

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

First Regular Session

Bill Summaries

*Joint Standing Committee
on
Legal and Veterans' Affairs*

July 2003

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Maine State Legislature

Office Of Policy And Legal Analysis Office Of Fiscal And Program Review

121st Maine Legislature First Regular Session

Summary Of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing and joint select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER PURSUANT TO HP 1212</i>	<i>Bills carried over to the 2nd Regular Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONT P</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP-ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PASSED</i>	<i>Joint Order passed in both bodies</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

Please note that the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 13, 2003.

David C. Elliott, Director
Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Legal and Veterans' Affairs

LD 1349

An Act Concerning Recognition of Qualified Political Parties

INDEF PP

Sponsor(s)
EDER

Committee Report
OTP-AM

Amendments Adopted

LD 1349 proposed to allow a recognized political party to maintain its qualified status by either receiving 5% of the ballots cast for Governor or President in either of the 2 preceding general elections or maintaining an enrollment of members equal to 0.5% of all registered voters in the State.

Committee Amendment "A" (H-379) proposed to replace the bill. The amendment proposed to replace the current system of requirements for gaining and maintaining recognition as a qualified political party with a system based on enrollment of 15,000 voters. The amendment proposed to require a recognized political party to maintain an enrollment of 15,000 voters in order to maintain its qualified status. The amendment proposed to require a political party to enroll 15,000 voters to obtain qualified status. The amendment also proposed to repeal the provisions of law that allow a party to obtain qualified status by organizing around a candidate who received 5% of the vote for Governor or President and to repeal the provisions of law that allow a party to obtain qualified status by filing a petition with the signatures and legal addresses of voters equal in number to at least 5% of the total vote cast in the State for Governor at the last preceding gubernatorial election. The amendment proposed to add a fiscal note to the bill. This amendment was not adopted.

LD 1354

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

CARRIED OVER

Sponsor(s)
THOMPSON
GAGNON

Committee Report

Amendments Adopted

LD 1354, which was carried over to the Second Regular Session, proposes to allow operation of video gaming terminals by nonprofit organizations that are eligible for games of chance licenses and that are exempt from federal tax under Internal Revenue Code, Section 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10) or 501(c)(19). These sections of the tax code refer to charitable organizations, civic leagues, fraternal benefit societies, domestic fraternal societies and associations and veterans' organizations. Under this bill, organizations that currently have licenses for electronic video machines but do not qualify under one of those code sections would be able to apply for an initial license while they seek the required federal tax status. The organization applying for the license would be required to own or lease the premises on which the terminals would be placed and would be required to use the premises for its charitable or nonprofit purpose.

As proposed by this bill, video gaming terminal manufacturers, wholesalers and operators would be required to be licensed by the Chief of the State Police, following background investigations of the applicants and their major business partners. Local approval would be required for a license to operate video gaming terminals.

As proposed by this bill, the license specifies the number of terminals allowed on the premises, and the maximum number of terminals allowed would be 5 per licensee. Terminals would be required to be licensed by the Chief of the State Police and would be required to be connected to a computer system operated by the Director of the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services.

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By the end of a 5-year phase-in period, this computer system would be required to provide continuous on-line monitoring of video gaming terminal activity. Persons under 21 years of age would not be allowed to use the machines. Only members of the organization and their guests are allowed to play. The maximum dollar amount proposed by this bill for each play is \$5 and the maximum payout would be \$1,250. Each game on each machine would be required to return at least 80% of wagers to players, calculated on an annual basis.

This bill proposed that net terminal income, which would be income after payback to players, would be divided as follows: 8% to the State for payment into the Video Gaming Fund for administrative expenses, municipal revenue sharing and Public Education Fund revenue; 2% to the Compulsive Gambler Rehabilitation Fund; and 90% to the licensee.

Licenses would be issued for one year. Applicants for an initial license would be required to pay the actual costs of processing the application and performing the background investigation.

Committee Amendment "A" (H-546) proposed to restrict the types of nonprofit organizations eligible for a license to operate video gaming terminals. It proposed to remove from eligibility organizations that are exempt from federal tax under Internal Revenue Code, Sections 501(c)(3) and 501(c)(4). It would maintain organizations that would be eligible for games of chance licenses and that are exempt from federal tax under Internal Revenue Code, Section 501(c)(8), 501(c)(10) or 501(c)(19). These sections of the tax code refer to fraternal benefit societies, domestic fraternal societies and associations and veterans' organizations. The organization applying for the license would be required to own or lease the premises on which the terminals would be placed and would be required to use the premises for its charitable or nonprofit purpose.

