

# MAINE STATE LEGISLATURE

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L.D. 1980

Date: 4/16/22

(Filing No. S-524)

**VETERANS AND LEGAL AFFAIRS**

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**STATE OF MAINE**

**SENATE**

**130TH LEGISLATURE**

**SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 711, L.D. 1980, "An Act To Create a Small Nonprofit Raffle Operator License"

Amend the bill by striking out the title and substituting the following:

**'An Act To Allow Internet Payment for Tickets and Chances for Raffles Held by Nonprofit Organizations and Other Eligible Organizations'**

Amend the bill by inserting after the title and before the enacting clause the following:

**'Emergency preamble. Whereas,** acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** eligible nonprofit organizations in the State rely on fund-raising to meet their charitable goals; and

**Whereas,** the COVID-19 pandemic has severely restricted the ability of eligible nonprofit organizations to effectively raise funds, which has directly led to a reduction in charitable giving; and

**Whereas,** allowing eligible nonprofit organizations to modernize their fund-raising process is needed and will increase charitable giving across the State, especially during the summer tourist season; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill by striking out everything after the enacting clause and inserting the following:

**'Sec. 1. 17 MRSA §1831, sub-§7-B,** as enacted by PL 2021, c. 136, §2, is amended to read:

**7-B. Internet raffle.** "Internet raffle" means a raffle in which a person purchases a raffle chance or ticket through, and a winner or winning chances are determined by, a

**COMMITTEE AMENDMENT**

ROS

1 ~~mobile application or other~~ digital platform that involves, at least in part, the use of the  
2 Internet. A raffle where a winner or winning chance is determined by drawing from a  
3 container is not an Internet raffle, even if some or all of the raffle chances or tickets are  
4 purchased through a digital platform.

5 **Sec. 2. 17 MRSA §1837-A, sub-§7**, as enacted by PL 2021, c. 136, §10, is amended  
6 to read:

7 **7. Internet raffles; restrictions.** An eligible organization described in section 1832,  
8 subsection 2 may conduct a raffle described in subsection 2-A or subsection 4 as an Internet  
9 raffle if the eligible organization registers with the Gambling Control Unit and the Internet  
10 raffle is operated in accordance with the requirements of this chapter by an Internet raffle  
11 operator identified on the registration form. Notwithstanding subsection 6, an eligible  
12 organization may not conduct more than one Internet raffle at the same time. The eligible  
13 organization and Internet raffle operator may not permit a person under 18 years of age to  
14 purchase a chance or ticket for an Internet raffle and may not advertise or market the  
15 Internet raffle in a manner that has a high likelihood of reaching persons under 18 years of  
16 age or that is specifically designed to appeal particularly to persons under 18 years of age.

17 **Sec. 3. 17 MRSA §1837-C** is enacted to read:

18 **§1837-C. Raffle entry by payment management system**

19 **1. Definitions.** As used in this section, unless the context indicates otherwise, the  
20 following terms have the following meanings.

21 A. "Geolocation technology" means a computer program or data collection system that  
22 can be used to identify the geographic location of a person interacting with that  
23 computer program or data collection system through the Internet.

24 B. "Payment management system" means a mobile application or other digital  
25 platform and the accompanying computer software used to accept payment for a raffle  
26 chance or ticket through the Internet.

27 **2. Use of payment management system.** When conducting a raffle under section  
28 1837-A that is not an Internet raffle, an eligible organization may accept payment for a  
29 raffle chance or ticket from a payment management system if:

30 A. The payment management system is approved by the director under subsection 3;

31 B. The raffle chance or ticket is purchased by a person who is at least 18 years of age;  
32 and

33 C. The raffle chance or ticket is purchased by a person who is physically located in the  
34 State or another state where the purchase of that raffle chance or ticket would be legal  
35 under the laws of that state.

36 If the eligible organization determines that the purchase of a raffle chance or ticket is made  
37 in violation of paragraph B or C, the organization shall immediately refund the payment  
38 and void the raffle chance or ticket associated with the purchase.

39 If the eligible organization conducts a raffle in which a winner receives a firearm, the  
40 transfer of that firearm to the winner must be processed through a holder of a federal license  
41 for a dealer in firearms who is not a dealer in destructive devices under 18 United States  
42 Code, Section 923(a)(3)(B).

