

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 2203

6
7 S.P. 823

In Senate, March 8, 1984

8 Submitted by the Department of Lottery pursuant to Joint Rule 24.
9 Referred to the Committee on Legal Affairs is suggested and ordered
10 printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Usher of Cumberland.

Cosponsors: Senator Violette of Aroostook, Representative Nadeau of
11 Lewiston and Representative Jacques of Waterville.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FOUR
16

17 AN ACT Concerning the Tri-state Lotto
18 Compact.
19

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

22 Sec. 1. 8 MRSA c. 16 is enacted to read:

23 CHAPTER 16

24 TRI-STATE LOTTO COMPACT

25 §401. Short title

26 This compact may be cited as the "Tri-state Lotto
27 Compact."

28 §402. Compact

29 The State enters into the following compact with
30 the states of Vermont and New Hampshire, subject to
31 the terms and conditions stated in this chapter.

1 §403. Statement of purpose

2 This compact is enacted to implement the operation
3 of Tri-state Lotto for the purpose of raising
4 additional revenue for each of the party states.
5 Tri-state Lotto is not intended to replace any exist-
6 ing lottery games in the party states but, rather, to
7 be run in addition to those games. Tri-state Lotto
8 tickets will be sold in each of the party states and
9 processed in a central area to be determined by the
10 commission. Fifty percent of the gross sales from
11 each state will be aggregated in a common prize pool,
12 and operating costs will be charged proportionally,
13 according to sales, to the party states. The remain-
14 ing revenues generated within each state will remain
15 in that particular state.

16 §404. Definitions

17 As used in this compact, unless the context oth-
18 erwise indicates, the following terms have the fol-
19 lowing meanings.

20 1. Commission. "Commission" means the Tri-state
21 Lotto Commission created and established by this com-
22 compact.

23 2. Concurrent legislation. "Concurrent legisla-
24 tion" means legislation enacted by one of the party
25 states which is concurred in by the other party
26 states in the form of enactments having like effect.

27 3. Lotto. "Lotto" means a game of chance as
28 prescribed by the commission.

29 4. Party states. "Party states" means the
30 states of New Hampshire, Vermont and Maine.

31 5. Tri-state Lotto. "Tri-state Lotto" means a
32 combined lotto game for all member states, with com-
33 mon tickets, common advertising and a common prize
34 pool.

35 §405. Creation of the Tri-state Lotto Commission

36 The party states, for the purpose of operating
37 Tri-state Lotto, do hereby establish and create the
38 Tri-state Lotto Commission.

1 §406. Nature of the commission

2 The commission shall be an interstate body, both
3 corporate and politic, serving as a common agency of
4 the party states and representing them both collec-
5 tively and individually in the exercise of its powers
6 and duties.

7 §407. Organization of the commission

8 The commission shall be composed of one member
9 from each of the party states. Each compact member
10 state lottery or sweepstakes commission shall appoint
11 one if its members to serve on the Tri-state Lotto
12 Commission. Each member shall hold office at the
13 pleasure of the appointing authority. The commission
14 shall elect a chairman from among its members, annu-
15 ally.

16 §408. Functioning of the commission

17 1. Commission functions. The commission's func-
18 tions shall be performed and carried out by its mem-
19 bers and by such advisory committees or panels, or
20 both as the commission may establish, and by such of-
21 ficers, independent contractors, agents, employees
22 and consultants as may be appointed by the commis-
23 sion. All such officers, independent contractors,
24 agents, consultants and employees shall hold office
25 at the pleasure of the commission, unless the commis-
26 sion otherwise decides, and the commission shall pre-
27 scribe the person's powers, duties and qualifications
28 and fix their compensation and other terms of their
29 employment.

30 2. Unanimous decision. Any action of the com-
31 mission shall not be effective or binding unless
32 there is a unanimous decision by all of the represen-
33 tatives of the various party states.

34 3. Compensation. The members of the commission
35 shall receive compensation for their services, pursu-
36 ant to this compact and in accordance with the poli-
37 cies of the respective states, and they shall be en-
38 titled to be reimbursed for the expenses they natu-
39 rally and necessarily incur in the performance of
40 their duties.

1 4. Member. Any member of the commission who is
2 otherwise a public officer or employee shall not suffer
3 a forfeiture of his office or employment, or any
4 loss or diminution in the rights and privileges per-
5 taining thereto, by reason of membership on the com-
6 mission.

