

# MAINE STATE LEGISLATURE

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3 May  
R.O.F.S

L.D. 1797

Date: 6/18/19 Majority

(Filing No. H-635)

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
129TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1276, L.D. 1797, Bill, "An Act To Amend the Advance Deposit Wagering Laws"

Amend the bill by inserting after section 2 the following:

'Sec. 3. 8 MRSA §1001, sub-§20-A is enacted to read:

20-A. Gross advance deposit wagering income. "Gross advance deposit wagering income" means the total amount of wagers placed via advance deposit wagering before payment of money to winning bettors.'

Amend the bill by inserting after section 4 the following:

'Sec. 5. 8 MRSA §1015, as amended by PL 2013, c. 212, §§13 and 14, is further amended to read:

**§1015. Licensing of employees of slot machine and casino operators, slot machine and table game distributors, gambling services vendors and advance deposit wagering licensees**

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

**2. Requirements for license.** The board may issue an employee license to an employee of a slot machine operator, casino operator, slot machine distributor, table game distributor or gambling services vendor or advance deposit wagering licensee if the applicant meets the qualifications set out in sections 1016 and 1019.

**3. Requirements for waiver.** Upon application by a slot machine operator, casino operator, slot machine distributor, table game distributor or gambling services vendor or advance deposit wagering licensee, the board may waive the employee license requirement under this section if the slot machine operator, casino operator, slot machine distributor, table game distributor or gambling services vendor or advance deposit

**COMMITTEE AMENDMENT**

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wagering licensee demonstrates to the board's satisfaction that the public interest is not served by the requirement of the employee license.

**4. Employees authorized temporarily.** A new employee of a slot machine operator, casino operator, slot machine distributor, table game distributor or gambling services vendor or advance deposit wagering licensee is temporarily authorized to work in a position requiring an employee license pursuant to subsection 1 as of the date a completed employee license application is received by the board. A completed employee license application is composed of:

- A. The completed form for application for an employee license approved by the board;
- B. Two complete sets of the fingerprints of the applicant;
- C. The fee for processing the employee license application as prescribed by the board; and
- D. The results of the background investigation conducted by the employer.

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

Temporary authorization is not available for renewal of employee licenses.

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

**Sec. 6. 8 MRSA §1016, sub-§1,** as amended by PL 2013, c. 212, §§15 to 18, is further amended to read:

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

- A. The person has completed the application form, promptly and truthfully complied with all information requests of the board and complied with any applicable rules adopted by the board;
- B. The person has sufficient financial assets and responsibility to meet any financial obligations imposed by this chapter and, if applying for a slot machine operator license, casino operator license, slot machine operator license renewal or casino operator license renewal, has sufficient financial assets and responsibility to continue operation of a commercial track or casino;

# COMMITTEE AMENDMENT

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1 B-1. If applying for an advance deposit wagering license or advance deposit  
2 wagering license renewal under section 1073, subsection 1, paragraph A or B, the  
3 person has sufficient financial assets and responsibility to continue operation of a  
4 commercial track or off-track betting facility;

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

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

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

17 Except as provided by section 1013, subsection 3 and section 1013-A, subsection 3, a  
18 person may not hold more than one class of license under this chapter unless the 2nd  
19 license is an employee license under section 1015.'

20 Amend the bill by striking out all of sections 6 and 7 and inserting the following:

21 'Sec. 6. 8 MRSA §1072, as enacted by PL 2015, c. 499, §8, is amended to read:

22 **§1072. Distribution of advance deposit wagering revenue**

23 ~~The net commission established in the contract executed pursuant to section 1071,~~  
24 ~~subsection 3 must be distributed according to this section.~~

25 **1. Distribution of revenue from wagers placed on races conducted in State.** An  
26 advance deposit wagering licensee shall collect ~~the net commission~~ 4% of gross advance  
27 deposit wagering income from wagers placed with the licensee on races conducted at  
28 tracks in the State and distribute it to the board for distribution as follows.

29 A. Ten percent of the ~~net commission~~ amount collected under this subsection must  
30 be deposited directly to the General Fund.

31 B. Twenty percent of the ~~net commission~~ amount collected under this subsection  
32 must be distributed to all off-track betting facilities licensed under section 275-D so  
33 that each off-track betting facility receives the same amount.

34 C. One percent of the ~~net commission~~ amount collected under this subsection must  
35 be distributed to the Sire Stakes Fund established under section 281.

36 D. Ten percent of the ~~net commission~~ amount collected under this subsection must  
37 be distributed to the Agricultural Fair Support Fund established under Title 7, section  
38 91 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no  
39 portion of the distribution required by this paragraph may be distributed to a  
40 commercial track.

