



129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1515

H.P. 1108

House of Representatives, April 9, 2019

An Act To Allow Sports Wagering in Maine

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

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative WHITE of Washburn.
Cosponsored by Senator FARRIN of Somerset and
Representatives: COLLINGS of Portland, GRIGNON of Athens, O'CONNOR of Berwick,
ORDWAY of Standish, STROM of Pittsfield, Senators: President JACKSON of Aroostook,
LUCHINI of Hancock.

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

2 **Sec. 1. 8 MRSA §1001, sub-§15**, as amended by IB 2009, c. 2, §4, is further
3 amended to read:

4 **15. Gambling activity.** "Gambling activity" means off-track betting, pari-mutuel
5 wagering at a race track, sports pool wagering, high-stakes beano, beano, games of
6 chance or slot machine or table game operation.

7 **Sec. 2. 8 MRSA §1001, sub-§17**, as amended by IB 2009, c. 2, §6, is further
8 amended to read:

9 **17. Gambling services.** "Gambling services" means any goods or services provided
10 to an operator licensed under this chapter or at a gambling facility that are used directly in
11 connection with the operation of a slot machine or table game or sports pool, including,
12 but not limited to, maintenance, security services or junket services, and excluding slot
13 machine or table game distribution by a slot machine distributor or table game distributor.

14 **Sec. 3. 8 MRSA §1001, sub-§29-D** is enacted to read:

15 **29-D. Net sports pool income.** "Net sports pool income" means the amount of
16 wagers placed through the sports pool after payment of money from winning wagers to
17 winning bettors.

18 **Sec. 4. 8 MRSA §1001, sub-§35-A** is enacted to read:

19 **35-A. Prohibited sports event.** "Prohibited sports event" means a high school sport
20 or athletic event or another sport or athletic event in which a majority of the participants
21 have not attained 18 years of age.

22 **Sec. 5. 8 MRSA §1001, sub-§§42-A to 42-D** are enacted to read:

23 **42-A. Sports event.** "Sports event" means a professional or amateur sport or athletic
24 event, or any portion thereof, including but not limited to the individual performance
25 statistics of athletes in an event or a combination of events.

26 **42-B. Sports pool.** "Sports pool" means a device or system established for the
27 acceptance of wagers on a sports event by any system or method of wagering, except that
28 "sports pool" does not include any method for the acceptance of wagers in which wagers
29 on sports events are made via electronic device from a location other than a sports
30 wagering lounge and transmitted to a sports wagering lounge by any means that involves
31 the use, at least in part, of the Internet. "Sports pool" also does not include pari-mutuel
32 betting authorized under chapter 11, advance deposit wagering or a fantasy contest as
33 defined in section 1101, subsection 4.

34 **42-C. Sports pool operator.** "Sports pool operator" means a person that is licensed
35 under section 1081 to operate a sports pool.

1 **42-D. Sports wagering lounge.** "Sports wagering lounge" means the physical
2 location where a person may place a wager with a sports pool.

3 **Sec. 6. 8 MRSA §1003, sub-§1, ¶K,** as amended by PL 2015, c. 499, §4, is
4 further amended to read:

5 K. Ensure that public safety inspectors employed by the board assigned to enforce
6 the provisions of this chapter at the site of a casino may, in the absence of a sworn
7 law enforcement officer, detain any person who is suspected of violating any
8 provision of this chapter. Such detention must comply with federal and state laws
9 including the provisions of Title 17-A, section 107; ~~and~~

10 **Sec. 7. 8 MRSA §1003, sub-§1, ¶L,** as enacted by PL 2015, c. 499, §5, is
11 amended to read:

12 L. Regulate, supervise and exercise general control over the operation of advance
13 deposit wagering in the State; ~~and~~

14 **Sec. 8. 8 MRSA §1003, sub-§1, ¶M** is enacted to read:

15 M. Regulate, supervise and exercise general control over the operation of sports
16 pools in the State.

17 **Sec. 9. 8 MRSA §1003, sub-§2, ¶H,** as amended by PL 2013, c. 212, §8, is
18 further amended to read:

