



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 1469

H.P. 1078

House of Representatives, April 12, 2011

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

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Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

Presented by Representative FITTS of Pittsfield.  
Cosponsored by Senator PATRICK of Oxford and  
Representative: PETERSON of Rumford.

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

2 **Sec. 1. 8 MRSA §372, sub-§2, ¶I**, as amended by PL 2003, c. 673, Pt. MM, §1,  
3 is further amended to read:

4 I. Carry on a continuous study and investigation of the lotteries throughout the State  
5 and the operation and administration of similar laws that may be in effect in other  
6 jurisdictions. The director, subject to the prior approval of the commission, may  
7 enter into a written agreement with a multijurisdictional lottery association for the  
8 operation, marketing and promotion of a joint lottery or joint lottery games with other  
9 jurisdictions.

10 Any final agreement entered into with a multijurisdictional lottery association must  
11 provide that the director has the authority to terminate the agreement upon the  
12 provision of reasonable notice, not to exceed 6 months. The final agreement must  
13 further provide that the director may terminate the agreement at any time, without  
14 prior notice, in the event that the director's authority is withdrawn or limited by law;  
15 ~~and~~

16 **Sec. 2. 8 MRSA §372, sub-§2, ¶J**, as enacted by PL 1991, c. 780, Pt. Y, §112, is  
17 amended to read:

18 J. Assign duties as necessary to a designee; and

19 **Sec. 3. 8 MRSA §372, sub-§2, ¶K** is enacted to read:

20 K. Carry out the duties assigned to the director under Title 17, chapter 130, including  
21 developing and maintaining a central computer system to monitor licensed video  
22 gaming terminals and coordinating and cooperating with the Chief of the State Police  
23 in implementing and enforcing that chapter.

24 **Sec. 4. 8 MRSA §374, sub-§1, ¶L**, as amended by PL 1997, c. 301, §1, is further  
25 amended to read:

26 L. The apportionment of the total annual revenue accruing from the sale of lottery  
27 tickets or shares and from all other sources for the payment of prizes to the holders of  
28 winning tickets or shares; for the payment of costs incurred in the operation and  
29 administration of the lotteries, including the expenses of the commission and the  
30 costs resulting from any contract or contracts entered into for promotional,  
31 advertising, consulting or operational services or for the purchase or lease of lottery  
32 equipment and materials; for the repayment of the money appropriated to the State  
33 Lottery Fund; and for transfer to the General Fund for distribution pursuant to section  
34 387; ~~and~~

35 **Sec. 5. 8 MRSA §374, sub-§1, ¶M**, as enacted by PL 1997, c. 301, §2, is  
36 amended to read:

37 M. The imprinting on all lottery tickets sold in the State of the overall odds of  
38 winning a prize for each game; and

39 **Sec. 6. 8 MRSA §374, sub-§1, ¶N** is enacted to read:

1 N. Rules to administer and enforce Title 17, chapter 130, which may be adopted  
2 jointly with the Chief of the State Police. Rules adopted pursuant to this paragraph  
3 are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

4 **Sec. 7. 17 MRSA §1847** is enacted to read:

5 **§1847. Applicability**

6 Except as expressly provided in chapter 130, this chapter does not apply to video  
7 gaming terminals.

8 **Sec. 8. 17 MRSA c. 130** is enacted to read:

9 **CHAPTER 130**

10 **VIDEO GAMING TERMINALS**

11 **SUBCHAPTER 1**

12 **GENERAL PROVISIONS**

13 **§3911. Definitions**

14 As used in this chapter, unless the context otherwise indicates, the following terms  
15 have the following meanings.

16 **1. Associated equipment.** "Associated equipment" means any proprietary device,  
17 machine or part used in the manufacture or maintenance of a video gaming terminal,  
18 including, but not limited to, integrated circuit chips, printed wired assemblies, printed  
19 wired boards, printing mechanisms, video display monitors and metering devices.

20 **2. Director.** "Director" means the Director of the Bureau of Alcoholic Beverages  
21 and Lottery Operations in the Department of Administrative and Financial Services.

22 **3. Drug abuser.** "Drug abuser" has the same meaning as set forth in Title 5, section  
23 20003, subsection 10.

24 **4. Drug addict.** "Drug addict" has the same meaning as set forth in Title 5, section  
25 20003, subsection 11.

26 **5. Drug-dependent person.** "Drug-dependent person" has the same meaning as set  
27 forth in Title 5, section 20003, subsection 12.

28 **6. Engaged in reckless or negligent conduct.** "Engaged in reckless or negligent  
29 conduct" means engaged in conduct that in fact created a substantial risk of death, serious  
30 bodily injury or bodily injury to another human being while either consciously  
31 disregarding or failing to be aware of a risk that the conduct would cause such a result,  
32 and the disregard or failure to be aware of that risk, when viewed in light of the nature  
33 and purpose of the conduct and the circumstances known to the actor, involved a gross  
34 deviation from the standard of conduct that a reasonable and prudent person would  
35 observe in the same situation.

1           **7. Formal charging instrument.** "Formal charging instrument" means a complaint,  
2 an indictment, an information, a juvenile petition or other formal written accusation  
3 against a person for some criminal or juvenile offense.

4           **8. Fugitive from justice.** "Fugitive from justice" has the same meaning as set forth  
5 in Title 15, section 201, subsection 4 or 18 United States Code, Section 921(a)(15) or a  
6 person subject to an outstanding warrant of arrest in this State or any other jurisdiction for  
7 a crime punishable by imprisonment for one year or longer.

8           **9. Illegal gaming machine.** "Illegal gaming machine" or "illegal machine" means a  
9 machine as defined in section 1831, subsection 9 that:

10           A. Is required to be licensed under this chapter, but is not so licensed;

11           B. Is required to be licensed under chapter 62, but is not so licensed; or

12           C. Is licensed under either chapter 62 or this chapter, but is being operated in a  
13 manner that violates the license.

14           **10. Licensee.** "Licensee" means a person licensed by the Chief of the State Police  
15 under section 3921 to operate a video gaming terminal.

16           **11. Net terminal income.** "Net terminal income" means money inserted into a video  
17 gaming terminal minus credits paid out in cash.

18           **12. Operate.** "Operate" means to offer for use.

19           **13. Payback value.** "Payback value" means the value of credits granted to players  
20 by a video gaming terminal compared to the value of money inserted into the terminal by  
21 players, calculated as a percentage on an annual basis.

