

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

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Legislative Document

No. 623

H.P. 459

House of Representatives, March 1, 2021

An Act To Amend the Advance Deposit Wagering Laws

Received by the Clerk of the House on February 25, 2021. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative McCREIGHT of Harpswell.
Cosponsored by Representative: DILLINGHAM of Oxford, Senators: CLAXTON of
Androscoggin, President JACKSON of Aroostook, LIBBY of Androscoggin.

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

2 **Sec. 1. 8 MRSA §1001, sub-§1-A**, as enacted by PL 2015, c. 499, §1, is repealed
3 and the following enacted in its place:

4 **1-A. Advance deposit wagering.** "Advance deposit wagering" means a form of pari-
5 mutuel wagering on horse races in which wagers are made in person or by telephone,
6 Internet, mobile device, electronic communication or, if approved by the board, other
7 electronic medium and the account holder deposits funds in a wagering account
8 administered by an advance deposit wagering licensee. An advance deposit wagering
9 licensee makes wagers from the wagering account at the direction of and on behalf of the
10 account holder, and the advance deposit wagering licensee deposits money into the
11 wagering account from winning wagers awarded to the account holder.

12 **Sec. 2. 8 MRSA §1001, sub-§1-B**, as enacted by PL 2015, c. 499, §1, is amended
13 to read:

14 **1-B. Advance deposit wagering licensee.** "Advance deposit wagering licensee"
15 means a person that is chosen by competitive bid and licensed by the board pursuant to
16 subchapter 7 to conduct advance deposit wagering.

17 **Sec. 3. 8 MRSA §1001, sub-§20-A** is enacted to read:

18 **20-A. Gross advance deposit wagering income.** "Gross advance deposit wagering
19 income" means the total amount of wagers placed by residents of this State via advance
20 deposit wagering before payment of money to winning bettors.

21 **Sec. 4. 8 MRSA §1001, sub-§29-D** is enacted to read:

22 **29-D. Multijurisdictional account wagering provider.** "Multijurisdictional account
23 wagering provider" means a business entity domiciled in a jurisdiction other than this State
24 that is licensed by another jurisdiction to offer advance deposit wagering on horse races for
25 which it offers wagering to account holders in or out of the jurisdiction that issued the
26 license, including in this State.

27 **Sec. 5. 8 MRSA §1015**, as amended by PL 2013, c. 212, §§13 and 14, is further
28 amended to read:

29 **§1015. Licensing of employees of slot machine and casino operators, slot machine and
30 table game distributors and, gambling services vendors and advance deposit
31 wagering licensees**

32 **1. License required.** A person may not be employed by a slot machine operator,
33 casino operator, slot machine distributor, table game distributor or, gambling services
34 vendor or advance deposit wagering licensee unless the person is licensed to do so by the
35 board, temporarily authorized as an employee pursuant to subsection 4 or granted a waiver
36 by the board pursuant to subsection 3.

37 **2. Requirements for license.** The board may issue an employee license to an
38 employee of a slot machine operator, casino operator, slot machine distributor, table game
39 distributor or, gambling services vendor or advance deposit wagering licensee if the
40 applicant meets the qualifications set out in sections 1016 and 1019.

41 **3. Requirements for waiver.** Upon application by a slot machine operator, casino
42 operator, slot machine distributor, table game distributor or, gambling services vendor or

1 advance deposit wagering licensee, the board may waive the employee license requirement
2 under this section if the slot machine operator, casino operator, slot machine distributor,
3 table game distributor or gambling services vendor or advance deposit wagering licensee
4 demonstrates to the board's satisfaction that the public interest is not served by the
5 requirement of the employee license.

6 **4. Employees authorized temporarily.** A new employee of a slot machine operator,
7 casino operator, slot machine distributor, table game distributor or gambling services
8 vendor or advance deposit wagering licensee is temporarily authorized to work in a position
9 requiring an employee license pursuant to subsection 1 as of the date a completed employee
10 license application is received by the board. A completed employee license application is
11 composed of:

- 12 A. The completed form for application for an employee license approved by the board;
- 13 B. Two complete sets of the fingerprints of the applicant;
- 14 C. The fee for processing the employee license application as prescribed by the board;
- 15 and
- 16 D. The results of the background investigation conducted by the employer.

17 If the department determines after receiving an employee license application under this
18 subsection that the application is incomplete, it may suspend the new employee's temporary
19 authorization until such time as the new employee files a completed application.

20 Temporary authorization is not available for renewal of employee licenses.

21 **5. Termination of temporary authorization.** Unless suspended or revoked, a
22 temporary authorization under subsection 4 continues until the granting or denial of the
23 new employee's employee license application in accordance with sections 1016, 1017 and
24 1019 and any applicable rules adopted by the board. An applicant whose temporary
25 authorization is suspended or revoked is not eligible for employment in a position requiring
26 an employee license pursuant to subsection 1 until such time as the suspension or
27 revocation is withdrawn or an employee license is issued.