19 H. Pursuant to subchapter 5, cause the department to investigate all complaints made
20 to the board regarding ownership, distribution or operation of slot machines ~~or~~ table
21 games or sports pools and all violations of this chapter or rules adopted under this
22 chapter;

23 **Sec. 10. 8 MRSA §1003, sub-§2, ¶P,** as enacted by PL 2003, c. 687, Pt. A, §5
24 and affected by Pt. B, §11, is amended to read:

25 P. Collect all funds and taxes due to the State under sections 1018 ~~and~~, 1036, 1081
26 and 1084;

27 **Sec. 11. 8 MRSA §1003, sub-§2, ¶Q,** as amended by IB 2009, c. 2, §20, is
28 further amended to read:

29 Q. Certify monthly to the department a full and complete statement of all slot
30 machine ~~and~~, table game and sports pool revenue, credits disbursed by licensees,
31 administrative expenses and the allocation of slot machine ~~and~~, table game and sports
32 pool income for the preceding month;

33 **Sec. 12. 8 MRSA §1003, sub-§2, ¶R,** as amended by IB 2009, c. 2, §21, is
34 further amended to read:

35 R. Submit by March 15th an annual report to the Governor and the joint standing
36 committee of the Legislature having jurisdiction over gambling affairs on slot
37 machine ~~and~~, table game and sports pool revenue, credits disbursed by slot machine
38 operators ~~and~~, table game operators and sports pool operators, administrative

1 expenses and the allocation of slot machine ~~and~~, table game and sports pool income
2 for the preceding year;

3 **Sec. 13. 8 MRSA §1005, sub-§1, ¶¶A and B**, as amended by IB 2009, c. 2, §27,
4 are further amended to read:

5 A. Without notice, and at any time during regular hours of operation, enter the
6 offices, facilities or other places of business of slot machine operators, casino
7 operators, sports pool operators, slot machine distributors, table game distributors and
8 gambling services vendors to conduct administrative inspections to determine
9 compliance with this chapter and rules adopted under this chapter; and

10 B. Request the director to disable any slot machine ~~or~~, table game or sports pool if
11 the department has a reasonable and articulable suspicion that the slot machine ~~or~~,
12 table game or sports pool is being operated in violation of this chapter or of any rule
13 adopted under this chapter.

14 **Sec. 14. 8 MRSA §1006, sub-§8**, as enacted by PL 2013, c. 212, §12, is amended
15 to read:

16 **8. Voluntary exclusion.** Notwithstanding Title 1, section 401, records and
17 information obtained or developed by the board as part of establishing and administering
18 the list of persons who voluntarily request exclusion from any slot machine facility or
19 casino under section 1003, subsection 3, paragraph I or who voluntarily request exclusion
20 from any sports wagering lounge under section 1083, subsection 8 are confidential except
21 that information may be released with the written consent of the person requesting
22 voluntary exclusion and as is necessary to inform the slot machine facility ~~or~~, casino
23 licensee or sports pool operator and enforce the voluntary exclusion. Statistical data and
24 general information that do not allow for a person on the voluntary exclusion list to be
25 personally identified are not confidential.

26 **Sec. 15. 8 MRSA §1015**, as amended by PL 2013, c. 212, §§13 and 14, is further
27 amended to read:

28 **§1015. Licensing of employees of slot machine, casino and sports pool operators,**
29 **slot machine and table game distributors and gambling services vendors**

30 **1. License required.** A person may not be employed by a slot machine operator,
31 casino operator, sports pool operator, slot machine distributor, table game distributor or
32 gambling services vendor unless the person is licensed to do so by the board, temporarily
33 authorized as an employee pursuant to subsection 4 or granted a waiver by the board
34 pursuant to subsection 3.

35 **2. Requirements for license.** The board may issue an employee license to an
36 employee of a slot machine operator, casino operator, sports pool operator, slot machine
37 distributor, table game distributor or gambling services vendor if the applicant meets the
38 qualifications set out in sections 1016 and 1019.

