

MAINE STATE LEGISLATURE

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L.D. 1777

Date: 4/8/24 MAJORITY

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VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1140, L.D. 1777, "An Act to Create Economic Opportunity for Wabanaki Nations Through Internet Gaming"

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

Sec. 1. 8 MRSA §1205, sub-§1, ¶E, as enacted by PL 2021, c. 681, Pt. J, §6, is amended by amending subparagraph (3) to read:

(3) Has engaged in conduct in this State or any other jurisdiction that would constitute a violation of this chapter; chapter 11 involving gambling; chapter 31; chapter 33; ~~chapter 39~~; Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or substantially similar offenses in other jurisdictions;

Sec. 2. 8 MRSA §1210, sub-§1, as enacted by PL 2021, c. 681, Pt. J, §6, is amended to read:

1. License required. A person may not be employed by an operator to be engaged directly in sports wagering-related activities or otherwise to conduct or operate sports wagering without a valid occupational license issued by the director under this section. The director shall issue an occupational license to a person who meets the requirements of this section, section 1204 and section 1205. The director shall by rule establish a process for issuance of occupational licenses that is, as far as possible, identical to the process for occupational licenses issued under section 1409 and for licensing employees of a casino under section 1015.

Sec. 3. 8 MRSA §1210, sub-§5, as enacted by PL 2021, c. 681, Pt. J, §6, is amended to read:

5. Exception. An individual who is actively licensed under section 1015 as an employee of a casino that has a facility sports wagering license or who is actively licensed under section 1409 as an employee of an Internet gaming operator may obtain or renew a license under this section without paying an initial license fee or a renewal license fee under this section.

COMMITTEE AMENDMENT

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C. A management services license under section 1408 to manage Internet gaming on behalf of an Internet gaming licensee; and

D. An occupational license under section 1409 to be employed by an Internet gaming licensee to operate Internet gaming when the employee performs duties in furtherance of or associated with the operation of Internet gaming.

7. Operator. "Operator" means a federally recognized Indian nation, tribe or band in this State that conducts Internet gaming.

8. Person. "Person" means an individual or an entity, including but not limited to a federally recognized Indian nation, tribe or band in this State.

9. Wager. "Wager" means a sum of money or thing of value risked on an uncertain occurrence.

§1403. Powers and duties of director

1. Powers and duties. In administering and enforcing this chapter, the director:

- A. Has the power to regulate the conduct of Internet gaming;
- B. Shall determine the eligibility of a person to hold or continue to hold a license, shall issue all licenses and shall maintain a record of all licenses issued under this chapter;
- C. Shall levy and collect all fees, civil penalties and tax on adjusted gross Internet gaming receipts imposed by this chapter, except as otherwise provided under this chapter;
- D. May sue to enforce any provision of this chapter or any rule of the director by civil action or petition for injunctive relief;
- E. May hold hearings, administer oaths and issue subpoenas or subpoenas duces tecum in the manner provided by applicable law; and
- F. May exercise any other powers necessary to effectuate the provisions of this chapter and the rules of the director.

2. Rules. The director shall adopt rules governing the conduct of Internet gaming in the State, which must, at a minimum, include the following:

- A. The methods of operation of Internet gaming, including but not limited to the permitted systems and methods of wagers; the use of credit and checks by persons making wagers; the types of wagering receipts that may be used; the method of issuing receipts; the protection of patrons placing wagers; and the promotion of social responsibility and responsible gaming and display of information on resources for problem gambling;
- B. Standards for the adoption of comprehensive house rules governing Internet gaming by operators and the approval of house rules by the director as required under section 1410;
- C. Minimum design and security requirements for applications and digital platforms for the acceptance of wagers by operators, including required methods for verifying the age and identity of a person who places a wager with an operator, for verifying that the person making the wager is physically located in the State and is not prohibited from making a wager under section 1412 and for requiring the refund of any wager