28 **6. Exception.** An employee of an advance deposit wagering licensee that is a
29 multijurisdictional account wagering provider is not subject to the employee license
30 requirement under this section if:

- 31 A. The employee is not involved in the processing of wagers by residents of this State;
- 32 or
- 33 B. The employee is not located in this State and is licensed in a jurisdiction in
34 connection with the multijurisdictional account wagering provider's operations in that
35 jurisdiction.

36 **Sec. 6. 8 MRSA §1016, sub-§1**, as amended by PL 2013, c. 212, §§15 to 18, is
37 further amended to read:

38 **1. Minimum qualifications.** Notwithstanding Title 5, chapter 341, and in addition to
39 any requirements imposed by rules adopted by the board, a person must satisfy the
40 following qualifications to be a slot machine operator, a casino operator, a slot machine
41 distributor, a table game distributor, a gambling services vendor, an advance deposit
42 wagering licensee or an employee of these entities:

1 A. The person has completed the application form, promptly and truthfully complied
2 with all information requests of the board and complied with any applicable rules
3 adopted by the board;

4 B. The person has sufficient financial assets and responsibility to meet any financial
5 obligations imposed by this chapter and, if applying for a slot machine operator license,
6 casino operator license, slot machine operator license renewal or casino operator
7 license renewal, has sufficient financial assets and responsibility to continue operation
8 of a commercial track or casino;

9 B-1. If applying for an advance deposit wagering license or advance deposit wagering
10 license renewal under section 1073, subsection 1, paragraph A or B, the person has
11 sufficient financial assets and responsibility to continue operation of a commercial
12 track or off-track betting facility;

13 C. The person has not knowingly or recklessly made a false statement of material fact
14 in applying for a license under this chapter or any gambling-related license in any other
15 jurisdiction;

16 D. In the case of a person applying to be a slot machine operator ~~or~~, casino operator
17 or advance deposit wagering licensee, the person has sufficient knowledge and
18 experience in the business of operating slot machines ~~or~~, casinos or advance deposit
19 wagering to effectively operate the slot machine facilities ~~or~~, casino or advance deposit
20 wagering to which the license application relates in accordance with this chapter and
21 the rules and standards adopted under this chapter; and

22 F. If the applicant is a business organization, the applicant is organized in this State,
23 although that business organization may be a wholly or partially owned subsidiary of
24 an entity that is organized pursuant to the laws of another state or a foreign country.

25 Except as provided by section 1013, subsection 3 and section 1013-A, subsection 3, a
26 person may not hold more than one class of license under this chapter unless the 2nd license
27 is an employee license under section 1015.

28 **Sec. 7. 8 MRSA §1071**, as enacted by PL 2015, c. 499, §8, is repealed.

29 **Sec. 8. 8 MRSA §1072**, as enacted by PL 2015, c. 499, §8, is amended to read:

30 **§1072. Distribution of ~~net commission~~ advance deposit wagering revenue**

31 ~~The net commission established in the contract executed pursuant to section 1071,~~
32 ~~subsection 3 must be distributed according to this section.~~

33 **1. Distribution of ~~net commission~~ revenue from wagers placed on races conducted**
34 **in State.** An advance deposit wagering licensee shall collect ~~the net commission~~ 5% of
35 gross advance deposit wagering income from wagers placed with the licensee on races
36 conducted at tracks in the State and distribute it to the board for distribution as follows.

37 A. Ten percent of the ~~net commission~~ amount collected under this subsection must be
38 deposited directly to the General Fund.

39 B. Twenty percent of the ~~net commission~~ amount collected under this subsection must
40 be distributed to all off-track betting facilities licensed under section 275-D so that each
41 off-track betting facility receives the same amount.

1 C. One percent of the ~~net commission~~ amount collected under this subsection must be
2 distributed to the Sire Stakes Fund established under section 281.

3 D. Ten percent of the ~~net commission~~ amount collected under this subsection must be
4 distributed to the Agricultural Fair Support Fund established under Title 7, section 91
5 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion
6 of the distribution required by this paragraph may be distributed to a commercial track.

7 E. Twenty-four percent of the ~~net commission~~ amount collected under this subsection
8 must be distributed to the fund established under section 298 to supplement harness
9 racing purses.

10 F. Twenty percent of the ~~net commission~~ amount collected under this subsection must
11 be distributed to the track where the race upon which the wager was placed was
12 conducted.

