

MAINE STATE LEGISLATURE

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L.D. 553

REPORT A

Date: 6/18/19

(Filing No. S-318)

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE

SENATE

129TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 175, L.D. 553, Bill, "An Act To Ensure Proper Oversight of Sports Betting in the State"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 8 MRSA §1003, sub-§5, as repealed and replaced by PL 2017, c. 475, Pt. A, §11, is amended to read:

5. Additional duties of the director. The director also serves as the director of the Gambling Control Unit, established as a bureau within the Department of Public Safety under Title 25, section 2902, subsection 12. As director of the unit, the director shall administer and enforce the laws governing fantasy contests under chapter 33, sports wagering under chapter 35 and beano and games of chance under Title 17, chapters 13-A and 62, respectively.

Sec. 2. 8 MRSA §1104, sub-§2, as enacted by PL 2017, c. 303, §2, is amended to read:

2. Certain leagues and contests prohibited. A fantasy contest operator may not offer a fantasy contest based on the performances of participants in ~~collegiate or~~ high school athletic events or other athletic events involving participants under 18 years of age.

Sec. 3. 8 MRSA c. 35 is enacted to read:

CHAPTER 35

REGULATION OF SPORTS WAGERING

§1201. Authorization of sports wagering; license required

Notwithstanding any provision of law to the contrary, the operation of sports wagering and ancillary activities are lawful when conducted in accordance with the provisions of this chapter and the rules adopted under this chapter.

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A person or entity may not engage in any activities in this State that require a license under this chapter unless all necessary licenses have been obtained in accordance with this chapter and rules adopted under this chapter.

§1202. Definitions

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

1. Adjusted gross sports wagering receipts. "Adjusted gross sports wagering receipts" means an operator's gross receipts from sports wagering less the total of all winnings paid to patrons, which includes the cash equivalent of any merchandise or thing of value awarded as a prize, and less excise tax payments remitted to the Federal Government.

2. Collegiate sports or athletic event. "Collegiate sports or athletic event" means a sports or athletic event offered or sponsored by, or played in connection with, a public or private institution that offers postsecondary educational services.

3. Commissioner. "Commissioner" means the Commissioner of Public Safety.

4. Department. "Department" means the Department of Public Safety.

5. Director. "Director" means the director of the Gambling Control Unit within the department.

6. Facility operator. "Facility operator" means a facility sports wagering licensee under subsection 7, paragraph A.

7. License. "License" means any license applied for or issued by the director under this chapter, including, but not limited to:

A. A facility sports wagering license under section 1206 to conduct sports wagering in which wagers are placed within a physical location in this State;

B. A mobile sports wagering license under section 1207 to permit a mobile operator to operate sports wagering through an approved mobile application or other digital platform that involves, at least in part, the use of the Internet;

C. A supplier license under section 1208 to sell goods and services to be used in connection with sports wagering, but not to directly accept wagers;

D. A management services license under section 1209 to manage sports wagering on behalf of a facility sports wagering licensee or a mobile sports wagering licensee; and

E. An occupational license under section 1210 to be employed by a facility sports wagering licensee to operate sports wagering when the employee performs duties in furtherance of or associated with the operation of sports wagering.

8. Mobile operator. "Mobile operator" means a mobile sports wagering licensee under subsection 7, paragraph B.

9. Operator. "Operator" includes a facility operator and a mobile operator.

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- 1 **10. Professional sports or athletic event.** "Professional sports or athletic event"
2 means an event at which 2 or more persons participate in sports or athletic contests and
3 receive compensation in excess of actual expenses for their participation in the event.
- 4 **11. Prohibited sports event.** "Prohibited sports event" means a high school sports
5 or athletic event, any other event in which a majority of the participants are under 18
6 years of age or a collegiate sports or athletic event in which any Maine collegiate sports
7 team participates, regardless of where the event takes place.
- 8 **12. Qualified gaming entity.** "Qualified gaming entity" means a gaming entity that
9 offers sports wagering through mobile applications or digital platforms in any jurisdiction
10 in the United States pursuant to a state regulatory structure.
- 11 **13. Sports event.** "Sports event" means any professional sports or athletic event,
12 collegiate sports or athletic event or amateur sports or athletic event, including but not
13 limited to an Olympic or international sports or athletic event, a motor vehicle race or an
14 electronic sports event, commonly referred to as "e-sports."
- 15 **14. Sports wagering.** "Sports wagering" means the business of accepting wagers on
16 sports events or portions of sports events, the individual performance statistics of athletes
17 in a sports event or a combination of any of the same by any system or method of
18 wagering approved by the director, including, but not limited to, in person on the property
19 of a facility licensee or via a mobile sports wagering licensee's mobile applications and
20 digital platforms that use communications technology to accept wagers. "Sports
21 wagering" does not include the sale of pari-mutuel pools authorized under chapter 11 or
22 the operation of fantasy contests as defined in section 1101, subsection 4.
- 23 **15. Wager.** "Wager" means a sum of money or thing of value risked on an uncertain
24 occurrence.
- 25 **§1203. Powers and duties of director**
- 26 **1. Powers and duties.** In administering and enforcing this chapter, the director:
27 A. Has the power to regulate the conduct of sports wagering;
28 B. Shall determine the eligibility of a person to hold or continue to hold a license,
29 shall issue all licenses and shall maintain a record of all licenses issued under this
30 chapter;
31 C. Shall levy and collect all fees, civil penalties and tax on adjusted gross sports
32 wagering receipts imposed by this chapter, except as otherwise provided under this
33 chapter;
34 D. May sue to enforce any provision of this chapter or any rule of the director by
35 civil action or petition for injunctive relief;
36 E. May hold hearings, administer oaths and issue subpoenas or subpoenas duces
37 tecum in the manner provided by applicable law; and
38 F. May exercise any other powers necessary to effectuate the provisions of this
39 chapter and the rules of the director.
- 40 **2. Rules.** The director shall adopt rules governing the conduct of sports wagering in
41 the State, which must, at a minimum, include the following:

- 1 A. Qualifications for obtaining a facility sports wagering license, supplier license,
2 management services license, mobile sports wagering license or occupational license,
3 including the procedure and qualifications for obtaining a waiver of the occupational
4 license requirement;
- 5 B. Qualifications for obtaining a temporary facility sports wagering license,
6 temporary supplier license, temporary management services license and temporary
7 mobile sports wagering license;
- 8 C. The methods of operation of sports wagering, including but not limited to the
9 permitted systems and methods of wagers; the use of credit and checks by persons
10 making wagers; the types of wagering receipts that may be used; the method of
11 issuing receipts; the prevention of sports wagering on prohibited sports events; the
12 protection of patrons placing wagers; and the promotion of social responsibility and
13 responsible gaming and display of information on resources for problem gambling at
14 a facility operator's premises or on any mobile application or digital platform used to
15 place wagers;
- 16 D. If the director determines that establishment of a maximum wager is necessary for
17 the protection of public safety, the maximum wager that may be accepted from any
18 one person on a single sports event;
- 19 E. Standards for the adoption of comprehensive house rules governing sports
20 wagering by operators and the approval of house rules by the director as required
21 under section 1211;
- 22 F. Minimum design and security requirements for the physical premises of facility
23 operators in which sports wagering is conducted, including but not limited to
24 minimum requirements for the acceptance of wagers at a self-serve kiosk located on
25 the premises and minimum required methods for verifying the identity and age of a
26 person who places a wager with a facility operator, for verifying that the person
27 making a wager is not prohibited from a making a wager under section 1213 and for
28 requiring the refund of any wager determined to have been placed by a person
29 prohibited from making a wager under section 1213;
- 30 G. Minimum design and security requirements for mobile applications and digital
31 platforms for the acceptance of wagers by mobile operators, including required
32 methods for verifying the age and identity of a person who places a wager with a
33 mobile operator, for verifying that the person making the wager is physically located
34 in the State and is not prohibited from making a wager under section 1213 and for
35 requiring the refund of any wager determined to have been placed by a person
36 prohibited from making a wager under section 1213;
- 37 H. The types of interested parties, including sports team or league employees or
38 owners, from whom operators are prohibited from accepting wagers under section
39 1213, subsection 4;
- 40 I. Minimum design, security, testing and approval requirements for sports wagering
41 equipment, systems or services sold by suppliers licensed under section 1208;
- 42 J. Minimum requirements for a contract between a management services licensee
43 under section 1209 and an operator on whose behalf the management services

licensee conducts sports wagering, including but not limited to requirements that the person providing management services is licensed prior to entering a contract and that the contract be approved by the director prior to the conduct of sports wagering;

K. Establishment of a list of persons who are not authorized to place a wager on a sports event, including but not limited to those persons who voluntarily request that their names be included on the list of unauthorized persons. The rules adopted under this paragraph must define the standards for involuntary placement on the list and for removal from the list; and

L. Minimum internal control standards for operators, including but not limited to procedures for safeguarding assets and revenues; the recording of cash and evidence of indebtedness; the maintenance of reliable records, accounts and reports of transactions, operations and events; required audits; and the content of and frequency with which reports of sports wagering activities and revenues must be made to the director.

3. Rulemaking. Rules adopted by the director pursuant to this chapter are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

§1204. Application; criminal history background check

1. Application. An application for a license or for renewal of a license required under this chapter must be submitted on the form provided by the director. An application submitted to the director must, at a minimum, include the following:

A. The full name, current address and contact information of the applicant;

B. Disclosure of each person that has control of the applicant as described in subsection 2;

C. Consent to permit the director to conduct a criminal history record check in accordance with subsection 3 of the applicant and each person disclosed under paragraph B in accordance with procedures established by the director;

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 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 director by rule.

2. Persons that have control. The following persons are considered to have control of an applicant or a licensee:

A. Each corporate holding company, parent company or subsidiary company of a corporate applicant or licensee and each person that owns 10% or more of the corporate applicant or licensee and that has the ability to control the activities of the corporate applicant or licensee or elect a majority of the board of directors of that corporate applicant or licensee, except for a bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business;

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1 B. Each person associated with a noncorporate applicant or licensee that directly or
2 indirectly holds a beneficial or proprietary interest in the noncorporate applicant's or
3 licensee's business operation or that the director otherwise determines has the ability
4 to control the noncorporate applicant or licensee; and

5 C. Key personnel of an applicant or licensee, including any executive, employee or
6 agent, having the power to exercise significant influence over decisions concerning
7 any part of the applicant's or licensee's relevant business operation.

8 **3. Criminal history record check.** The director shall request a criminal history
9 record check in accordance with this subsection for each applicant for initial licensure
10 and each person required to be disclosed by the applicant for initial licensure under
11 subsection 1, paragraph B. The director may require a criminal history record check in
12 accordance with this section from a licensee seeking to renew a license, from any person
13 the licensee is required to disclose under subsection 1, paragraph B as part of the license
14 renewal application and from any person identified by the licensee under subsection 4. A
15 criminal history record check conducted pursuant to this section must include criminal
16 history record information obtained from the Maine Criminal Justice Information System
17 established in Title 16, section 631 and the Federal Bureau of Investigation.

18 A. Criminal history record information obtained from the Maine Criminal Justice
19 Information System pursuant to this subsection must include a record of public
20 criminal history record information as defined in Title 16, section 703, subsection 8.

21 B. Criminal history record information obtained from the Federal Bureau of
22 Investigation pursuant to this subsection must include other state and national
23 criminal history record information.

24 C. An individual required to submit to a criminal history record check under this
25 subsection shall submit to having the individual's fingerprints taken. The State Police,
26 upon payment by the individual of the fee required under paragraph D, shall take or
27 cause to be taken the individual's fingerprints and shall forward the fingerprints to the
28 Department of Public Safety, Bureau of State Police, State Bureau of Identification.
29 The State Bureau of Identification shall conduct the state and national criminal
30 history record checks required under this subsection. Except for the portion of a
31 payment, if any, that constitutes the processing fee for a criminal history record check
32 charged by the Federal Bureau of Investigation, all money received by the State
33 Police under this subsection must be paid to the Treasurer of State, who shall apply
34 the money to the expenses incurred by the Department of Public Safety in the
35 administration of this subsection.

36 D. The director shall by rule set the amount of the fee to be paid for each criminal
37 history record check required to be performed under this subsection.