22           **14. Person.** "Person" means an individual, corporation, association or partnership.

23           **15. Uniform location agreement.** "Uniform location agreement" means a written  
24 agreement in a form prescribed by the Chief of the State Police between a video gaming  
25 terminal licensee and a video gaming terminal wholesaler that governs the terms and  
26 conditions of the agreement, including the placement of video gaming terminals on the  
27 premises of the licensee.

28           **16. Video gaming terminal.** "Video gaming terminal" or "terminal" means a  
29 machine that, upon insertion of coin or currency, is available to play or simulate the play  
30 of a video game authorized by the Chief of the State Police, including, but not limited to,  
31 poker, keno, blackjack and line games using a video display and microprocessor, in  
32 which by chance the player may receive free games or credits that may be redeemed for  
33 cash.

34           **17. Video gaming terminal manufacturer.** "Video gaming terminal manufacturer"  
35 means a person who assembles or produces video gaming terminals or associated  
36 equipment for sale or use in this State.

1           **18. Video gaming terminal wholesaler.** "Video gaming terminal wholesaler"  
2           means a person who sells video gaming terminals or associated equipment for distribution  
3           in this State.

4           **§3912. License required**

5           A person may not manufacture, sell, operate or place a video gaming terminal for use  
6           in this State unless the person is licensed to do so by the Chief of the State Police under  
7           this chapter. A person may not place for use or operate a video gaming terminal in this  
8           State unless the terminal is licensed by the Chief of the State Police under section 3923.

9           **§3913. Administration and enforcement**

10           The Chief of the State Police and the director shall administer and enforce the  
11           provisions of this chapter as specified in this chapter.

12           **§3914. Powers and duties of Chief of State Police**

13           **1. Powers.** In addition to powers conferred by any other provision of law, the Chief  
14           of the State Police may:

15           A. Regulate, supervise and exercise general control over the operation of video  
16           gaming terminals;

17           B. Investigate the direct or indirect ownership or control of a video gaming terminal  
18           or associated equipment by any licensee;

19           C. Adopt rules necessary to administer and enforce this chapter, including adopting  
20           rules jointly with the State Liquor and Lottery Commission. Rules adopted pursuant  
21           to this paragraph are routine technical rules pursuant to Title 5, chapter 375,  
22           subchapter 2-A;

23           D. In any investigation conducted under this chapter, issue subpoenas to compel the  
24           attendance of witnesses and the production of evidence relevant to any fact at issue;  
25           and

26           E. Approve or disapprove terms and conditions of uniform location agreements.

27           **2. Duties.** The Chief of the State Police shall:

28           A. Investigate or cause to be investigated all complaints made to the Department of  
29           Public Safety, Bureau of State Police and all violations of this chapter or the rules  
30           adopted under this chapter. A complaint made pursuant to this paragraph must be in  
31           writing, signed by the complainant and dated;

32           B. Adopt rules, which are routine technical rules pursuant to Title 5, chapter 375,  
33           subchapter 2-A, to prevent undesirable conduct relating to the operation of video  
34           gaming terminals, including the following:

35           (1) The practice of any fraud or deception upon a player of a video gaming  
36           terminal;

37           (2) The presence of a video gaming terminal on premises that may be unsafe due  
38           to fire hazard or other such conditions;

- 1                   (3) The use of obscene advertising;
- 2                   (4) The solicitation on a public way of persons to play video gaming terminals;
- 3                   (5) The infiltration of organized crime into the operation of video gaming
- 4                   terminals;
- 5                   (6) The presence of disorderly persons in a location where video gaming
- 6                   terminals are in use; and
- 7                   (7) The use of the word "casino" to describe any video gaming terminal licensed
- 8                   under this chapter or as the name or any part of the name of the licensed premises
- 9                   or of a portion of the premises where the video gaming terminal is located;

10                   C. Direct the director to disable any video gaming terminal if the Chief of the State  
11                   Police has reason to believe that:

- 12                   (1) A person has illegally tampered with the terminal as described in section
- 13                   3944, subsection 2, paragraphs A and B;
- 14                   (2) The funds from the terminal have not been distributed, deposited or allocated
- 15                   in accordance with section 3933;
- 16                   (3) The terminal does not meet the licensure requirements of this chapter; or
- 17                   (4) The licensee is guilty of criminal conduct; and

18                   D. Approve uniform location agreements submitted by licensees pursuant to section  
19                   3922, subsection 2.

20                   **§3915. Powers and duties of director**

21                   **1. Powers.** In addition to powers conferred by any other provision of law, the  
22                   director may:

23                   A. Propose to the State Liquor and Lottery Commission for adoption rules necessary  
24                   to administer and enforce this chapter, including rules to be adopted jointly with the  
25                   Chief of the State Police. Rules adopted by the commission pursuant to this  
26                   paragraph are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A;  
27                   and

28                   B. Subject to approval of the State Liquor and Lottery Commission and to any  
29                   applicable laws relating to public contracts, enter into a contract for performance of  
30                   the director's duties under this chapter. All contracts must be awarded in accordance  
31                   with rules adopted by the Department of Administrative and Financial Services  
32                   pursuant to Title 5, chapters 141 to 145 and Title 5, sections 1812 and 1813. A  
33                   contract awarded or entered into by the director may not be assigned by the holder of  
34                   the contract, except by specific approval of the commission.

35                   **2. Duties.** The director shall:

36                   A. Develop, install and test a central computer system with continuous online polling  
37                   to all licensed video gaming terminals to provide auditing program information. The  
38                   system may not limit participation to only one manufacturer of video gaming  
39                   terminals by either the cost of implementing the necessary program modifications to

1 communicate or an inability to communicate with the central computer system. In  
2 developing the system, the director shall allow for a 5-year phase-in period in  
3 accordance with section 3923, subsection 3 for licensees to acquire equipment  
4 capable of interfacing with a central computer system;

5 B. Maintain and monitor the central computer system to ensure compliance with this  
6 chapter;

7 C. Attempt to determine the cause of any video gaming terminal malfunction  
8 detected by the central computer system and notify the Chief of the State Police of  
9 any suspected tampering with a video gaming terminal or any other violation of this  
10 chapter or the rules adopted under this chapter;

11 D. Cause the central computer system to disable a video gaming terminal as directed  
12 by the Chief of the State Police in accordance with section 3914, subsection 2,  
13 paragraph C;

14 E. Collect funds due the State under section 3933 and deposit them in the Video  
15 Gaming Fund established in section 3934;

