

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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Legislative Document

No. 1838

S.P. 721

In Senate, April 30, 2025

**An Act to Provide Opportunities and Sustainable Revenue for  
Maine Farms, Agricultural Fairs, Wabanaki Tribes and Veterans'  
Homes**

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

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator FARRIN of Somerset.  
Cosponsored by Representative ROLLINS of Augusta and  
Senators: DUSON of Cumberland, HICKMAN of Kennebec, MOORE of Washington,  
Representatives: FREDETTE of Newport, PARRY of Arundel.

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

**Sec. 1. 8 MRSA c. 39** is enacted to read:

## CHAPTER 39

## REGULATION OF ELECTRONIC GAMES

## **§1501. Definitions**

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

**1. Beano.** "Beano" means a game of chance, as defined in Title 17, section 1831, subsection 5, in which:

A. A participant plays with one or more cards bearing numbers or other designations;

B. A participant covers those numbers or other designations on that participant's card or cards when objects similarly numbered or designated are drawn;

C. The winner of the game is the first person who covers a previously designated arrangement of numbers or other designations on the cards under paragraph A; and

D. A participant plays for prizes, including monetary prizes.

**2. Director.** "Director" means the director of the Gambling Control Unit within the Department of Public Safety.

**3. Electronic beano.** "Electronic beano" means a game of beano played in an electronic or electromechanical format that replicates the game of beano by incorporating all of the characteristics of the game of beano and that allows the participant to play against other participants who are playing electronic beano, but not to play with or against the electronic wagering terminal.

**4. Electronic wagering terminal.** "Electronic wagering terminal" means an electronic device approved by the director that allows a person to insert cash, a token or credit and;

A. Place one or more wagers on a historical horse race, as long as the outcome of each wager is based on the outcome of the historical horse race and a random element does not determine the outcome of the wager;

B. Play one or more games of electronic beano from a draw of no more than 75 numbers or other designations that correspond to the electronic beano game, as long as the element of chance is determined by a central computer server system that communicates with the electronic wagering terminal; or

C. Purchase one or more virtual sealed tickets, as long as the element of chance is provided by the virtual sealed ticket based on the sealed ticket deal and not by the electronic wagering terminal.

An electronic wagering terminal may not distribute cash but may issue a printed or electronic voucher or other noncash physical item to a player that may be redeemed for

1 cash or other prizes. An electronic wagering terminal is not a slot machine as defined in  
2 section 1001, subsection 39.

3 **5. Gambling Control Unit.** "Gambling Control Unit" means the Gambling Control  
4 Unit within the Department of Public Safety.

5 **6. Historical horse race.** "Historical horse race" means a horse race that:

6 A. Was previously run at a licensed pari-mutuel facility located in the United States;

7 B. Concluded with official results; and

8 C. Concluded without scratches, disqualifications or finishes in a dead heat.

9 **7. License.** "License" means a license issued by the director under this chapter.

10 **8. Licensee.** "Licensee" means a person granted a license under this chapter.

11 **9. Net terminal income.** "Net terminal income" means cash, tokens, credits or similar  
12 objects or things of value used to play on an electronic wagering terminal minus cash,  
13 credits or prizes paid out to winners.

14 **10. Sealed ticket.** "Sealed ticket" means a ticket or card with preprinted symbols,  
15 numbers or other figures that are hidden by an opaque, removable material. Each ticket or  
16 card represents a chance to win a specific single prize, including a monetary prize, or  
17 specific single set of prizes. A winning ticket or card contains a predetermined winning  
18 configuration of symbols, numbers or other figures. "Sealed ticket" does not include a  
19 lottery ticket under chapter 14-A or chapter 16.

20 **11. Sealed ticket deal.** "Sealed ticket deal" means each separate package or series of  
21 packages of sealed tickets consisting of one sealed ticket game with a unique serial number  
22 or their substantial equivalent in the case of a virtual sealed ticket.

23 **12. Shared wagering arrangement.** "Shared wagering arrangement" means an  
24 agreement to operate electronic wagering terminals from a central computer server system  
25 located in the State controlled by a licensee providing common access to a historical horse  
26 race, virtual sealed ticket deal or electronic beano game from multiple locations.

