

MAINE STATE LEGISLATURE

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Date 6/20/23

(Filing No S-381)

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE
SENATE
131ST LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S P 289, L D 731, "An Act Regarding the Licensing of Persons to Conduct Advance Deposit Wagering"

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, the Gambling Control Board will need to initiate lengthy rulemaking in order to develop rules to implement advance deposit wagering for any entity that meets the established criteria and to transition away from the current contract with a single licensed entity, and

Whereas, the Gambling Control Unit must meet with and seek input from stakeholders regarding questions related to the expansion of advance deposit wagering and report to the Legislature no later than December 15, 2023, 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 inserting after section 2 the following

'Sec. 3. 8 MRSA §1001, sub-§1-C is enacted to read

1-C. Account wagering provider "Account wagering provider" means a business entity that offers advance deposit wagering on a horse race that is not a commercial track or an off-track betting facility licensed under section 275-D'

Amend the bill in section 3 in subsection 20-A in the first line (page 1, line 18 in L D) by striking out the following "**wagering income**" and inserting the following '**wagers**'

Amend the bill in section 3 in subsection 20-A in the first 2 lines (page 1, lines 18 and 19 in L D) by striking out the following "**wagering income**" and inserting the following '**wagers**'

COMMITTEE AMENDMENT

- 1 Amend the bill by striking out all of section 5
- 2 Amend the bill in section 6 in §1015 by striking out all of subsection 6 (page 2, lines
3 30 to 37 in L D)
- 4 Amend the bill in section 7 in subsection 1 in paragraph F in the first 2 lines (page 3,
5 lines 25 and 26 in L D) by striking out the following "~~although that business organization
6 may be or~~" and inserting the following ', although that business organization may be'
- 7 Amend the bill in section 7 in subsection 1 in paragraph F in the last line (page 3, line
8 29 in L D) by striking out the following "a multijurisdictional" and inserting the
9 following 'an'
- 10 Amend the bill in section 10 in §1072 in subsection 1 in the 2nd line (page 4, line 10
11 in L D) by striking out the following "1%" and inserting the following '5%'
- 12 Amend the bill in section 10 in §1072 in subsection 1 in the 3rd line (page 4, line 11 in
13 L D) by striking out the following "wagering income" and inserting the following
14 'wagers'
- 15 Amend the bill in section 10 in §1072 in subsection 2 in the 2nd line (page 4, line 38
16 in L D) by striking out the following "1%" and inserting the following '5%'
- 17 Amend the bill in section 10 in §1072 in subsection 2 in the 3rd line (page 4, line 39 in
18 L D) by striking out the following "wagering income" and inserting the following
19 'wagers'
- 20 Amend the bill in section 11 in §1073 in subsection 1 in paragraph C in the first line
21 (page 5, line 30 in L D) by striking out the following "A multijurisdictional" and inserting
22 the following 'An'
- 23 Amend the bill in section 11 in §1073 in subsection 3 in the last 2 lines (page 5, lines
24 35 and 36 in L D) by striking out the following "a provider of advance deposit wagering
25 services that is located in the United States" and inserting the following 'another advance
26 deposit wagering licensee issued a license under this section'
- 27 Amend the bill in section 11 in §1073 in subsection 4 in paragraph A in the first line
28 (page 5, line 38 in L D) by striking out the following "and"
- 29 Amend the bill in section 11 in §1073 in subsection 4 in paragraph B in the last line
30 (page 5, line 41 in L D) by striking out the following "State" and inserting the following
31 'State, and'
- 32 Amend the bill in section 11 in §1073 in subsection 4 by inserting after paragraph B
33 the following
- 34 'C Accept wagers on all live races being conducted in this State that are available for
35 simulcast'
- 36 Amend the bill in section 11 in §1073 in subsection 5 in the 2nd line (page 6, line 2 in
37 L D) by inserting after the following "pay a" the following 'one-time investigation'
- 38 Amend the bill in section 11 in §1073 in subsection 6 in the 2nd line (page 6, line 6 in
39 L D) by inserting after the following "the" the following 'annual'

1 Amend the bill in section 11 in §1073 in subsection 6 in the last 2 lines (page 6, lines
2 6 and 7 in L D) by striking out the following "The term of an advance deposit wagering
3 license is 5 years "

