

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 731

S.P. 289

In Senate, February 16, 2023

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

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 Senator FARRIN of Somerset.
Cosponsored by Representative JACKSON of Oxford and
Senator: TIMBERLAKE of Androscoggin, Representatives: ANDREWS of Paris, CLOUTIER
of Lewiston, MORIARTY of Cumberland, WHITE of Waterville.

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2 **Sec. 1. 8 MRSA §1001, sub-§1-A**, as enacted by PL 2015, c. 499, §1, is repealed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 a person places a wager in person or by telephone,
6 Internet, mobile device or other electronic communication. Before the wager occurs, the
7 person placing the wager deposits money in a wagering account administered by an
8 advance deposit wagering licensee. The advance deposit wagering licensee places the
9 wager from the account at the direction of and on behalf of the account holder. The advance
10 deposit wagering licensee deposits money into the wagering account from winnings
11 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 by means of
20 advance deposit wagering before payment of money to winning residents of this State.

21 **Sec. 4. 8 MRSA §1001, sub-§29-C**, as enacted by PL 2015, c. 499, §2, is repealed.

22 **Sec. 5. 8 MRSA §1001, sub-§29-D** is enacted to read:

23 **29-D. Multijurisdictional account wagering provider.** "Multijurisdictional account
24 wagering provider" means a business entity domiciled in a jurisdiction other than this State
25 that is licensed by another jurisdiction to offer advance deposit wagering on a horse race
26 regardless of whether the advance deposit wagering accounts are held in the jurisdiction
27 that issued the advance deposit wagering license.

28 **Sec. 6. 8 MRSA §1015**, as amended by PL 2013, c. 212, §§13 and 14, is further
29 amended to read:

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

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

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

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

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

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

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

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

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

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

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

38 **Sec. 7. 8 MRSA §1016, sub-§1**, as amended by PL 2013, c. 212, §§15 to 18, is
39 further amended to read:

40 **1. Minimum qualifications.** Notwithstanding Title 5, chapter 341, and in addition to
41 any requirements imposed by rules adopted by the board, a person must satisfy the
42 following qualifications to be a slot machine operator, a casino operator, a slot machine

1 distributor, a table game distributor, a gambling services vendor, an advance deposit
2 wagering licensee or an employee of these entities:

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

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

11 B-1. If applying for an advance deposit wagering license or renewal of an advance
12 deposit wagering license under section 1073, subsection 1, paragraph A or B, the
13 person has sufficient financial assets and responsibility to continue operation of a
14 commercial track or off-track betting facility as defined in section 275-A, subsection
15 8;

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

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

25 F. If the applicant is a business organization, the applicant is organized in this State,
26 ~~although that business organization may be~~ or a wholly or partially owned subsidiary
27 of an entity that is organized pursuant to the laws of another state or a foreign country,
28 unless the applicant is applying for an advance deposit wagering license and the
29 applicant is a multijurisdictional account wagering provider.

30 Except as provided by section 1013, subsection 3 and section 1013-A, subsection 3, a
31 person may not hold more than one class of license under this chapter unless the 2nd license
32 is an employee license under section 1015 or an advance deposit wagering license under
33 section 1073.

34 **Sec. 8. 8 MRSA §1018, sub-§2**, as amended by PL 2021, c. 697, §2, is further
35 amended to read:

36 **2. Term of license; renewal, renewal fees.** Except as provided in section ~~1074~~ 1073,
37 subsection 6 for licenses to conduct advance deposit wagering or as otherwise provided in
38 this subsection, licenses issued by the board under this chapter are effective for one year,
39 unless revoked or surrendered pursuant to subchapter 5. Employee licenses issued by the
40 board under this chapter may be renewed for a one-year term or a 3-year term. Upon proper
41 application and payment of the required fees and taxes and in accordance with rules adopted
42 by the board, the board may renew a license for an additional year if municipal approval
43 has been obtained as provided in section 1012 or 1012-A. The board shall transfer \$25,000

1 of the renewal fee required by subsection 1, paragraph C to the municipality in which the
2 slot machines are operated.

3 **Sec. 9. 8 MRSA §1071**, as enacted by PL 2015, c. 499, §8, is repealed.

