

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND NINETEENTH LEGISLATURE

SECOND REGULAR SESSION
January 5, 2000 to May 12, 2000

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
AUGUST 11, 2000

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
2000

Sec. 19. 24-A MRSA §4204, sub-§3-A, ¶D, as enacted by PL 1993, c. 702, Pt. A, §12, is amended to read:

D. Notwithstanding any provisions of this section and chapter 13-A allowing other investments, a health maintenance organization shall maintain cash or investment grade obligations, as defined in section ~~4462-A~~ 1151-A, that at all times have a fair market value of not less than 100% of the organization's liability for claims payable and incurred, but not reported, claims, unearned premiums, unpaid claims adjustment expenses and, as applicable, any statutory, special or additional reserves provided by the health maintenance organization for the benefit of members as of the most recent calendar quarter prepared on the basis of statutory accounting principles. If the organization's liability for claims payable and incurred, but not reported, claims increased more than 10% prior to the end of the calendar quarter, the organization must, within 10 days of the determination, reallocate its investments to ensure compliance with this paragraph. The investments required by this paragraph constitute admitted assets of the organization.

See title page for effective date.

CHAPTER 716

H.P. 1756 - L.D. 2462

An Act to Amend the Control of the Revenue Generated by Games of Chance at the Agricultural Fairs

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the agricultural fair season starts prior to 90 days after the adjournment of the second regular session; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 17 MRSA §332, sub-§4, ¶A, as amended by PL 1993, c. 410, Pt. PP, §1, is further amended to read:

A. An agricultural society or a bona fide non-profit organization may operate a game of chance on the grounds of ~~the~~ an agricultural society and during the annual fair of the agricultural society.

Sec. 2. 17 MRSA §335, sub-§1, as amended by PL 1993, c. 45, §5, is further amended to read:

1. Prohibition. Proceeds of any games of chance may not be used to provide salaries, wages or other remuneration to members, officers or employees of any organization authorized to conduct games of chance under this chapter, except that an organization licensed to operate beano or bingo and Lucky 7 games in conjunction with beano or bingo and agricultural societies licensed to operate games of chance on the grounds of the agricultural society and during the annual fair of the agricultural society may use the proceeds or part of the proceeds to pay salaries, wages or remuneration to any person directly involved in operating the beano, bingo ~~or~~, Lucky 7 games or games of chance operated by an agricultural society on the grounds of the agricultural society and during the annual fair of the agricultural society. Payments to persons directly involved in operating beano, bingo or Lucky 7 games may not exceed 20% of the revenue generated by the games. Payments by an agricultural society to persons directly involved in the operation of games of chance operated by agricultural societies during the annual fair of the agricultural society may not exceed 300% of the minimum wage as established pursuant to Title 26, section 664, subsection 1.

Sec. 3. 17 MRSA §335, sub-§2-B is enacted to read:

2-B. Exceptions for agricultural fairs. Agricultural fairs licensed to conduct games of chance may pay wages and salaries subject to the limitations set out in subsection 1 to operators of games of chance hired by the agricultural fair society.

Sec. 4. 17 MRSA §336, sub-§1-A is enacted to read:

1-A. Records required by agricultural fairs. The treasurer of the agricultural fair society conducting a game of chance that is operated by a member of the agricultural fair society, or the treasurer's designee, shall keep a record as required by subsection 1. An agricultural fair society that employs operators who are not members of the agricultural fair society and that is required to use tokens as provided by section 341, subsection 3, shall keep a record of all tokens, tickets or other devices used to play games of chance, sold and redeemed for cash. The records must include the exact amount of income from the sale of tokens, tickets or other devices used to play games of chance and the exact amount paid towards the redemption of the tokens, tickets or other devices used to play games

of chance, for cash. The records must include an exact account of expenses and disposition of all other proceeds, including but not limited to payments to any person, firm, corporation, association or organization for any purpose whatsoever. All records of financial transactions involving games of chance must be separate and distinguishable from all other financial records of the organization.

Sec. 5. 17 MRSA §336, sub-§2-A is enacted to read:

2-A. Disposition of funds reports by agricultural fairs. Agricultural fair societies licensed to conduct games of chance that are operated by members of the agricultural fair society are subject to the disposition of funds reporting requirements provided in subsection 2. Within 10 business days after the last day of any period during which games of chance are conducted by an agricultural fair society that employs operators who are not members of the agricultural fair society and that is required to use tokens as provided by section 341, subsection 3, the agricultural fair society shall file with the Chief of the State Police a disposition of funds form prescribed and furnished by the Chief of the State Police. The report must provide, in detail, the total number of tokens, tickets or other devices used to play games of chance sold and redeemed for cash and the disposition of funds from the proceeds of the sale of tokens. Every statement must be made under oath by an officer of the agricultural fair society or by the member of the agricultural fair society in charge of the sale and redemption of tokens, tickets or other devices used to play games of chance.