4 Amend the bill by inserting after section 11 the following

5 **Sec. 12. Transition from contract to licensing.** Notwithstanding any other
6 provision of law to the contrary, a person who was a party to a contract with the Department
7 of Public Safety, Gambling Control Board as of January 1, 2023 authorizing that person to
8 conduct advance deposit wagering in this State may continue to conduct advance deposit
9 wagering pursuant to the provisions of that contract until the expiration of that contract or
10 until that person receives a license under the Maine Revised Statutes, Title 8, section 1073,
11 whichever first occurs A person who was party to that contract may apply for a renewal
12 of an advance deposit wagering license under Title 8, section 1073 without need to pay the
13 investigation fee

14 **Sec. 13 Report on advance deposit wagering and track revenues.** The
15 Department of Public Safety, Gambling Control Unit shall meet with and seek input from
16 stakeholders on issues related to revenue implications for licensed harness racing tracks in
17 in the State from the expansion of advance deposit wagering, including policies adopted in
18 other states and technical capabilities of advance deposit wagering platforms The unit shall
19 submit a report with findings and recommendations to the Joint Standing Committee on
20 Veterans and Legal Affairs no later than December 15, 2023 The joint standing committee
21 may report out a bill to the Second Regular Session of the 131st Legislature relating to the
22 subject matter of the report

23 **Sec. 14. Appropriations and allocations.** The following appropriations and
24 allocations are made

25 **AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF**

26 **Harness Racing Commission 0320**

27 Initiative Provides allocation for expenditure of gross advance deposit wagering income

28 OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
29 All Other	\$1,368,273	\$3,119,665
30		
31 OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$1,368,273</u>	<u>\$3,119,665</u>

32

33 **AGRICULTURE, CONSERVATION AND**
34 **FORESTRY, DEPARTMENT OF**
35 **DEPARTMENT TOTALS**

36 **2023-24** **2024-25**

37 **OTHER SPECIAL REVENUE FUNDS** **\$1,368,273** **\$3,119,665**

38 **DEPARTMENT TOTAL - ALL FUNDS** **\$1,368,273** **\$3,119,665**

39 **PUBLIC SAFETY, DEPARTMENT OF**

40 **Gambling Control Board Z002**

41

1	Initiative Provides appropriation for one Public Safety Manager II position and associated		
2	All Other costs		
3	GENERAL FUND	2023-24	2024-25
4	POSITIONS - LEGISLATIVE COUNT	1 000	1 000
5	Personal Services	\$55,243	\$76,163
6	All Other	\$1,550	\$1,550
7			
8	GENERAL FUND TOTAL	<u>\$56,793</u>	<u>\$77,713</u>
9			
10	PUBLIC SAFETY, DEPARTMENT OF		
11	DEPARTMENT TOTALS	2023-24	2024-25
12			
13	GENERAL FUND	\$56,793	\$77,713
14			
15	DEPARTMENT TOTAL - ALL FUNDS	<u>\$56,793</u>	<u>\$77,713</u>
16			
17	SECTION TOTALS	2023-24	2024-25
18			
19	GENERAL FUND	\$56,793	\$77,713
20	OTHER SPECIAL REVENUE FUNDS	\$1,368,273	\$3,119,665
21			
22	SECTION TOTAL - ALL FUNDS	<u>\$1,425,066</u>	<u>\$3,197,378</u>

23 ' ,

24 Amend the bill by adding before the summary the following

25 'Emergency clause. In view of the emergency cited in the preamble, this legislation

26 takes effect when approved '

27 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section

28 number to read consecutively

29 **SUMMARY**

30 This amendment, which is the unanimous report of the committee, makes the following

31 changes to the bill

32 1 It changes the term "gross advance deposit wagering income" to "gross advance

33 deposit wagers "

34 2 It removes the definition of "multijurisdictional account wagering provider" and

35 instead defines "account wagering provider" to mean a business entity that offers advance

36 deposit wagering on a horse race that is not a commercial track or an off-track betting

37 facility licensed in this State

38 3 It retains the requirement in current law related to slot machine operators, casino

39 operators, slot machine distributors, table game distributors and gambling service vendors

40 that, if an applicant is a business organization, that applicant must be organized in this State,

41 although that business organization may be a wholly or partially owned subsidiary of an

1 entity organized pursuant to the laws of another state or a foreign country It adds advance
2 deposit wagering licensees to this requirement, unless the applicant is an account wagering
3 provider