- 1 determined to have been placed by a person prohibited from making a wager under
- 2 section 1412;
- 3 D. The types of interested parties from whom operators are prohibited from accepting
- 4 wagers under section 1412, subsection 3;
- 5 E. Minimum design, security, testing and approval requirements for Internet gaming
- 6 equipment, systems or services sold by suppliers licensed under section 1407;
- 7 F. Minimum requirements for a contract between a management services licensee
- 8 under section 1408 and an operator on whose behalf the management services licensee
- 9 conducts Internet gaming, including but not limited to requirements that the person
- 10 providing management services be licensed prior to entering a contract; that the
- 11 contract be approved by the director prior to the conduct of Internet gaming; that, if the
- 12 management services licensee contracts with more than one operator, the contract
- 13 include a condition requiring the management services licensee to employ a method
- 14 approved by the director for separately accounting for each operator's gross receipts
- 15 from Internet gaming and adjusted gross Internet gaming receipts; and that the contract
- 16 not authorize the person providing management services to receive more than 30% of
- 17 the operator's adjusted gross Internet gaming receipts, except that the director may
- 18 approve a contract authorizing the management services licensee to receive up to 40%
- 19 of the operator's adjusted gross Internet gaming receipts if the director determines that
- 20 the management services licensee has demonstrated that the fee is commercially
- 21 reasonable given the management services licensee's capital investments and the
- 22 operator's projected adjusted gross Internet gaming receipts;
- 23 G. Provisions allowing individuals to restrict themselves from Internet gaming upon
- 24 request by placing themselves on the list pursuant to section 1003, subsection 3,
- 25 paragraph I. The rules adopted under this paragraph must define the standards for
- 26 involuntary placement on the list and for removal from the list;
- 27 H. Minimum internal control standards for operators and management services
- 28 licensees, including but not limited to procedures for safeguarding assets and revenues;
- 29 the recording of cash and evidence of indebtedness; the maintenance of reliable
- 30 records, accounts and reports of transactions, operations and events; required audits;
- 31 and the content and frequency of reports of Internet gaming activities and revenues that
- 32 must be made to the director; and
- 33 I. Restrictions on the advertisement and marketing of Internet gaming, including but
- 34 not limited to prohibiting misleading, deceptive or false advertisements; requiring an
- 35 operator to disclose its status as a federally recognized Indian nation, tribe or band in
- 36 this State or a business entity wholly owned by a federally recognized Indian nation,
- 37 tribe or band in this State; and restricting, to the extent permissible, advertising that has
- 38 a high probability of reaching persons under 21 years of age or that is specifically
- 39 designed to appeal particularly to persons under 21 years of age.
- 40 **3. Rulemaking.** Rules adopted by the director pursuant to this chapter are routine
- 41 technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- 42 **§1404. Application; criminal history record check**

1 **1. Application.** An application for a license or for renewal of a license required under
 2 this chapter must be submitted on a form or in a format approved by the director. An
 3 application submitted to the director must, at a minimum, include the following:

4 A. The full name, current address and contact information of the applicant;

5 B. Disclosure of each person that has control of the applicant as described in subsection
 6 2;

7 C. Consent to permit the director to conduct a criminal history record check in
 8 accordance with subsection 3 of the applicant and each person disclosed under
 9 paragraph B in accordance with procedures established by the director;

10 D. For the applicant and each person disclosed under paragraph B, a record of previous
 11 issuances and denials of or any adverse action taken against a gambling-related license
 12 or application under this Title or in any other jurisdiction. For purposes of this
 13 paragraph, "adverse action" includes, but is not limited to, a condition resulting from
 14 an administrative, civil or criminal violation, a suspension or revocation of a license or
 15 a voluntary surrender of a license to avoid or resolve a civil, criminal or disciplinary
 16 action; and

17 E. Any additional information required by the director by rule.

18 **2. Persons that have control.** The following persons are considered to have control
 19 of an applicant or a licensee:

20 A. Each corporate holding company, parent company or subsidiary company of a
 21 corporate applicant or licensee and each person that owns 10% or more of the corporate
 22 applicant or licensee and that has the ability to control the activities of the corporate
 23 applicant or licensee or elect a majority of the board of directors of that corporate
 24 applicant or licensee, except for a bank or other licensed lending institution that holds
 25 a mortgage or other lien acquired in the ordinary course of business;

26 B. Each person associated with a noncorporate applicant or licensee that directly or
 27 indirectly holds a beneficial or proprietary interest in the noncorporate applicant's or
 28 licensee's business operation or that the director otherwise determines has the ability to
 29 control the noncorporate applicant or licensee; and

30 C. Key personnel of an applicant or licensee, including any executive, employee or
 31 agent, having the power to exercise significant influence over decisions concerning any
 32 part of the applicant's or licensee's relevant business operation.