38 E. The subject of a Federal Bureau of Investigation criminal history record check
39 may obtain a copy of the criminal history record check by following the procedures
40 outlined in 28 Code of Federal Regulations, Sections 16.32 and 16.33. The subject of
41 a state criminal history record check may inspect and review the criminal history
42 record information pursuant to Title 16, section 709.

F. State and national criminal history record information obtained by the director under this subsection may be used only for the purpose of screening an applicant for a license or a license renewal under this chapter.

G. All criminal history record information obtained by the director pursuant to this subsection is confidential, is for the official use of the director only and may not be disseminated by the director or disclosed to any other person or entity except as provided in paragraph E.

H. The director, after consultation with the Department of Public Safety, Bureau of State Police, State Bureau of Identification, shall adopt rules to implement this subsection.

4. Material change to application. A person licensed under this chapter shall give the director written notice within 30 days of any material change to any information provided in the licensee's application for a license or renewal, including any change in the identity of persons considered to have control of the licensee as described in subsection 2.

5. Gambling Control Unit employees prohibited. An employee of the Gambling Control Unit within the department may not be an applicant for a license issued under this chapter.

§1205. Denial of license; administrative sanctions

1. Grounds for denial of license or imposition of administrative sanctions. The following are grounds for the director to deny a license or license renewal or for the imposition of administrative sanctions, in accordance with this section, on a person licensed under this chapter:

A. If the applicant or licensee has knowingly made a false statement of material fact to the director;

B. If the applicant or licensee has not disclosed the existence or identity of other persons that have control of the applicant or licensee as required by section 1204, subsections 1 and 4;

C. If the applicant or licensee has had a license revoked by any government authority responsible for regulation of gaming activities;

D. If the applicant, the licensee or a person having control of the applicant or licensee under section 1204, subsection 2 is not of good moral character. In determining whether the applicant, licensee or person is of good moral character, the director shall consider qualities that include but are not limited to honesty, candor, trustworthiness, diligence, reliability, observance of fiduciary and financial responsibility and respect for the rights of others;

E. If the applicant, the licensee or a person having control of the applicant or licensee under section 1204, subsection 2:

(1) Has, in any jurisdiction, been convicted of or pled guilty or nolo contendere to a crime punishable by one year or more of imprisonment;

- 1 (2) Has, in any jurisdiction, been adjudicated of committing a civil violation or
- 2 been convicted of a criminal violation involving dishonesty, deception,
- 3 misappropriation or fraud;
- 4 (3) Has engaged in conduct in this State or any other jurisdiction that would
- 5 constitute a violation of this chapter; chapter 11 involving gambling; chapter 31;
- 6 Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or substantially similar
- 7 offenses in other jurisdictions;
- 8 (4) Is a fugitive from justice, a drug user, a person with substance use disorder,
- 9 an illegal alien or a person who was dishonorably discharged from the Armed
- 10 Forces of the United States; or
- 11 (5) Is not current in filing all applicable tax returns and in the payment of all
- 12 taxes, penalties and interest owed to this State, any other state or the United
- 13 States Internal Revenue Service, excluding items under formal appeal;
- 14 F. If the applicant or licensee has not demonstrated to the satisfaction of the director
- 15 sufficient financial assets to meet the requirements of the licensed business or
- 16 proposed business and to meet any financial obligations imposed by this chapter;
- 17 G. If the applicant, the licensee or a person having control of the applicant or
- 18 licensee under section 1204, subsection 2 has not demonstrated financial
- 19 responsibility. For the purposes of this paragraph, "financial responsibility" means a
- 20 demonstration of a current and expected future condition of financial solvency
- 21 sufficient to satisfy the director that the applicant, the licensee or the person can
- 22 successfully engage in business without jeopardy to the public health, safety and
- 23 welfare. "Financial responsibility" may be determined by an evaluation of the total
- 24 history concerning the applicant, the licensee or the person, including past, present
- 25 and expected condition and record of financial solvency, business record and
- 26 accounting and managerial practices;
- 27 H. If the applicant or licensee has not met the requirements of this chapter; or
- 28 I. If the applicant or licensee has violated any provision of this chapter or of the rules
- 29 adopted under this chapter.
- 30 **2. Denial of initial license or renewed license; notice; hearing.** The director may
- 31 deny an application for a license or for renewal of a license for the reasons set forth in
- 32 subsection 1. The director shall notify the applicant or the licensee in writing of the
- 33 decision and of the opportunity to request a hearing conducted by the commissioner.
- 34 If the applicant or licensee fails to request a hearing within 30 days of the date that the
- 35 notice was mailed under this subsection, the director may issue a final decision denying
- 36 the application for a license or for renewal of a license. If the applicant or licensee makes
- 37 a timely request for a hearing, the commissioner shall conduct an adjudicatory hearing in
- 38 accordance with Title 5, chapter 375, subchapter 4. The director's decision to deny the
- 39 license or license renewal stands until the commissioner issues a decision to uphold,
- 40 modify or overrule the director's decision.

1 After hearing, if the commissioner finds grounds for denying a license or license renewal
2 under subsection 1, the commissioner may deny the application for a license or for
3 renewal of a license.

4 **3. Investigation of complaints; notice; hearing.** The director or the director's
5 designee shall investigate a complaint on the director's own motion or upon receipt of a
6 written complaint regarding noncompliance with or violation of this chapter or of any
7 rules adopted under this chapter. Following the investigation, the director may mail the
8 licensee a notice of violation and proposed sanction and the opportunity to request a
9 hearing.

10 If the licensee fails to request a hearing within 30 days of the date that a notice was
11 mailed under this subsection, the director may issue a final decision imposing the
12 sanction proposed in the notice. If the licensee makes a timely request for a hearing, the
13 commissioner shall conduct an adjudicatory hearing in accordance with Title 5, chapter
14 375, subchapter 4. If, after the hearing, the commissioner finds that the factual basis of
15 the complaint is true and is of sufficient gravity to warrant further action, the
16 commissioner may impose an administrative sanction under subsection 4.

