MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

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Legislative Document

No. 1902

S.P. 742

In Senate, May 5, 2025

An Act to Support Nonprofit Organizations by Authorizing the Operation of Electronic Lucky Seven Devices and Similar Sealed Ticket Games

Received by the Secretary of the Senate on May 1, 2025. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator HICKMAN of Kennebec. Cosponsored by Representative CHAPMAN of Auburn and Senator: President DAUGHTRY of Cumberland, Representatives: FAULKINGHAM of Winter Harbor, SUPICA of Bangor.

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

- **Sec. 1. 17 MRSA §324-A, sub-§2,** ¶C, as amended by PL 2017, c. 284, Pt. JJJJJ, §25, is further amended to read:
 - C. Lucky seven or similar sealed tickets may be sold when that game of chance is registered with the Gambling Control Unit and when a valid license or registration certificate is properly displayed. Notwithstanding the other provisions any provision of this section and section 312 to the contrary, lucky seven games may be conducted during the period beginning 2 hours before and ending 2 hours after a "beano" game at any time as authorized by the registration issued under section 1832.
 - Notwithstanding any other rule to the contrary, lucky seven or other similar sealed tickets may be sold that have a sale value of \$1 or less, and a person who sells or distributes "beano" cards or materials used to play "beano" prior to the conduct of "beano" as a volunteer, as provided in this section, is permitted to play in the "beano" game.
 - Sec. 2. 17 MRSA §324-A, sub-§2, ¶D is enacted to read:
 - D. Notwithstanding any provision of this section to the contrary, electronic lucky seven devices may be operated in accordance with section 1835-C. For purposes of this section, "electronic lucky seven device" has the same meaning as in section 1831, subsection 3-A.
 - Sec. 3. 17 MRSA §1831, sub-§3-A is enacted to read:
- 3-A. Electronic lucky seven device. "Electronic lucky seven device" means a mechanical or electrical device or machine that, upon the insertion of money, credit, a voucher or something of value, displays virtual lucky seven or similar sealed tickets. The element of chance must be provided by the virtual lucky seven or similar sealed ticket and not by the electronic lucky seven device. An electronic lucky seven device may only issue to a player a printed voucher for any prize, including a monetary prize, or single set of prizes won by that player that can be redeemed at a redemption kiosk. The electronic lucky seven device may not dispense cash to a player. "Electronic lucky seven device" does not include a dispenser as defined in section 314-A, subsection 1-A.
 - **Sec. 4.** 17 MRSA §1831, sub-§3-B is enacted to read:
- <u>3-B. Electronic lucky seven device distributor.</u> "Electronic lucky seven device distributor" means a person, firm, corporation, association or organization that sells, leases or otherwise distributes electronic lucky seven devices.
 - Sec. 5. 17 MRSA §1831, sub-§8-A is enacted to read:
- **8-A.** Lucky seven or similar sealed ticket. "Lucky seven or similar sealed ticket" means a ticket or card with preprinted symbols, numbers or other figures that are hidden by an opaque, removable material. Each ticket or card represents a chance to win a specific single prize, including a monetary prize, or a specific single set of prizes. A winning ticket or card contains a predetermined winning configuration of symbols, numbers or other figures. "Lucky seven or similar sealed ticket" does not include a lottery ticket under Title 8, chapter 14-A or Title 8, chapter 16.
 - **Sec. 6.** 17 MRSA §1831, sub-§8-B is enacted to read:

8-B. Lucky seven or similar sealed ticket deal. "Lucky seven or similar sealed ticket deal" means each separate package or series of packages of lucky seven or similar sealed tickets, including virtual lucky seven or similar sealed tickets, consisting of one lucky seven or similar sealed ticket game with a unique serial number.

Sec. 7. 17 MRSA §1831, sub-§8-C is enacted to read:

<u>8-C. Lucky seven or similar sealed ticket game.</u> "Lucky seven or similar sealed ticket game" means one or more lucky seven or similar sealed ticket deals with a unique name and theme.