13 G. Fifteen percent of the ~~net commission~~ amount collected under this subsection must
14 be distributed to all commercial tracks, with each commercial track receiving a portion
15 determined by multiplying that 15% times a fraction, the numerator of which is the
16 minimum number of days of racing the commercial track is required by law to conduct
17 annually in order to retain its commercial track license and the denominator of which
18 is the sum of the number of days of racing all the commercial tracks are required to
19 conduct in order to retain their commercial track licenses.

20 **2. Distribution of ~~net commission~~ revenue from wagers placed on races conducted**
21 **outside State.** An advance deposit wagering licensee shall collect ~~the net commission~~ 5%
22 of gross advance deposit wagering income from wagers placed with the licensee on races
23 conducted at tracks outside the State and distribute it to the board for distribution as follows.

24 A. Ten percent of the ~~net commission~~ amount collected under this subsection must be
25 deposited directly to the General Fund.

26 B. Thirty-six percent of the ~~net commission~~ amount collected under this subsection
27 must be distributed to all off-track betting facilities licensed under section 275-D so
28 that each off-track betting facility receives the same amount.

29 C. One percent of the ~~net commission~~ amount collected under this subsection must be
30 distributed to the Sire Stakes Fund established under section 281.

31 D. Ten percent of the ~~net commission~~ amount collected under this subsection must be
32 distributed to the Agricultural Fair Support Fund established under Title 7, section 91
33 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion
34 of the distribution required by this paragraph may be distributed to a commercial track.

35 E. Seven percent of the ~~net commission~~ amount collected under this subsection must
36 be distributed to the fund established under section 298 to supplement harness racing
37 purses.

38 F. Thirty-six percent of the ~~net commission~~ amount collected under this subsection
39 must be distributed to all commercial tracks, with each commercial track receiving a
40 portion determined by multiplying that 36% times a fraction, the numerator of which
41 is the minimum number of days of racing the commercial track is required by law to
42 conduct annually in order to retain its commercial track license and the denominator of

1 which is the sum of the number of days of racing all the commercial tracks are required
2 to conduct in order to retain their commercial track licenses.

3 **Sec. 9. 8 MRSA §1073** is enacted to read:

4 **§1073. Advance deposit wagering license**

5 **1. Eligibility.** To receive an advance deposit wagering license from the board, an
6 entity must meet the requirements of this section and the rules adopted by the board under
7 section 1003, subsection 2, paragraph U and must be:

8 A. A commercial track licensed under section 271;

9 B. An off-track betting facility licensed under section 275-D; or

10 C. A multijurisdictional account wagering provider.

11 Neither a multijurisdictional account wagering provider nor its parent company,
12 subsidiaries or affiliates may be found in violation of this section or any other laws of this
13 State or ineligible to receive an advance deposit wagering license or may be subject to any
14 other disciplinary action as a result of unlicensed conduct under this Title before the
15 effective date of this section that was conducted pursuant to its multijurisdictional license
16 and would have been permitted as licensed conduct under this section.

17 **2. Authority to conduct advance deposit wagering.** An advance deposit wagering
18 license issued by the board under this section grants a licensee authority to conduct advance
19 deposit wagering in this State, including accepting deposits and wagers from account
20 holders. An advance deposit wagering licensee may accept a wager from an advance
21 deposit wagering account holder in person or by telephone, Internet, mobile device,
22 electronic communication or, if approved by the board, other electronic medium.

23 **3. Contract.** Advance deposit wagering may be conducted directly by an advance
24 deposit wagering licensee or through such a licensee entering into a contract with a provider
25 of advance deposit wagering services located within the United States.

26 **4. Conditions of licensure.** An advance deposit wagering licensee shall:

27 A. Purchase a bond to secure the accounts of advance deposit wagering bettors; and

28 B. Use a system to conduct advance deposit wagering to ensure that bettors who
29 establish accounts to place bets on horse racing via advance deposit wagering are 18
30 years of age or older and residents of the State.

31 **5. Application fee.** The board shall require a nonrefundable application fee of \$1,000
32 for a license under this section and an applicant shall pay the costs of the board for
33 processing an application and performing background investigations.

34 **6. License fee; term; renewal.** A license issued under this section authorizes the
35 licensee to conduct advance deposit wagering for a period of 5 years. The fee for a license
36 to conduct advance deposit wagering is \$500. The renewal fee for a license to conduct
37 advance deposit wagering is \$250.

38 **SUMMARY**

39 This bill allows commercial tracks, off-track betting facilities and multijurisdictional
40 account wagering providers to obtain a license to conduct advance deposit wagering. It

1 repeals the provision that directs the Department of Public Safety, Gambling Control
2 Board, through a competitive bidding process, to award one bidder the privilege to be
3 licensed to conduct advance deposit wagering. It requires advance deposit wagering
4 licensees to remit 5% of the licensees' gross advance deposit wagering income to the board
5 for distribution by the board. The bill also requires licensure of employees of advance
6 deposit wagering licensees.