16 F. Immediately notify the Chief of the State Police of the failure of any licensee to  
17 comply with section 3933;

18 G. Certify monthly to the Treasurer of State, the State Liquor and Lottery  
19 Commission and the Commissioner of Administrative and Financial Services a full  
20 and complete statement of all video gaming terminal revenue, credits disbursed by  
21 licensees, administrative expenses and the allocation of net terminal income for the  
22 preceding month;

23 H. Submit by January 15th an annual report to the Governor and the joint standing  
24 committee of the Legislature having jurisdiction over gaming matters. The report  
25 must include information on video gaming terminal revenue, credits disbursed by  
26 licensees, administrative expenses and the allocation of net terminal income for the  
27 preceding year;

28 I. Prepare and submit to the Commissioner of Administrative and Financial Services  
29 a budget; and

30 J. Cooperate with the Chief of the State Police in implementing and enforcing the  
31 provisions of this chapter.

32 **§3916. Applicability of chapter 62**

33 Except as expressly provided in this chapter, chapter 62 does not apply to video  
34 gaming terminals. Section 1838 relating to use of proceeds applies to the use of net  
35 terminal income by licensees under this chapter.

36 **SUBCHAPTER 2**

37 **LICENSING**

1           **§3921. License to operate**

2           **1. Eligible entities.** The Chief of the State Police may issue a license to operate a  
3 video gaming terminal to a person who:

4           A. Is eligible for a license to conduct games of chance pursuant to section 1832;

5           B. Is exempt from federal taxation under the United States Internal Revenue Code,  
6 Section 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10) or 501(c)(19); and

7           C. Owns or leases the premises upon which the video gaming terminal will be  
8 located and uses those premises to fulfill the primary charitable or nonprofit purpose  
9 of the organization. If the premises are leased, the lease must run for a term longer  
10 than the license term.

11 Notwithstanding paragraph B, an organization that holds a license under section 1832 to  
12 operate an electronic video machine on the effective date of this chapter is eligible to  
13 apply for and receive a license under this section to operate a video gaming terminal for  
14 up to 18 months, as long as the organization applies for federal tax status as specified in  
15 paragraph B. If the Chief of the State Police determines that the organization is making a  
16 good faith effort to secure the required tax status and is likely to be given such status, the  
17 Chief of the State Police may extend the term of the license for an additional 6 months to  
18 allow the United States Internal Revenue Service time to complete processing the  
19 application for tax status. If the organization applied for such status and was rejected  
20 within 3 years of the effective date of this section, that organization is not eligible under  
21 this subsection.

22           **2. Qualifications for license.** A person may be issued a license to operate a video  
23 gaming terminal if the person is eligible for a license under subsection 1, has completed  
24 application forms as provided by the Chief of the State Police and has sufficient financial  
25 assets to meet the financial obligations imposed by this chapter and a method acceptable  
26 to the Chief of the State Police for meeting those obligations, and the individual applicant  
27 for the license and, when the person applying is a corporation, association or partnership,  
28 each officer, director or partner of the corporation, association or partnership:

29           A. Has not been convicted in the State or any other jurisdiction of a misdemeanor  
30 crime of domestic violence, within the meaning of 18 United States Code, Section  
31 921(a)(33);

32           B. Does not have a formal charging instrument pending in the State or any other  
33 jurisdiction for a misdemeanor crime of domestic violence, within the meaning of 18  
34 United States Code, Section 921(a)(33);

35           C. Has not been convicted in the State or any other jurisdiction within the past 3  
36 years of 3 or more crimes punishable by imprisonment for less than one year, if those  
37 convictions arose from different criminal episodes;

38           D. Has not within the past 3 years engaged in reckless or negligent conduct that is  
39 substantiated by information of record by a governmental entity;

40           E. Is current in payment of all taxes, interest and penalties owed to the State or to a  
41 municipality, excluding items under formal dispute or appeal pursuant to applicable  
42 statutes or ordinances;



1 F. Has not been involved in any criminal activity and has not been convicted of a  
2 crime punishable by one year or more of imprisonment in any jurisdiction unless at  
3 least 10 years have passed since satisfactory completion of the sentence or probation  
4 imposed by the court for the crime;

5 G. Has not been convicted of a violation of this chapter or chapter 62 or of  
6 equivalent laws in any other state;

7 H. Has not been adjudicated within the past 3 years of having committed a juvenile  
8 offense involving conduct that, if committed by an adult, would cause the Chief of  
9 the State Police to refuse to approve a license application under this section;

10 I. Is not a fugitive from justice, a drug abuser, a drug addict, a drug-dependent  
11 person, an illegal alien or a person who was discharged from the United States Armed  
12 Forces under dishonorable conditions within 3 years prior to the date of application;

13 J. Has completed the application form and complied with the requirements of section  
14 3925; and

15 K. Has not knowingly made a false statement of material fact to the Chief of the  
16 State Police in applying for a license under this chapter or chapter 62.

17 **3. Local approval of application for license.** The Chief of the State Police may not  
18 issue a license to operate a video gaming terminal until the initial application for the  
19 license is first approved by the municipal officers of the municipality in which the  
20 applicant's premises are located or, if the premises are located in an unincorporated place,  
21 until the application is approved by the county commissioners of the county in which the  
22 unincorporated place is located.

23 **4. Hearing process.** The municipal officers or, in the case of an unincorporated  
24 place, the county commissioners of the county in which the unincorporated place is  
25 located may hold a public hearing for the consideration of applications for new video  
26 gaming terminal licenses. The municipal officers or county commissioners may hold a  
27 public hearing for the consideration of requests for renewal of licenses.

28 A. The municipal officers or the county commissioners shall provide, at the  
29 applicant's prepaid expense, public notice of a hearing held under this section by  
30 causing a notice stating the time and place of hearing to appear at least 6 consecutive  
31 days before the date of the hearing in a daily newspaper having general circulation in  
32 the municipality or unincorporated place where the applicant's premises are located or  
33 2 consecutive weeks before the date of the hearing in a weekly newspaper having  
34 general circulation in the municipality or unincorporated place where the applicant's  
35 premises are located.

36 B. In granting or denying an application, the municipal officers or the county  
37 commissioners shall indicate the reasons for their decision and provide a written  
38 statement of their reasons to the applicant.