39 **3. Requirements for waiver.** Upon application by a slot machine operator, casino
40 operator, sports pool operator, slot machine distributor, table game distributor or

1 gambling services vendor, the board may waive the employee license requirement under
2 this section if the slot machine operator, casino operator, sports pool operator, slot
3 machine distributor, table game distributor or gambling services vendor demonstrates to
4 the board's satisfaction that the public interest is not served by the requirement of the
5 employee license.

6 **4. Employees authorized temporarily.** A new employee of a slot machine
7 operator, casino operator, sports pool operator, slot machine distributor, table game
8 distributor or gambling services vendor is temporarily authorized to work in a position
9 requiring an employee license pursuant to subsection 1 as of the date a completed
10 employee license application is received by the board. A completed employee license
11 application is composed of:

12 A. The completed form for application for an employee license approved by the
13 board;

14 B. Two complete sets of the fingerprints of the applicant;

15 C. The fee for processing the employee license application as prescribed by the
16 board; and

17 D. The results of the background investigation conducted by the employer.

18 If the department determines after receiving an employee license application under this
19 subsection that the application is incomplete, it may suspend the new employee's
20 temporary authorization until such time as the new employee files a completed
21 application.

22 Temporary authorization is not available for renewal of employee licenses.

23 **5. Termination of temporary authorization.** Unless suspended or revoked, a
24 temporary authorization under subsection 4 continues until the granting or denial of the
25 new employee's employee license application in accordance with sections 1016, 1017 and
26 1019 and any applicable rules adopted by the board. An applicant whose temporary
27 authorization is suspended or revoked is not eligible for employment in a position
28 requiring an employee license pursuant to subsection 1 until such time as the suspension
29 or revocation is withdrawn or an employee license is issued.

30 **Sec. 16. 8 MRSA §1016, sub-§1**, as amended by PL 2013, c. 212, §§15 to 18, is
31 further amended to read:

32 **1. Minimum qualifications.** Notwithstanding Title 5, chapter 341, and in addition
33 to any requirements imposed by rules adopted by the board, a person must satisfy the
34 following qualifications to be a slot machine operator, a casino operator, a sports pool
35 operator, a slot machine distributor, a table game distributor, a gambling services vendor
36 or an employee of these entities:

37 A. The person has completed the application form, promptly and truthfully complied
38 with all information requests of the board and complied with any applicable rules
39 adopted by the board;

1 B. The person has sufficient financial assets and responsibility to meet any financial
2 obligations imposed by this chapter and, if applying for a slot machine operator
3 license, casino operator license, sports pool operator license, slot machine operator
4 license renewal ~~or~~, casino operator license renewal or sports pool operator license
5 renewal, has sufficient financial assets and responsibility to continue operation of a
6 commercial track ~~or~~, casino or off-track betting facility as required by this chapter;

7 C. The person has not knowingly or recklessly made a false statement of material
8 fact in applying for a license under this chapter or any gambling-related license in
9 any other jurisdiction;

10 D. In the case of a person applying to be a slot machine operator or casino operator,
11 the person has sufficient knowledge and experience in the business of operating slot
12 machines or casinos to effectively operate the slot machine facilities or casino to
13 which the license application relates in accordance with this chapter and the rules and
14 standards adopted under this chapter; ~~and~~

15 D-1. In the case of a person applying to be a sports pool operator, the person has
16 sufficient knowledge and experience in the business of operating sports pools to
17 effectively operate the sports pool in accordance with this chapter and the rules and
18 standards adopted under this chapter; and

19 F. If the applicant is a business organization, the applicant is organized in this State,
20 although that business organization may be a wholly or partially owned subsidiary of
21 an entity that is organized pursuant to the laws of another state or a foreign country.

22 Except as provided by section 1013, subsection 3 ~~and~~, section 1013-A, subsection 3 and
23 section 1081, subsection 2, a person may not hold more than one class of license under
24 this chapter unless the 2nd license is an employee license under section 1015.