Under this amendment, video lottery terminals operated by organizations licensed under this amendment would be required to be owned or leased by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations. Video gaming terminal manufacturers, wholesalers and operators would be required to be licensed by the Chief of the State Police, following background investigations of the applicants and their major business partners. Local approval would be required for a license to operate video gaming terminals. The amendment proposed to specify that local approval would be required for renewal of a license to operate video gaming terminals and that municipal decisions are subject to appeal to the Chief of the State Police in accordance with the Maine Administrative Procedure Act.

The license proposed by this amendment would specify the number of terminals allowed on the premises; the maximum number of terminals allowed would be 5 per licensee. Terminals would be required to be licensed by the Chief of the State Police and would be required to be connected to a computer system operated by the Director of the Bureau of Alcoholic Beverages and Lottery Operations. Persons under 21 years of age would not be allowed to use the machines. The amendment proposed to specify that if an organization's liquor license is suspended, the license to operate video gaming terminals would also be suspended until the liquor license is reinstated. Only members of the organization and their guests would be allowed to play. As proposed, the maximum dollar amount for each play would be \$5 and the maximum payout would be \$1,250. Each game on each machine would be required to return at least 80% of wagers to players, calculated on an annual basis.

Net terminal income, which would be income after payback to players, would be divided among the state, the municipalities, a compulsive gambling fund for prevention and treatment of compulsive gambling and the charitable organization. Two percent of the net terminal income would go to the Compulsive Gambler Rehabilitation Fund and 75% to the licensee. Twenty-three percent of the income would go to the State for payment into the Video Gaming Fund for administrative expenses not to exceed 2%; the rest of the Video Gaming Fund would be divided between municipal revenue sharing and the municipalities that host the organizations that operate video lottery

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terminals. Host municipalities would receive their share in proportion to the amount of revenue that would be generated by video gaming terminals in their municipality.

Under this amendment, licenses would be issued for one year. The amendment proposed to reduce the fees proposed by the bill. It proposed that the license fee per terminal be \$500, and for wholesalers, manufacturers and operators, the fee would be \$3,500. Applicants for an initial license would be required to pay the actual costs of processing the application and performing the background investigation.

The amendment also proposed to specify that any rules put forth by the Bureau of Alcoholic Beverages and Lottery Operations and the Chief of the State Police to administer and enforce the laws related to video gaming by nonprofits would be major substantive rules.

The amendment also proposed to add an appropriations and allocations section.

The amendment was the majority report when the bill was reported out of committee. The bill was subsequently sent back to the committee and carried over.

LD 1361

An Act To Support Harness Horse Racing in Maine, Equine Agriculture in Maine, Maine Agricultural Fairs and the General Fund of the State

UNSIGNED

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GAGNON	OTP-AM MAJ	S-256
CLARK	ONTP MIN	

LD 1361 proposed to allow video lottery terminals to be placed at licensed commercial racetracks and licensed off-track wagering facilities in the State. Commercial tracks would be permitted to operate up to 1500 machines under this bill, while off-track betting facilities would be limited to 200. Terminal revenues would support the State's General Fund, harness racing purses, the Agricultural Fair Support Fund, the local municipalities where the terminals are located, the licensee and the prevention and treatment of problem gambling. Under this bill, enforcement and rule-making authority would be assigned to the Maine State Lottery Commission and the Maine State Police.

Committee Amendment "A" to (S-256) proposed to change the bill by striking a commercial racetrack as an entity eligible for a video lottery terminal license. If a commercial racetrack operates an off-track betting facility, that facility would be eligible to be licensed to operate video lottery terminals. Under the amendment, commercial racetracks would have first right of refusal for any new off-track betting facility license. Off-track betting facilities would still be eligible for video lottery terminal licenses under this amendment. Off-track betting facilities operated by commercial racetracks would be permitted to operate up to 600 machines while other off-track betting facilities would be limited to 200. Under this amendment, an off-track betting facility would be permitted to change its location within 10 miles of its current location with the consent of all off-track betting facilities and commercial racetracks within 50 miles. This amendment also proposed to add a fiscal note to the bill.