7 §409. Powers and duties of the commission

8 1. Operation and administration; rules. The
9 commission shall have the power and it shall be its
10 duty to operate and administer Tri-state Lotto and to
11 promulgate rules governing the establishment and op-
12 eration thereof, including, but not limited to, the
13 following topics:

14 A. The type of lottery to be conducted;

15 B. The price of the tickets;

16 C. The number and sizes of the prizes on the
17 winning tickets;

18 D. The manner of selecting the winning tickets
19 and paying the prizes;

20 E. The frequency of the drawings;

21 F. The type or types of locations at which tick-
22 ets may be sold;

23 G. The method to be used in selling tickets;

24 H. The compensation required to be paid to
25 Tri-state Lotto sales agents in order to assure
26 adequate availability of tickets and public con-
27 venience in purchasing tickets; and

28 I. The development of an internal security plan
29 designed to prevent player fraud.

30 2. Licensed sales agents. The commission, or
31 its designee, shall also have the power and it shall
32 be its duty to license sales agents to sell Tri-state
33 Lotto tickets, in accordance with section 411 . The
34 commission may require a bond from any licensed agent
35 in an amount to be determined by the commission.

1 3. Reports. The commission shall make monthly
2 and year-end reports to the commissions of the party
3 states, which shall include a full and complete
4 statement of Tri-state Lotto revenues, prize dis-
5 bursements and other expenses, and any other informa-
6 tion the party states may require.

7 4. Audits. All Tri-state Lotto accounts and
8 transactions shall be subject to annual post audits
9 conducted by independent auditors retained by the
10 commission for this purpose.

11 5. Corporate seal; contractual powers. In addi-
12 tion to the powers enumerated in this section, the
13 commission may adopt a corporate seal and enter into
14 contracts, including, but not limited to, contracts
15 with other governments or agencies, to hire, lease,
16 acquire and dispose of property to the extent neces-
17 sary to carry out its functions, powers and duties as
18 set forth in this chapter and to expend or authorize
19 expenditures of moneys for the purpose of operating
20 Tri-state Lotto pursuant to this compact. The party
21 states each shall have the right to require such au-
22 dit as that state may from time to time consider
23 proper.

24 6. Additional powers. The commission also shall
25 have such additional powers, incidental to the ex-
26 press powers granted to it by this compact, as may be
27 necessary or proper for the effective performance of
28 its functions.

29 §410. Cooperation and assistance of other agencies

30 To avoid duplication of effort and in the inter-
31 ests of economy, the commission may make use of ex-
32 isting studies, plans, data and other materials in
33 the possession of the governmental agencies of the
34 party states and their respective political subdivi-
35 sions. Each such agency may make those materials
36 available to the commission and otherwise assist it
37 in the performance of its functions. The officers
38 and personnel of those agencies, and of any other
39 government or agency whatever, may serve at the re-
40 quest of the commission upon such advisory committees
41 and panels as the commission determines to create,
42 and the officers and personnel may serve upon those

1 committees and panels without forfeiture of office or
2 employment and with no loss or diminution in the sta-
3 tus, rights and privileges which they otherwise en-
4 joy.

5 §411. Licensing of Tri-state Lotto sales agents

6 1. Agents. The commission, or its designee, may
7 license as agents to sell Tri-state Lotto tickets
8 such persons as in its opinion will best serve the
9 public convenience, except that no license may be is-
10 ssued to any person to engage in business exclusively
11 as such a sales agent.

12 2. Person. For purposes of this chapter the
13 term "person" shall be construed to mean and include
14 an individual, partnership, association, organiza-
15 tion, club, company, corporation, trust, estate, so-
16 ciety, joint stock company, receiver, trustee, as-
17 signee, referee or any other person acting in a fidu-
18 ciary or representative capacity, whether appointed
19 by a court or otherwise, and any combination of indi-
20 viduals. "Person" shall also be construed to mean
21 and include agencies and instrumentalities of the
22 State, counties, cities, towns and villages.