17 **4. Administrative sanctions.** The director or the commissioner may, pursuant to
18 subsection 3, impose the following administrative sanctions on a licensee:

19 A. A written reprimand;

20 B. Conditions of probation of a license;

21 C. A license suspension;

22 D. A license revocation; or

23 E. A civil penalty of up to \$25,000 per violation of any provision of this chapter or
24 rule adopted pursuant to this chapter.

25 **5. Appeals.** A person aggrieved by the final decision of the commissioner under
26 subsection 2 or 3 may appeal the commissioner's decision to the Superior Court in
27 accordance with Title 5, chapter 375, subchapter 7.

28 **§1206. Facility sports wagering license**

29 **1. Issuance of license.** The director shall issue a facility sports wagering license
30 upon finding that the applicant meets all requirements of this section, sections 1204 and
31 1205 and rules adopted under this chapter.

32 **2. Eligibility.** To be eligible to receive a facility sports wagering license, an
33 applicant must be:

34 A. A commercial track licensed under section 271;

35 B. An off-track betting facility licensed under section 275-D;

36 C. A slot machine facility or casino licensed under section 1011; or

37 D. A federally recognized Indian tribe in this State.

38 Each entity or tribe identified in paragraphs A to D may receive only one facility sports
39 wagering license under this section.

1 **3. Authority to conduct sports wagering; management services permitted.** A
2 facility sports wagering license granted by the director pursuant to this section grants a
3 licensee lawful authority to conduct sports wagering within the terms and conditions of
4 the license and any rules adopted under this chapter. A facility sports wagering licensee
5 may contract with a management services licensee under section 1209.

6 **4. Fees.** The fee for an initial or renewed facility sports wagering license is \$2,000
7 and must be retained by the director for the costs of administering this chapter. In
8 addition to the license fee, the director may charge a processing fee for an initial or
9 renewed license in an amount equal to the projected cost of processing the application
10 and performing any background investigations. If the actual cost exceeds the projected
11 cost, an additional fee may be charged to meet the actual cost. If the projected cost
12 exceeds the actual cost, the difference may be refunded to the applicant or licensee.

13 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
14 under this section is valid for 2 years unless sooner revoked by the director under section
15 1205. The failure of an entity identified in subsection 2, paragraph A, B or C to maintain
16 the underlying license described in that paragraph voids the entity's facility sports
17 wagering license.

18 **6. Temporary license.** An applicant for a facility sports wagering license that is
19 qualified under subsection 2, paragraph A, B or C may submit with the application a
20 request for a temporary license. An applicant for a facility sports wagering license that is
21 qualified under subsection 2, paragraph D and that has a license to operate high-stakes
22 beano under Title 17, section 314-A may submit with the application a request for a
23 temporary license.

24 A request for a temporary license must include the initial license fee of \$2,000. If the
25 director determines that the applicant is qualified under subsection 2, meets the
26 requirements established by rule for a temporary license and has paid the initial license
27 fee and the director is not aware of any reason the applicant is ineligible for a license
28 under this section, the director may issue a temporary facility sports wagering license. A
29 temporary license issued under this subsection is valid for one year or until a final
30 determination on the facility sports wagering license application is made, whichever is
31 sooner. If after investigation the director determines that the applicant is eligible for a
32 facility sports wagering license under this chapter, the director shall issue the initial
33 facility sports wagering license, at which time the temporary license terminates. The
34 initial facility sports wagering license is valid for 2 years from the date that the temporary
35 license was issued by the director. Sports wagering conducted under authority of a
36 temporary license must comply with the facility operator's house rules adopted under
37 section 1211.

38 **7. Occupational license required.** A facility sports wagering licensee, including a
39 temporary licensee under subsection 6, shall conduct sports wagering through persons
40 holding a valid occupational license under section 1210.

41 **8. Municipal control.** Nothing in this chapter may be construed to restrict the
42 authority of municipalities under municipal home rule provisions of the Constitution of
43 Maine, including zoning and public safety authority.

§1207. Mobile sports wagering license

1. Issuance of license. The director shall issue a mobile sports wagering license upon finding that the applicant meets all requirements of this section, sections 1204 and 1205 and rules adopted under this chapter.

2. Eligibility. To be eligible to receive a mobile sports wagering license, an applicant must be:

A. A commercial track licensed under section 271;

B. An off-track betting facility licensed under section 275-D;

C. A slot machine facility or casino licensed under section 1011;

D. A federally recognized Indian tribe in this State; or

E. A qualified gaming entity.

3. Authority to conduct sports wagering; management services permitted. A mobile sports wagering license granted by the director pursuant to this section grants a licensee lawful authority to conduct sports wagering through any mobile applications or digital platforms approved by the director within the terms and conditions of the license and any rules adopted under this chapter. A mobile sports wagering licensee may contract with a management services licensee under section 1209.

4. Fees. The fee for an initial or renewed mobile sports wagering license is \$20,000 and must be retained by the director for the costs of administering this chapter. In addition to the license fee, the director may charge a processing fee for an initial or renewed license in an amount equal to the projected cost of processing the application and performing any background investigations. If the actual cost exceeds the projected cost, an additional fee may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the difference may be refunded to the applicant or licensee.

5. Term of license. Except as provided in subsection 6, a license granted or renewed under this section is valid for 2 years unless sooner revoked by the director under section 1205. The failure of an entity identified in subsection 2, paragraph A, B or C to maintain the underlying license described in that paragraph voids the entity's mobile sports wagering license.

6. Temporary license. An applicant for a mobile sports wagering license may submit with the application a request for a temporary license. A request for a temporary license must include the initial license fee of \$20,000. If the director determines that the applicant is qualified under subsection 2, meets the requirements established by rule for a temporary license and has paid the initial license fee and the director is not aware of any reason the applicant is ineligible for a license under this section, the director may issue a temporary mobile sports wagering license. A temporary license issued under this subsection is valid for one year or until a final determination on the mobile sports wagering license application is made, whichever is sooner. If after investigation the director determines that the applicant is eligible for a mobile sports wagering license under this chapter, the director shall issue the initial mobile sports wagering license, at which time the temporary license terminates. The initial mobile sports wagering license is valid for 2 years from the date that the temporary license was issued by the director.

1 Sports wagering conducted under authority of a temporary license must comply with the
2 mobile operator's house rules adopted under section 1211.