4 4 It changes the percentage of gross advance deposit wagers that must be collected by
5 the advance deposit wagering licensee from 1%, as provided in the bill, to 5% for races
6 conducted both in and outside the State

7 5 It clarifies that when an advance deposit wagering licensee is conducting advance
8 deposit wagering through a contract, that contract is with another advance deposit wagering
9 licensee issued a license in this State

10 6 It provides that, in order to be licensed, a licensee must accept wagers for all live
11 races conducted in this State and made available for simulcast

12 7 It clarifies that the Department of Public Safety, Gambling Control Board may
13 require an applicant to pay a one-time investigation fee, in addition to the application fee,
14 but that such a fee is limited to the cost to the board of processing the application and
15 performing background investigations

16 8 It changes the renewal fee from \$250 every 5 years to \$250 annually

17 9 It provides that a person who was a party to a contract with the Department of Public
18 Safety, Gambling Control Board as of January 1, 2023 authorizing that person to conduct
19 advance deposit wagering in the State may continue to conduct advance deposit wagering
20 pursuant to the provisions of the contract until the expiration of that contract or until that
21 person receives a license It also provides that a party under that contract is entitled to apply
22 for a renewal of an advance deposit wagering license without needing to pay an
23 investigation fee

24 10 It requires the Department of Public Safety, Gambling Control Unit to meet with
25 and seek input from stakeholders on issues related to revenue implications for licensed
26 harness racing tracks in Maine from the expansion of advance deposit wagering, including
27 policies adopted in other states and technical capabilities of advance deposit wagering
28 platforms The Gambling Control Unit is required to submit a report to the Joint Standing
29 Committee on Veterans and Legal Affairs no later than December 15, 2023

FISCAL NOTE REQUIRED

(See attached)



131st MAINE LEGISLATURE

LD 731

LR 201(02)

An Act Regarding the Licensing of Persons to Conduct Advance Deposit Wagering

Fiscal Note for Bill as Amended by Committee Amendment "A" (5381)
 Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	(\$95,237)	(\$268,916)	(\$315,008)	(\$367,117)
Appropriations/Allocations				
General Fund	\$56,793	\$77,713	\$80,150	\$82,665
Other Special Revenue Funds	\$1,368,273	\$3,119,665	\$3,556,419	\$4,054,317
Revenue				
General Fund	\$152,030	\$346,629	\$395,158	\$450,480
Other Special Revenue Funds	\$1,383,273	\$3,122,165	\$3,558,919	\$4,056,817

Fiscal Detail and Notes

This bill repeals provisions in current law that directed the Gambling Control Unit (GCU) within the Department of Public Safety to award one entity through a competitive bidding process a license to conduct advance deposit wagering and instead allows commercial tracks, off-track betting facilities and account wagering providers to be licensed to participate in advance deposit wagering. Advance deposit wagering licensees are directed to remit their gross advance deposit wagers to the GCU for distribution as follows:

	Of the 5% remitted for	In-State Races	Out of State Races
Credited to the General Fund		10%	10%
Fund to Stabilize Off-Track Betting Facilities (OSR)		20%	36%
Sire Stakes Fund (OSR)		1%	1%
Agricultural Fair Support Fund (OSR)		10%	10%
Fund to Supplement Harness Racing Purses (OSR)		24%	7%
Fund to Encourage Racing at Maine's Commercial Tracks (OSR)		35%	36%

CA (S.38)

The State's share of the advance deposit wagering in fiscal year 2023-24 is anticipated to generate \$1,520,303 in revenue, of which \$152,030 will be deposited into the General Fund and \$1,368,273 will be distributed into the various Other Special Revenue Funds accounts listed above. In fiscal year 2024-25 the State's share will increase to \$3,466,295, of which \$346,629 will be deposited into the General Fund, and \$3,119,666 will be distributed to the various Other Special Revenue Funds accounts listed above. Corresponding Other Special Revenue Funds allocations are included to allow for the expenditure of the funds.

License and application fees are estimated to generate \$15,000 in fiscal year 2023-24 and \$2,500 in fiscal year 2024-25 when the licenses are renewed. License fee revenue assumes that 10 new providers will seek licensure. This bill also includes appropriations to the GCU of \$56,793 beginning in fiscal year 2023-24 for one Office Assistant II position and associated All Other costs.