. 1913

House of Representatives, October 27, 1937.

Referred to Committee on Taxation and 500 copies ordered printed.
Sent up for concurrence.

HARVEY R. PEASE, Clerk.

Presented by Mr. Larrabee of West Bath.

S T A T E O F M A I N E

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-SEVEN

AN ACT Defining, Regulating and Taxing Games of Skill.

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

Sec. 1. Terms defined. "Games of skill" shall mean any slot machine, or contrivance which releases balls or other objects subject to the controls of the slot machine or contrivance, upon the insertion of a coin, disc, or token, the play of which machine or contrivance is in some measure dependent upon the skill of the player.

The word "dealer" or "distributor" as used in this chapter shall mean any person, firm or corporation that is engaged in the business of exchanging, leasing, letting, or placing for use any game of skill within the meaning of this act, in the state.

Sec. 2. Distributors licensed. Every person, firm or corporation engaging in the business of exchanging, leasing, letting, or placing for use any game of skill in the state, shall first file with the state tax assessor an application for a distributor's license, accompanied with a fee of \$500, which license, if granted, shall expire annually on the 30th day of June next ensuing. The state tax assessor, after due investigation, may issue licenses to bona fide distributors or dealers in games of skill. In case of failure to comply with the provisions of this act and rules and regulations made by

the state tax assessor, the state tax assessor may revoke any distributor's license without refund of license fee.

Sec. 3. Limitation on number of distributor's licenses. The number of distributors shall not exceed one for every 15,000 inhabitants of the state and a greater number of distributor's licenses shall not be in force at any one time.

Sec. 4. License required for each machine. On each and every game of skill in the possession of any distributor or in the possession of his lessees, he shall pay an annual license fee of \$50. Such licenses shall be issued by the state tax assessor and with every such license, a stamp shall be issued which shall be affixed to the machine before same is leased by the distributor to any other person, and shall be valid until the 30th day of June next after the same is issued by the state tax assessor.

Sec. 5. Limitation on number of games. No distributor shall have in his possession or in the possession of his lessees, a total of more than 200 games of skill as defined in this act, at any one time and at no time shall the state tax assessor allow the total number of licenses of one distributor to exceed 200, but machines destroyed or otherwise retired from use may be replaced by others and the licenses and stamps belonging thereto may be transferred to the substituted machines by permission of the state tax assessor.

Sec. 6. Games must be property of licensed distributors. It shall be unlawful for any person, firm or corporation, other than a duly licensed distributor, to have in his possession any game of skill as defined in this act unless the same is hired or leased from a duly licensed distributor and remains the property of said distributor.

Sec. 7. License fee of lessees of distributors; reports. Any lessee of a distributor shall, before allowing any person to play or operate any game of skill as defined in this act, pay to the state tax assessor a license fee of \$10.00 on each game of skill which said lessee is to allow to be played or operated. The state tax assessor shall issue to such lessee, a stamp showing the payment of said license fee and such stamp shall be affixed to each machine so licensed.

Upon lease by a distributor to a lessee, of any such game of skill, said distributor shall immediately make a report to the state tax assessor, giving the name and address of the lessee, the number of machines leased and such other information as said state tax assessor may in his rules and regulations require. Said licenses and stamps may be transferred from one machine to another by permission of the state tax assessor.

Sec. 8. Rules and regulations. The state tax assessor shall have full power to administer the provisions of this act. He may make all reasonable and necessary rules, orders and regulations for the effective and orderly administration of this act and may employ such persons as may be in his judgment necessary for the administration and enforcement of the same.

Sec. 9. Expenses of administration; use of revenue. All expenses incurred under the provisions of this act shall be paid from the revenue produced by the fees herein established. After payment of said expenses all revenue produced by the provisions of this act shall be paid to the treasurer of state by said state tax assessor and constitute a part of the general funds of the state, and the state tax assessor is hereby authorized and directed to abate to the various cities, towns and plantations of the state the entire net proceeds of the revenue produced by this act; the same to apply as a credit on the amount due from said cities, towns and plantations on the state tax assessed against them for each year, the abatement to each of said political subdivisions being based upon the proportion which its state tax bears to the entire state tax.

Sec. 10. Limitation on use of machines. No lessee or distributor shall allow any minor or intoxicated person to operate or play any game of skill as defined in this act, nor shall any person be allowed to play or operate same on Sunday.

For violation of the provisions of this section, the state tax assessor may, after hearing, order the distributor of said machine or machines so operated to remove the same from the possession of the lessee and said lessee shall not again be licensed to operate or have in his possession any game of skill as defined in this act.

Any person, firm or corporation aggrieved by any action of said tax assessor taken by him under this section may appeal within 10 days to any justice of the superior court by presenting to him a petition therefor, in term time or vacation. Such justice, or any other justice of said court, shall fix a time for hearing, which may be in term time or vacation, and cause notice to be given to the petitioner, the state tax assessor and to such other parties as he may deem interested and, after hearing, said justice shall affirm or reverse the decision of the state tax assessor and such decision of such justice shall be final. In case there is no appeal from the decision of the state tax assessor within 10 days, or in case of appeal the decision is adverse to the petitioner no refund of license fee shall be made.

If the state tax assessor, as authorized in section 2, after hearing, revokes the license of any distributor as defined in this act for any violation of this act or of any rule, regulation or order issued by said state tax assessor for

the orderly administration of the provisions of this act, said distributor may appeal in the same manner as provided in the preceding paragraph of this section.

Sec. 11. Penalty. Any person, firm or corporation who shall fail to comply with any of the foregoing provisions of this act, or who shall violate any of the rules, orders or regulations made by the state tax assessor for the orderly and efficient administration of the provisions of this act or who shall have in his possession any such game of skill contrary to the provisions of this act shall be guilty of a misdemeanor and shall be punished by a fine of not less than \$10 nor more than \$50, or by imprisonment for not more than 60 days, or by both such fine and imprisonment.

Sec. 12. Amending clause. So much of chapter 136 of the revised statutes, and of all other acts and parts of acts as may or might be construed to declare the possession, operation, buying, selling, offering for sale, leasing, operation or playing thereof, or other use of any game of skill, as defined in this act, to be illegal or unlawful, are hereby repealed and the leasing, operation, playing, possession, buying, selling or other use of said games of skill, is hereby declared to be lawful, if in accordance with the provisions of this act.

Sec. 13. Validity of act. If for any reason, any section, subsection, paragraph, sentence, clause or phrase of the foregoing sections of this act shall be held unconstitutional, such decision shall not affect the validity of any other portion.

It is hereby declared to be the legislative intent that all valid portions of this act would have been adopted had such void or ineffective sections, subsections, paragraphs, sentences, clauses or phrases not been included therein.

It is hereby declared to be the legislative intent that all limitations on the number of distributor's licenses and the limitations of the number of machines allowed to each distributor and the provisions restricting lawful possession of games of skill to distributors and their lessees, and all other restrictive provisions contained in this act are intended as regulations under the police power of the state.