39 **§3922. Placement and ownership of terminals**

40 **1. Number of terminals; location.** No more than 5 video gaming terminals may be  
41 placed on the premises of a licensee. A terminal may not be placed in any location other

1 than the premises of the licensee. A licensee must own or control the premises on which  
2 a video gaming terminal is located. The area in which the terminals are located must be  
3 designed to permit the licensee or an agent of the licensee to see and control the area at all  
4 times to ensure compliance with the provisions of this chapter.

5 **2. Uniform location agreement.** A location containing a video gaming terminal  
6 must be subject to a uniform location agreement. A copy of the agreement must be  
7 submitted to the Chief of the State Police. The Chief of the State Police may approve or  
8 disapprove any uniform location agreement. If the uniform location agreement is  
9 disapproved, the Chief of the State Police shall provide written reasons for the denial.

10 **3. Appeal to commissioner.** A licensee denied approval of a uniform location  
11 agreement under subsection 2 may appeal the decision of the Chief of the State Police to  
12 the Commissioner of Public Safety. The commissioner shall hold a hearing with the  
13 licensee and the Chief of the State Police or the chief's designee before rendering a  
14 decision on the appeal. The commissioner shall render a decision within 30 days of the  
15 hearing.

16 **§3923. Licensing of terminals**

17 **1. License required.** A video gaming terminal may not be placed for public use or  
18 operated in this State unless the terminal is licensed by the Chief of the State Police under  
19 this section. The video gaming terminal license must be prominently displayed on the  
20 terminal. Language describing the odds of winning the game and warning of the danger  
21 of compulsive gambling must also be prominently displayed on the terminal.

22 **2. Requirements for license.** To be licensed, a video gaming terminal:

23 A. May offer only games permitted by the Chief of the State Police;

24 B. May not have any means of manipulation that affect the random probabilities of  
25 winning a game;

26 C. May not directly dispense coins, cash or tokens;

27 D. Must have one or more mechanisms that accept coin or cash in the form of bills  
28 and that are designed to prevent a person from obtaining credits without paying;

29 E. Must be designed to suspend operation until reset if a person attempts, by physical  
30 or other tampering, to obtain credits without paying;

31 F. After completion of the 5-year phase-in period described in subsection 3, must  
32 have nonresettable meters housed in a readily accessible locked area in which the  
33 terminals are located that keep a permanent record of all cash inserted into the video  
34 gaming terminal, credits awarded by the terminal, credits played for video games and  
35 credits distributed by tickets made by the terminal's printer;

36 G. After completion of the 5-year phase-in period described in subsection 3, must be  
37 capable of printing a ticket voucher stating the value of the credits for the player at  
38 the end of play, the time of day in 24-hour format showing hours and minutes, the  
39 date, the terminal's serial number, the sequential number of the ticket voucher and an

1 encrypted validation number from which the validity of the credits may be  
2 determined;

3 H. After completion of the 5-year phase-in period described in subsection 3, must  
4 have accounting software that keeps an electronic record of information that includes,  
5 but is not limited to, total cash inserted into the video gaming terminal, total credits  
6 awarded by the terminal, total credits played for video games, total credits distributed  
7 by tickets made by the terminal's printer and the payback value of each video game;  
8 and

9 I. After completion of the 5-year phase-in period described in subsection 3, must be  
10 linked to the central computer system developed under section 3915, subsection 2 to  
11 provide auditing program information.

12 **3. Phase-in period; rules.** Requirements governing the technical capabilities of  
13 video gaming terminals must be phased in over a period of 5 years from the effective date  
14 of this chapter. The Chief of the State Police shall adopt rules to implement this  
15 subsection. Rules adopted pursuant to this subsection are routine technical rules as  
16 defined in Title 5, chapter 375, subchapter 2-A.

17 **4. Amount of play; payback value.** A video gaming terminal may be played for a  
18 maximum of \$5 in a single game. A video gaming terminal may not accept more than  
19 \$20 at a time. The maximum prize awarded may not exceed the value of \$1,250. The  
20 payback value of each type of video game offered by each terminal must be at least 80%.

21 **5. Examination of prototypes.** The Chief of the State Police and the Attorney  
22 General shall examine all prototypes of video gaming terminals and associated equipment  
23 for which a video gaming terminal manufacturer seeks a license as required in this  
24 chapter. The Chief of the State Police shall require the manufacturer seeking the  
25 examination and approval of the video gaming terminal or associated equipment to pay  
26 the anticipated actual cost of the examination before the examination occurs. After the  
27 examination occurs, the Chief of the State Police shall refund overpayments or charge  
28 and collect amounts sufficient to reimburse the Chief of the State Police for  
29 underpayments of actual cost. The Chief of the State Police may contract for the  
30 examinations of video gaming terminals and associated equipment as required by this  
31 subsection.

32 **6. Illegal gaming machine.** An illegal gaming machine is subject to seizure and  
33 forfeiture to the State pursuant to sections 3945 and 3946.

34 **§3924. Licensing of manufacturer or wholesaler; limitation on ownership**

35 **1. Qualifications.** To be licensed as a video gaming terminal manufacturer or  
36 wholesaler, a person must meet the qualifications set forth in section 3921, subsection 2.

37 **2. Limitation on ownership.** A partnership, corporation, individual, individual  
38 partner or shareholder holding more than 5% of a corporation or an immediate family  
39 member of an individual, individual partner or shareholder holding more than 5% of a  
40 corporation may not have ownership interests in more than one distributor of video

1 gaming terminals. For the purposes of this subsection, "immediate family member"  
2 means a spouse, child, parent, stepchild or stepparent.

