

STATE OF MAINE

—  
IN THE YEAR OF OUR LORD  
TWO THOUSAND TWENTY-ONE

—  
S.P. 256 - L.D. 671

**An Act To Allow the Sale of Raffle Tickets Online**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** due to the pandemic related to coronavirus disease 2019, or COVID-19, nonprofit organizations have been unable to do fundraising necessary to support the causes championed by those nonprofit organizations; and

**Whereas,** this legislation provides one method of fundraising for nonprofit organizations and needs to be enacted as soon as possible; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. 17 MRSA §1831, sub-§3,** as enacted by PL 2009, c. 487, Pt. A, §2, is amended to read:

**3. Distributor.** "Distributor" means a person, firm, corporation, association or organization, other than an Internet raffle operator, that sells, markets or otherwise distributes sealed tickets, gambling apparatus or any other implements of gambling that may be used in the conduct of a game of chance.

**Sec. 2. 17 MRSA §1831, sub-§7-B** is enacted to read:

**7-B. Internet raffle.** "Internet raffle" means a raffle in which a person purchases a raffle chance or ticket through a mobile application or other digital platform that involves, at least in part, the use of the Internet.

**Sec. 3. 17 MRSA §1831, sub-§7-C** is enacted to read:

**7-C. Internet raffle operator.** "Internet raffle operator" means a person, firm, corporation, association or organization licensed under section 1837-B, subsection 2 to conduct an Internet raffle using an Internet raffle system.

**Sec. 4. 17 MRSA §1831, sub-§7-D** is enacted to read:

**7-D. Internet raffle system.** "Internet raffle system" means a mobile application or other digital platform and the accompanying computer software approved by the Gambling Control Unit under section 1837-B, subsection 4 for use in conducting an Internet raffle.

**Sec. 5. 17 MRSA §1832, sub-§1**, as amended by PL 2019, c. 129, §1, is further amended to read:

**1. License or registration required.** Except as provided in ~~section~~ sections 1837-A and 1837-B, a person, firm, corporation, association or organization may not hold, conduct or operate a game of chance without a license issued by or, as applicable, without registering with the Gambling Control Unit in accordance with this section. A license is not required when a game of chance constitutes social gambling.

**Sec. 6. 17 MRSA §1834, sub-§5-A** is enacted to read:

**5-A. Internet raffle operator.** The fee for an Internet raffle operator license is \$500 for each calendar year or portion of a calendar year.

**Sec. 7. 17 MRSA §1835-A, sub-§2**, as enacted by PL 2017, c. 284, Pt. KKKKK, §18, is amended to read:

**2. Games conducted by members and bartenders of registrant only.** A game of chance registered pursuant to this chapter must be operated and conducted for the exclusive benefit of the registrant and, except for an Internet raffle conducted by an Internet raffle operator, must be operated and conducted only by duly authorized members of the registrant or by persons employed by the registrant as bartenders, ~~except that nonmembers~~. Nonmembers employed by the registrant as bartenders may not operate or conduct any game of chance permitted under subsection 5, paragraph B. The requirements of this subsection do not apply to any agricultural society registered to operate a game of chance.

**Sec. 8. 17 MRSA §1837-A, sub-§2**, as amended by PL 2019, c. 129, §3, is further amended to read:

**2. Raffle with a prize of \$2,500 or less.** Except for raffles conducted by an eligible organization under subsection ~~2-A~~ 7, a person or organization is not required to register with the Gambling Control Unit to conduct a raffle in which the total value of the prize offered to the holder of the winning chance does not exceed \$2,500. If the raffle is conducted in a manner in which there are multiple winning chances, the total value of all prizes offered may not exceed a value of \$2,500.

**Sec. 9. 17 MRSA §1837-A, sub-§2-A**, as enacted by PL 2019, c. 129, §3, is amended to read:

**2-A. Raffle with a prize of \$10,000 or less conducted by eligible organization.** ~~As~~ Except as provided in subsection 7, an eligible organization as described in section 1832, subsection 2 is not required to register with the Gambling Control Unit to conduct a raffle in which the total value of the prize offered to the holder of the winning chance does not exceed \$10,000. If the raffle is conducted in a manner in which there are multiple winning chances, the total value of all prizes offered may not exceed a value of \$10,000.

**Sec. 10. 17 MRSA §1837-A, sub-§7** is enacted to read:

7. **Internet raffles; restrictions.** An eligible organization described in section 1832, subsection 2 may conduct a raffle described in subsection 2-A or subsection 4 as an Internet raffle if the eligible organization registers with the Gambling Control Unit and the Internet raffle is operated in accordance with the requirements of this chapter by an Internet raffle operator identified on the registration form. The eligible organization and Internet raffle operator may not permit a person under 18 years of age to purchase a chance or ticket for an Internet raffle and may not advertise or market the Internet raffle in a manner that has a high likelihood of reaching persons under 18 years of age or that is specifically designed to appeal particularly to persons under 18 years of age.