3 **§1208. Supplier license**

4 **1. Issuance of license; eligibility.** The director shall issue a supplier license upon
5 finding that the applicant meets all requirements of this section, sections 1204 and 1205
6 and rules adopted under this chapter.

7 **2. Equipment.** An applicant for a supplier license shall demonstrate that the
8 equipment, systems or services that the applicant plans to offer to an operator conform to
9 standards established by rule by the director. The director may accept approval by another
10 jurisdiction that is specifically determined by the director to have similar equipment
11 standards as evidence the applicant meets the standards established by the director by
12 rule.

13 **3. Authority to supply operators.** A supplier license granted by the director
14 pursuant to this section grants a licensee lawful authority to sell or to lease sports
15 wagering equipment, systems or services to operators in the State within the terms and
16 conditions of the license and any rules adopted under this chapter.

17 **4. Fees.** The fee for an initial or renewed supplier license is \$20,000 and must be
18 retained by the director for the costs of administering this chapter. In addition to the
19 license fee, the director may charge a processing fee for an initial or renewed license in
20 an amount equal to the projected cost of processing the application and performing any
21 background investigations. If the actual cost exceeds the projected cost, an additional fee
22 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
23 difference may be refunded to the applicant or licensee.

24 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
25 under this section is valid for 2 years unless sooner revoked by the director under section
26 1205.

27 **6. Temporary license.** An applicant for a supplier license may submit with the
28 application a request for a temporary license. A request for a temporary license must
29 include the initial license fee of \$20,000. If the director determines that the applicant is
30 qualified under subsection 2, meets the requirements established by rule for a temporary
31 license and has paid the initial license fee and the director is not aware of any reason the
32 applicant is ineligible for a license under this section, the director may issue a temporary
33 supplier license. A temporary license issued under this subsection is valid for one year or
34 until a final determination on the supplier license application is made, whichever is
35 sooner. If after investigation the director determines that the applicant is eligible for a
36 supplier license under this chapter, the director shall issue the initial supplier license, at
37 which time the temporary license terminates. The initial supplier license is valid for 2
38 years from the date that the temporary license was issued by the director.

39 **7. Inventory.** A supplier licensee shall submit to the director a list of all sports
40 wagering equipment, systems and services sold or leased to, delivered to or offered to an
41 operator in this State as required by the director, all of which must be tested and approved
42 by an independent testing laboratory approved by the director. An operator may continue

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1 to use supplies acquired from a licensed supplier if the supplier's license subsequently
2 expires or is otherwise revoked, unless the director finds a defect in the supplies.

3 **§1209. Management services license**

4 **1. Issuance of license; eligibility.** The director shall issue a management services
5 license upon finding that the applicant meets all requirements of this section, sections
6 1204 and 1205 and rules adopted under this chapter and that the applicant has sufficient
7 knowledge and experience in the business of operating sports wagering to effectively
8 conduct sports wagering in accordance with this chapter and the rules adopted under this
9 chapter.

10 **2. Authority to enter contract with operator.** A management services licensee
11 may contract with an operator to manage sports wagering operations on behalf of the
12 operator in accordance with rules adopted under this chapter.

13 **3. Contract approval; material change in written contract.** A person may not
14 contract with an operator to conduct sports wagering on behalf of the operator unless the
15 person is licensed under this section and the director approves the written contract. A
16 management services licensee must submit to the director any proposed material change
17 to the written contract that has been approved by the director under this subsection. A
18 management services licensee may not transfer, assign, delegate or subcontract any
19 portion of the management services licensee's responsibilities under the contract or any
20 portion of the management services licensee's right to compensation under the contract to
21 any other person who does not hold a management services license.

22 **4. Fees.** The fee for an initial or renewed management services license is \$20,000
23 and must be retained by the director for the costs of administering this chapter. In
24 addition to the license fee, the director may charge a processing fee for an initial or
25 renewed license in an amount equal to the projected cost of processing the application
26 and performing any background investigations. If the actual cost exceeds the projected
27 cost, an additional fee may be charged to meet the actual cost. If the projected cost
28 exceeds the actual cost, the difference may be refunded to the applicant or licensee.

29 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
30 under this section is valid for 2 years unless sooner revoked by the director under section
31 1205.

32 **6. Temporary license.** An applicant for a management services license may submit
33 with the application a request for a temporary license. A request for a temporary license
34 must include the initial license fee of \$20,000. If the director determines that the
35 applicant is qualified under subsection 1, meets the requirements established by rule for a
36 temporary license and has paid the initial license fee and the director is not aware of any
37 reason the applicant is ineligible for a license under this section, the director may issue a
38 temporary management services license. A temporary license issued under this
39 subsection is valid for one year or until a final determination on the management services
40 license application is made, whichever is sooner. If after investigation the director
41 determines that the applicant is eligible for a management services license under this
42 chapter, the director shall issue the initial management services license, at which time the
43 temporary license terminates. The initial management services license is valid for 2 years
44 from the date that the temporary license was issued by the director.

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§1210. Occupational license

1. License required. A person may not be employed by a facility operator to be engaged directly in sports wagering-related activities or otherwise to conduct or operate sports wagering without a valid occupational license issued by the director under this section. The director shall issue an occupational license to a person who meets the requirements of this section, section 1204 and section 1205. The director shall by rule establish a process for issuance of occupational licenses that is, as far as possible, identical to the process for licensing employees of a casino under section 1015.

2. Authority to be employed in sports wagering. An occupational license authorizes the licensee to be employed by a facility operator in the capacity designated by the director while the license is active. The director may establish, by rule, job classifications with different requirements to recognize the extent to which a particular job has the ability to affect the proper operation of sports wagering.

3. Application and fee. Except as provided in subsection 5, an applicant shall submit any required application forms established by the director and pay a nonrefundable application fee of \$250. The fee may be paid on behalf of an applicant by the facility operator employer. Fees paid under this subsection must be retained by the director for the costs of administering this chapter.

4. Renewal fee and form. An occupational licensee must pay to the director an annual renewal fee of \$50. The fee may be paid on behalf of the occupational licensee by the facility operator employer. In addition to a renewal fee, an occupational licensee must annually submit a renewal application on the form required by the director. Fees paid under this subsection must be retained by the director for the costs of administering this chapter.