23 3. Issuance of licenses. Before issuing a li-
24 cence to any person, the commission shall consider
25 with respect to that person:

26 A. Financial responsibility and the security of
27 the business or activity in which the person is
28 engaged;

29 B. Accessibility of the place of business or ac-
30 tivity to the public;

31 C. Sufficiency of existing licenses to serve
32 public convenience;

33 D. Whether the place of business or activity is
34 predominantly frequented by persons under the age
35 of 18 years;

36 E. Volumes of expected sales; and

37 F. The possession of a valid party state li-
38 cence.

1 §412. Suspension and revocation of licenses

2 1. Suspension; revocation. The commission may
3 suspend or revoke, after notice and hearing, any li-
4 cence issued pursuant to this compact. The license
5 may be temporarily suspended by the commission with-
6 out prior notice, pending any prosecution, investiga-
7 tion or hearing. A license may be suspended or re-
8 voked by the commission for just cause, including one
9 or more of the following reasons:

10 A. Failure to account for tickets received or
11 the proceeds of the sale of tickets or to file a
12 bond, if required by the commission, or to comply
13 with instructions of the commission concerning
14 the licensed activity;

15 B. Conviction of any criminal offense;

16 C. Failure to file any return or report, to keep
17 records or to pay any tax;

18 D. Engaging in fraud, deceit, misrepresentation
19 or conduct prejudicial to public confidence;

20 E. Insufficiency of the number of tickets sold
21 by the sales agent; or

22 F. A material change, since issuance of the li-
23 cence, with respect to any of the matters re-
24 quired to be considered by the commission under
25 section 411, subsection 3.

26 2. Suspension; tri-state license. Any suspen-
27 sion or revocation of a state license shall automati-
28 cally result in suspension of the tri-state license.

29 §413. Inapplicability of other statutes

30 1. Inapplicability. No law providing for any
31 penalty or disability for the sale of lottery tickets
32 or any acts done in connection with a lottery applies
33 to the sale of tickets or acts performed pursuant to
34 this compact.

35 2. Precedence. The provisions of this compact
36 shall apply and take precedence in the event of any

1 conflict between the provisions contained in this
2 compact and the provisions of other laws of any of
3 the member states.

4 §414. When sale of tickets prohibited

5 1. Prohibition; price; licensed sales agent. No
6 ticket may be sold at a price greater than those
7 fixed by the commission, nor may a sale be made by
8 any person other than a licensed sales agent. Any
9 person who violates any of these provisions shall be
10 subject to the sanctions of each respective party
11 state's lottery statutes.

12 2. Prohibition; age limitation. No ticket may
13 be sold to any person under 18 years of age, but this
14 shall not be deemed to prohibit the purchase of a
15 ticket for the purpose of making a gift by a person
16 18 years of age or older to a person less than that
17 age. Any licensee or the employee or agent of any
18 licensee who sells or offers to sell a ticket to any
19 person under 18 years of age shall be subject to the
20 sanctions of each respective party state's lottery
21 statutes.

22 3. Prohibition; affiliation with commission. No
23 prize may be paid to any of the following persons:

24 A. Any member, officer or employee of the com-
25 mission; or

26 B. Any spouse, child, brother, sister or parent
27 residing as a member of the same household in the
28 principal place of abode of any of the persons
29 set out in paragraph A.

30 §415. Collection and disposition of revenue

31 1. Delivery to commission of party state. All
32 moneys received by any and all Tri-state Lotto sales
33 agents from the sales of Tri-state Lotto tickets,
34 less the amount, if any, retained pursuant to section
35 409, subsection 1, paragraph G shall be delivered
36 weekly to the commission of the party state in which
37 the sales were made.

1 2. Tri-state Lotto Prize Account. Within one
2 week after a Tri-state Lotto drawing has been held,
3 the party state commission shall pay to the commis-
4 sion, who in turn shall promptly pay to an account
5 known as the Tri-state Lotto Prize Account, such mon-
6 eys as are necessary for the payment of prizes, less
7 actual prizes paid by the respective party state in
8 the preceding week, but not to exceed 50% of the to-
9 tal amount for which tickets have been sold.

10 3. Interest; prize account. Interest earned by
11 the Tri-state Lotto Prize Account shall accrue to the
12 party states in direct proportion to their contribu-
13 tion to the account. Distribution shall be made at
14 least semiannually.

15 4. Withdrawals. The withdrawals, pursuant to
16 section 416, of moneys from the Tri-state Lotto Prize
17 Account so deposited by the commission, shall be sub-
18 ject to a check signed by a member of the commission
19 or such officer, employee or agent of the commission
20 as the commission may designate. The moneys in the
21 prize payment account shall be paid out of that ac-
22 count on vouchers certified or approved by the com-
23 mission or its duly designated officer, agent or em-
24 ployee.