25 **Sec. 17. 8 MRSA §1041, sub-§2**, as amended by IB 2009, c. 2, §48, is further
26 amended to read:

27 **2. Location.** A slot machine operator ~~or~~, casino operator or sports pool operator
28 shall maintain all records required by this chapter or by rules adopted under this chapter
29 at the operator's primary business office within this State or on the premises where the
30 slot machine or table game is operated or where the sports wagering lounge is located. A
31 slot machine distributor or table game distributor shall maintain these records at the
32 distributor's primary business office within this State. The primary business office must
33 be designated by the license holder in the license application. All records must be open
34 to inspection and audit by the board or its designee and a license holder may not refuse
35 the board or its designee the right to inspect or audit the records. Refusal to permit
36 inspection or audit of the records constitutes grounds for revocation or suspension of the
37 license or registration.

38 **Sec. 18. 8 MRSA §1042**, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by
39 Pt. B, §11, is amended to read:

1 **§1042. Access to premises, equipment and records**

2 **1. Inspection.** A person holding a license or registration under this chapter shall
3 permit the board, the department or a designee of the board or the department unrestricted
4 access, during regular business hours, including access to locked or secured areas, to
5 inspect any gambling facility and any equipment, prizes, records or items and materials
6 used or to be used in the operation of any slot machine or sports pool or associated
7 equipment owned, distributed or operated by that person. A person holding a license or
8 registration under this chapter shall consent in writing to the examination of all the
9 licensee's books and records related to operations licensed under this chapter and shall
10 authorize all 3rd parties in possession or in control of those books and records to allow
11 the board or the board's designee to examine such books and records as the board
12 determines necessary.

13 **2. Monitoring.** The board or the department shall monitor the use, operation,
14 distribution and servicing of slot machines and equipment or devices used to operate a
15 sports pool through on-site observation and other means at any time during the operation
16 of any license for the purpose of certifying the revenue thereof, receiving complaints
17 from the public relating to the conduct of licensees, examining records of revenues and
18 procedures, enforcing the provisions of this chapter and the rules adopted pursuant to this
19 chapter and conducting periodic reviews of licenses for the purpose of evaluating current
20 or suggested provisions of this chapter and the rules adopted pursuant to this chapter.

21 **Sec. 19. 8 MRSA §1054, sub-§§8 and 9,** as enacted by PL 2003, c. 687, Pt. A,
22 §5 and affected by Pt. B, §11, are amended to read:

23 **8. Failure to deposit funds.** Violates section 1036, subsection 2; ~~or~~

24 **9. Failure to grant access to premises, equipment and records.** Violates section
25 1042-;

26 **Sec. 20. 8 MRSA §1054, sub-§§10 and 11** are enacted to read:

27 **10. Operation of sports pool without a license.** Violates section 1081, subsection
28 1; or

29 **11. Underage sports pool wagering.** Violates section 1082, subsection 1.

30 **Sec. 21. 8 MRSA §1066,** as enacted by PL 2013, c. 255, §2, is amended to read:

31 **§1066. Interception of slot machine, table game and sports pool winnings to pay**
32 **child support debt**

33 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
34 following terms have the following meanings.

35 A. "Child support debt" means child support debt that has been liquidated by judicial
36 or administrative action.

37 B. "Department" means the Department of Health and Human Services.

1 C. "Registry operator" means the department or an entity with whom the department
2 enters into a contract to maintain the registry pursuant to subsection 3.

3 D. "Winner" means a slot machine customer ~~or~~, a table game customer or a sports
4 pool customer to whom cash is returned as winnings.

5 **2. Interception.** A licensee shall intercept slot machine ~~and~~, table game and sports
6 pool winnings to pay child support debt in accordance with this section.

7 **3. Registry.** The department shall create and maintain, or shall contract with a
8 private entity to create and maintain, a secure, electronically accessible registry
9 containing information regarding individuals with outstanding child support debt. The
10 department shall regularly enter into the registry information including:

11 A. The name and social security number of each individual with outstanding child
12 support debt;

13 B. The account number or identifier assigned by the department to the outstanding
14 child support debt;

15 C. The amount of the outstanding child support debt; and

16 D. Any other information necessary to effectuate the purposes of this section.

17 **4. Electronic access to information; procedures.** A licensee shall electronically
18 access the registry in accordance with this subsection.