3 **§3925. Applications; investigation**

4 **1. Form.** An application for a license required under this chapter must be on a form  
5 provided by the Chief of the State Police. The application must be signed by the  
6 individual applicant or by a duly authorized officer of the partnership, corporation or  
7 association applying for the license. The application must contain, but is not limited to,  
8 the following information regarding the individual applicant and each officer, director,  
9 partner or owner of any interest in a partnership, corporation or association applying for a  
10 license:

11 A. Full name;

12 B. Full current address and addresses for the prior 5 years;

13 C. A record of previous issuances of, refusals to issue and revocations of a license  
14 under this chapter; and

15 D. Answers to the following questions posed in substantially the following form:

16 (1) "Is there a formal charging instrument now pending against you in this or any  
17 other jurisdiction for a crime that is punishable by imprisonment for one year or  
18 more or for a misdemeanor crime of domestic violence?";

19 (2) "Is there a formal charging instrument now pending against you in this or any  
20 other jurisdiction for a juvenile offense that involves conduct that, if committed  
21 by an adult, would be punishable by imprisonment for one year or more or would  
22 constitute a misdemeanor crime of domestic violence?";

23 (3) "Have you ever been convicted of a crime described in subparagraph (1) or  
24 adjudicated as having committed a juvenile offense as described in subparagraph  
25 (2)?";

26 (4) "Are you a fugitive from justice?";

27 (5) "Are you a drug abuser, drug addict or drug-dependent person?";

28 (6) "Have you been discharged from the United States Armed Forces under  
29 dishonorable circumstances within the past 3 years?";

30 (7) "Are you an illegal alien?";

31 (8) "Have you been convicted within the past 3 years of 3 or more crimes  
32 punishable by imprisonment of less than one year?";

33 (9) "Have you been adjudged within the past 3 years to have committed 3 or  
34 more juvenile offenses involving conduct that, if committed by an adult, would  
35 be punishable by imprisonment of less than one year?"; and

36 (10) "To your knowledge, have you engaged within the past 3 years in reckless  
37 or negligent conduct that is substantiated by the records of a governmental  
38 entity?"

1           **2. Signature as certification.** An applicant, by affixing the applicant's signature to  
2 an application for licensure under this chapter, certifies the following:

3           A. That the statements made in the application and any document made a part of the  
4 application are true and correct;

5           B. That the applicant understands that an affirmative answer to one or more of the  
6 questions in subsection 1, paragraph D is cause for refusal to issue a license; and

7           C. That the applicant understands that knowingly making any false statement in the  
8 application or any document made a part of the application is grounds for refusal to  
9 issue a license or for revocation or suspension of a license.

10           **3. Consent to review records.** At the request of the Chief of the State Police, an  
11 applicant for licensure under this chapter shall take whatever action is necessary to permit  
12 the Chief of the State Police to examine all accounts and records in the applicant's  
13 possession, under the applicant's control or under the control of 3rd parties but accessible  
14 by consent of the applicant and shall authorize all 3rd parties in possession or in control  
15 of those accounts or records to allow the Chief of the State Police or a designee to  
16 examine the accounts and records as the Chief of the State Police determines necessary to  
17 ascertain:

18           A. Whether the information supplied on the application or on any document made a  
19 part of the application is true and correct;

20           B. Whether each of the requirements of this section has been met; and

21           C. Whether the applicant meets the requirements for licensure under this chapter.

22           This requirement includes taking whatever action is necessary to permit the Chief of the  
23 State Police or a designee to have access to confidential records held by banks, the courts,  
24 law enforcement agencies and the military for the purposes stated in this subsection.

25           **4. Investigations; national criminal history record check.** An individual applying  
26 for a license under this chapter and a partner of a partnership or an officer, director or  
27 holder of any ownership interest of a corporation or association applying for a license as a  
28 licensee, video gaming terminal manufacturer or video gaming terminal wholesaler must  
29 submit to a background investigation by the Chief of the State Police to verify the  
30 applicant's compliance with the requirements of section 3921, subsection 2. In order to  
31 determine the eligibility of an applicant for a license under this chapter, the Chief of the  
32 State Police shall require the applicant to furnish a full set of fingerprints to enable a  
33 criminal background investigation to be conducted. The Chief of the State Police shall  
34 submit the fingerprints to the Federal Bureau of Investigation for a national criminal  
35 history record check.

36           **5. Notification of municipal officers.** An applicant for a license to operate a video  
37 gaming terminal must send a copy of the application to the municipal officers of the  
38 municipality in which the terminal will be operated or, if the terminal will be operated in  
39 an unincorporated place, to the county commissioners of the county in which the  
40 unincorporated place is located. The applicant must certify in the application that the  
41 copy has been sent and must list the names and addresses of the persons to whom the  
42 copy was sent.

1           **§3926. Fees; term of license; nontransferable**

2           **1. License levels; fees.** The annual fee for a license issued under this chapter is as  
3 follows:

4           A. A license for a video gaming terminal manufacturer is a Level 1 license, and the  
5 fee for a video gaming terminal manufacturer license is \$5,000;

6           B. A license for a video gaming terminal wholesaler is a Level 1 license, and the fee  
7 for a video gaming terminal wholesaler license is \$5,000; and

8           C. A license to operate a video gaming terminal is a Level 2 license, and the fee for a  
9 video gaming terminal operator license is \$600 per terminal.

10 In addition to the annual license fee, the Chief of the State Police may charge a one-time  
11 application fee for a license issued under this chapter in an amount equal to the actual  
12 cost of processing the application and performing any background investigations. All  
13 fees collected pursuant to this subsection must be deposited directly into the Video  
14 Gaming Fund established in section 3934.

15           **2. Term of license.** A license issued by the Chief of the State Police under this  
16 chapter is effective for one year and is renewable annually, unless sooner revoked  
17 pursuant to section 3927.

18           **3. Nontransferable.** A license issued under this chapter is not transferable or  
19 assignable.

20           **4. Levels of license; prohibition against multiple licenses.** A person licensed as a  
21 video gaming terminal manufacturer or video gaming terminal wholesaler under section  
22 3924 has a Level 1 license. A licensee under section 3921 has a Level 2 license. A  
23 person may not simultaneously hold more than one level of license.

24           **§3927. Actions relating to licenses**

25           **1. Refusal to renew license.** The Chief of the State Police may refuse to renew a  
26 license issued under this chapter for just cause after a hearing in accordance with the  
27 Maine Administrative Procedure Act.

28           **2. Suspension of license by Chief of State Police.** The Chief of the State Police  
29 may suspend a license issued under this chapter for just cause for a period of up to 180  
30 days. The license may be suspended under this subsection only if the Chief of the State  
31 Police receives a written statement made under oath from a law enforcement officer  
32 establishing probable cause for the suspension. The Chief of the State Police shall  
33 immediately notify the license holder in writing of the suspension and the date the  
34 suspension is to take effect. If the license holder wishes to have a hearing, the license  
35 holder must notify the District Court in writing within 20 days of the date of the  
36 suspension. If a hearing is requested, the license remains suspended pending the outcome  
37 of the hearing. If the Chief of the State Police suspends a license under this subsection,  
38 the license holder is entitled to a refund, on a pro rata basis, of the license fee for the  
39 remainder of the license period.