25 5. Tri-state Lotto Operations Account. The com-
26 mission shall receive from party states, within one
27 week after a Tri-state Lotto drawing, an additional
28 sum of moneys not to exceed 15% of the total amount
29 for which tickets have been sold. The moneys to be
30 deposited in a bank, banking house or trust company
31 selected by the commission in an account to be named
32 the Tri-state Lotto Operations Account. The opera-
33 tions account shall be used to pay Tri-state Lotto
34 current operating costs, which shall be charged pro-
35 portionally to the party states. If operating costs
36 exceed or fall short of the amount obtained in that
37 account, appropriate adjustments shall be made on a
38 quarterly basis within 30 days of the end of each
39 quarter.

40 6. Interest; operations account. Interest
41 earned by the Tri-state Lotto Operations Account
42 shall accrue to the party states in direct proportion
43 to their contribution to the account. Distribution
44 shall be made at least semiannually.

1 §416. Certification of prize winners and payment of
2 prizes

3 1. Prizes over \$5,000; certified list. All
4 prizes over \$5,000 shall be awarded to holders of
5 winning tickets as provided in this section. Within
6 one week after any drawing or selection of prize
7 winning tickets, the commission shall deliver to each
8 of the party states a certified list of the tickets
9 to which prizes are awarded and the amount of each
10 such prize. Upon delivery of the certified list and
11 voucher of the commission, moneys sufficient for the
12 payment of those prizes may be withdrawn from the
13 prize account established in section 415, subsection
14 2. The commission shall each month provide each par-
15 ty state with a record of all such withdrawals. Pay-
16 ment of prizes shall be made by the commission, or
17 its designee, to holders of the tickets to which
18 prizes are awarded, except that payment of any prize
19 drawn may be paid to the estate of a deceased prize
20 winner, and except that any person, pursuant to an
21 appropriate judicial order, may be paid the prize to
22 which the winner is entitled. The commission, its
23 officers, agents and employees shall be discharged of
24 all further liability upon payment of a prize pursu-
25 ant to this section.

26 2. Payment; persons under 18 years of age. If
27 the person entitled to a prize on any winning ticket
28 is under 18 years of age and the prize is less than
29 \$5,000, the commission may make payment by delivery
30 to an adult member of the minor's family or a guardi-
31 an of the minor of a check or draft payable to the
32 order of the minor. If the person entitled to a
33 prize on any winning ticket is under 18 years of age
34 and if the prize is \$5,000 or more, the commission
35 may make payment to the minor by depositing the
36 amount of the prize in any bank to the credit of an
37 adult member of the minor's family or a guardian of
38 the minor as custodian for the minor. The commission
39 shall be discharged of all further liability upon
40 payment of a prize to a minor pursuant to this sub-
41 section.

42 3. Prizes under \$5,000. Prizes of less than
43 \$5,000 may be paid in such manner as the commission
44 may direct in its rules, as long as those rules are
45 not inconsistent with this compact.

1 §417. Unclaimed prize money

2 Unclaimed prize money for the prize on a winning
3 ticket shall be retained by the commission for pay-
4 ment to the person entitled thereto for one year af-
5 ter the drawing in which the prize was won. If no
6 claim is made for the prize within one year from the
7 date of the drawing, the prize money shall be cred-
8 ited to the prize pool. Upon the expiration of a
9 one-year time period from the drawing date, the tick-
10 et holder shall forfeit any claim or entitlement to
11 the prize moneys.

12 §418. Duration of commission and Tri-state Lotto

13 The commission and Tri-state Lotto shall continue
14 in existence until this compact is revoked by all of
15 the party states. The withdrawal of one party state
16 shall not render the compact invalid between the re-
17 maining states.

18 §419. Interpretation

19 This compact shall be construed liberally to ef-
20 fectuate its purposes.

21 §420. Amendments

22 Amendments and supplements to this compact may be
23 adopted by concurrent legislation of the party
24 states.

25 §421. Immunity and limitation on liability

26 1. Sovereign Immunity. The commission shall en-
27 joy the sovereign immunity of the party states and
28 neither it nor any of its officers or employees may
29 be sued in any court or tribunal whatsoever by any
30 player in connection with their activities in admin-
31 istering the Tri-state Lotto Game.

32 2. Liability; pledge of credit. The commission
33 may not pledge the credit of the party states, or any
34 of them individually, or impose any liability upon
35 them, or any of them, directly or indirectly.