Sec. 8. 17 MRSA §1831, sub-§19 is enacted to read:

- 19. Virtual lucky seven or similar sealed ticket. "Virtual lucky seven or similar sealed ticket" means a virtual representation of a lucky seven or similar sealed ticket displayed to a player using an electronic lucky seven device.
- **Sec. 9. 17 MRSA §1832, sub-§3,** as amended by PL 2023, c. 391, §3, is further amended to read:
- **3. Must be 18 years of age.** The Gambling Control Unit may not accept a registration to conduct a game night, a game of chance, a raffle or certain tournament games or accept an application from or issue a license for <u>electronic lucky seven devices</u>, card games and certain tournament games under this section to a person or representative of an eligible organization or committee who is not 18 years of age or older.

Sec. 10. 17 MRSA §1832, sub-§9 is enacted to read:

- 9. Electronic lucky seven device licenses; applications. The following provisions apply to the licensing of operators of electronic lucky seven devices.
 - A. The Gambling Control Unit may issue a license to operate electronic lucky seven devices to any eligible organization described in subsection 2.
 - B. An eligible organization described in subsection 2 shall submit an application in a form provided by the Gambling Control Unit and signed by a duly authorized officer of the eligible organization. The application must include the full name and address of the eligible organization, the number of electronic lucky seven devices to be operated, the location where the electronic lucky seven devices will be operated and any other information determined necessary by the Gambling Control Unit for the issuance of a license to operate electronic lucky seven devices under section 1835-C.

Sec. 11. 17 MRSA §1834, sub-§8 is enacted to read:

8. Operation of electronic lucky seven devices. The fee for a license to operate electronic lucky seven devices is \$200 per lucky seven or similar sealed ticket game in a calendar year and \$50 per electronic lucky seven device in a calendar year.

Sec. 12. 17 MRSA §1834, sub-§9 is enacted to read:

9. Electronic lucky seven device distributor. The fee for a license issued to an electronic lucky seven device distributor is \$5,000 for each calendar year or portion of a calendar year. In addition to the license fee, the director may charge a one-time initial application fee for an electronic lucky seven device distributor license in an amount equal to the projected cost of processing the application and performing any background

investigations. If the actual cost of processing the application and performing any background investigations 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.

Sec. 13. 17 MRSA §1835-C is enacted to read:

§1835-C. Operation of electronic lucky seven devices

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The following provisions apply to the operation of electronic lucky seven devices by licensed organizations issued a license under section 1832, subsection 9.

- 1. Operation; fees. Electronic lucky seven devices may be operated only for the exclusive benefit of the licensee, except that up to 30% of the gross revenue from the operation of the devices may be paid to the electronic lucky seven device distributor as a leasing fee and for service and repair of the devices under a contract approved by the director. Notwithstanding any provision of this chapter to the contrary, a licensee may purchase or lease an electronic lucky seven device from an electronic lucky seven device distributor.
- The director may collect from each licensee a fee equal to 1% of the gross revenue from the operation of electronic lucky seven devices. The fee must be deposited in the Gambling Control Unit administrative expenses Other Special Revenue Funds account, which is a nonlapsing dedicated account.
 - <u>2. Licensed organizations; number and location of devices.</u> An organization licensed under section 1832, subsection 9 may operate the following number of electronic lucky seven devices per premises.
 - A. A licensed organization with up to 100 members may operate up to 5 electronic lucky seven devices per premises.
 - B. A licensed organization with 100 or more members may operate up to 10 electronic lucky seven devices per premises.
 - The director may allow additional electronic lucky seven devices for licensees under paragraphs A and B based upon benchmarks established by rule by the Gambling Control Unit, as long as no single premises operates more than 10 electronic lucky seven devices. A licensed organization may operate an electronic lucky seven device only on the licensed organization's premises.
 - 3. Redemption kiosk. A licensee shall operate at each premises where an electronic lucky seven device is operated at least one redemption kiosk for the redemption of electronic lucky seven vouchers.
 - 4. Persons under 18 years of age. A person under 18 years of age is not permitted to operate or play an electronic lucky seven device.
 - <u>5. Hours of operation.</u> A licensee may operate an electronic lucky seven device for 12 hours during any day, except that an electronic lucky seven device may not be operated between 2:00 a.m. and 10:00 a.m.
 - 6. Number of tickets per lucky seven or similar sealed ticket deal for electronic lucky seven devices. Each lucky seven or similar sealed ticket deal for an electronic lucky seven device must contain a fixed number of virtual lucky seven or similar sealed tickets.