1           **§3933. Allocation of funds**

2           **1. Allocation of net terminal income.** Net terminal income must be allocated as  
3 follows:

4           A. Eight percent must be sent to the Treasurer of State for deposit in the Video  
5 Gaming Fund established in section 3934;

6           B. Two percent must be sent to the Treasurer of State for deposit in the Compulsive  
7 Gambler Rehabilitation Fund established in Title 22, section 1700-B;

8           C. Sixty-five percent must be paid to the licensee. If a licensee has obtained use of a  
9 video gaming terminal from a state-certified distributor, the distributor must be paid,  
10 pursuant to an agreement between the licensee and the distributor, out of the funds  
11 received by the licensee under this paragraph;

12           D. Fifteen percent must be transferred to the General Fund as undedicated revenue;  
13 and

14           E. Ten percent must be paid to the host municipality.

15           **2. Deposit of state funds.** A licensee shall maintain a bank account accessible by  
16 the State for the deposit of funds owed to the State under this chapter. The licensee shall  
17 deposit in that account the State's share of the net terminal income attributable to the  
18 licensee's video gaming terminals. If the day on which funds must be deposited is not a  
19 business day, the funds must be deposited on the next business day after that date.

20           **3. Use of state share.** At the end of each fiscal year beginning after June 30, 2011,  
21 the Treasurer of State shall transfer to the Local Government Fund created in Title 30-A,  
22 section 5681 an amount equal to 10% of the state share of net terminal income derived  
23 from video gaming terminals during that fiscal year, net of state administrative costs.  
24 Thirty days after the end of each fiscal year, the Treasurer of State shall transfer to the  
25 Public Education Fund established in Title 30-A, section 5686 all unexpended amounts of  
26 the previous fiscal year's revenues to the Local Government Fund, except those needed to  
27 fund 2 months of expenses for administering this chapter.

28           **4. Failure to deposit funds.** A licensee who willfully fails to comply with this  
29 section commits a Class C crime. The license of that person may be revoked by the  
30 District Court, and the video gaming terminals to which the undeposited funds are  
31 attributable may be disabled by the director at the direction of the Chief of the State  
32 Police.

33           **5. Late payments.** All payments under this section not remitted when due must be  
34 paid together with a penalty assessment on the unpaid balance at a rate of 1.5% per  
35 month.

36           **§3934. Video Gaming Fund**

37           **1. Fund created.** There is established the Video Gaming Fund. The fund consists  
38 of all revenue payable to the State pursuant to sections 3926 and 3933 and all other  
39 money credited or transferred to the fund from any other fund or source pursuant to law.





1 be served on the witness an order requiring that witness to appear before the Superior  
2 Court to show cause why that witness should not be adjudged in contempt. The court  
3 shall, in a summary manner, hear the evidence and, if it is such as to warrant the court to  
4 do so, punish the witness in the same manner and to the same extent as for contempt  
5 committed before the Superior Court or with reference to the process of the Superior  
6 Court.

7 **§3944. Violations**

8 **1. Crimes by licensee.** A licensee who performs any of the following acts commits  
9 a Class D crime:

10 A. Permitting a person under 21 years of age to play a video gaming terminal  
11 licensed pursuant to this chapter;

12 B. Permitting a person to play a video gaming terminal licensed pursuant to this  
13 chapter at a time other than a time when the sale of liquor is permissible under Title  
14 28-A, section 4, subsection 1;

15 C. Extending credit to a person in order for the person to play a video gaming  
16 terminal;

17 D. Permitting a person to use a credit card as a method of payment for playing a  
18 video gaming terminal; and

19 E. Permitting a visibly intoxicated person to play a video gaming terminal.

20 **2. Class C crimes by any person.** A person who performs any of the following acts  
21 commits a Class C crime:

22 A. Tampering with a video gaming terminal with intent to interfere with the proper  
23 operation of that terminal;

24 B. Manipulating or attempting to manipulate the outcome, payoff or operation of a  
25 video gaming terminal by physical tampering or any other means;

26 C. Manufacturing, distributing, selling, operating or placing a video gaming terminal  
27 for use in this State without a license or manufacturing, distributing, selling,  
28 operating or placing an illegal gaming machine for use in this State; and

29 D. Placing for public use or operating an unlicensed video gaming terminal in this  
30 State.

31 **3. Class D crimes by any person.** A person who violates a provision of this chapter  
32 or a rule adopted under this chapter for which a specific penalty is not provided commits  
33 a Class D crime.

34 **§3945. Seizure and forfeiture of illegal gaming machines**

35 **1. Forfeiture.** An illegal gaming machine, including any monetary contents, is  
36 subject to forfeiture to the State.

37 **2. Court jurisdiction.** An illegal gaming machine and any monetary contents may  
38 be declared forfeited by any court that has jurisdiction over the illegal machine or final

1 jurisdiction over any related criminal proceeding brought under this chapter or by the  
2 Superior Court for Kennebec County. Property subject to forfeiture may be kept or  
3 stored at any location within the territorial boundaries of the State and is subject to the  
4 authority of any court in which a petition seeking the forfeiture of that property is filed.

5 **3. Procedure.** Forfeitures under this section must be accomplished by the following  
6 procedure.

7 A. A district attorney or the Attorney General may petition the Superior Court in the  
8 name of the State in the nature of a proceeding in rem to order forfeiture of an illegal  
9 gaming machine and any monetary contents. The petition must be filed in the court  
10 having jurisdiction over the property.

11 B. The proceeding is an in rem civil action, in which the State has the burden of  
12 proving all material facts by a preponderance of the evidence.

13 C. The court shall order the State to give notice of the pendency of the action and the  
14 right to be heard by certified or registered mail or hand delivery by a deputy sheriff to  
15 any person who appears to have an interest in the illegal gaming machine and any  
16 monetary contents. Receipt by a person then licensed to operate a motor vehicle in  
17 the State is presumed when notice is mailed to the last known address of that person  
18 on file with the Department of the Secretary of State, Bureau of Motor Vehicles.

19 D. The court shall promptly, but not less than 2 weeks after notice, hold a hearing on  
20 the petition under paragraph A after an answer is filed by a person served with notice  
21 under paragraph C. At the hearing, the court shall hear evidence and make findings  
22 of fact and enter conclusions of law.

23 E. Based on the findings and conclusions under paragraph D, the court shall issue a  
24 final order from which the parties have a right of appeal. The final order must  
25 provide for disposition of the illegal gaming machine and any monetary contents by  
26 the State. Any revenue generated by the disposition of the illegal machine and any  
27 monetary contents of the machine must be used to pay the reasonable expenses of the  
28 forfeiture proceedings, seizure, storage, maintenance of custody, advertising and  
29 notice. The balance, if any, must be deposited in the General Fund.

