

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

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Legislative Document

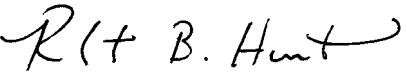
No. 1434

H.P. 943

House of Representatives, April 3, 2025

An Act to Allow Veterans' Organizations and Fraternal Organizations to Obtain a License to Operate the Draw Game Keno

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


ROBERT B. HUNT
Clerk

Presented by Representative ARCHER of Saco.

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

2 **Sec. 1. 8 MRSA §371, sub-§4-B** is enacted to read:

3 **4-B. Fraternal organization.** "Fraternal organization" means an incorporated
4 organization operating in a bona fide manner solely for the purposes of a fraternal nature
5 and not for pecuniary gain.

6 **Sec. 2. 8 MRSA §371, sub-§4-C** is enacted to read:

7 **4-C. Keno.** "Keno" means a draw game that has more than 5 daily drawings and that
8 pays a player a set prize amount based on the wager made by the player and in which the
9 operator keeps all losing wagers.

10 **Sec. 3. 8 MRSA §371, sub-§4-D** is enacted to read:

11 **4-D. Keno agent.** "Keno agent" means a nonprofit fraternal or veterans' organization
12 that has been licensed under this chapter to sell lottery tickets for the game of keno on
13 behalf of the State from the physical premises of the licensee's organization.

14 **Sec. 4. 8 MRSA §371, sub-§7** is enacted to read:

15 **7. Veterans' organization.** "Veterans' organization" means an organization that
16 provides services to veterans and their families that is chartered under 36 United States
17 Code, Subtitle II, Part B, including posts or local offices of that organization.

18 **Sec. 5. 8 MRSA §372, sub-§2, ¶D-1** is enacted to read:

19 D-1. In accordance with this chapter and the rules adopted under this chapter, license
20 as keno agents such organizations that, in the director's opinion, will best serve the
21 member or public convenience and promote the sale of tickets for the game of keno.
22 The director may require a bond from every licensed keno agent in such amount as
23 provided by rule. Every licensed keno agent shall prominently display the keno agent's
24 license, or a copy of the license, as provided by rule;

25 **Sec. 6. 8 MRSA §374, first ¶,** as amended by PL 2015, c. 96, §1, is further amended
26 to read:

27 The commission shall meet with the director, not less than once each month, to adopt
28 and amend rules, subject to the approval of the commissioner, relating to the lotteries; to
29 make recommendations and set policy for state lotteries and to transact other business that
30 may be properly brought before the commission. A lottery under this section may include,
31 but is not limited to, a draw game in which the prize paid to a winning player is calculated
32 as a share of the prize pool. A lottery may ~~not include a draw game that has more than 5~~
33 ~~daily drawings and that pays a player a set prize amount based on the wager made by the~~
34 ~~player and in which the operator keeps all losing wagers, as with the draw game commonly~~
35 ~~known as keno~~ a game of keno when operated pursuant to subsection 6. Rules adopted by
36 the commission must be adopted in a manner consistent with Title 5, chapter 375.

37 **Sec. 7. 8 MRSA §374, sub-§6** is enacted to read:

38 **6. Game of keno.** The commission shall develop and initiate a game of keno designed
39 to raise funds for a charitable purpose for a nonprofit fraternal or veterans' organization
40 licensed pursuant to section 375, subsection 1-A. The sales commission paid to a keno
41 agent for the sale of lottery tickets for the game of keno must be at least equal to the sales

1 commission paid to agents for the sale of other draw game tickets. The commission shall
2 adopt rules for the conduct of keno. To the extent possible, rules for the conduct of keno
3 must be consistent with the rules adopted for other draw games under this chapter. Rules
4 adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter
5 375, subchapter 2-A.

6 **Sec. 8. 8 MRSA §375, sub-§1-A** is enacted to read:

7 **1-A. Factors; keno.** A license to sell lottery tickets for the game of keno may be
8 issued by the director or the director's designee to any nonprofit fraternal or veterans'
9 organization operating in this State. Before issuing the license, the director or the director's
10 designee shall consider at least the following factors:

11 A. The financial responsibility and security of the organization or activity;

12 B. The organization's fund-raising activity and expenditures;

13 C. The accessibility of the organization's physical premises to its members and the
14 public;

15 D. The sufficiency of existing keno licensees to serve the organization's members or
16 the public convenience; and

17 E. The volume of expected sales.

18 **Sec. 9. 8 MRSA §375, sub-§2**, as amended by PL 2011, c. 310, §9, is further
19 amended to read:

20 **2. Appeals.** If the director or the director's designee denies a person a license to sell
21 lottery tickets or shares or denies a nonprofit fraternal or veterans' organization a license to
22 sell lottery tickets for the game of keno, the person or a nonprofit fraternal or veterans'
23 organization may appeal the decision to the commission by filing a written appeal with the
24 commission within 15 days of the mailing of the decision. A person or a nonprofit fraternal
25 or veterans' organization aggrieved by a decision of the commission may appeal the
26 commission's decision by filing a complaint with the District Court and serving a copy of
27 the complaint upon the commission. The complaint must be filed and served within 30
28 days of the mailing of the commission's decision.