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E. Twenty-four percent of the ~~net commission~~ amount collected under this subsection must be distributed to the fund established under section 298 to supplement harness racing purses.

F. Twenty percent of the ~~net commission~~ amount collected under this subsection must be distributed to the track where the race upon which the wager was placed was conducted.

G. Fifteen percent of the ~~net commission~~ amount collected under this subsection must be distributed to all commercial tracks, with each commercial track receiving a portion determined by multiplying that 15% times a fraction, the numerator of which is the minimum number of days of racing the commercial track is required by law to conduct annually in order to retain its commercial track license and the denominator of which is the sum of the number of days of racing all the commercial tracks are required to conduct in order to retain their commercial track licenses.

**2. Distribution of revenue from wagers placed on races conducted outside State.**  
An advance deposit wagering licensee shall collect ~~the net commission~~ 4% of gross advance deposit wagering income from wagers placed with the licensee on races conducted at tracks outside the State and distribute it to the board for distribution as follows.

A. Ten percent of the ~~net commission~~ amount collected under this subsection must be deposited directly to the General Fund.

B. Thirty-six percent of the ~~net commission~~ amount collected under this subsection must be distributed to all off-track betting facilities licensed under section 275-D so that each off-track betting facility receives the same amount.

C. One percent of the ~~net commission~~ amount collected under this subsection must be distributed to the Sire Stakes Fund established under section 281.

D. Ten percent of the ~~net commission~~ amount collected under this subsection must be distributed to the Agricultural Fair Support Fund established under Title 7, section 91 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion of the distribution required by this paragraph may be distributed to a commercial track.

E. Seven percent of the ~~net commission~~ amount collected under this subsection must be distributed to the fund established under section 298 to supplement harness racing purses.

F. Thirty-six percent of the ~~net commission~~ amount collected under this subsection must be distributed to all commercial tracks, with each commercial track receiving a portion determined by multiplying that 36% times a fraction, the numerator of which is the minimum number of days of racing the commercial track is required by law to conduct annually in order to retain its commercial track license and the denominator of which is the sum of the number of days of racing all the commercial tracks are required to conduct in order to retain their commercial track licenses.

**Sec. 7. 8 MRSA §1073** is enacted to read:

# COMMITTEE AMENDMENT

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**§1073. Advance deposit wagering license**

**1. Eligibility.** To receive an advance deposit wagering license from the board, an entity must meet the requirements of this section and the rules adopted by the board under section 1003, subsection 2, paragraph U and must be:

- A. A commercial track licensed under section 271;
- B. An off-track betting facility licensed under section 275-D; or
- C. A multijurisdictional account wagering provider.

**2. Authority to conduct advance deposit wagering.** An advance deposit wagering license issued by the board under this section grants a licensee authority to conduct advance deposit wagering in this State, including accepting deposits and wagers from account holders. An advance deposit wagering licensee may accept a wager from an advance deposit wagering account holder in person or by telephone, Internet, mobile device, electronic communication or, if approved by the board, other electronic media.

**3. Contract.** Advance deposit wagering may be conducted directly by an advance deposit wagering licensee or through such a licensee entering into a contract with a provider of advance deposit wagering services located within the United States.

**4. Conditions of licensure.** An advance deposit wagering licensee shall:

- A. Purchase a bond to secure the accounts of advance deposit wagering bettors; and
- B. Use a system to conduct advance deposit wagering to ensure that bettors who establish accounts to place bets on horse racing via advance deposit wagering are 18 years of age or older and residents of the State.

**5. Application fee.** The board shall require a nonrefundable application fee of \$1,000 for a license under this section and an applicant must pay the costs of the board for processing an application and performing background investigations.

**6. License fee; term; renewal.** A license issued under this section authorizes the licensee to conduct advance deposit wagering for a period of 5 years. The fee for a license to conduct advance deposit wagering is \$500. The renewal fee for a license to conduct advance deposit wagering is \$250.

**Sec. 8. Appropriations and allocations.** The following appropriations and allocations are made.

**AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF  
Harness Racing Commission 0320**

Initiative: Provides allocation for expenditure of gross advance deposit wagering income.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2019-20</b>	<b>2020-21</b>
All Other	\$2,160	\$2,268
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<hr/> \$2,160	<hr/> \$2,268

ROFS

1	<b>AGRICULTURE, CONSERVATION AND</b>		
2	<b>FORESTRY, DEPARTMENT OF</b>		
3	<b>DEPARTMENT TOTALS</b>	<b>2019-20</b>	<b>2020-21</b>
4			
5	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$2,160</b>	<b>\$2,268</b>
6			
7	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$2,160</b>	<b>\$2,268</b>

8 **PUBLIC SAFETY, DEPARTMENT OF**  
9 **Gambling Control Board Z002**  
10 Initiative: Provides appropriation for one Public Safety Manager II position and  
11 associated All Other costs.

