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Legislative Document

No. 1493

S.P. 456

In Senate, April 4, 2019

**An Act To Exempt Cribbage and Other Card Games from
Licensing and Regulation When Conducted by Certain
Organizations**

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

A handwritten signature in black ink, appearing to read "D M Grant".

DAREK M. GRANT
Secretary of the Senate

Presented by Senator SANBORN, H. of Cumberland. (BY REQUEST)

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

2 **Sec. 1. 17 MRSA §1831, sub-§1-A**, as enacted by PL 2017, c. 284, Pt. KKKKK,
3 §4, is amended to read:

4 **1-A. Card game.** "Card game" means a game of chance ~~conducted~~ played using one
5 or more decks of cards, such as poker, blackjack or cribbage.

6 **Sec. 2. 17 MRSA §1831, sub-§1-B** is enacted to read:

7 **1-B. Bona fide charitable organization.** "Bona fide charitable organization" means
8 an organization, including an agricultural society, veterans organization, fire department
9 or educational, political, civic, recreational, fraternal, patriotic or religious organization,
10 that:

11 A. Is registered with the United States Internal Revenue Service as an organization
12 exempt from taxation under Section 501(c)(3) of the United States Internal Revenue
13 Code of 1986 and has a letter from the United States Internal Revenue Service
14 evidencing that exempt status;

15 B. Is licensed as a charitable organization pursuant to Title 9, section 5004; and

16 C. Is a corporation in good standing with the Secretary of State.

17 **Sec. 3. 17 MRSA §1831, sub-§5**, as amended by PL 2017, c. 284, Pt. KKKKK,
18 §8, is further amended to read:

19 **5. Game of chance.** "Game of chance" means a game, contest, scheme or device in
20 which:

21 A. A person stakes or risks something of value for the opportunity to win something
22 of value;

23 B. The rules of operation or play require an event the result of which is determined
24 by chance, outside the control of the contestant or participant; and

25 C. Chance enters as an element that influences the outcome in a manner that cannot
26 be eliminated through the application of skill.

27 For the purposes of this subsection, "an event the result of which is determined by
28 chance" includes but is not limited to a shuffle of a deck of cards, a roll of a die or dice or
29 a random drawing or generation of an object that may include, but is not limited to, a
30 card, a die, a number or simulations of any of these. A shuffle of a deck of cards, a roll of
31 a die, a random drawing or generation of an object or some other event the result of
32 which is determined by chance that is employed to determine impartially the initial order
33 of play in a game, contest, scheme or device does not alone make a game, contest,
34 scheme or device a game of chance. For purposes of this chapter, beano, bingo and table
35 games as defined in Title 8, section 1001, subsection 43-A are not games of chance.

36 "Game of chance" includes a game of chance and skill conducted by a person that is not a
37 bona fide charitable organization.

1 **Sec. 4. 17 MRSA §1831, sub-§5-A** is enacted to read:

2 **5-A. Game of chance and skill.** "Game of chance and skill" means a game in
3 which:

4 A. A person stakes or risks something of value for the opportunity to win something
5 of value;

6 B. The rules of operation or play require more than one shuffle and deal of a deck of
7 cards, the results of which are determined by chance; and

8 C. Both chance and the skillful exercise of judgment influence the outcome of the
9 game.

10 "Game of chance and skill" includes a game played with a standard deck of 52 cards,
11 including cribbage and bridge, and a strategy card game or trading card game played with
12 nonstandard decks of cards. "Game of chance and skill" does not include poker, baccarat,
13 blackjack or similar casino-style games.

14 **Sec. 5. 17 MRSA §1831, sub-§6**, as enacted by PL 2009, c. 487, Pt. A, §2, is
15 amended to read:

16 **6. Game of skill.** "Game of skill" means any game, contest, scheme or device in
17 which a person stakes or risks something of value for the opportunity to win something of
18 value and that is not a game of chance or a game of chance and skill.

19 **Sec. 6. 17 MRSA §1831, sub-§16**, as enacted by PL 2009, c. 487, Pt. A, §2, is
20 repealed and the following enacted in its place:

21 **16. Social gambling.** "Social gambling" means a game of chance or a game of
22 chance and skill played:

23 A. In a residence or other noncommercial setting where socialization is the primary
24 benefit from playing; or

25 B. In a commercial setting where the person playing does not receive something of
26 value from the play or from the venue beyond that of a regular patron.

27 **Sec. 7. 17 MRSA §1832, sub-§1**, as amended by PL 2017, c. 284, Pt. KKKKK,
28 §15, is further amended to read:

29 **1. License required.** A person, firm, corporation, association or organization may
30 not hold, conduct or operate a game of chance without a license issued by ~~or, as~~
31 ~~applicable, without registering with~~ the Gambling Control Unit in accordance with this
32 section. A license is not required ~~when a game of chance constitutes for~~ social gambling.
33 A license is not required when a game of chance and skill is conducted by or for a bona
34 fide charitable organization.