- The maximum number of virtual lucky seven or similar sealed tickets per lucky seven or similar sealed ticket deal for an electronic lucky seven device may not exceed 25,000.
- 7. Illegal gambling machine. An electronic lucky seven device may not be operated in a manner that meets the definition of "illegal gambling machine" in Title 17-A, section 952, subsection 5-A.
- **8. Rules.** The Gambling Control Unit shall adopt rules to facilitate the operation of electronic lucky seven devices. Rules must include, but are not limited to, rules regarding the registration, certification and auditing of electronic lucky seven devices. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- **Sec. 14. 17 MRSA §1838, sub-§1, ¶A,** as enacted by PL 2009, c. 487, Pt. A, §2, is amended to read:
 - A. An organization including a fair licensed to operate beano, bingo or lucky seven games or an eligible organization licensed to operate electronic lucky seven devices under section 1832, subsection 9 may use up to 20% of the gross revenue to compensate those who conduct the games.
 - Sec. 15. 17 MRSA §1840-A is enacted to read:

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§1840-A. Electronic lucky seven device distributors; agreements; records and reports

- 1. Distributors licensed. An electronic lucky seven device distributor may not sell, lease, market or otherwise distribute electronic lucky seven devices unless licensed by the Gambling Control Unit. A nonresident manufacturer or distributor of electronic lucky seven devices doing business in this State must have an agent in this State who is licensed as an electronic lucky seven device distributor. An electronic lucky seven device distributor may not sell, market or otherwise distribute electronic lucky seven devices to a person or organization, except to persons or eligible organizations licensed to operate electronic lucky seven devices under section 1832, subsection 9. A person or eligible organization licensed to operate electronic lucky seven devices shall acquire electronic lucky seven devices from a distributor licensed under this section. The applicant for an electronic lucky seven device distributor's license or, if the applicant is a firm, corporation, association or other organization, its resident manager, superintendent or official representative, shall file an application with the Gambling Control Unit on a form provided by the Gambling Control Unit. The Gambling Control Unit may adopt rules regarding the licensing of electronic lucky seven device distributors, which are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- 2. Sales agreements. When an electronic lucky seven device is sold, the electronic lucky seven device distributor shall forward to the Gambling Control Unit, prior to delivery of the electronic lucky seven device to the purchaser, a copy of all sales agreements, sales contracts or any other agreements involving the sale of any electronic lucky seven device. The terms of these sales agreements must include, but are not limited to, the name of the seller, name of the purchaser, address of the seller, address of the purchaser, description of the electronic lucky seven device, including serial number and model name and number, total sale price, any arrangement or terms for payments and date of final payment. Any change, modification or alteration of these sales agreements must be reported to the

Gambling Control Unit by the purchaser within 6 days of the change, modification or alteration.