19 A. Before making a payout of winnings of an amount equal to or greater than the
20 amount for which the licensee is required to file a Form W-2G or substantially
21 equivalent form with the United States Internal Revenue Service, the licensee shall
22 obtain the name, address, date of birth and social security number of the winner and
23 shall electronically submit this information to the registry operator.

24 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
25 electronically inform the licensee whether the winner is listed in the registry. If the
26 winner is listed in the registry, the registry operator shall inform the licensee of the
27 amount of the winner's outstanding child support debt and the account number or
28 identifier assigned to the outstanding child support debt and shall provide the licensee
29 with a notice of withholding that informs the winner of the right to an administrative
30 hearing.

31 C. If the registry operator informs the licensee that the winner is not listed in the
32 registry or if the licensee is unable to obtain information from the registry operator on
33 a real-time basis after attempting in good faith to do so, the licensee may make
34 payment to the winner.

35 D. If the registry operator informs the licensee that the winner is listed in the
36 registry, the licensee may not make payment to the winner unless the amount of the
37 payout exceeds the amount of outstanding child support debt, in which case the
38 licensee may make payment to the winner of the amount of winnings that is in excess
39 of the amount of the winner's outstanding child support debt.

1 **5. Lien against winnings.** If the registry operator informs a licensee pursuant to this
2 section that a winner is listed in the registry, the department has a valid lien upon and
3 claim of lien against the winnings in the amount of the winner's outstanding child support
4 debt.

5 **6. Withholding of winnings.** The licensee shall withhold from any winnings an
6 amount equal to the amount of the lien created under subsection 5 and shall provide a
7 notice of withholding to the winner. Within 7 days after withholding an amount pursuant
8 to this subsection, the licensee shall transmit the amount withheld to the department
9 together with a report of the name, address and social security number of the winner, the
10 account number or identifier assigned to the debt, the amount withheld, the date of
11 withholding and the name and location of the licensee.

12 **7. Licensee costs.** Notwithstanding subsection 6, the licensee may retain \$10 from
13 an amount withheld pursuant to this section to cover the cost of the licensee's compliance
14 with this section.

15 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
16 to this section has the right, within 15 days of receipt of the notice of withholding, to
17 request from the department an administrative hearing. The hearing is limited to
18 questions of whether the debt is liquidated and whether any postliquidation events have
19 affected the winner's liability. The administrative hearing decision constitutes final
20 agency action.

21 **9. Authorization to provide information.** Notwithstanding any other provision of
22 law to the contrary, the licensee may provide to the department or registry operator any
23 information necessary to effectuate the intent of this section. The department or registry
24 operator may provide to the licensee any information necessary to effectuate the intent of
25 this section.

26 **10. Confidentiality of information.** The information obtained by the department or
27 registry operator from a licensee pursuant to this section and the information obtained by
28 the licensee from the department or registry operator pursuant to this section are
29 confidential and may be used only for the purposes set forth in this section. An employee
30 or prior employee of the department, the registry operator or a licensee who knowingly or
31 intentionally discloses any such information commits a civil violation for which a fine not
32 to exceed \$1,000 may be adjudged.

33 **11. Effect of compliance; noncompliance.** A licensee, the department and the
34 registry operator are not liable for any action taken in good faith to comply with this
35 section. A licensee who fails to make a good faith effort to obtain information from the
36 registry operator or who fails to withhold and transmit the amount of the lien created
37 under subsection 5 is liable to the department for the greater of \$500 and the amount the
38 person was required to withhold and transmit to the department under this section,
39 together with costs, interest and reasonable attorney's fees.

40 **12. Biennial review.** The department shall report to the Legislature and the
41 Governor on or before January 31, 2015 and biennially thereafter on:

- 1 A. The number of names of winners submitted by licensees to the registry operator
2 pursuant to this section in each of the preceding 2 calendar years;
- 3 B. The number of winners who were found to be listed in the registry in each of the
4 preceding 2 calendar years;
- 5 C. The amount of winnings withheld by licensees pursuant to this section in each of
6 the preceding 2 calendar years; and
- 7 D. The amount of withheld winnings refunded to winners as the result of
8 administrative hearings requested pursuant to this section in each of the preceding 2
9 calendar years.