5. Exception. An individual who is actively licensed under section 1015 as an employee of a casino that has a facility sports wagering license may obtain or renew a license under this section without paying an initial license fee or a renewal license fee under this section.

§1211. Sports wagering house rules

1. Adoption of house rules. An operator shall adopt comprehensive house rules for game play governing sports wagering transactions with its patrons. House rules must be approved by the director prior to implementation and meet the minimum standards established by the director by rule, including, but not limited to, requiring that the house rules specify the amounts to be paid on winning wagers and the effect of schedule changes, the circumstances under which the operator will void a bet and treatment of errors, late bets and related contingencies.

2. Advertisement of house rules. The house rules, together with any other information the director determines to be appropriate, must be advertised as required by the director by rule and must be made readily available to patrons.

§1212. Access to premises and equipment

A licensee under this chapter shall permit the director, the department or a designee of the director unrestricted access, during regular business hours, including access to

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1 locked or secured areas, to inspect any facility and any equipment, prizes, records or
2 other items to be used in the operation of sports wagering.

3 **§1213. Persons prohibited from making wagers on sports events**

4 An operator and a management services licensee conducting sports wagering on
5 behalf of an operator may not accept a wager on a sports event from the following
6 persons:

7 1. Persons under 21 years of age. A person who has not attained 21 years of age;

8 2. Sports event participants. An athlete or individual who participates or officiates
9 in the sports event that is the subject of the wager;

10 3. Operators and employees. An operator or management services licensee;
11 directors, officers and employees of an operator or management services licensee; or a
12 relative living in the same household as any of these persons. This subsection does not
13 prohibit a relative living in the same household as a director, officer or employee of an
14 operator or management services licensee from making a sports wager with an
15 unaffiliated operator or management services licensee;

16 4. Interested parties. A person with an interest in the outcome of the sports event
17 identified by the director by rule. The interested parties identified by the director by rule
18 under this paragraph may include, but are not limited to, legal or beneficial owners of or
19 employees of a sports team participating in the event or another sports team in the same
20 league as a sports team participating in the event as well as directors, owners or
21 employees of the sports league conducting the event;

22 5. Unauthorized persons. A person on a list established by rule by the director
23 under section 1203, subsection 2, paragraph K of persons who are not authorized to make
24 wagers on sports events;

25 6. Third parties. A person making a wager on behalf of or as the agent or custodian
26 of another person; and

27 7. Regulatory staff. An employee of the Gambling Control Unit within the
28 department.

29 **§1214. Interception of sports wagering winnings to pay child support debt**

30 1. Definitions. As used in this section, unless the context otherwise indicates, the
31 following terms have the following meanings.

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

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

35 C. "Licensee" means a facility operator, a mobile operator or a management services
36 licensee under section 1209.

37 D. "Registry operator" means the department or an entity with which the department
38 enters into a contract to maintain the registry pursuant to subsection 3.

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1 E. "Winner" means a sports wagering customer to whom cash is returned as
2 winnings.

3 2. **Interception.** A licensee shall intercept sports wagering winnings to pay child
4 support debt in accordance with this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **9. Authorization to provide information.** Notwithstanding any other provision of
18 law to the contrary, the licensee may provide to the department or registry operator any
19 information necessary to effectuate the intent of this section. The department or registry
20 operator may provide to the licensee any information necessary to effectuate the intent of
21 this section.

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

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

36 **12. Biennial review.** The department shall include in its report to the Legislature
37 under section 1066 the following information:

38 **A.** The number of names of winners submitted by licensees to the registry operator
39 pursuant to this section in each of the preceding 2 calendar years;

40 **B.** The number of winners who were found to be listed in the registry in each of the
41 preceding 2 calendar years;

42 **C.** The amount of winnings withheld by licensees pursuant to this section in each of
43 the preceding 2 calendar years; and

1 D. The amount of withheld winnings refunded to winners as the result of
 2 administrative hearings requested pursuant to this section in each of the preceding 2
 3 calendar years.

4 **§1215. Allocation of funds**

5 **1. Tax imposed on facility operator; allocation of funds.** A facility operator shall
 6 collect and distribute 10% of adjusted gross sports wagering receipts to the director to be
 7 forwarded by the director to the Treasurer of State for distribution as follows:

8 A. One percent of the adjusted gross sports wagering receipts must be deposited in
 9 the General Fund for the administrative expenses of the Gambling Control Unit
 10 within the department;

11 B. One percent of the adjusted gross sports wagering receipts must be deposited in
 12 the Gambling Addiction Prevention and Treatment Fund established by Title 5,
 13 section 20006-B; and

14 C. Eight percent of the adjusted gross sports wagering receipts must be deposited in
 15 the General Fund.

16 **2. Tax imposed on mobile operator; allocation of funds.** A mobile operator shall
 17 collect and distribute 16% of adjusted gross sports wagering receipts to the director to be
 18 forwarded by the director to the Treasurer of State for distribution as follows:

19 A. One percent of the adjusted gross sports wagering receipts must be deposited in
 20 the General Fund for the administrative expenses of the Gambling Control Unit
 21 within the department;

22 B. One percent of the adjusted gross sports wagering receipts must be deposited in
 23 the Gambling Addiction Prevention and Treatment Fund established by Title 5,
 24 section 20006-B; and

25 C. Fourteen percent of the adjusted gross sports wagering receipts must be deposited
 26 in the General Fund.

27 **3. Due dates; late payments.** The director may adopt rules establishing the dates on
 28 which payments required by this section are due. All payments not remitted when due
 29 must be paid together with interest on the unpaid balance at a rate of 1.5% per month.

30 **§1216. Unauthorized sports wagering**

31 Notwithstanding Title 17-A, chapter 39, a person who engages in an activity for
 32 which a license is required under this chapter and who does not possess the required
 33 license under this chapter to conduct that activity is subject to the penalties specified in
 34 this section and is not subject to Title 17-A, chapter 39 for that unlicensed activity.

35 **1. First violation.** A person, other than a licensee under this chapter, that operates
 36 or facilitates sports wagering commits a Class E crime and is subject to a fine of not more
 37 than \$10,000 and a term of imprisonment of not more than 90 days.