30 **4. Records.** Any law enforcement officer, department or agency having custody of  
31 an illegal gaming machine or any monetary contents of an illegal gaming machine or  
32 having disposed of the illegal gaming machine or any monetary contents shall keep and  
33 maintain during the pendency of the action full and complete records in accordance with  
34 this subsection. Upon issuance by the court of a final order ordering the disposition,  
35 destruction or return of the illegal machine or the monetary contents, the officer,  
36 department or agency shall transmit a copy of those records to the Department of Public  
37 Safety for inclusion into a centralized record.

38 A. The records must show:

39 (1) From whom the illegal gaming machine and any monetary contents were  
40 received;

41 (2) Under what authority the illegal machine and any monetary contents are held,  
42 received or disposed of;

- 1                   (3) To whom the illegal machine and any monetary contents are delivered;  
2                   (4) The date and manner of destruction or disposition of the illegal machine; and  
3                   (5) The exact kind, quantity and form of the illegal gaming machine and the  
4                   exact amount of any monetary contents of a machine held in custody or disposed  
5                   of.

6                   B. The records must be open to inspections by all federal and state officers  
7                   authorized by the laws of the United States, a state or territory of the United States or  
8                   a foreign nation to investigate or prosecute gambling laws.

9                   C. The Department of Public Safety shall maintain a centralized record of illegal  
10                  gaming machines seized. At least quarterly, the department shall provide a report of  
11                  the disposition of property previously held by the department to the Commissioner of  
12                  Administrative and Financial Services and the legislative Office of Fiscal and  
13                  Program Review. These records must include an estimate of the fair market value of  
14                  items seized.

15                  **5. Report to court.** A person making final disposition of or destroying an illegal  
16                  gaming machine or its monetary contents under court order shall report, under oath, to the  
17                  court the exact circumstances of the destruction or disposition.

18                  **6. Seizure.** An illegal gaming machine together with any monetary contents is  
19                  contraband and may be seized by any law enforcement officer pursuant to subsection 7 or  
20                  8.

21                  **7. Process for seizure.** At the request of the State ex parte, the court may issue any  
22                  preliminary order or process necessary to seize or secure the property for which forfeiture  
23                  is sought under this section and provide for its custody.

24                  A. Process for seizure of the property may issue only upon a showing of probable  
25                  cause. The application for process for seizure of the property and the issuance,  
26                  execution and return of the process are subject to the provisions of applicable state  
27                  law.

28                  B. Any property subject to forfeiture under this section may be seized upon process.

29                  **8. Seizure without process.** Seizure without process may be made when seizure is  
30                  incident to a legal search or inspection if the law enforcement officer has probable cause  
31                  to believe the property seized is an illegal gaming machine.

32                  **§3946. Criminal forfeiture**

33                  **1. Forfeiture upon conviction of violation.** A person convicted of a violation of  
34                  this chapter forfeits to the State all rights, privileges, interests and claims to property that  
35                  is subject to forfeiture pursuant to section 3945. All rights, privileges, interest and title in  
36                  property subject to forfeiture under this section vest in the State upon the commission of  
37                  the act giving rise to forfeiture pursuant to section 3945.

38                  **2. Proceeding by indictment.** Property subject to forfeiture that is not yet the  
39                  subject of a final order pursuant to section 3945 may be proceeded against by indictment

1 or superseding indictment of a grand jury in any related criminal proceeding in which one  
2 or more persons with an interest in the property have been simultaneously indicted for  
3 one or more violations of this chapter. At any time prior to trial, the State, with the  
4 consent of the court and any defendant with an interest in the property, may file an  
5 ancillary charging instrument or information alleging that that property is subject to  
6 criminal forfeiture. Upon commencement of a criminal forfeiture by indictment or  
7 information of any property that may be the subject of any pending civil action  
8 commenced pursuant to section 3945, the civil action must be immediately stayed and  
9 subrogated to the criminal forfeiture action. Discovery in the criminal action must be as  
10 provided by the Maine Rules of Criminal Procedure.

11 **3. Seizure upon finding of probable cause.** Property subject to forfeiture that has  
12 not already been seized but has been indicted by a grand jury pursuant to this section may  
13 also be ordered seized based upon the grand jury's finding of probable cause pursuant to  
14 section 3945.

15 **4. Trial against property.** Trial against property charged by indictment or  
16 information may be by jury and must be held in a single proceeding together with the trial  
17 of the related criminal violation. Forfeiture of the property must be proved by the State  
18 by a preponderance of the evidence. The court, in its discretion, may allow any defendant  
19 with an interest in property indicted pursuant to this section to waive the right to trial by  
20 jury as against the property while preserving the right to trial by jury of any crime  
21 alleged. At trial by jury, the court, upon motion of a defendant or the State, may separate  
22 the trial of the matter against the defendant from the trial of the matter against the  
23 property subject to criminal forfeiture. If the court bifurcates the jury trial, the court shall  
24 first instruct and submit to the jury the issue of the guilt or innocence of defendants to be  
25 determined by proof beyond a reasonable doubt and shall restrict argument of counsel to  
26 those issues. After a verdict upon the guilt or innocence of all defendants, the court shall  
27 instruct and submit to the jury the issue of the forfeiture of the property to be determined  
28 by proof by a preponderance of the evidence and the court shall restrict argument to those  
29 issues. A special verdict must be returned as to the extent of the interest in property  
30 subject to forfeiture, if any.