4 **Sec. 10. 8 MRSA §1072**, as enacted by PL 2015, c. 499, §8, is amended to read:

5 **§1072. Distribution of ~~net commission~~ advance deposit wagering revenue**

6 The ~~net commission~~ established in the contract executed pursuant to section 1071,
7 subsection 3 revenue from wagers placed by means of advance deposit wagering must be
8 distributed according to this section.

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

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

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

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

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

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

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

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

37 **2. Distribution of ~~net commission~~ revenue from wagers placed on races conducted**
38 **outside State.** An advance deposit wagering licensee shall collect ~~the net commission~~ 1%
39 of gross advance deposit wagering income from wagers placed with the licensee on races
40 conducted at tracks outside the State and distribute it to the board for distribution as follows.

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

- 1 B. Thirty-six percent of the ~~net commission~~ amount collected under this subsection
2 must be distributed to all off-track betting facilities licensed under section 275-D so
3 that each off-track betting facility receives the same amount.
- 4 C. One percent of the ~~net commission~~ amount collected under this subsection must be
5 distributed to the Sire Stakes Fund established under section 281.
- 6 D. Ten percent of the ~~net commission~~ amount collected under this subsection must be
7 distributed to the Agricultural Fair Support Fund established under Title 7, section 91
8 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion
9 of the distribution required by this paragraph may be distributed to a commercial track.
- 10 E. Seven percent of the ~~net commission~~ amount collected under this subsection must
11 be distributed to the fund established under section 298 to supplement harness racing
12 purses.
- 13 F. Thirty-six percent of the ~~net commission~~ amount collected under this subsection
14 must be distributed to all commercial tracks, with each commercial track receiving a
15 portion determined by multiplying that 36% times a fraction, the numerator of which
16 is the minimum number of days of racing the commercial track is required by law to
17 conduct annually in order to retain its commercial track license and the denominator of
18 which is the sum of the number of days of racing all the commercial tracks are required
19 to conduct in order to retain their commercial track licenses.

20 **Sec. 11. 8 MRSA §1073** is enacted to read:

21 **§1073. Advance deposit wagering license**

22 The board shall exercise authority over the licensing of all persons conducting advance
23 deposit wagering. A person may not conduct advance deposit wagering without a license
24 issued under this section.

25 **1. Eligibility.** In order to receive an advance deposit wagering license from the board,
26 an applicant must meet the requirements of this section and the rules adopted by the board
27 under section 1003, subsection 2, paragraph U and must be:

28 A. A commercial track;

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

30 C. A multijurisdictional account wagering provider.

31 **2. Authority to conduct advance deposit wagering.** An advance deposit wagering
32 license issued under this section allows a licensee to conduct advance deposit wagering in
33 this State.

34 **3. Contract.** An advance deposit wagering licensee may conduct advance deposit
35 wagering directly or through a contract with a provider of advance deposit wagering
36 services that is located in the United States.

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

38 A. Purchase a bond to secure the advance deposit wagering accounts; and

39 B. Ensure that a person who establishes an account to place a wager on horse racing
40 by means of advance deposit wagering has attained 18 years of age and is a resident of
41 this State.

1 **5. Application fee.** The nonrefundable application fee for an advance deposit
2 wagering license is \$1,000. In addition, the board may require an applicant to pay a fee in
3 an amount limited to the cost to the board of processing the application and performing
4 background investigations.

5 **6. License fee; renewal fee; term.** The fee for an advance deposit wagering license
6 is \$500. The fee for the renewal of an advance deposit wagering license is \$250. The term
7 of an advance deposit wagering license is 5 years.

8 **SUMMARY**

9 This bill repeals the provision of law that directs the Department of Public Safety,
10 Gambling Control Board to award, through a competitive bidding process, one bidder the
11 privilege to be licensed to conduct advance deposit wagering and instead allows
12 commercial tracks, off-track betting facilities and multijurisdictional account wagering
13 providers to obtain a license to conduct advance deposit wagering. It requires advance
14 deposit wagering licensees to remit 1% of in-state gross wagering income and 1% of out-
15 of-state gross wagering income to the board for distribution. The bill requires licensure of
16 employees of advance deposit wagering licensees.