10 **Sec. 22. 8 MRSA c. 31, sub-c. 8** is enacted to read:

11 **SUBCHAPTER 8**

12 **SPORTS POOL OPERATION; ALLOCATION OF FUNDS**

13 **§1081. License to operate sports pools; employee licensing**

14 **1. License required.** A person may not operate a sports pool in the State unless the
15 person has been issued a license to operate a sports pool by the board.

16 **2. Sports pool operator license.** The board may issue a license to operate a sports
17 pool to a person that demonstrates compliance with the qualifications set forth in sections
18 1016 and 1019 and the criteria adopted by the board through rulemaking regarding the
19 licensing of sports pool operators and that is:

- 20 A. Licensed to operate a commercial track in the State under chapter 11; or
- 21 B. Licensed to operate an off-track betting facility under chapter 11.

22 To maintain eligibility for a license under this subsection, the person must at all times
23 maintain the person's commercial track license or off-track betting facility license without
24 lapse, suspension or revocation.

25 **3. Application.** The application for a license under subsection 2 must be on a form
26 provided by the board and must comply with section 1017.

27 **4. Fees.** The initial application fee for a license under subsection 2 is \$5,000. The
28 renewal fee for a license under subsection 2 is \$2,000.

29 **5. Term of license; renewal.** A license issued by the board under subsection 2 or
30 renewed by the board under this subsection is effective for 2 years, unless revoked or
31 surrendered pursuant to subchapter 5. Upon proper application and payment of the
32 required fee and in accordance with rules adopted by the board, the board may renew a
33 license.

34 **6. Not transferable.** A license issued under this section is not transferable or
35 assignable.

1 **7. Licensing of employees.** Employees of a person licensed under subsection 2
2 must be licensed according to section 1015.

3 **8. Rulemaking.** The board shall adopt rules to implement this section. Rules
4 initially adopted as required by this section are major substantive rules as described in
5 Title 5, chapter 375, subchapter 2-A. Rules adopted after the first year of operation of a
6 sports pool conducted by a sports pool operator are routine technical rules as described in
7 Title 5, chapter 375, subchapter 2-A.

8 **§1082. Persons prohibited from making sports pool wagers**

9 A sports pool operator may not accept a sports pool wager from the following
10 persons:

11 **1. Persons under 18 years of age.** A person who has not attained 18 years of age;

12 **2. Operators and employees.** The sports pool operator or a director, officer or
13 employee of the sports pool operator or a relative living in the same household as any of
14 those persons;

15 **3. Sports event participants.** A person who participates in the sports event,
16 including as an athlete, a coach, a referee or an umpire;

17 **4. Sports event interested parties.** If the sports pool wager involves a sports event
18 that is overseen by a sports governing body or a league:

19 A. A person who is associated with the sports governing body or the league or any of
20 the body's or league's member teams as an athlete, a coach, a referee, an umpire, a
21 league official or a director;

22 B. The sports governing body or the league or any of the body's or league's member
23 teams;

24 C. An employee of the sports governing body or the league or any of the body's or
25 league's member teams; or

26 D. The legal or beneficial owner of more than 50% of the sports governing body or
27 the league or any of the body's or league's member teams;

28 **5. Persons with confidential information.** A person with confidential information
29 that could affect the outcome of the sports event upon which the wager is made. As used
30 in this subsection, "confidential information" means information related to the sports
31 event obtained as a result of or by virtue of a person's employment;

32 **6. Excluded persons.** A person on a list established by the board under section
33 1083, subsection 8 of persons who are to be excluded or removed from a sports wagering
34 lounge;

35 **7. Unidentified persons.** A person whose identity has not been verified by the
36 sports pool operator; and

1 8. Third parties. A person making a wager on behalf of or as the agent or custodian
2 of another person.