33 **3. Criminal history record check.** The director shall request a criminal history record
 34 check in accordance with this subsection for each applicant for initial licensure and each
 35 person required to be disclosed by the applicant for initial licensure under subsection 1,
 36 paragraph B. The director may require a criminal history record check in accordance with
 37 this subsection from a licensee seeking to renew a license, from any person the licensee is
 38 required to disclose under subsection 1, paragraph B as part of the license renewal
 39 application and from any person identified by the licensee under subsection 4. A criminal
 40 history record check conducted pursuant to this subsection must include criminal history
 41 record information obtained from the Maine Criminal Justice Information System
 42 established in Title 16, section 631 and the Federal Bureau of Investigation.

- 1 A. Criminal history record information obtained from the Maine Criminal Justice
- 2 Information System pursuant to this subsection must include a record of public criminal
- 3 history record information as defined in Title 16, section 703, subsection 8.
- 4 B. Criminal history record information obtained from the Federal Bureau of
- 5 Investigation pursuant to this subsection must include other state and national criminal
- 6 history record information.
- 7 C. An individual required to submit to a criminal history record check under this
- 8 subsection shall submit to having the individual's fingerprints taken. The State Police,
- 9 upon payment by the individual of the fee required under paragraph E, shall take or
- 10 cause to be taken the individual's fingerprints and shall immediately forward the
- 11 fingerprints to the Department of Public Safety, Bureau of State Police, State Bureau
- 12 of Identification. Any person who fails to transmit criminal fingerprint records to the
- 13 State Bureau of Identification pursuant to this paragraph is subject to the provisions of
- 14 Title 25, section 1550.
- 15 D. The Department of Public Safety, Bureau of State Police, State Bureau of
- 16 Identification shall conduct the state and national criminal history record checks
- 17 required under this subsection. Except for the portion of a payment, if any, that
- 18 constitutes the processing fee for a criminal history record check charged by the Federal
- 19 Bureau of Investigation, all money received by the State Police under this subsection
- 20 must be paid to the Treasurer of State, who shall apply the money to the expenses
- 21 incurred by the Department of Public Safety in the administration of this subsection.
- 22 E. The director shall by rule set the amount of the fee to be paid for each criminal
- 23 history record check required to be performed under this subsection.
- 24 F. The subject of a Federal Bureau of Investigation criminal history record check may
- 25 obtain a copy of the criminal history record check by following the procedures outlined
- 26 in 28 Code of Federal Regulations, Sections 16.32 and 16.33. The subject of a state
- 27 criminal history record check may inspect and review the criminal history record
- 28 information pursuant to Title 16, section 709.
- 29 G. State and national criminal history record information obtained by the director
- 30 under this subsection may be used only for the purpose of screening an applicant for a
- 31 license or a license renewal under this chapter.
- 32 H. All criminal history record information obtained by the director pursuant to this
- 33 subsection is confidential, is for the official use of the director only and may not be
- 34 disseminated by the director or disclosed to any other person or entity except as
- 35 provided in paragraph F.
- 36 I. The director, after consultation with the Department of Public Safety, Bureau of
- 37 State Police, State Bureau of Identification, shall adopt rules to implement this
- 38 subsection.
- 39 4. Material change to application. A person licensed under this chapter shall give
- 40 the director written notice within 30 days of any material change to any information
- 41 provided in the licensee's application for a license or renewal, including any change in the
- 42 identity of persons considered to have control of the licensee as described in subsection 2.

1 **5. Gambling Control Unit employees prohibited.** An employee of the Gambling
2 Control Unit within the department may not be an applicant for a license issued under this
3 chapter.