**Sec. 11. 17 MRSA §1837-B** is enacted to read:

**§1837-B. Internet raffle operator license; approval of Internet raffle system**

**1. License and approval required.** A person may not operate an Internet raffle unless the person is licensed as an Internet raffle operator under subsection 2, the Internet raffle is conducted on behalf of an eligible organization registered under section 1837-A, subsection 7, each payment for a chance or ticket for the Internet raffle is made through an Internet raffle system approved under subsection 4 and the winning chance or chances are selected by an Internet raffle system approved under subsection 4.

**2. Internet raffle operator license.** The Gambling Control Unit may issue an Internet raffle operator license to a person, firm, corporation, association or organization. The Gambling Control Unit may not issue an Internet raffle operator license to a business entity unless it is organized under the laws of the State or authorized to transact business or conduct activities in the State. An applicant for an Internet raffle operator license or for renewal of an Internet raffle operator license shall submit an application to the Gambling Control Unit on a form or in a format approved by the Gambling Control Unit. The application must, at a minimum, include the following:

- A. The name, primary business location and contact information of the applicant;
- B. Disclosure of each person that owns 10% or more of a corporate applicant's equity or voting shares and that has the ability to control the activities of the corporate applicant; each person that directly or indirectly holds a beneficial or proprietary interest in a noncorporate applicant's business operation or that has the ability to control the noncorporate applicant's business operation; and key personnel of the applicant. For purposes of this subsection, "key personnel" means any officer, director, manager or general partner of an applicant that is a business entity and each executive, employee or agent having the power to exercise significant influence over decisions concerning any part of an applicant's relevant business operation;
- C. Consent to permit the Executive Director of the Gambling Control Unit to conduct a criminal history record check pursuant to subsection 3 for the applicant and each person disclosed under paragraph B;
- D. For the applicant and each person disclosed under paragraph B, a record of previous issuances and denials of or any adverse action taken against a gambling-related license or application under this Title or Title 8 or in any other jurisdiction. For purposes of this paragraph, "adverse action" includes, but is not limited to, a condition resulting from an administrative, civil or criminal violation, a suspension or revocation of a

license or a voluntary surrender of a license to avoid or resolve a civil, criminal or disciplinary action; and

E. Any additional information required by the Gambling Control Unit by rule.

**3. Criminal history record check.** The Executive Director of the Gambling Control Unit shall request a criminal history record check in accordance with this subsection for the applicant and for each person disclosed by the applicant under subsection 2, paragraph B. The director may require a criminal history record check in accordance with this subsection from a licensee seeking to renew a license and for any person the licensee is required to disclose under subsection 2, paragraph B as part of the license renewal application. A criminal history record check conducted pursuant to this subsection must include, at a minimum, a record of public criminal history record information as defined in Title 16, section 703, subsection 8. An applicant must reimburse the director for the actual costs of conducting the criminal history record checks required under this subsection.

**4. Internet raffle system certification.** An Internet raffle operator may not conduct an Internet raffle using an Internet raffle system unless it has been examined, tested and approved by the Gambling Control Unit or certified by an independent testing laboratory approved by the Gambling Control Unit. The Internet raffle system operator must pay the cost of the examination, testing and certification before the examination occurs. To be approved by the Gambling Control Unit or certified by an independent testing laboratory, the Internet raffle system:

A. Must prohibit a person from purchasing a chance or ticket for an Internet raffle unless the person opens a raffle account into which the person deposits the funds used to purchase the chance or ticket;

B. May not permit the use of a credit card to purchase a chance or ticket for an Internet raffle or the extension of credit from the Internet raffle operator to a person who purchases a chance or ticket for an Internet raffle;

C. Must ensure that a person who opens a raffle account or who purchases a chance or ticket for an Internet raffle is at least 18 years of age; must provide for the immediate refund of any payment to purchase a chance or ticket for an Internet raffle made by a person whom the Internet raffle operator discovers is under 18 years of age; and must publish and facilitate the use of parental controls that permit adults to exclude minors from access to the system's mobile applications and electronic platforms;

D. Must determine and verify that a person who purchases a chance or ticket for an Internet raffle is physically located within the State at the time the purchase is made;

E. Must select the winning chance or chances in an Internet raffle by means of a cryptographically strong random number generator;

F. Must protect the privacy and security of a raffle account owner's information and all of the raffle account owner's accounts maintained or accessed by the Internet raffle system;

G. Must maintain for at least 3 years after the winner or winners are selected a list of all persons who purchased a chance or ticket for the Internet raffle and the name and contact information of the winner or winners of the Internet raffle; a copy of this list and an exact accounting of all gross revenue from the Internet raffle must be

transmitted to the eligible organization on whose behalf the Internet raffle was conducted immediately after the winner or winners are selected; and

H. Must meet any other requirements established by the Gambling Control Unit by rule.

**Sec. 12. 17 MRSA §1838, sub-§1, ¶C** is enacted to read:

C. An Internet raffle operator may not be paid more than 10% of the Internet raffle proceeds to operate an Internet raffle on behalf of an eligible organization.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.