3 §1083. Sports pool operation; rulemaking

4 The board shall adopt rules relating to the conduct of sports pools, including but not
5 limited to rules governing the following:

6 1. Fraud or deception. The prevention of any fraud or deception upon a person
7 placing a wager with a sports pool;

8 2. Comprehensive house rules; approval. Comprehensive house rules to be
9 adopted by a sports pool operator governing sports wagering transactions that specify the
10 amounts to be paid on winning wagers and the effect of sports event schedule changes
11 and that identify the maximum wager amount, prohibited sports events and persons
12 prohibited from making wagers with the sports pool under section 1082. The rules must,
13 at a minimum, require a sports pool operator to submit the house rules to the board for
14 approval prior to commencing operations and to conspicuously display the house rules in
15 the sports wagering lounge;

16 3. Conduct of sports pool. The methods of operation of sports pools, including but
17 not limited to the types of wagers permitted, the maximum wager that may be accepted
18 from any one person on a single sports event, ensuring that wagers are not accepted on
19 prohibited sports events and informing customers of state and federal tax obligations on
20 certain winnings;

21 4. Sports wagering lounge. The location, size, design, hours of operation and
22 minimum security standards for sports wagering lounges. The rules must, at a minimum,
23 require that a sports wagering lounge be located only on the premises of the commercial
24 track or off-track betting facility operated by the sports pool operator;

25 5. Identification of customers. Methods for verifying the identity and age of a
26 person who places a wager in a sports wagering lounge and for verifying that the person
27 making a wager is not prohibited from making a wager under section 1082. The rules
28 must, at a minimum, require that a sports pool operator that discovers that a person
29 prohibited from making a wager under section 1082 has made a wager shall immediately
30 refund the wager and any entry fee made by the person;

31 6. Fiscal controls, records and reports to the board. Minimum procedures for the
32 exercise of effective fiscal control of the sports pool, including provisions for the
33 safeguarding of assets and revenues, the recording of cash and evidence of indebtedness
34 and the maintenance of reliable records, accounts and reports of transactions, operations
35 and events, including reports to the board;

36 7. Audits. Procedures for the annual audit of the books and records of sports pool
37 operators; and

38 8. List of excluded persons. Establishment of a list of persons who are to be
39 excluded or removed from a sports wagering lounge including those persons who

1 voluntarily request that their names be included on the list of excluded persons. These
2 rules must:

3 A. Define the standards for exclusion and removal and include standards regarding
4 persons who are career or professional offenders, as defined by rules of the board, or
5 whose presence in a sports wagering lounge, in the opinion of the board, would be
6 inimical to the interest of the State; and

7 B. Provide that, before making a payout of winnings in an amount equal to or greater
8 than the amount for which the sports pool operator is required to file a Form W-2G or
9 substantially equivalent form with the United States Internal Revenue Service, the
10 sports pool operator, after any interception of winnings required by law to pay child
11 support debt or other obligations, shall intercept money or anything of value that an
12 excluded person is seeking to redeem as a result of wagers made by the person after
13 that person has been excluded. The rules must offer the excluded person the right to
14 an administrative hearing with reasonable notice to contest the interception of
15 winnings. Winnings intercepted must be remitted by the sports pool operator to the
16 board or its designee for deposit in an Other Special Revenue Funds account within
17 the office of substance abuse within the Department of Health and Human Services to
18 address gambling addiction.

19 Rules initially adopted as required by this section are major substantive rules as
20 described in Title 5, chapter 375, subchapter 2-A. Rules adopted after the first year of
21 operation of a sports pool conducted by a sports pool operator are routine technical rules
22 as described in Title 5, chapter 375, subchapter 2-A.