4 **§1405. Denial of license; administrative sanctions**

5 **1. Grounds for denial of license or imposition of administrative sanctions.** The
6 following are grounds for the director to deny a license or license renewal or for the
7 imposition of administrative sanctions, in accordance with this section, on a person licensed
8 under this chapter:

9 A. If the applicant or licensee has knowingly made a false statement of material fact
10 to the director;

11 B. If the applicant or licensee has not disclosed the existence or identity of other
12 persons that have control of the applicant or licensee as required by section 1404,
13 subsections 1 and 4;

14 C. If the applicant or licensee has had a license revoked by any government authority
15 responsible for regulation of gaming activities;

16 D. If the applicant, the licensee or a person having control of the applicant or licensee
17 under section 1404, subsection 2 is not of good moral character. In determining
18 whether the applicant, licensee or person is of good moral character, the director shall
19 consider qualities that include but are not limited to honesty, candor, trustworthiness,
20 diligence, reliability, observance of fiduciary and financial responsibility and respect
21 for the rights of others;

22 E. If the applicant, the licensee or a person having control of the applicant or licensee
23 under section 1404, subsection 2:

24 (1) Has, in any jurisdiction, been convicted of or pled guilty or nolo contendere to
25 a crime punishable by one year or more of imprisonment;

26 (2) Has, in any jurisdiction, been adjudicated of committing a civil violation or
27 been convicted of a criminal violation involving dishonesty, deception,
28 misappropriation or fraud;

29 (3) Has engaged in conduct in this State or any other jurisdiction that would
30 constitute a violation of this chapter; chapter 11 involving gambling; chapter 31;
31 chapter 33; chapter 35; Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or
32 substantially similar offenses in other jurisdictions;

33 (4) Is a fugitive from justice, a drug user, a person with substance use disorder, an
34 undocumented noncitizen or a person who was dishonorably discharged from the
35 Armed Forces of the United States; or

36 (5) Is not current in filing all applicable tax returns and in the payment of all taxes,
37 penalties and interest owed to this State, any other state or the United States
38 Internal Revenue Service, excluding items under formal appeal;

39 F. If the applicant or licensee has not demonstrated to the satisfaction of the director
40 sufficient financial assets to meet the requirements of the licensed business or proposed
41 business and to meet any financial obligations imposed by this chapter;

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1 G. If the applicant, the licensee or a person having control of the applicant or licensee
 2 under section 1404, subsection 2 has not demonstrated financial responsibility. For the
 3 purposes of this paragraph, "financial responsibility" means a demonstration of a
 4 current and expected future condition of financial solvency sufficient to satisfy the
 5 director that the applicant, the licensee or the person can successfully engage in
 6 business without jeopardy to the public health, safety and welfare. Financial
 7 responsibility may be determined by an evaluation of the total history concerning the
 8 applicant, the licensee or the person, including past, present and expected condition
 9 and record of financial solvency, business record and accounting and managerial
 10 practices;

11 H. If the applicant or licensee has not met the requirements of this chapter; or

12 I. If the applicant or licensee has violated any provision of this chapter or of the rules
 13 adopted under this chapter.

14 **2. Denial of initial license or renewed license; notice; hearing.** The director may
 15 deny an application for a license or for renewal of a license for the reasons set forth in
 16 subsection 1. The director shall notify the applicant or the licensee in writing of the
 17 decision and of the opportunity to request a hearing conducted by the commissioner.

18 If the applicant or licensee fails to request a hearing within 30 days of the date that the
 19 notice was mailed under this subsection, the director may issue a final decision denying the
 20 application for a license or for renewal of a license. If the applicant or licensee makes a
 21 timely request for a hearing, the commissioner shall conduct an adjudicatory hearing in
 22 accordance with Title 5, chapter 375, subchapter 4. The director's decision to deny the
 23 license or license renewal stands until the commissioner issues a decision to uphold, modify
 24 or overrule the director's decision.

25 After hearing, if the commissioner finds grounds for denying a license or license renewal
 26 under subsection 1, the commissioner may deny the application for a license or for renewal
 27 of a license.

28 **3. Investigation of complaints; notice; hearing.** The director or the director's
 29 designee shall investigate a complaint on the director's own motion or upon receipt of a
 30 written complaint regarding noncompliance with or violation of this chapter or of any rules
 31 adopted under this chapter. Following the investigation, the director may mail the licensee
 32 a notice of violation informing the licensee of the administrative sanction under subsection
 33 4 the director proposes to impose and of the licensee's opportunity to request a hearing.

