

MAINE STATE LEGISLATURE

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MINORITY

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE

SENATE

132ND LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 721, L.D. 1838, "An Act to Provide Opportunities and Sustainable Revenue for Maine Farms, Agricultural Fairs, Wabanaki Tribes and Veterans' Homes"

Amend the bill in section 1 in c. 39 in §1503 in subsection 2 by striking out all of paragraph C (page 3, lines 21 to 23 in L.D.) and inserting the following:

'C. Veterans' service organizations that qualify under Section 501(c)(19) of the United States Internal Revenue Code of 1986, as amended, as a tax-exempt organization that has been organized for the benefit of veterans; and'

Amend the bill in section 1 in c. 39 in §1503 in subsection 4 by striking out all of paragraph A (page 3, lines 32 to 34 in L.D.) and inserting the following:

'A. A licensed commercial track under subsection 2, paragraph B may operate up to 100 electronic wagering terminals at the location where the commercial track is licensed to conduct races, subject to approval of the municipality where the commercial track is licensed to conduct races.'

Amend the bill in section 1 in c. 39 in §1503 in subsection 4 by striking out all of paragraph D (page 4, lines 1 to 7 in L.D.) and inserting the following:

'D. A federally recognized Indian tribe under subsection 2, paragraph A may operate up to 100 electronic wagering terminals on Passamaquoddy Indian territory in the case of the Passamaquoddy Tribe, on Penobscot Indian territory in the case of the Penobscot Nation, on Houlton Band Trust Land in the case of the Houlton Band of Maliseet Indians or on Mi'kmaq Nation Trust Land in the case of the Mi'kmaq Nation. In addition, a federally recognized Indian tribe may operate electronic wagering terminals outside of its respective Indian territory or trust land in any municipality, subject to the approval of the municipality where the electronic wagering terminals are located, except that each federally recognized Indian tribe may not operate more than 100 electronic wagering terminals in total.'

Amend the bill in section 1 in c. 39 in §1503 by inserting after subsection 5 the following:

COMMITTEE AMENDMENT

ROS

1 '6. Electronic beano; exclusive to federally recognized Indian tribes.
2 Notwithstanding subsection 2, an electronic wagering terminal offering electronic beano
3 may only be operated by federally recognized Indian tribes issued a license under
4 subsection 2.'

5 Amend the bill in section 1 in §1503 by renumbering the subsections to read
6 consecutively.

7 Amend the bill in section 1 in c. 39 in §1507 in the indented paragraph in the 3rd line
8 (page 7, line 31 in L.D.) by inserting after the following: "chapter." the following: 'This
9 chapter is not intended to restrict any person licensed under this chapter from conducting
10 other activities authorized by law, including but not limited to pari-mutuel wagering under
11 chapter 11, beano or bingo under Title 17, chapter 13-A or games of chance under Title 17,
12 chapter 62.'

13 Amend the bill in section 1 in c. 39 in §1508 by striking out all of the indented
14 paragraph (page 7, lines 36 and 37 in L.D.) and inserting the following:

15 'The director shall adopt rules to implement this chapter. When rules are initially
16 adopted as required by this section, rules are major substantive rules as defined in Title 5,
17 chapter 375, subchapter 2-A. Amendments or changes to those rules, after initial adoption,
18 are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

19 Amend the bill in section 1 in c. 39 in §1508 in subsection 1 by inserting after paragraph
20 C the following:

21 'D. Provisions for the internal control and monitoring of the operation of electronic
22 wagering terminals;

23 E. Standards for minimum facility security requirements and other necessary facility
24 requirements and for staff training;

25 F. Provisions governing the inclusion of problem gaming assistance information in all
26 advertising related to electronic wagering terminals.'

27 Amend the bill in section 1 in §1508 in subsection 1 by relettering the paragraphs to
28 read alphabetically.

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

31 SUMMARY

32 This amendment makes the following changes to the bill.

33 1. It changes one of the persons who may be issued a license to operate electronic
34 wagering terminals from an organization eligible to conduct certain games of chance to a
35 veterans' service organization that qualifies under Section 501(c)(19) of the United States
36 Internal Revenue Code of 1986, as amended, as a tax-exempt organization that has been
37 organized for the benefit of veterans.

38 2. It changes where a federally recognized Indian tribe may operate electronic wagering
39 terminals to specify the respective Indian territory or trust land for each tribe and to clarify
40 that a tribe may also operate electronic wagering terminals outside of its respective Indian
41 territory or trust land in any municipality, subject to the approval of that municipality.

3. It provides that an electronic wagering terminal offering electronic beano may only be operated by a federally recognized Indian tribe issued an electronic wagering terminal license.

4. It clarifies that a person's being issued a license to operate electronic wagering terminals is not intended to restrict that person from conducting other activities authorized in law, including but not limited to pari-mutuel wagering, beano or bingo or games of chance.

5. It provides that, when rules are initially adopted, they are major substantive rules, but that any amendment or change to those rules, after initial adoption are routine technical rules.

6. It provides that the rules required to be adopted include provisions for the internal control and monitoring of the operation of electronic wagering terminals; standards for minimum facility security requirements and other necessary facility requirements and for staff training; and provisions governing the inclusion of problem gaming assistance information in all advertising related to electronic wagering terminals.

FISCAL NOTE REQUIRED

(See attached)

**132nd MAINE LEGISLATURE****LD 1838****LR 1450(02)****An Act to Provide Opportunities and Sustainable Revenue for Maine Farms, Agricultural Fairs,
Wabanaki Tribes and Veterans' Homes****Fiscal Note for Bill as Amended by Committee Amendment "A" (S-359)****Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Fiscal Note

Potential current biennium cost increase - General Fund

Potential current biennium cost increase - Other Special Revenue Funds

Potential current biennium revenue increase - Other Special Revenue Funds

Correctional and Judicial Impact Statements

The additional workload associated with the minimal number of new cases filed in the court system does not require additional funding at this time. The collection of additional fines will increase General Fund or 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 issue licenses for the operation of electronic wagering terminals that may offer historical horse racing, electronic beano, and virtual se tickets. Licenses may be issued to federally recognized Indian tribes, licensed commercial tracks, off-track betting facilities, and certain veterans' organizations. The bill directs that 25% of the net terminal incomes from the devices be credited to the GCU for distribution as follows:

| | |
|---|----|
| Gambling Control Unit Admin Expenses | 1% |
| Gambling Addiction Prevention and Treatment Fund | 1% |
| Agricultural Fair Support Fund | 2% |
| Fund to Supplement Harness Racing Purses | 5% |
| Harness Racing Promotional Fund | 1% |
| Sire Stakes Fund | 1% |
| Maine Milk Pool (until January 2035) | 5% |
| Agricultural Development Fund (after January 2035) | 5% |
| Maine Veterans' Homes Stabilization Fund | 5% |
| Fund for Efficient Delivery of Educational Services | 3% |
| Municipalities where terminals are located | 1% |

The total revenue generated will depend on the number, location, and utilization of terminals deployed. Because terminal deployment is capped and subject to municipal approval, and due to the uncertainty around market uptake and game type preference, a precise revenue estimate can not be generated at this time.

Additional licensing, auditing, and enforcement responsibilities may increase the workload of the GCU. Although this bill provides a 1% share of net terminal income to fund administrative expenses, the GCU has indicated that actual operating costs may exceed the funding generated by this allocation. Depending on the level of activity, the GCU estimates that up to 7 additional positions and resources may be required. The total cost of personal services associated with these positions would require additional General Fund appropriations of \$686,376 and Other Special Revenue Funds allocations of \$84,491 to cover the related position costs.