Sec. 6. 17 MRSA §336-A, sub-§2-A is enacted to read:

2-A. Agricultural societies; lease agreements. When a gambling apparatus or implement is leased as provided in section 337 to an agricultural society, the distributor shall forward to the Chief of the State Police a copy of the lease agreement prior to delivery of the gambling apparatus or implement. The terms of the lease must include, but are not limited to, the name of the lessor; address of the lessor; name of the lessee; address of the lessee; description of the gambling apparatus or implement; serial number, model name or number of the gambling apparatus or implement; and all prices and payments for the lease. Each lease must be for a specific period of time no longer than the duration of the annual fair of that lessee, and each gaming apparatus must have its own separate lease. Gambling apparatus or implements leased under this section:

A. May only be operated for the exclusive benefit of the agricultural society, except for leased amounts subject to the provisions of section 337

amounts for the gambling apparatus or implements may be paid to the distributor for the lease; and

B. Must bear the name and address of the distributor.

Sec. 7. 17 MRSA §337, first ¶, as amended by PL 1989, c. 254, §4, is further amended to read:

~~No~~ A distributor may not sell, lease, market or otherwise distribute gambling apparatus or implements unless licensed by the Chief of the State Police, except that ~~no~~ a license is not required for the sale, marketing or distribution of raffle tickets when the holder of the winning chance receives something of value worth less than \$10,000.

Sec. 8. 17 MRSA §337, 3rd ¶, as amended by PL 1989, c. 254, §4, is further amended to read:

~~No~~ A distributor may not sell, market or otherwise distribute gambling apparatus or implements to any a person or organization, except to persons or organizations licensed to operate or conduct games of chance under section 332, licensed to conduct a special exempt raffle under section 331, subsection 7 or 8, or eligible to conduct a raffle pursuant to section 331, subsection 6. ~~No~~ A distributor may not lease or loan or otherwise distribute free of charge any gambling apparatus or implements to any an organization eligible to operate a game of chance. A distributor may lease gambling apparatus or implements to an agricultural society licensed to operate games of chance on the grounds of the agricultural society and during the annual fair of the agricultural society as long as the distributor does not charge the agricultural society an amount in excess of 50% of the gross revenue from any licensed game of chance.

Sec. 9. 17 MRSA §341, sub-§1, as amended by PL 1981, c. 698, §90, is further amended to read:

1. Limits. A licensed game of chance shall be is limited as to the amount to be gambled for any one chance to ~~50¢~~ \$1, except that an organization may operate and conduct a game of cards and charge no more than \$1 daily entry fee for participation in a game of cards, provided that as long as no money or valuable thing other than \$1 daily entry fee is gambled in connection with a game of cards.

Sec. 10. 17 MRSA §341, sub-§§3 to 6 are enacted to read:

3. Games conducted at agricultural fairs. Beginning January 1, 2001, games of chance conducted at agricultural fairs may be conducted only with tickets, tokens or other device approved by the Chief of the State Police by rule distributed by the agricultural fair society.

4. Games conducted at agricultural fairs by members of agricultural society or bona fide nonprofit. Beginning January 1, 2001, games of chance operated and conducted solely by members of an agricultural fair society or games of chance operated and conducted by members of bona fide nonprofit organizations on the grounds of the agricultural society and during the annual fair of the agricultural society may use cash, tickets, tokens or other device approved by the Chief of the State Police by rule.

Notwithstanding any other provision of this section, the tickets, tokens or other device approved by the Chief of the State Police must be unique to the agricultural society and may be in denominations from 25¢ to 50¢. The tickets, tokens or device approved by the Chief of the State Police may be sold and redeemed only by a person who has been a member or active volunteer of the agricultural society for at least 2 fair seasons. The agricultural society has the burden of proof for demonstrating the qualification of members or active volunteers.

5. Requirements. Agricultural fair societies that use tokens shall provide records and reports as required by section 336, subsections 1-A and 2-A.

6. Rules. Rules adopted pursuant to subsections 3 and 4 are routine technical rules as defined by Title 5, chapter 375, subchapter II-A.

Sec. 11. Review by November 15, 2003. The Chief of the State Police or the chief's designee and a representative from the Department of Agriculture, Food and Rural Resources shall report regarding the operation of games of chance at agricultural fairs to the joint standing committee of the Legislature having jurisdiction over games of chance by November 15, 2003.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective April 14, 2000.

CHAPTER 717

H.P. 1706 - L.D. 2412

An Act to Clarify the Process for a County Bond Referendum Election

Mandate preamble. This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX,

Section 21, two thirds of all of the members elected to each House have determined it necessary to enact this measure.

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

Sec. 1. 30-A MRSA §934, as amended by PL 1991, c. 778, §1, is further amended to read:

§934. Loans

The county commissioners may obtain loans of money for the use of their county and cause notes ~~or~~ obligations ~~or bonds~~, with coupons for lawful interest, to be issued for payment of the loans. These loans may not exceed \$10,000, except in Franklin County and Aroostook County as provided in sections 935 and 935-A, without first obtaining the consent of the county, substantially as provided in section 122 ~~or by countywide referendum pursuant to section 938.~~

Sec. 2. 30-A MRSA §936, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, is repealed.

Sec. 3. 30-A MRSA §938 is enacted to read:

§938. Bond issue referendum election; conduct; public hearings

Except as otherwise provided in sections 122, 934 and 937, the method of voting and the conduct of a county bond referendum election are governed by Title 21-A.

1. County commissioners, administrators; perform duties of Secretary of State. When Title 21-A applies to a county bond referendum election, the county commissioners or county administrators shall perform the duties of the Secretary of State prescribed by Title 21-A.

2. Budget review; public hearings. Prior to each county bond referendum election, each county bond issue question must be reviewed by the appropriate county budget committee. Following this review, the county commissioners shall conduct at least one public hearing in each of the county commissioner districts in that county. The public hearing must include a reading of each bond issue question proposed by the commissioners to be voted upon by the county.

3. Statewide election. A county bond referendum election may only be conducted during a statewide election.

4. Result filed with the Secretary of State. The result of a county bond referendum election must be declared by the county commissioners or county