23 **§1084. Allocation of sports pool funds**

24 **1. Distribution of sports pool income.** A sports pool operator shall collect and
25 distribute 18% of net sports pool income from sports pools operated by the sports pool
26 operator to the board for distribution by the board as follows:

27 A. Sixteen percent of net sports pool income must be forwarded by the board to the
28 Treasurer of State for distribution as follows:

29 (1) One percent must be deposited in the General Fund for the administrative
30 expenses of the board;

31 (2) Two percent must be credited to the Department of Education to be used for
32 essential programs and services for kindergarten to grade 12 under Title 20 A,
33 chapter 606 B;

34 (3) Two percent must be credited to the Agricultural Fair Support Fund
35 established in Title 7, section 91;

36 (4) Two percent must be credited to the fund established in section 298 to
37 supplement harness racing purses;

38 (5) Two percent must be credited to the Fund to Encourage Racing at Maine's
39 Commercial Tracks established in section 299;

40 (6) Two percent must be credited to the Fund to Stabilize Off-track Betting
41 Facilities established by section 300; and

1 (7) Five percent of net sports pool income must be forwarded by the board to the
2 Treasurer of State, who shall distribute the funds equally to the tribal
3 governments of the federally recognized Indian tribes in the State; and

4 B. Two percent of net sports pool income must be forwarded by the board to the
5 Board of Trustees of the Maine Community College System to be applied by the
6 board of trustees to fund its scholarships program under Title 20 A, section 12716,
7 subsection 1.

8 **2. Failure to deposit funds.** A sports pool operator who knowingly or intentionally
9 fails to comply with this section commits a Class C crime. In addition to any other
10 sanction available by law, the sports pool operator's license to operate a sports pool may
11 be revoked by the board, the sports pool operated by that sports pool operator may be
12 disabled and the sports pool's proceeds and associated equipment may be confiscated by
13 the board and are subject to forfeiture under Title 17-A, section 959 or 960.

14 **3. Late payments.** The board may adopt rules establishing the dates on which
15 payments required by this section are due. All payments not remitted when due must be
16 paid together with interest on the unpaid balance at a rate of 1.5% per month.

17 **§1085. Applicability of other laws**

18 Unless expressly provided in this chapter, the provisions of Title 17, chapter 62 and
19 Title 17-A, chapter 39 do not apply to the conduct of sports pools operated in accordance
20 with this chapter and the rules adopted pursuant to this subchapter.

21 **SUMMARY**

22 This bill authorizes the Department of Public Safety, Gambling Control Board to
23 issue licenses to operate sports pools to commercial tracks and off-track betting facilities
24 in the State. Under the bill, wagers on sports events must be made in person at a sports
25 wagering lounge and may not be transmitted over the Internet from a remote location.

26 Sports pool operators may accept wagers on all professional or amateur sports events
27 except high school sports events and other events in which a majority of the participants
28 are minors. Sports pool operators may not accept wagers from persons whose identity
29 they cannot verify; persons under 18 years of age; the director, officers and employees of
30 the sports pool operator and relatives living in the same household as those persons;
31 athletes, coaches, referees and umpires participating in the sports event; other interested
32 persons including persons who own more than 50% of the legal or beneficial interest in
33 any team if the sports event upon which the wager is placed is overseen by the person's
34 league or sports governing body; persons with confidential information that could affect
35 the outcome of the sports event; persons who are on a list of persons who are to be
36 excluded or removed from a sports wagering lounge established by the board, including
37 persons who voluntarily request to be excluded; and persons who make wagers on behalf
38 of another person.

39 The bill requires the board to adopt rules regulating the operation of sports pools,
40 including rules restricting the types of wagers permitted, establishing the maximum

1 wagers that may be accepted from any one person on a single sports event, regulating the
2 design and minimum security standards for in-person sports wagering lounges located
3 within a commercial track or off-track betting facility and establishing record-keeping,
4 reporting and auditing requirements.

5 The bill further requires that 18% of net sports pool income be transferred to the
6 board for distribution as follows: 1% for administrative expenses of the board; 2% for
7 primary and secondary school education in the State; 2% for the Maine Community
8 College System's scholarships program; 2% to the Agricultural Fair Support Fund; 2% to
9 the fund used to supplement harness racing purses; 2% to the Fund to Encourage Racing
10 at Maine's Commercial Tracks; 2% to the Fund to Stabilize Off-track Betting Facilities;
11 and 5% to be divided equally among the tribal governments of the federally recognized
12 Indian tribes in the State.

13 Finally, the bill provides that the laws governing unlawful gambling and games of
14 chance do not apply to sports pool operators that comply with the laws governing sports
15 pools.