- 3. Service agreement. With the sale of any electronic lucky seven device that includes a service agreement, the electronic lucky seven device distributor shall forward to the Gambling Control Unit a copy of the service agreement prior to delivery of the electronic lucky seven device. The terms of the service agreement must include, but are not limited to, the name of the seller, name of the purchaser, address of the seller, address of the purchaser, description of the electronic lucky seven device to be serviced, including serial number and model name and number, and all prices and payments for that service. Any change, modification or alteration of a service agreement must be reported to the Gambling Control Unit by the purchaser within 6 days of the change, modification or alteration.
- 4. Lease agreement. When an electronic lucky seven device is leased, the electronic lucky seven device distributor shall forward to the Gambling Control Unit a copy of the lease agreement and shipment approval prior to delivery of the electronic lucky seven device. The terms of a lease agreement must include, but are not limited to, the name of the lessor, address of the lessor, name of the lessee, address of the lessee, description of the electronic lucky seven device, including serial number and model name and number, and all prices and payments for the lease. Each lease must be for a specific period of time.
- <u>5. Reports.</u> At the end of each calendar month, an electronic lucky seven device distributor shall file with the Gambling Control Unit a report indicating:
 - A. The names and addresses of all eligible organizations to which the electronic lucky seven device distributor has distributed electronic lucky seven devices and the dates of the distributions;
 - B. Descriptions of the electronic lucky seven devices distributed, including serial numbers and model names and numbers; and
 - C. The number of electronic lucky seven devices distributed.
- 6. Retention and inspection of records. An electronic lucky seven device distributor shall maintain and keep for a period of 3 years, on the premises of the electronic lucky seven device distributor, any records that may be necessary to substantiate the reports required by this section or by the rules adopted under this chapter. The records must be open to inspection, and an electronic lucky seven device distributor may not refuse permission for the Gambling Control Unit to inspect or audit the records. Refusal to permit inspection or audit of the records by the Gambling Control Unit does not constitute a crime under this chapter but constitutes grounds for revocation of license or registration.
- 7. Required reports. The Gambling Control Unit shall require from any licensed electronic lucky seven device distributor any reports determined necessary by the Gambling Control Unit for the purpose of the administration and enforcement of this chapter.
- **Sec. 16. 17 MRSA §1841, sub-§1,** as enacted by PL 2009, c. 487, Pt. A, §2, is amended to read:
- 1. Schemes prohibited. A license may not be issued under this chapter for the conduct or operation of a machine, a slot machine, roulette or games commonly known as policy or numbers, except that a license may be issued for an electronic video machine or an

| 1 2 | <u>electronic lucky seven device</u> . An electronic video machine <u>or an electronic lucky seven device</u> that constitutes a game of chance is fully governed by this chapter. |
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| 3 4 | Sec. 17. 17 MRSA §1842, sub-§2, ¶B, as amended by PL 2017, c. 284, Pt. KKKKK, §29, is further amended by amending subparagraph (2) to read: |
| 5 6 7 8 | (2) If a distributor violates section 1840, subsection 2 <u>or an electronic lucky seven</u> <u>device distributor violates section 1840-A, subsection 1</u> , the Gambling Control Unit is not required to give the notice or allow the compliance period provided in subparagraph (1); or |
| 9 10 | Sec. 18. 17-A MRSA §952, sub-§5-A, ¶ C, as amended by PL 2009, c. 487, Pt. B, §11, is further amended to read: |
| 11 12 13 14 | C. That is not a machine that a person may lawfully operate pursuant to a license that has been issued under Title 17, chapter 62 or that is operated by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations; and |
| 15 16 | Sec. 19. 17-A MRSA §952, sub-§5-A, ¶D, as enacted by PL 2003, c. 687, Pt. A, §7 and affected by Pt. B, §11, is amended to read: |
| 17 18 | D. That is not a slot machine registered pursuant to Title 8, section 1020 and owned by a slot machine distributor licensed pursuant to Title 8, section 1013-; and |
| 19 | Sec. 20. 17-A MRSA §952, sub-§5-A, ¶E is enacted to read: |
| 20 21 | E. That is not an electronic lucky seven device operated by an eligible organization licensed pursuant to Title 17, section 1832, subsection 9. |
| 22 | SUMMARY |
| 23 24 | This bill authorizes the Department of Public Safety, Gambling Control Unit to issue licenses to operate electronic lucky seven devices to eligible organizations. The bill |

This bill authorizes the Department of Public Safety, Gambling Control Unit to issue licenses to operate electronic lucky seven devices to eligible organizations. The bill provides restrictions on the number, location and operation of electronic lucky seven devices and requires licensees to operate at least one kiosk for the redemption of electronic lucky seven vouchers. It also requires distributors of electronic lucky seven devices to be licensed. The bill also makes other necessary changes to the charitable gaming laws.