27 **13. Pari-mutuel wagering.** "Pari-mutuel wagering" means a method of wagering in  
28 which those who wager on horses that finish in the position or positions for which wagers  
29 are taken share in the total amounts wagered.

30 **14. Terminal distributor.** "Terminal distributor" means a person, firm, corporation,  
31 association or organization that sells, markets or otherwise distributes electronic wagering  
32 terminals.

33 **15. Virtual sealed ticket.** "Virtual sealed ticket" means a sealed ticket displayed on  
34 a screen or other display substantially similar to a physical sealed ticket in a manner  
35 approved by the director.

36 **§1502. Powers of director**

37 **1. Powers.** In administering and enforcing this chapter, the director may:

38 A. Pursuant to section 1503, approve or deny an application for and issue, limit,  
39 restrict, suspend or revoke a license issued under this chapter;

1 B. Review reports of the investigation and qualifications of an applicant before a  
2 license is issued;

3 C. Prescribe the manner for the collection of all revenues under this chapter;

4 D. Investigate complaints regarding the operation of electronic wagering terminals in  
5 violation of this chapter and rules adopted pursuant to this chapter;

6 E. Impose sanctions, penalties and costs of investigation or hearing against an  
7 applicant or licensee for violation of this chapter or rules adopted pursuant to this  
8 chapter;

9 F. Conduct a financial audit of a licensee at any time to ensure compliance with this  
10 chapter; and

11 G. Adopt rules, which are routine technical rules under Title 5, chapter 375, subchapter  
12 2-A, for licensing of employees or agents of licensees under this chapter.

13 **§1503. License to operate electronic wagering terminals**

14 **1. License required.** A person may not operate an electronic wagering terminal unless  
15 the person has been issued a license by the director.

16 **2. Persons eligible for electronic wagering terminal licenses.** The director may  
17 issue licenses to operate electronic wagering terminals to:

18 A. Federally recognized Indian tribes within the State;

19 B. Commercial tracks licensed to conduct pari-mutuel wagering under chapter 11 and  
20 not licensed under chapter 31, subchapter 2;

21 C. Organizations described in Title 17, section 1832, subsection 2 that were licensed  
22 under Title 17, chapter 62 at any time between January 1, 2021 and December 31,  
23 2024; and

24 D. Off-track betting facilities licensed under section 275-D that were in operation at  
25 any time between January 1, 2024 and December 31, 2024.

26 **3. Application; license fee; term.** An application for a license must be submitted in  
27 a manner prescribed by the director. The initial fee and renewal fee for a license to operate  
28 electronic wagering terminals may not exceed the greater of \$500 or \$10 per electronic  
29 wagering terminal in operation by the licensee. Licenses must be renewed annually.

30 **4. Location; number of electronic wagering terminals; municipal approval.**  
31 Electronic wagering terminals may be located in the State according to this subsection.

32 A. A licensed commercial track under subsection 2, paragraph B may operate up to  
33 100 electronic wagering terminals at the location of the commercial track, subject to  
34 approval of the municipality where the commercial track is located.

35 B. An eligible organization under subsection 2, paragraph C may operate up to 4  
36 electronic wagering terminals on the premises of the organization, subject to the  
37 approval of the municipality where the premises of the organization is located.

38 C. An off-track betting facility under subsection 2, paragraph D may operate up to 25  
39 electronic wagering terminals on the premises of the facility, subject to the approval of  
40 the municipality where the premises of the facility is located.

1       D. A federally recognized Indian tribe under subsection 2, paragraph A may operate  
2       up to 100 electronic wagering terminals in any territory under the jurisdiction of the  
3       respective tribe not subject to a zoning ordinance of a municipality. In addition, a  
4       federally recognized Indian tribe may operate electronic wagering terminals in any  
5       municipality, subject to the approval of the municipality where the electronic wagering  
6       terminals are located, except that each federally recognized Indian tribe may not  
7       operate more than 100 electronic wagering terminals in total.

8       As used in this subsection, "approval of the municipality" means an affirmative vote by the  
9       municipality or the municipal officers in the manner provided by Title 30-A, section 3002.