35 **Sec. 8. 17 MRSA §1832, sub-§2**, as amended by PL 2017, c. 284, Pt. KKKKK,
36 §15, is further amended to read:

1 **2. Eligible organizations; licenses.** The Gambling Control Unit may issue a license
2 to operate a card game and certain tournament games to an organization that submits a
3 completed application as described in subsection 5 and has been founded, chartered or
4 organized in this State for a period of not less than 2 consecutive years prior to applying
5 for a license and is: a corporation in good standing with the Secretary of State.

6 ~~A. An agricultural society;~~

7 ~~B. A bona fide nonprofit charitable, educational, political, civic, recreational,~~
8 ~~fraternal, patriotic or religious organization;~~

9 ~~C. A volunteer fire department; or~~

10 ~~D. An auxiliary of any of the organizations in paragraphs A to C.~~

11 **Sec. 9. 17 MRSA §1832, sub-§2-A,** as enacted by PL 2017, c. 284, Pt. KKKKK,
12 §15, is amended to read:

13 **2-A. Registration.** The Gambling Control Unit may accept a registration from an
14 eligible organization described in subsection 2 and other persons as specifically provided
15 under ~~section sections~~ 1835-A, ~~section~~ 1836, ~~subsection~~ 4-B and ~~section~~ 1837-A to
16 conduct games of chance, and raffles and charitable cribbage tournaments. An eligible
17 organization or person seeking to register to conduct a game of chance, or raffle or
18 ~~charitable cribbage tournament~~ shall register in the manner prescribed by the Gambling
19 Control Unit and shall maintain records and reports in the same manner as described
20 under section 1839, except that disposition of funds reports are not required to be
21 submitted to the Gambling Control Unit but must be maintained in the same manner as
22 other records.

23 **Sec. 10. 17 MRSA §1832, sub-§3,** as amended by PL 2017, c. 284, Pt. KKKKK,
24 §15, is further amended to read:

25 **3. Must be 18 years of age.** The Gambling Control Unit may not accept a
26 registration to conduct a game of chance, or a raffle or certain tournament games or
27 accept an application from or issue a license for card games and certain tournament
28 games under this section to a person or representative of an eligible organization who is
29 not 18 years of age or older.

30 **Sec. 11. 17 MRSA §1832, sub-§5,** as amended by PL 2017, c. 284, Pt. KKKKK,
31 §15, is further amended to read:

32 **5. Application.** An eligible organization described in subsection 2 seeking to obtain
33 a license to conduct a card game or certain tournament games requiring a license shall
34 submit an application to the Gambling Control Unit. The application must be in a form
35 provided by the Gambling Control Unit and must be signed by a duly authorized officer
36 of the eligible organization. The application must include the full name and address of the
37 organization, a full description of the card game or tournament game, the location where
38 the card game or tournament game is to be conducted and any other information
39 determined necessary by the Gambling Control Unit for the issuance of a license to
40 operate a card game or certain tournament games, ~~including but not limited to~~

1 membership lists, bylaws and documentation showing the organization's nonprofit status
2 or charitable designation.

3 **Sec. 12. 17 MRSA §1833-A** is enacted to read:

4 **§1833-A. Regulation and exemption of organization conducting game of chance and**
5 **skill**

6 **1. Exemption.** A game of chance and skill that is conducted by a bona fide
7 charitable organization is exempt from regulation under this chapter.

8 **2. Regulation.** For purposes of this chapter, a game of chance and skill that is
9 conducted by a person that is not a bona fide charitable organization is subject to the
10 same regulation under this chapter as a game of chance.

11 **Sec. 13. 17 MRSA §1834, sub-§2**, as amended by PL 2017, c. 284, Pt. KKKKK,
12 §16, is repealed and the following enacted in its place:

13 **2. Operation of games of chance and certain games of chance and skill.** The
14 registration fee to operate a game of chance is \$15 for each week, computed on a Monday
15 to Sunday basis, or for a portion of a week, \$60 for a license issued for a calendar month
16 and \$700 for a license issued for a calendar year.

17 The Gambling Control Unit may issue any combination of weekly or monthly licenses for
18 the operation of a game of chance. Registration to conduct any authorized game of
19 chance may be issued for a period of up to 12 months on one application.

20 For purposes of this subsection, a game of chance and skill that is conducted by a person
21 that is not a bona fide charitable organization is deemed a game of chance.