38 **2. Second violation.** A person convicted of a 2nd violation of subsection 1 commits
 39 a Class D crime and is subject to a fine of not more than \$50,000 and a term of
 40 imprisonment of not more than 6 months.

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1 **3. Third or subsequent violation.** A person convicted of a 3rd or subsequent
2 violation of subsection 1 commits a Class C crime and is subject to a fine of not less than
3 \$25,000 and not more than \$100,000 and a term of imprisonment of not less than one
4 year and not more than 5 years.

5 **§1217. Applicability of other laws**

6 The provisions of Title 17, chapter 62 and Title 17-A, chapter 39 do not apply to
7 sports wagering conducted in accordance with this chapter and the rules adopted under
8 this chapter.

9 **Sec. 4. 25 MRSA §1542-A, sub-§1, ¶P,** as enacted by PL 2017, c. 452, §25, is
10 reallocated to 25 MRSA §1542-A, sub-§1, ¶S.

11 **Sec. 5. 25 MRSA §1542-A, sub-§1, ¶¶Q and R,** as enacted by PL 2017, c. 457,
12 §13, are amended to read:

13 Q. Who is an applicant for licensure with the State Board of Nursing as required
14 under Title 32, section 2111, subsection 1; or

15 R. Who is required to have a criminal background check under Title 22, section
16 8302-A or 8302-B; or

17 **Sec. 6. 25 MRSA §1542-A, sub-§1, ¶T** is enacted to read:

18 T. Who is required to have a criminal background check under Title 8, section 1204.

19 **Sec. 7. 25 MRSA §1542-A, sub-§3, ¶O,** as enacted by PL 2017, c. 452, §26, is
20 repealed.

21 **Sec. 8. 25 MRSA §1542-A, sub-§3, ¶R** is enacted to read:

22 R. The State Police shall take or cause to be taken the fingerprints of the person
23 named in subsection 1, paragraph S at the request of that person or the Department of
24 Administrative and Financial Services under Title 22, section 2425-A, subsection
25 3-A.

26 **Sec. 9. 25 MRSA §1542-A, sub-§3, ¶S** is enacted to read:

27 S. The State Police shall take or cause to be taken the fingerprints of the person
28 named in subsection 1, paragraph T at the request of that person or the director of the
29 Gambling Control Unit within the Department of Public Safety and upon payment by
30 the director of the Gambling Control Unit of the fee established pursuant to Title 8,
31 section 1204, subsection 3.

32 **Sec. 10. 25 MRSA §1542-A, sub-§4,** as amended by PL 2017, c. 452, §27 and
33 by c. 457, §16, is repealed and the following enacted in its place:

34 **4. Duty to submit to State Bureau of Identification.** It is the duty of the law
35 enforcement agency taking the fingerprints as required by subsection 3, paragraphs A, B
36 and G to transmit immediately to the State Bureau of Identification the criminal
37 fingerprint record. Fingerprints taken pursuant to subsection 1, paragraph C, D, E or F or
38 pursuant to subsection 5 may not be submitted to the State Bureau of Identification unless
39 an express request is made by the commanding officer of the State Bureau of

Identification. Fingerprints taken pursuant to subsection 1, paragraph G must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Department of Education. The bureau may not use the fingerprints for any purpose other than that provided for under Title 20-A, section 6103. The bureau shall retain the fingerprints, except as provided under Title 20-A, section 6103, subsection 9. Fingerprints taken pursuant to subsection 1, paragraph I and subsection 3, paragraph I must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the court and the Department of Public Safety, Gambling Control Board, respectively. Fingerprints taken pursuant to subsection 1, paragraph J, K, L or S must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Department of Administrative and Financial Services. Fingerprints taken pursuant to subsection 1, paragraph P must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Board of Osteopathic Licensure, established in Title 32, chapter 36. Fingerprints taken pursuant to subsection 1, paragraph N must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Board of Licensure in Medicine, established in Title 32, chapter 48. Fingerprints taken pursuant to subsection 1, paragraph Q must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the State Board of Nursing, established in Title 32, chapter 31. Fingerprints taken pursuant to subsection 1, paragraph O must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks under Title 28-B, section 204. Fingerprints taken pursuant to subsection 1, paragraph R must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks for the Department of Health and Human Services. Fingerprints taken pursuant to subsection 1, paragraph T must be transmitted immediately to the State Bureau of Identification to enable the bureau to conduct state and national criminal history record checks under Title 8, section 1204.

Sec. 11. Emergency rules. The director of the Gambling Control Unit within the Department of Public Safety may adopt emergency rules under the Maine Revised Statutes, Title 5, section 8054 as necessary to implement this Act without the necessity of demonstrating that immediate adoption is necessary to avoid a threat to public health, safety or general welfare.

Sec. 12. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Office of Substance Abuse and Mental Health Services Z199

Initiative: Provides allocations to allow expenditure of sports betting revenue.

1	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
2	All Other	\$95,000	\$190,000
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	\$95,000	\$190,000
5	HEALTH AND HUMAN SERVICES,		
6	DEPARTMENT OF		
7	DEPARTMENT TOTALS	2019-20	2020-21
8			
9	OTHER SPECIAL REVENUE FUNDS	\$95,000	\$190,000
10			
11	DEPARTMENT TOTAL - ALL FUNDS	\$95,000	\$190,000
12	PUBLIC SAFETY, DEPARTMENT OF		
13	Gambling Control Board Z002		
14	Initiative: Provides allocations for one Public Safety Manager II position and associated		
15	All Other costs.		
16	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
17	POSITIONS - LEGISLATIVE COUNT	1.000	1.000
18	Personal Services	\$116,850	\$122,168
19	All Other	\$5,408	\$5,408
20			
21	OTHER SPECIAL REVENUE FUNDS TOTAL	\$122,258	\$127,576
22	PUBLIC SAFETY, DEPARTMENT OF		
23	DEPARTMENT TOTALS	2019-20	2020-21
24			
25	OTHER SPECIAL REVENUE FUNDS	\$122,258	\$127,576
26			
27	DEPARTMENT TOTAL - ALL FUNDS	\$122,258	\$127,576
28	SECTION TOTALS	2019-20	2020-21
29			
30	OTHER SPECIAL REVENUE FUNDS	\$217,258	\$317,576
31			
32	SECTION TOTAL - ALL FUNDS	\$217,258	\$317,576
33			
34	Amend the bill by relettering or renumbering any nonconsecutive Part letter or		
35	section number to read consecutively.		