10       **5. Cooperative agreements; approval.** Upon application by 2 or more licensees  
11       under subsection 2, the director may approve a cooperative agreement among the licensees  
12       to colocate electronic wagering terminals at a single facility controlled by one licensee  
13       authorized under subsection 2, paragraph A or B, or to operate electronic wagering  
14       terminals through a shared wagering arrangement. Any such cooperative agreement may  
15       authorize one licensee to be the party under the agreement responsible for operating the  
16       electronic wagering terminals under this chapter and pay to the other licensee or licensees  
17       a fee to host or otherwise operate the electronic wagering terminals. The terms of a  
18       cooperative agreement under this subsection are confidential.

19       **6. Electronic wagering terminal fee.** In addition to the license fee under subsection  
20       3, the fee for each electronic wagering terminal is \$50 annually.

21       **7. Terminal distributor; registration.** A licensee may use only electronic wagering  
22       terminals that are certified and registered with the Gambling Control Unit and that are  
23       provided by a terminal distributor licensed under section 1505. The director shall adopt  
24       rules regarding the certification and registration of electronic wagering terminals. Rules  
25       adopted pursuant to this subsection are routine technical rules as defined by Title 5, chapter  
26       375, subchapter 2-A.

27       **8. Minimum age.** A licensee may not permit a person under 21 years of age to operate  
28       an electronic wagering terminal. A licensee may not permit a person under 21 years of age  
29       to enter any area where an electronic wagering terminal is being operated unless otherwise  
30       permitted by rule adopted under this chapter.

#### 31       **§1504. Allocation of funds**

32       **1. Distribution of net terminal income.** A licensee shall collect and distribute 25%  
33       of the net terminal income from electronic wagering terminals to the director for  
34       distribution by the director as follows:

35       A. One percent of net terminal income must be deposited to the General Fund for  
36       administrative expenses of the Gambling Control Unit;

37       B. One percent of net terminal income must be forwarded by the director to the  
38       Treasurer of State, who shall credit the money to the Gambling Addiction Prevention  
39       and Treatment Fund established by Title 5, section 20006-B;

40       C. Two percent of net terminal income must be forwarded by the director to the  
41       Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund  
42       established by Title 7, section 91;

1       D. Five percent of net terminal income must be forwarded by the director to the  
2       Treasurer of State, who shall credit the money to the fund established in section 298 to  
3       supplement harness racing purses;

4       E. One percent of net terminal income must be forwarded by the director to the  
5       Treasurer of State, who shall credit the money to the Harness Racing Promotional Fund  
6       established in section 299-A;

7       F. One percent of net terminal income must be forwarded by the director to the  
8       Treasurer of State, who shall credit the money to the Sire Stakes Fund established under  
9       section 281;

10      G. Five percent of net terminal income must be forwarded by the director to the  
11      Treasurer of State, who shall credit any money received before January 1, 2035 to the  
12      Maine Milk Pool established in Title 7, section 3153, and any money received on or  
13      after January 1, 2035 to the Agricultural Development Fund established in Title 7,  
14      section 306-A;

15      H. Five percent of net terminal income must be forwarded by the director to the  
16      Treasurer of State, who shall credit the money to the Maine Veterans' Homes  
17      Stabilization Fund established in Title 37-B, section 613;

18      I. Three percent of net terminal income must be forwarded by the director to the  
19      Treasurer of State, who shall credit the money to the Fund for the Efficient Delivery of  
20      Educational Services in Title 20-A, section 2651, to be expended in support of career  
21      and technical education; and

22      J. One percent of net terminal income must be forwarded by the director to the  
23      Treasurer of State, who shall remit the funds annually to the municipality in which the  
24      electronic wagering terminals are located.

25      **2. Failure to collect and distribute funds.** A licensee who knowingly or intentionally  
26      fails to comply with this section commits a Class D crime. In addition to any other sanction  
27      available by law, the license of the person may be revoked by the director and electronic  
28      wagering terminals operated by the licensee may be disabled and the proceeds and  
29      associated gaming equipment may be confiscated by the director and are subject to  
30      forfeiture under Title 17-A, section 959 or 960.

31      **3. Late payments.** The director may adopt rules establishing the dates on which  
32      payments required by this section are due. All payments not remitted when due must be  
33      paid together with interest on the unpaid balance at a rate of 1.5% per month. Rules adopted  
34      pursuant to this subsection are routine technical rules as described in Title 5, chapter 375,  
35      subchapter 2-A.