22 **Sec. 14. 17 MRSA §1834, sub-§7**, as amended by PL 2017, c. 284, Pt. KKKKK,
23 §16, is further amended to read:

24 **7. Application.** A license to operate any authorized card game may be issued for a
25 period of up to 12 months on one application. Authority to conduct a game of chance; or
26 a raffle or charitable cribbage tournament games pursuant to section 1836, subsection 4-B
27 may be granted for a period of up to 12 months on one registration.

28 **Sec. 15. 17 MRSA §1835, sub-§3**, as amended by PL 2017, c. 284, Pt. KKKKK,
29 §17, is further amended to read:

30 **3. Games conducted at agricultural fair by members of the agricultural society**
31 **or a bona fide charitable organization.** Card games operated and conducted solely by
32 members of an agricultural society or card games operated and conducted by members of
33 bona fide ~~nonprofit~~ charitable organizations on the grounds of the agricultural society and
34 during the annual fair of the agricultural society may use cash, tickets, tokens or other
35 devices approved by the Gambling Control Unit by rule.

36 Notwithstanding any other provision of this section, the tickets, tokens or other devices
37 approved by the Gambling Control Unit must be unique to the agricultural society and
38 may be in denominations of 25¢, 50¢ or \$1. The tickets, tokens or devices approved by

1 the Gambling Control Unit may be sold and redeemed only by a person who has been a
2 member or active volunteer of the agricultural society for at least 2 fair seasons. The
3 agricultural society has the burden of proof for demonstrating the qualification of
4 members or active volunteers.

5 An agricultural society that uses tokens shall provide records and reports as required by
6 section 1839.

7 **Sec. 16. 17 MRSA §1835, sub-§5**, as amended by PL 2017, c. 284, Pt. KKKKK,
8 §17, is further amended to read:

9 **5. Location.** A license issued pursuant to this section must specify the location
10 where the organization may operate the licensed card game. A licensee may not operate
11 card games in more than one location at the same time.

12 A. An agricultural society or a bona fide ~~nonprofit~~ charitable organization may
13 operate a card game on the grounds of an agricultural society and during the annual
14 fair of the agricultural society.

15 B. No more than one licensee may operate a card game at a time on the same
16 premises. In any room where a licensed card game is being conducted, there must be
17 at least one member of the licensee present in that room for every 2 nonmembers who
18 are present. That member must have been a member of the licensee for at least one
19 year. A member of the licensee, either directly or through another member or guest,
20 may not stake or risk something of value in the licensee's card game unless the
21 member has been a member of the licensee for at least 14 days not including the day
22 of admission into membership.

23 A bona fide ~~nonprofit~~ charitable organization may operate a licensed card game to which
24 the general public has access once every 3 months for a period not to exceed 3
25 consecutive days. The licensed card game may be operated at any location described in
26 the license and may be conducted only by members of the licensee.

27 **Sec. 17. 17 MRSA §1835-A, sub-§3**, as enacted by PL 2017, c. 284, Pt.
28 KKKKK, §18, is amended to read:

29 **3. Games conducted at agricultural fair by members of the agricultural society**
30 **or a bona fide charitable organization.** Games of chance operated and conducted
31 solely by members of an agricultural society or games of chance operated and conducted
32 by members of bona fide ~~nonprofit~~ charitable organizations on the grounds of the
33 agricultural society and during the annual fair of the agricultural society may use cash,
34 tickets, tokens or other devices approved by the Gambling Control Unit by rule.

35 Notwithstanding any other provision of this section, the tickets, tokens or other devices
36 approved by the Gambling Control Unit must be unique to the agricultural society and
37 may be in denominations of 25¢, 50¢ or \$1. The tickets, tokens or devices approved by
38 the Gambling Control Unit may be sold and redeemed only by a person who has been a
39 member or active volunteer of the agricultural society for at least 2 fair seasons. The
40 agricultural society has the burden of proof for demonstrating the qualification of
41 members or active volunteers.

1 An agricultural society that uses tokens shall provide records and reports as required by
2 section 1839.

3 **Sec. 18. 17 MRSA §1835-A, sub-§5**, as enacted by PL 2017, c. 284, Pt.
4 KKKKK, §18, is amended to read:

5 **5. Location.** A registration for a game of chance must specify the location where the
6 organization may operate the game. A registrant may not operate games of chance in
7 more than one location at the same time.

8 A. An agricultural society or a bona fide ~~nonprofit~~ charitable organization may
9 operate a game of chance on the grounds of an agricultural society and during the
10 annual fair of the agricultural society.

11 B. No more than one registrant may operate a game of chance at a time on the same
12 premises. In any room where a registered game of chance is being conducted, there
13 must be at least one member of the organization registered to conduct games of
14 chance present in that room for every 2 nonmembers who are present. That member
15 must have been a member of the registered organization for at least one year. A
16 member of the organization registered to conduct games of chance, either directly or
17 through another member or guest, may not stake or risk something of value in the
18 registrant's game of chance unless the member has been a member of the organization
19 registered to conduct games of chance for at least 14 days not including the day of
20 admission into membership.