34 If the licensee fails to request a hearing within 30 days of the date that a notice was mailed
 35 under this subsection, the director may issue a final decision imposing the sanction
 36 proposed in the notice. If the licensee makes a timely request for a hearing, the
 37 commissioner shall conduct an adjudicatory hearing in accordance with Title 5, chapter
 38 375, subchapter 4. If, after the hearing, the commissioner finds that the factual basis of the
 39 complaint is true and is of sufficient gravity to warrant further action, the commissioner
 40 may impose an administrative sanction under subsection 4.

41 **4. Administrative sanctions.** The director or the commissioner may, pursuant to
 42 subsection 3, impose the following administrative sanctions on a licensee:

43 A. A written reprimand;

44 B. Conditions of probation of a license;

- 1 C. A license suspension;
- 2 D. A license revocation; or
- 3 E. A civil penalty of up to \$25,000 per violation of any provision of this chapter or
- 4 rule adopted pursuant to this chapter.

5 **5. Appeals.** A person aggrieved by the final decision of the commissioner under
 6 subsection 2 or 3 may appeal the commissioner's decision to the Superior Court in
 7 accordance with Title 5, chapter 375, subchapter 7.

8 **§1406. Internet gaming license**

9 **1. Issuance of license.** The director shall issue an Internet gaming license upon finding
 10 that the applicant meets all requirements of this section, sections 1404 and 1405 and rules
 11 adopted under this chapter. The provisions of Title 30, Part 5 apply to the issuance of
 12 licenses under this chapter. The director shall by rule establish a process for issuance of an
 13 Internet gaming license under this chapter that is, to the extent practicable, identical to the
 14 process for a mobile sports wagering license under section 1207.

15 **2. Eligibility; transfer to wholly owned entity.** To be eligible to receive an Internet
 16 gaming license, an applicant must be a federally recognized Indian nation, tribe or band in
 17 this State. Each federally recognized Indian nation, tribe or band in this State may receive
 18 only one Internet gaming license under this section. An Internet gaming license may not
 19 be transferred or assigned, except that a federally recognized Indian nation, tribe or band
 20 in this State may transfer its Internet gaming license to a business entity with a principal
 21 place of business in the State that is wholly owned by that federally recognized Indian
 22 nation, tribe or band.

23 **3. Authority to conduct Internet gaming; management services permitted.** An
 24 Internet gaming license granted by the director pursuant to this section grants a licensee
 25 lawful authority to conduct Internet gaming in which wagers are placed by persons who
 26 are physically located in the State through any applications or digital platforms approved
 27 by the director within the terms and conditions of the license and any rules adopted under
 28 this chapter. An Internet gaming licensee may contract with no more than one management
 29 services licensee under section 1408.

30 **4. Fees.** The fee for an initial or renewed Internet gaming license is \$50,000 and must
 31 be retained by the director for the costs of administering this chapter. In addition to the
 32 license fee, the director may charge a processing fee for an initial or renewed license in an
 33 amount equal to the projected cost of processing the application and performing any
 34 background investigations. If the actual cost exceeds the projected cost, an additional fee
 35 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
 36 difference may be refunded to the applicant or licensee.

37 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
 38 under this section is valid for one year unless sooner revoked by the director or the
 39 commissioner under section 1405.

40 **6. Temporary license.** An applicant for an Internet gaming license may submit with
 41 the application a request for a temporary license. A request for a temporary license must
 42 include the initial license fee under subsection 4. If the director determines that the
 43 applicant meets the requirements established by rule for a temporary license and has paid
 44 the initial license fee and the director is not aware of any reason the applicant is ineligible

1 for a license under this section, the director may issue a temporary Internet gaming license.
 2 A temporary license issued under this subsection is valid for the length of the term of the
 3 license under subsection 5 or until a final determination on the Internet gaming license
 4 application is made, whichever is sooner. If after investigation the director determines that
 5 the applicant is eligible for an Internet gaming license under this chapter, the director shall
 6 issue the initial Internet gaming license, at which time the temporary license terminates.
 7 The initial Internet gaming license is valid for one year from the date that the temporary
 8 license was issued by the director. Internet gaming conducted under authority of a
 9 temporary license must comply with the operator's house rules adopted under section 1410.