36      **§1505. Terminal distributors; licenses; records and reports**

37      **1. Terminal distributors licensed.** A terminal distributor may not sell, lease, market  
38      or otherwise distribute electronic wagering terminals unless licensed by the Gambling  
39      Control Unit. A nonresident manufacturer or distributor of electronic wagering terminals  
40      doing business in the State must have an agent in this State who is licensed as a terminal  
41      distributor. A terminal distributor may not sell, market or otherwise distribute electronic  
42      wagering terminals to a person or organization, except to persons licensed to operate  
43      electronic wagering terminals under section 1503.

1       **2. Application; fee.** An applicant for a terminal distributor license or, if the applicant  
2       is a firm, corporation, association or other organization, its resident manager,  
3       superintendent or official representative, shall file an application with the Gambling  
4       Control Unit on a form provided by the Gambling Control Unit. The fee for a terminal  
5       distributor license is \$5,000 annually. In addition to the license fee, the director may charge  
6       a one-time initial application fee for a terminal distributor license in an amount equal to the  
7       projected cost of processing the application and performing any background investigations.  
8       If the actual cost exceeds the projected cost, an additional fee may be charged to meet the  
9       actual cost. If the projected cost exceeds the actual cost, the difference may be refunded to  
10      the applicant.

11      **3. Terminal distributor employee licenses.** An employee of a terminal distributor  
12      whose duties include directly interacting with electronic wagering terminals may not  
13      undertake such duties without the receipt of a license from the director. The fee for a license  
14      under this subsection is \$250 for an initial license and \$50 for a renewal of the license. A  
15      license is valid for a period of one year.

16      **4. Sales agreements.** A terminal distributor shall forward to the Gambling Control  
17      Unit, prior to delivery of any electronic wagering terminals to the purchaser, a copy of all  
18      sales agreements, sales contracts or any other agreements involving the sale of any  
19      electronic wagering terminals. The terms of these agreements must include, but are not  
20      limited to: the name of the seller; the name of the purchaser; the address of the seller; the  
21      address of the purchaser; a description of the electronic wagering terminals, including serial  
22      number and model name and number; total sale price; any arrangement or terms for  
23      payments; and the date of final payment. Any change, modification or alteration of these  
24      agreements must be reported to the Gambling Control Unit by the purchaser within 6 days  
25      of the change, modification or alteration.

26      **5. Service agreement.** With the sale of any electronic wagering terminals that  
27      includes a service agreement, the terminal distributor shall forward to the Gambling  
28      Control Unit a copy of the service agreement prior to delivery of the electronic wagering  
29      terminal. The terms of the service agreement must include, but are not limited to: the name  
30      of the seller; the name of the purchaser; the address of the seller; the address of the  
31      purchaser; a description of the electronic wagering terminal to be serviced, including serial  
32      number and model name and number; and all prices and payments for that service. Any  
33      change, modification or alteration of the agreement must be reported to the Gambling  
34      Control Unit by the purchaser within 6 days of the change, modification or alteration.

35      **6. Lease agreement.** When an electronic wagering terminal is leased, the terminal  
36      distributor shall forward to the Gambling Control Unit a copy of the lease agreement and  
37      shipment approval prior to delivery of the electronic wagering terminal. The terms of the  
38      lease must include, but are not limited to: the name of the lessor; the address of the lessor;  
39      the name of the lessee; the address of the lessee; a description of the electronic wagering  
40      terminal; the serial number, model name or number of the electronic wagering terminal;  
41      and all prices and payments for the lease. Each lease must be for a specific period of time.  
42      Electronic wagering terminals leased under this section must be clearly marked to identify  
43      the name and address of the terminal distributor. A lease agreement under this subsection  
44      may not allow a terminal distributor to receive more than 30% of net terminal income.