21 A bona fide ~~nonprofit~~ charitable organization may operate a registered game of chance to
22 which the general public has access once every 3 months for a period not to exceed 3
23 consecutive days. The game of chance may be operated at any location described in the
24 organization's registration and may be conducted only by members of the registrant. This
25 subsection does not apply to raffles conducted in accordance with section 1837-A.

26 **Sec. 19. 17 MRSA §1836, sub-§4**, as amended by PL 2013, c. 306, §2, is further
27 amended to read:

28 **4. Tournament.** The organization licensed to conduct a tournament game under this
29 section shall display the rules of the tournament game and the license issued. ~~The~~
30 ~~maximum number of players allowed is 100 unless the tournament game is held on~~
31 ~~premises owned by the licensee, in which case the maximum number of players allowed~~
32 ~~is 300.~~ Winners are determined by a process of elimination. The use of currency is
33 prohibited as part of tournament game play. The maximum entry fee to play in the
34 tournament game is \$100, except the organization may add to the player entry fee to
35 defray the cost of the license fee, as long as the total additional amount collected from all
36 players does not exceed \$125. Only one entry fee is permitted per person. A tournament
37 game must be completed within 48 hours. Other games of chance on the premises are
38 prohibited during a tournament game, except for lucky seven or similar sealed tickets and
39 no more than one 50/50 raffle per tournament with a prize value up to \$1,000. This
40 subsection does not prohibit a licensee from conducting one winner-take-all hand per
41 tournament game with a bet limit of \$5. The total number of bets received in a winner-
42 take-all round must be awarded to the winner or in the case of multiple winners divided

1 among them as evenly as possible. All prizes awarded in accordance with this subsection
2 must be paid ~~in cash~~ by check.

3 **Sec. 20. 17 MRSA §1836, sub-§4-A**, as amended by PL 2017, c. 284, Pt.
4 KKKKK, §21, is repealed.

5 **Sec. 21. 17 MRSA §1836, sub-§4-B**, as enacted by PL 2017, c. 284, Pt.
6 KKKKK, §22, is repealed.

7 **Sec. 22. 17 MRSA §1843, sub-§§5 and 6**, as amended by PL 2017, c. 284, Pt.
8 KKKKK, §30, are further amended to read:

9 **5. Disorderly persons.** Presence of disorderly persons in a location where a game
10 governed by this chapter is being conducted; and

11 **6. Leasing of equipment.** Leasing of equipment by a licensee or registrant used in
12 the operation of games governed by this chapter not in accordance with this chapter; ~~and~~ .

13 **Sec. 23. 17 MRSA §1843, sub-§7**, as amended by PL 2017, c. 284, Pt. KKKKK,
14 §30, is repealed.

15 SUMMARY

16 This bill amends the laws regarding games of chance conducted and regulated
17 pursuant to the Maine Revised Statutes, Title 17, chapter 62, including the following.

18 1. It provides a definition of "bona fide charitable organization" to include entities
19 such as fire departments and political, recreational and patriotic organizations, as long as
20 those entities have tax-exempt status under the United States Internal Revenue Code of
21 1986, are licensed as charitable organizations under the Charitable Solicitations Act and
22 are corporations in good standing with the Secretary of State.

23 2. It provides a definition of "game of chance and skill" for the purpose of
24 distinguishing a game that requires the skillful exercise of judgment to influence the
25 outcome of a game from a game of chance, which is a game in which chance influences
26 the outcome in a manner that cannot be eliminated through the application of skill.

27 3. It provides that a game of chance and skill that is conducted by a bona fide
28 charitable organization is exempt from licensing and other regulation.

29 4. It provides that a game of chance and skill that is conducted by a person that is not
30 a bona fide charitable organization is treated in the same manner, for purposes of
31 regulation and licensing, as a game of chance.

32 5. It removes the cap on the maximum number of players allowed in tournament
33 games and requires prizes to be paid by check.

34 6. It removes the specific regulation of cribbage tournaments and the exceptions for
35 cribbage tournaments, since they will either not be regulated if conducted by a bona fide

1 charitable organization or will be subject to the same regulation as other tournament
2 games if conducted by an organization that is not a bona fide charitable organization.

3 7. It removes the requirement that the Department of Public Safety, Gambling
4 Control Unit adopt rules that regulate undesirable activities and conduct of organizations
5 established primarily to operate games but that do not have a bona fide nonprofit
6 charitable, educational, political, civic, recreational, fraternal, patriotic, religious or public
7 safety purpose.