31 **5. Person interested in forfeited property.** A person not charged in the indictment  
32 may not intervene in the criminal action. Following the entry of a verdict of forfeiture of  
33 property pursuant to this section or the entry of a guilty plea in open court on the record,  
34 the State shall provide written notice of its intent to dispose of the property to any person  
35 known to have alleged an interest in the property. The notice may be by certified, return  
36 receipt mail or as otherwise ordered by the court. Receipt by a person then licensed to  
37 operate a motor vehicle in the State is presumed when notice is mailed to the last known  
38 address of that person on file with the Department of the Secretary of State, Bureau of  
39 Motor Vehicles. A person other than the defendant asserting a legal interest in the  
40 property within 30 days of the date of receipt of the notice may petition the court for a  
41 hearing to adjudicate the validity of any alleged interest in the property. The hearing  
42 must be held before the court without jury. The request for the hearing must be signed by  
43 the petitioner under penalty of perjury and must state the nature and extent of the  
44 petitioner's right, title or interest in the property, the time and circumstances of the  
45 petitioner's acquisition of the right, title or interest in the property, any additional facts

1 supporting the petitioner's claim and the relief sought. Upon the filing of any petition for  
2 hearing, the court shall schedule the hearing as soon as practicable, but in no event later  
3 than 6 months after the petition is filed or after the sentencing of any defendant convicted  
4 upon the same indictment. The court shall issue or amend a final order of forfeiture in  
5 accordance with its determination if, after the hearing, the court determines that the  
6 petitioner has established by a preponderance of the evidence that:

7 A. The petitioner has a legal right, title or interest in the property and the right, title  
8 or interest renders the order of forfeiture invalid in whole or in part because the right,  
9 title or interest was vested in the petitioner rather than any defendant or was superior  
10 to any right, title or interest to the exclusion of any defendant at the time of the  
11 commission of the act that gave rise to the forfeiture of the property under this  
12 section; and

13 B. The petitioner is a bona fide purchaser for value of the right, title or interest in the  
14 property and was at the time of purchase reasonably without cause to believe that the  
15 property was subject to forfeiture under this section.

16 **6. Title to property following forfeiture or guilty plea.** Following the entry of a  
17 verdict of forfeiture of property pursuant to this section or the entry of a guilty plea in  
18 open court on the record, the State has clear title to the property that is the subject of the  
19 indictment or information and order of forfeiture and may order all or a portion of the  
20 property forfeited to the State to be disposed of pursuant to section 3945.

21 **§3947. Payment to Attorney General**

22 As provided in Title 5, section 203, the Department of Public Safety, Bureau of State  
23 Police shall pay the Attorney General from the Video Gaming Fund established in section  
24 3934 for legal services provided pursuant to this chapter.

25 **§3948. Implementation**

26 A video gaming terminal may not be operated under this chapter before April 1,  
27 2012.

28 **§3949. Rules**

29 Rules adopted by the Chief of the State Police pursuant to this chapter are routine  
30 technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

31 **Sec. 9. 22 MRSA c. 276** is enacted to read:

32 **CHAPTER 276**

33 **COMPULSIVE GAMBLER REHABILITATION**

34 **§1700-B. Compulsive Gambler Rehabilitation Fund**

35 **1. Creation of fund.** The Compulsive Gambler Rehabilitation Fund, referred to in  
36 this section as "the fund," is established as a nonlapsing fund to provide rehabilitation

1 services to persons who are compulsive gamblers and are determined to be eligible  
2 according to rules adopted by the department under subsection 2.

3 **2. Administration.** The department shall administer the fund and shall adopt rules  
4 as necessary to administer the fund and to determine the criteria for eligible recipients.  
5 Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,  
6 chapter 375, subchapter 2-A.

7 **3. Funds.** In addition to funds deposited pursuant to Title 17, section 3933, the fund  
8 may receive money from any source, including grants, gifts, bequests and donations.

9 **Sec. 10. 28-A MRSA §807** is enacted to read:

10 **§807. Notice to Chief of State Police**

11 The commission shall notify the Chief of the State Police of the suspension or  
12 revocation of a license under this chapter. The commission shall also notify the Chief of  
13 the State Police of any investigation of a violation of any provision of this Title.

14 **Sec. 11. 28-A MRSA §1054, sub-§11, ¶C** is enacted to read:

15 C. A municipality may not combine a permit to operate a video gaming terminal, as  
16 defined in Title 17, section 3911, subsection 16, with any other permit. The fee for a  
17 permit to operate a video gaming terminal may not be higher than the fee for any  
18 other special entertainment permit issued by the municipality.

19 **Sec. 12. 30-A MRSA §5686** is enacted to read:

20 **§5686. Public Education Fund**

21 In order to aid in financing education services, the Public Education Fund is  
22 established. Money in the Public Education Fund must be distributed to each  
23 municipality in proportion to the product of the population of the municipality as defined  
24 in section 5681, subsection 2, paragraph A multiplied by the property tax burden of the  
25 municipality as defined in section 5681, subsection 2, paragraph B.

26 **SUMMARY**

27 This bill allows operation of video gaming terminals by nonprofit organizations that  
28 are eligible for games of chance licenses and that are exempt from federal tax under the  
29 United States Internal Revenue Code, Section 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10)  
30 or 501(c)(19). These sections of the federal tax code refer to charitable organizations,  
31 civic leagues, fraternal benefit societies, domestic fraternal societies and associations and  
32 veterans' organizations. Organizations that currently have licenses for electronic video  
33 machines but do not qualify under one of those code sections may apply for an initial  
34 license while they seek the required federal tax status. The organization applying for the  
35 license must own or lease the premises on which the terminals will be placed and must  
36 use the premises for its charitable or nonprofit purpose.

1 Video gaming terminal manufacturers, wholesalers and operators must be licensed by  
2 the Chief of the State Police, following background investigations of the applicants and  
3 their major business partners. Local approval is required for a license to operate video  
4 gaming terminals.

5 The license specifies the number of terminals allowed on the premises; the maximum  
6 number of terminals allowed is 5 per premises of a licensee. Terminals must be licensed  
7 by the Chief of the State Police and must be connected to a computer system operated by  
8 the Director of the Bureau of Alcoholic Beverages and Lottery Operations within the  
9 Department of Administrative and Financial Services. By the end of a 5-year phase-in  
10 period, this computer system must provide continuous online monitoring of video gaming  
11 terminal activity. Persons under 21 years of age are not allowed to use the machines.  
12 Only members of the organization and their guests are allowed to play. The maximum  
13 dollar amount for each play is \$5 and the maximum payout is \$1,250. Each game on  
14 each machine must return at least 80% of wagers to players, calculated on an annual  
15 basis.

16 Net terminal income, which is income after payback to players, is divided as follows:  
17 8% to the State for payment into the Video Gaming Fund, which is established in the bill,  
18 for administrative expenses, gambling rehabilitation, municipal revenue sharing and  
19 public education; 2% to the Compulsive Gambler Rehabilitation Fund, which is  
20 established in the bill; 15% to the General Fund; 10% to the host municipality; and 65%  
21 to the licensee.

22 Licenses are issued for one year. Applicants for an initial license must pay the actual  
23 costs of processing the application and performing the background investigation.