45      **7. Reports.** A terminal distributor shall file annually with the Gambling Control Unit  
46      a report indicating:



1       A. The names and addresses of all persons or federally recognized Indian tribes to  
2       which the terminal distributor has distributed electronic wagering terminals and the  
3       dates of the distribution;

4       B. A description of the electronic wagering terminals distributed, including serial  
5       number and model name and number; and

6       C. The number of electronic wagering terminals distributed.

7       **8. Retention and inspection of records.** A terminal distributor shall maintain and  
8       keep for a period of 3 years, on the premises of the terminal distributor, any records that  
9       may be necessary to substantiate the reports required by this section or by the rules adopted  
10      under this chapter. The records must be open to inspection by the Gambling Control Unit,  
11      and a terminal distributor may not refuse the Gambling Control Unit permission to inspect  
12      or audit the records. Refusal to permit inspection or audit of the records does not constitute  
13      a crime under this chapter but constitutes grounds for the revocation of a terminal  
14      distributor license.

15      **9. Rulemaking.** The director shall adopt rules as necessary to administer this section,  
16      including rules regarding the licensing of terminal distributors under subsection 1 and the  
17      licensing of terminal distributor employees under subsection 3. Rules adopted pursuant to  
18      this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

19      **§1506. Violations and penalties**

20      **1. Violation.** A person, firm, corporation or association or an agent or employee of  
21      one of those entities who violates any provision of this chapter or a rule adopted pursuant  
22      to this chapter is subject to the penalties under subsection 2.

23      **2. Penalty.** For each violation of this chapter or of a rule adopted pursuant to this  
24      chapter, the director may:

25      A. Impose a fine of up to \$1,000 per violation; or

26      B. Impose a fine not to exceed \$5,000 for violations arising out of the same transaction  
27      or occurrence.

28      **§1507. Applicability of other laws**

29      Unless otherwise specified in this chapter, the provisions of Title 17, chapter 62 and  
30      Title 17-A, chapter 39 do not apply to the conduct of electronic beano and historical horse  
31      racing operated in accordance with this chapter and rules adopted pursuant to this chapter.  
32      Any materials provided to the Gambling Control Unit under this chapter by a licensee that  
33      would be confidential if provided to the Gambling Control Unit under another provision of  
34      law for any other license are confidential.

35      **§1508. Rulemaking**

36      The director shall adopt rules to implement this chapter. Rules adopted pursuant to this  
37      section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

38      **1. Required rules.** Rules adopted pursuant to this section must include, but are not  
39      limited to, the following:

40      A. Provisions allowing individuals to restrict themselves from using an electronic  
41      wagering terminal upon request by placing themselves on the list established pursuant  
42      to section 1003, subsection 3, paragraph I;

1 B. Standards for involuntary placement on the list established pursuant to section 1003,  
2 subsection 3, paragraph I and for removal from the list;

3 C. Provisions to prevent undesirable conduct relating to the ownership, leasing,  
4 distribution and operation of electronic wagering terminals;

5 D. Provisions for the licensure of employees conducting wagering activities for  
6 persons licensed under section 1503, subsection 2; and

7 E. Provisions enabling licensees authorized to conduct similar wagering activities,  
8 including but not limited to pari-mutuel wagering, sports wagering and high-stakes  
9 beano, to use facilities and staffing for such similar wagering activities concurrently  
10 with the operation of electronic wagering terminals.

## 11 **SUMMARY**

12 This bill authorizes the licensed operation of electronic wagering terminals to place  
13 wagers on historical horse races, purchase virtual sealed tickets and to conduct electronic  
14 beano by federally recognized Indian tribes, certain off-track betting facilities and  
15 commercial tracks and organizations eligible to conduct certain games of chance. Licenses  
16 are issued by the director of the Gambling Control Unit within the Department of Public  
17 Safety. The bill also requires distributors of electronic wagering terminals to be licensed  
18 with the Gambling Control Unit.

19 The bill establishes limits on the number and location of terminals based upon the type  
20 of licensee. The bill requires an operator of an electronic wagering terminal to collect 25%  
21 of net terminal income for distribution among the General Fund for administrative expenses  
22 of the Gambling Control Unit; gambling addiction prevention and treatment services; the  
23 Maine Milk Pool until January 1, 2035 and, on or after January 1, 2035, to the Agricultural  
24 Development Fund; agricultural fairs; funds dedicated to supporting and promoting harness  
25 racing; career and technical education; the Maine Veterans' Homes Stabilization Fund; and  
26 municipalities in which terminals are located.