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1 An eligible organization that fails to comply with this subsection commits a civil violation  
2 punishable by a fine of not less than \$500 and not more than \$5,000.

3 **3. Approval of payment management system.** Upon request from an eligible  
4 organization, the director may approve a payment management system for use by the  
5 organization in conducting a raffle that is not an Internet raffle only if the director  
6 determines that the payment management system:

7 A. Does not permit the extension of credit from the eligible organization to a person  
8 who purchases a raffle chance or ticket;

9 B. Does not permit a person to initiate a transaction to purchase a raffle chance or  
10 ticket and finalize the transaction by providing payment by mail;

11 C. Includes adequate measures to ensure that a person who purchases a raffle chance  
12 or ticket is at least 18 years of age;

13 D. Includes geolocation technology to determine with a reasonable degree of certainty  
14 the state in which a person who purchases a raffle chance or ticket is physically located  
15 at the time the purchase is made and allows an eligible organization to prevent a person  
16 from purchasing a raffle chance or ticket while the person is physically located in a  
17 state where the purchase of that raffle chance or ticket would not be legal under the  
18 laws of that state;

19 E. Provides for the immediate refund of any payment to purchase a raffle chance or  
20 ticket made by a person who the organization discovers is under 18 years of age at the  
21 time of purchase or was physically located in a state where the raffle being conducted  
22 is not legally permitted at the time of purchase;

23 F. Includes adequate measures to protect the privacy and security of payment  
24 information submitted by persons who purchase raffle chances or tickets during the  
25 purchase process; and

26 G. Enables the eligible organization to satisfy the record-keeping and reporting  
27 requirements in subsection 6 as well as any other requirements established by the  
28 Gambling Control Unit by rule.

29 **4. Payment.** A payment management system approved by the director under this  
30 section may permit the use of a debit card or other payment method that the eligible  
31 organization uses to accept membership dues from out-of-state members and may allow a  
32 member of the eligible organization to request that payment for a raffle chance or ticket be  
33 made using the member's funds already within the possession of the eligible organization.

34 **5. Guidance for raffle operators.** Upon receipt of a request to approve a payment  
35 management system under subsection 3, the director shall provide the eligible organization  
36 with a guidance document including any information the director determines necessary to  
37 assist the eligible organization in complying with the requirements of this section.

38 **6. Record-keeping and reporting requirements.** In addition to the record-keeping  
39 requirements under section 1839, an eligible organization that uses a payment management  
40 system to conduct a raffle shall:

41 A. Retain for a period of 3 years an electronic copy of each receipt for the sale of a  
42 raffle chance or ticket sold using the payment management system;



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COMMITTEE AMENDMENT "A" to S.P. 711, L.D. 1980 (S-524)

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4. It establishes that a payment management system approved by the executive director may permit the use of a debit card or other payment method that the eligible organization uses to accept membership dues from out-of-state members and may allow a member of the eligible organization to request that payment for a raffle ticket or chance be made using the member's funds already within the possession of the eligible organization.

5. It requires the executive director to provide an eligible organization using a payment management system with a guidance document that summarizes any information the executive director determines necessary to assist the eligible organization in complying with the requirements regarding payment management systems.

6. It establishes record-keeping and reporting requirements for an eligible organization that uses a payment management system to conduct a raffle.

**FISCAL NOTE REQUIRED**

(See attached)

**COMMITTEE AMENDMENT**



# 130th MAINE LEGISLATURE

LD 1980

LR 2326(02)

## An Act To Create a Small Nonprofit Raffle Operator License

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-524)  
 Committee: Veterans and Legal Affairs  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$83,550	\$85,805	\$88,515

### 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 may increase General Fund or other dedicated revenue by minor amounts.

### Fiscal Detail and Notes

This bill allows eligible organizations to use payment management systems to accept internet payments for raffle tickets or games of chance where the winner is chosen manually. The bill includes ongoing allocations to the Gambling Control Board within the Department of Public Safety of \$83,550 for one Public Service Manager I position and associated costs to manage and ensure compliance with allowing online payment systems. Revenue from charitable gaming licenses and registrations will provide sufficient resources to fund the allocations.