

MAINE STATE LEGISLATURE

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*State Of Maine
121st Legislature*

*Second Regular Session and
Second Special Session*

Bill Summaries

*Joint Standing Committee
on
Legal and Veterans' Affairs*

May 2004

Staff:

*Danielle D. Fox, Legislative Analyst
Lucia Nixon, Legislative Analyst*

*Office of Policy and Legal Analysis
13 State House Station
Augusta, ME 04333
(207) 287-1670*

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Sen. Kenneth F. Lemont
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Maine State Legislature



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

*121st Maine Legislature
Second Regular Session and
Second Special 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/billsumm.htm).

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:

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

Please note that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is April 30, 2004; and non-emergency legislation enacted in the Second Special Session is July 30, 2004. Four bills (LD's 1572, 1629, 1636 and 1637) that were considered at the First Special Session in August 2003 are also included in these summaries.

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

Joint Standing Committee on Legal and Veterans' Affairs

2. Defining a payment made to a 3rd party, not an employee of the candidate, candidate's political committee or party committee or political action committee, as an expenditure for the purposes of reporting and requiring expenditures made to that person to be itemized by the amount, reason and date of the expenditure; and
3. Requiring reports made by candidates, political action committees and independent expenditures regarding contributions to contain, in addition to the name of the contributor, the occupation and place of business of the contributor. This requirement already exists for party committees.

Committee Amendment "A" (H-828) was the majority report of the committee and proposed to retain only the provision in the bill that defined a payment made to a 3rd party who is not an employee of the candidate, the candidate's political committee, the party committee or the political action committee as an expenditure for the purpose of reporting and the provision that requires expenditures made to such a person to be itemized by the amount of, reason for and date of the expenditure. The amendment proposed to strike a provision in current law that prohibits a broadcasting station within this State from broadcasting a communication made by a political action committee expressly advocating the election or defeat of a candidate unless that communication includes a statement that indicates that a copy of the report is available from the Commission on Governmental Ethics and Elections Practices. The communication would still be required to include the name and address of the political action committee that financed the communication.

Enacted Law Summary

Public Law 2003, chapter 615 defines payment made to a 3rd party who is not an employee of a candidate, a candidate's political committee, a party committee or a political action committee as expenditures for the purpose of reporting and requires that expenditures made to such a person be itemized by the amount of, reason for and date of the expenditure. Chapter 615 strikes a provision in current law that prohibits a broadcasting station within this State from broadcasting a communication made by a political action committee expressly advocating the election or defeat of a candidate unless that communication includes a statement that indicates that a copy of the report is available from the Commission on Governmental Ethics and Elections Practices. The communication is still required to include the name and address of the political action committee that financed the communication.

LD 1354

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

DIED BETWEEN BODIES

Sponsor(s)	Committee Report	Amendments Adopted
THOMPSON	OTP-AM MAJ	
GAGNON	ONTP MIN	

LD 1354 proposed to allow the 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. Organizations that currently have licenses for electronic video machines but do not qualify under one of those code sections would be permitted to apply for an initial license while they seek the required federal tax status. The organization applying for the license must own or lease the premises on which the terminals would be placed and must use the premises for its charitable or nonprofit purpose. Video gaming terminal manufacturers, wholesalers and operators would be required to be licensed by the Chief of the State Police, following background investigations

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of the applicants and their major business partners. Local approval would be required for a license to operate video gaming terminals.

The bill proposes that the license specify 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. By the end of a 5-year phase-in period, this computer system would 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 would be allowed to play. 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 is 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 pay the actual costs of processing the application and performing the background investigation.

Committee Amendment "A" (H-546) which was not adopted, 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 are 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 proposed 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 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 also be required for renewal of a license to operate video gaming terminals and that municipal decisions would be subject to appeal to the Chief of the State Police in accordance with the Maine Administrative Procedure Act.

The license would specify the number of terminals allowed on the premises; the maximum number of terminals allowed would be 5 per licensee. Terminals would 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 be suspended until the liquor license is reinstated. Only members of the organization and their guests would be allowed to play. The maximum dollar amount for each play would be \$5 and the maximum payout is \$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 is 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

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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 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.

Licenses would be issued for one year. Applicants for an initial license would 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.

Committee Amendment "B" (H-814) which was not adopted, was a revised version of the original committee amendment and proposed changes to the distribution of net terminal income, noted later in this summary.

This amendment proposed to restrict the types of nonprofit organizations eligible for a license to operate video gaming terminals. It would 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 would be 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.

Video lottery terminals operated by organizations licensed as proposed 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 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 also required for renewal of a license to operate video gaming terminals and that municipal decisions would be subject to appeal to the Chief of the State Police in accordance with the Maine Administrative Procedure Act.

The license would specify the number of terminals allowed on the premises; the maximum number of terminals allowed is 5 per licensee. Terminals would 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 is also suspended until the liquor license is reinstated. Only members of the organization and their guests would be allowed to play. 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 is 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. The revised amendment provides that 23% of the income would go to the State for payment into the

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Video Gaming Fund for administrative expenses not to exceed 10%; 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 terminals. Host municipalities receive their share in proportion to the amount of revenue that is generated by video gaming terminals in their municipality.

Licenses would be issued for one year. The amendment proposed to reduce the fees proposed by the bill. The license fee for wholesalers, manufacturers and operators would be \$3,500. Applicants for an initial license would 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.

House Amendment "A" to Committee Amendment "B" (H-830) which was not adopted, proposed to make 2 technical changes to ensure that the committee amendment would be internally consistent.

The first change would remove a reference to a phase-in period that was removed by Committee Amendment "B" and the 2nd change would clarify record-keeping concerning illegal machines and monetary control.

House Amendment "B" to Committee Amendment "B" (H-922) which was not adopted, proposed to require approval by the voters of a municipality or, in the case of an unincorporated place, approval by the voters of a county for the operation of video gaming terminals.

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

INDEF PP

Sponsor(s)
GAGNON
CLARK

Committee Report
RECEIVED BY
SECRETARY PUR
TO JT. RULE
309

Amendments Adopted

LD 1361 proposed to allow limited numbers of video lottery terminals to be placed at licensed commercial racetracks and licensed off-track wagering facilities in the State. Terminal revenues would support the State's General Fund, harness racing purses, the Agricultural Fair Support Fund, the local municipalities where the terminals would be located, the licensee and the prevention and treatment of problem gambling. Broad enforcement and rule-making authority would be assigned to the Maine State Lottery Commission and the Maine State Police.

Committee Amendment "A" (S-256) which was not adopted, proposed to change the bill by striking a commercial track as an entity eligible for a video lottery terminal license. If a commercial track operates an off-track betting facility, that facility would be eligible to be licensed to operate video lottery terminals. Under the amendment, commercial tracks 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. Under this