

# MAINE STATE LEGISLATURE

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# 130th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2022

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Legislative Document

No. 1980

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S.P. 711

In Senate, February 10, 2022

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

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

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'.

DAREK M. GRANT  
Secretary of the Senate

Presented by President JACKSON of Aroostook.  
Cosponsored by Senator: HICKMAN of Kennebec.

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

2 **Sec. 1. 17 MRSA §1834, sub-§5-B** is enacted to read:

3 **5-B. Small nonprofit raffle operator.** The fees for a small nonprofit raffle operator  
4 license are as follows:

5 A. \$100 for a small nonprofit raffle operator with less than \$25,000 in annual gross  
6 receipts for sales of Internet raffle tickets;

7 B. \$250 for a small nonprofit raffle operator with \$25,000 or more but less than \$50,000  
8 in annual gross receipts for sales of Internet raffle tickets; and

9 C. \$500 for a small nonprofit raffle operator with \$50,000 or more but less than \$75,000  
10 in annual gross receipts for sales of Internet raffle tickets.

11 **Sec. 2. 17 MRSA §1837-A, sub-§1**, as enacted by PL 2017, c. 284, Pt. KKKKK,  
12 §25, is amended to read:

13 **1. Registration required.** Unless otherwise specified by this section or section  
14 1837-C, a person or organization may not conduct a raffle without registering with the  
15 Gambling Control Unit.

16 **Sec. 3. 17 MRSA §1837-A, sub-§7**, as enacted by PL 2021, c. 136, §10, is amended  
17 to read:

18 **7. Internet raffles; restrictions.** An eligible organization described in section 1832,  
19 subsection 2 may conduct a raffle described in subsection 2-A or subsection 4 as an Internet  
20 raffle if the eligible organization registers with the Gambling Control Unit and the Internet  
21 raffle is operated in accordance with the requirements of this chapter by an Internet raffle  
22 operator or small nonprofit raffle operator identified on the registration form. The eligible  
23 organization and Internet raffle operator or small nonprofit raffle operator may not permit  
24 a person under 18 years of age to purchase a chance or ticket for an Internet raffle and may  
25 not advertise or market the Internet raffle in a manner that has a high likelihood of reaching  
26 persons under 18 years of age or that is specifically designed to appeal particularly to  
27 persons under 18 years of age.

28 **Sec. 4. 17 MRSA §1837-B, sub-§1**, as enacted by PL 2021, c. 136, §11, is amended  
29 to read:

30 **1. License and approval required.** A person may not operate an Internet raffle unless  
31 the person is licensed as a small nonprofit raffle operator under section 1837-C or as an  
32 Internet raffle operator under subsection 2 and, if the person is licensed as an Internet raffle  
33 operator under subsection 2, the Internet raffle is conducted on behalf of an eligible  
34 organization registered under section 1837-A, subsection 7, each payment for a chance or  
35 ticket for the Internet raffle is made through an Internet raffle system approved under  
36 subsection 4 and the winning chance or chances are selected by an Internet raffle system  
37 approved under subsection 4.

38 **Sec. 5. 17 MRSA §1837-C** is enacted to read:

39 **§1837-C. Small nonprofit raffle operator license**

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

1           A. "License holder" means the holder of a small nonprofit raffle operator license.

2           B. "Nonprofit corporation" means a corporation, no part of the income or profit of  
3           which is distributable to its members, directors or officers, operating under Title 13-B.

4           **2. Operation of Internet raffle authorized.** Notwithstanding any provision of law  
5           to the contrary, a nonprofit corporation may operate a raffle, including an Internet raffle, if  
6           the nonprofit corporation is a license holder.

7           **3. Eligibility.** In order to be eligible for a small nonprofit raffle operator license, a  
8           nonprofit corporation must demonstrate that it:

9           A. Is a nonprofit corporation operating under Title 13-B;

10          B. Has a physical presence in the State; and

11          C. Receives less than \$75,000 per year in gross receipts from Internet raffle ticket  
12          sales.

13          **4. Application and license term.** A nonprofit corporation seeking a small nonprofit  
14          raffle operator license under this section must submit an application to the Gambling  
15          Control Unit on a form or in a format approved by the Gambling Control Unit. A small  
16          nonprofit raffle operator license is valid for a period of 2 years from the date the license is  
17          issued.

18          **5. Operation by license holder.** A license holder shall:

19          A. Retain for a period of 3 years a physical copy of a receipt for the sale of each raffle  
20          ticket and each raffle ticket stub generated by the sale of a raffle ticket for each Internet  
21          raffle held by the license holder;

22          B. Retain for a period of 3 years a physical copy of each raffle ticket stub generated  
23          by the sale of a ticket for a raffle that is not an Internet raffle;

24          C. Maintain raffle ticket stubs retained under paragraph A or B in a manner organized  
25          by each individual raffle;

26          D. Provide raffle ticket receipts and raffle ticket stubs retained under this subsection  
27          to the Gambling Control Unit on request;

28          E. If the license holder raffles a firearm, process the transfer of the firearm through a  
29          holder of a federal firearms license for a dealer in firearms other than destructive  
30          devices under 18 United States Code, Section 923; and

31          F. Submit an annual report to the Gambling Control Unit that includes the number of  
32          raffles conducted during the year covered by the report and the amount of gross receipts  
33          for each of those raffles.

34          **6. Acceptance of credit cards.** A license holder that has dues-paying members may  
35          accept payments for the sale of raffle tickets by credit card.

36          **7. Violation.** A license holder that fails to comply with subsection 5, paragraph D  
37          commits a civil violation punishable by a fine of not less than \$500 and not more than  
38          \$5,000.

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## **SUMMARY**

This bill creates a small nonprofit raffle operator license for certain nonprofit corporations and allows holders of this license to operate raffles, including Internet raffles.