SUMMARY

This amendment, which is the majority report of the committee, strikes and replaces the bill, which is a concept draft. The amendment authorizes the Department of Public Safety, Gambling Control Unit to regulate sports wagering in the State.

Licensed commercial tracks, licensed off-track betting facilities, licensed casinos and federally recognized Indian tribes are eligible to apply for facility sports wagering licenses to conduct in-person sports wagering in the State. These entities are also eligible to apply for mobile sports wagering licenses to conduct sports wagering through mobile applications or digital platforms, as are qualified gaming entities that offer sports wagering through mobile applications or digital platforms in any jurisdiction in the United States pursuant to a state regulatory structure. Facility sports wagering licensees and mobile sports wagering licensees, referred to in the amendment as operators, may purchase or lease equipment, systems or services for sports wagering from entities with a supplier license, whose equipment, systems or services must meet standards established by rule. Operators may also enter into written contracts, approved by the director of the Gambling Control Unit within the Department of Public Safety, with management services licensees that have sufficient knowledge and experience in the business of operating sports wagering to effectively conduct sports wagering on behalf of operators. A person employed by a facility sports wagering licensee to be engaged directly in sports wagering-related activities must be licensed by the Gambling Control Unit.

Operators may accept wagers on professional, collegiate and amateur sports events, including international events, as well as on the individual performances of athletes, on motor vehicle races and on electronic sports. Sports wagers are prohibited on high school events, other events where a majority of participants are less than 18 years of age and events involving Maine-based colleges and universities. Operators may not accept sports wagers from individuals under 21 years of age; participants in the sports event, including athletes and officials; persons with an interest in the outcome of the sports event identified by the director by rule; the operator's own directors or employees or persons living in their households; persons voluntarily or involuntarily placed on a list maintained by the Gambling Control Unit within the Department of Public Safety of persons not authorized to make sports wagers; 3rd persons making wagers on behalf of another person; and Gambling Control Unit employees. Mobile sports wagering licensees are also prohibited from accepting sports wagers from persons who are not physically located within the State.

A facility sports wagering licensee must remit 10% of the licensee's adjusted gross sports wagering receipts to the State and a mobile sports wagering licensee must remit 16% of the licensee's adjusted gross sports wagering receipts to the State. One percent of adjusted gross sports wagering receipts must be deposited in the General Fund for the administrative expenses of the Gambling Control Unit within the Department of Public Safety and 1% of the adjusted gross sports wagering receipts must be deposited in the Gambling Addiction Prevention and Treatment Fund established by the Maine Revised Statutes, Title 5, section 20006-B. The remaining adjusted gross sports wagering receipts remitted to the State must be deposited in the General Fund.

The amendment also allows a licensed fantasy contest operator to offer a fantasy contest based on the performances of participants in collegiate athletic events.

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COMMITTEE AMENDMENT "A" to S.P. 175, L.D. 553 (S-318)

1 The amendment also adds an appropriations and allocations section.

2 **FISCAL NOTE REQUIRED**

3 (See attached)

**129th MAINE LEGISLATURE****LD 553****LR 69(02)****An Act To Ensure Proper Oversight of Sports Betting in the State****Fiscal Note for Bill as Amended by Committee Amendment "A" (LS-318)****Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	(\$1,311,000)	(\$2,622,000)	(\$5,244,000)	(\$5,244,000)
Appropriations/Allocations				
Other Special Revenue Funds	\$217,258	\$317,576	\$510,972	\$514,463
Revenue				
General Fund	\$1,311,000	\$2,622,000	\$5,244,000	\$5,244,000
Other Special Revenue Funds	\$565,250	\$193,250	\$837,250	\$383,250

Correctional and Judicial Impact Statements

Increases the number of civil cases filed in the court system. No estimate of the number of new cases is made. The collection of additional filing fees and fine revenue may increase General Fund and other dedicated revenue by minor amounts.

Fiscal Detail and Notes

This bill authorizes the Gambling Control Unit (GCU) within the Department of Public Safety, to regulate sports wagering in the State and directs that 10% of gross sports wagering facility revenue and 16% of gross sports wagering mobile revenue be credited to the General Fund, 1% be credited to the GCU for administrative expenses and 1% be credited to the Gambling Addiction and Prevention Treatment Fund. Facility and mobile operators will retain the remainder of the gross. General fund revenue of \$1,311,00 in fiscal year 2019-20 and \$2,622,000 in fiscal year 2020-21 and Other Special Revenue Funds revenue of \$95,000 in fiscal year 2019-20 and \$190,000 in fiscal year 2020-21 is estimated to be generated from sports wagering. The estimate prorates assumptions contained in the May 2017, Oxford Economics' "Economic Impact of Legalized Sports Betting" report, using the criteria of moderate availability for in-person sports wagering and convenient availability for mobile wagering.

This bill includes Other Special Revenue Funds allocations to the Department of Public Safety of \$122,258 in fiscal year 2019-20 and \$127,576 in fiscal year 2020-21 for one Public Safety Manager II position and associated All Other costs. The bill creates facility sports wagering licenses, mobile sports wagering licenses, supplier licenses, management services licenses and employee occupational licenses. License fees are estimated to generate Other Special Revenue Funds revenue of \$470,250 in fiscal year 2019-20 and \$3,250 in fiscal year 2020-21. License fee revenue assumes that two casinos and one commercial racetrack will have both facility and mobile sports betting, four off-track betting facilities will have facility betting only, one off-track betting facility will have a facility and a mobile license and six online vendors and two Indian tribes will only seek mobile licenses.

This bill also includes Other Special Revenue Funds allocations to the Department of Health and Human Services of \$95,000 in fiscal year 2019-20 and \$190,000 in fiscal year 2020-21 to allow expenditure of sports betting revenue. Additional costs to the Department of Public Safety associated with performing criminal history background checks can be absorbed within existing budgeted resources.