12	<b>GENERAL FUND</b>	<b>2019-20</b>	<b>2020-21</b>
13	POSITIONS - LEGISLATIVE COUNT	1,000	1,000
14	Personal Services	\$87,638	\$122,168
15	All Other	\$5,408	\$5,460
16			
17	<b>GENERAL FUND TOTAL</b>	<b>\$93,046</b>	<b>\$127,628</b>

18	<b>PUBLIC SAFETY, DEPARTMENT OF</b>		
19	<b>DEPARTMENT TOTALS</b>	<b>2019-20</b>	<b>2020-21</b>
20			
21	<b>GENERAL FUND</b>	<b>\$93,046</b>	<b>\$127,628</b>
22			
23	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$93,046</b>	<b>\$127,628</b>

24	<b>SECTION TOTALS</b>	<b>2019-20</b>	<b>2020-21</b>
25			
26	<b>GENERAL FUND</b>	<b>\$93,046</b>	<b>\$127,628</b>
27	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$2,160</b>	<b>\$2,268</b>
28			
29	<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$95,206</b>	<b>\$129,896</b>
30			

31 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
32 section number to read consecutively.

33 **SUMMARY**

34 This amendment is the majority report of the committee. Like the bill, the  
35 amendment allows a commercial track, an off-track betting facility and a

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to H.P. 1276, L.D. 1797

1 multijurisdictional account wagering provider to obtain a license to conduct advance  
2 deposit wagering. Unlike the bill, which requires the Department of Public Safety,  
3 Gambling Control Board to set the tax rate on advance deposit wagering by rule, the  
4 amendment requires advance deposit wagering licensees to remit 4% of the licensees'  
5 gross advance deposit wagering income to the Department of Public Safety, Gambling  
6 Control Board for distribution by the board.

7 The amendment also requires licensure of employees of advance deposit wagering  
8 licensees, makes several technical changes to add clarity to the bill and adds an  
9 appropriations and allocations section.

10 **FISCAL NOTE REQUIRED**

11 **(See attached)**





# 129th MAINE LEGISLATURE

LD 1797

LR 1878(02)

## An Act To Amend the Advance Deposit Wagering Laws

Fiscal Note for Bill as Amended by Committee Amendment *A (H-635)*

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
<b>Net Cost (Savings)</b>				
General Fund	\$92,806	\$127,376	\$130,759	\$134,237
<b>Appropriations/Allocations</b>				
General Fund	\$93,046	\$127,628	\$131,024	\$134,515
Other Special Revenue Funds	\$2,160	\$2,268	\$2,380	\$2,501
<b>Revenue</b>				
General Fund	\$240	\$252	\$265	\$278
Other Special Revenue Funds	\$24,660	\$2,268	\$2,380	\$2,501

### Fiscal Detail and Notes

This bill repeals provisions in current law that directed the Gambling Control Unit (GCU) within the Department of Public Safety to award one entity through a competitive bidding process a license to conduct advance deposit wagering and instead allows commercial tracks, off-track betting facilities and multijurisdictional account wagering providers to be licensed to participate in advance deposit wagering. Advance deposit wagering licensees are directed to remit 4% of their gross advance deposit wagering income to the GCU for distribution as follows:

	Of the 4% remitted for:	In-State Races	Out of State Races
Credited to the General Fund		10%	10%
Fund to Stabilize Off-Track Betting Facilities (OSR)		20%	36%
Sire Stakes Fund (OSR)		1%	1%
Agricultural Fair Support Fund (OSR)		10%	10%
Fund to Supplement Harness Racing Purses (OSR)		24%	7%
Fund to Encourage Racing at Maine's Commercial Tracks (OSR)		35%	36%

The State's share of the advance deposit wagering in fiscal year 2019-20 is anticipated to generate only \$2400 in revenue of which \$240 will be credited to the General Fund and \$2,160 will be distributed into the various Other Special Revenue Funds accounts listed above. In fiscal year 2020-21, General Fund revenue is estimated to be \$252 and Other Special Revenue Funds revenue is estimated to be \$2,268. Corresponding Other Special Revenue Funds allocations are included to allow for the expenditure of the funds.

License and application fees are estimated to generate \$22,500 in fiscal year 2019-20 with additional revenue in fiscal year 2024-25 when the 5-year licenses are renewed. License fee revenue assumes that five off-track betting facilities and 10 multijurisdictional account wagering providers will seek licensure. This bill also includes appropriations to the GCU of \$93,046 in fiscal year 2019-20 and \$127,628 in fiscal year 2020-21 for one Public Safety Manager II position and associated All Other costs.