29 **Sec. 10. 8 MRSA §376, sub-§1**, as amended by PL 2011, c. 310, §10, is further
30 amended to read:

31 **1. Reasons for suspension or revocation.** The director or the director's designee may
32 suspend or revoke, after notice and hearing in a manner consistent with the Maine
33 Administrative Procedure Act, any license issued pursuant to this chapter. The license may
34 be temporarily suspended by the director or the director's designee, pending any
35 prosecution, investigation or hearing. A license may be suspended or revoked by the
36 director or the director's designee for just cause, including actions inconsistent with those
37 considered appropriate for an agent or keno agent operating a business on behalf of the
38 State, or one or more of the following reasons:

39 A. Failure to account for tickets received or the proceeds of the sale of tickets or to file
40 a bond, if required, or to comply with provisions of this chapter or rules adopted under
41 this chapter concerning the licensed activity;

42 B. Conviction of any criminal offense;

- 1 C. Failure to file any return or report, to keep records or to pay any tax;
- 2 D. Engaging in fraud, deceit, misrepresentation or conduct prejudicial to public
- 3 confidence;
- 4 E. Insufficiency of the number of tickets sold by a person licensed to sell lottery tickets
- 5 or shares or sold by a nonprofit fraternal or veterans' organization licensed to sell lottery
- 6 tickets for the game of keno; or
- 7 F. A material change, since issuance of the license, with respect to any of the matters
- 8 required to be considered by the director under section 375 or as defined by rules
- 9 adopted under this chapter.

10 **Sec. 11. 8 MRSA §377**, as enacted by PL 1987, c. 505, §2, is amended to read:

11 **§377. Authority to act**

12 Notwithstanding any other provision of law, any person licensed as provided in ~~this~~

13 ~~chapter~~ section 375, subsection 1 may act as a lottery sales agent ~~and any nonprofit fraternal~~

14 or veterans' organization licensed as provided in section 375, subsection 1-A may act as a

15 keno agent.

16 **Sec. 12. 8 MRSA §379, first ¶**, as enacted by PL 1987, c. 505, §2, is amended to

17 read:

18 ~~No A~~ A person may not sell a ticket or share at a price greater than that fixed by rule of

19 the commission. ~~No A~~ A person other than a licensed lottery sales agent may not sell lottery

20 tickets or shares and a person, other than a licensed keno agent, may not sell lottery tickets

21 for the game of keno, except that nothing in this section prevents any person from giving

22 lottery tickets or shares to another as a gift.

23 **Sec. 13. 8 MRSA §383**, as corrected by RR 2023, c. 1, Pt. C, §40, is amended to

24 read:

25 **§383. Deposit of receipts; reports**

26 The director may require any lottery sales agents and keno agents to deposit to the

27 credit of the State Lottery Fund in banks designated by the Treasurer of State all money

28 received by the agents and keno agents from the sale of lottery tickets or shares, less the

29 amount, if any, retained as compensation for the sale of tickets or shares, and to file with

30 the director or the director's designated agents reports of their receipts and transactions in

31 the sale of lottery tickets in such form and containing such information as the director may

32 require. The director may make such arrangements for any person, including a bank, to

33 perform the functions, activities or services in connection with the operation of the lottery

34 as the director determines advisable pursuant to this chapter and the rules of the

35 commission, and those functions, activities or services constitute lawful functions,

36 activities and services of that person.

37 **SUMMARY**

38 This bill authorizes the Director of Alcoholic Beverages and Lottery Operations to

39 issue licenses to nonprofit fraternal or veterans' organizations to conduct a draw game,

40 commonly known as keno, that has more than 5 daily drawings and that pays a player a set

41 prize amount based on the wager made by the player and in which the operator keeps all

1 losing wagers from that organization's physical premises. The bill directs the State Liquor
2 and Lottery Commission to develop and initiate a game of keno designed to raise funds for
3 a charitable purpose for a licensed nonprofit fraternal or veterans' organization and, to the
4 extent possible, develop such rules in a manner consistent with the existing rules for the
5 conduct of other licensed draw games.