10 7. Occupational license required. An Internet gaming licensee, including a
 11 temporary licensee under subsection 6, may conduct Internet gaming only through persons
 12 holding a valid occupational license under section 1409.

13 **§1407. Supplier license**

14 1. Issuance of license; eligibility. The director shall issue a supplier license upon
 15 finding that the applicant meets all requirements of this section, sections 1404 and 1405
 16 and rules adopted under this chapter. The director shall by rule establish a process for
 17 issuance of a supplier license under this chapter that is, to the extent practicable, identical
 18 to the process for a supplier license under section 1208.

19 2. Equipment. An applicant for a supplier license shall demonstrate that the
 20 equipment, systems or services that the applicant plans to offer to an operator conform to
 21 standards established by rule by the director. The director may accept approval by another
 22 jurisdiction that is specifically determined by the director to have similar equipment
 23 standards as evidence the applicant meets the standards established by the director by rule.

24 3. Authority to supply operators. A supplier license granted by the director pursuant
 25 to this section grants a licensee lawful authority to sell or to lease Internet gaming
 26 equipment, systems or services to operators in the State within the terms and conditions of
 27 the license and any rules adopted under this chapter.

28 4. Fees. The fee for an initial or renewed supplier license is \$10,000 and must be
 29 retained by the director for the costs of administering this chapter. In addition to the license
 30 fee, the director may charge a processing fee for an initial or renewed license in an amount
 31 equal to the projected cost of processing the application and performing any background
 32 investigations. If the actual cost exceeds the projected cost, an additional fee may be
 33 charged to meet the actual cost. If the projected cost exceeds the actual cost, the difference
 34 may be refunded to the applicant or licensee.

35 5. Term of license. Except as provided in subsection 6, a license granted or renewed
 36 under this section is valid for one year unless sooner revoked by the director or the
 37 commissioner under section 1405.

38 6. Temporary license. An applicant for a supplier license may submit with the
 39 application a request for a temporary license. A request for a temporary license must
 40 include the initial license fee under subsection 4. If the director determines that the
 41 applicant is qualified under subsection 1, meets the requirements established by rule for a
 42 temporary license and has paid the initial license fee and the director is not aware of any
 43 reason the applicant is ineligible for a license under this section, the director may issue a
 44 temporary supplier license. A temporary license issued under this subsection is valid for

1 the length of the term of the license under subsection 5 or until a final determination on the
 2 supplier license application is made, whichever is sooner. If after investigation the director
 3 determines that the applicant is eligible for a supplier license under this chapter, the director
 4 shall issue the initial supplier license, at which time the temporary license terminates. The
 5 initial supplier license is valid for one year from the date that the temporary license was
 6 issued by the director.

7 7. Inventory. A supplier licensee shall submit to the director a list of all Internet
 8 gaming equipment, systems and services sold or leased to, delivered to or offered to an
 9 operator in this State as required by the director, all of which must be tested and approved
 10 by an independent testing laboratory approved by the director. An operator may continue
 11 to use supplies acquired from a licensed supplier if the supplier's license subsequently
 12 expires or is otherwise revoked, unless the director finds a defect in the supplies.

13 **§1408. Management services license**

14 1. Issuance of license; eligibility. The director shall issue a management services
 15 license upon finding that the applicant meets all requirements of this section, sections 1404
 16 and 1405 and rules adopted under this chapter and that the applicant has sufficient
 17 knowledge and experience in the business of operating Internet gaming to effectively
 18 conduct Internet gaming in accordance with this chapter and the rules adopted under this
 19 chapter. The director shall by rule establish a process for issuance of a management
 20 services license under this chapter that is, to the extent practicable, identical to the process
 21 for a management services license under section 1209.

22 2. Authority to enter contract with operator. A management services licensee may
 23 contract with an operator to manage Internet gaming operations on behalf of the operator
 24 in accordance with rules adopted under this chapter.

25 3. Contract approval; material change in written contract. A person may not
 26 contract with an operator to conduct Internet gaming on behalf of the operator unless the
 27 person is licensed under this section and the director approves the written contract. A
 28 management services licensee shall submit to the director any proposed material change to
 29 the written contract that has been approved by the director under this subsection. A
 30 management services licensee may not transfer, assign, delegate or subcontract any portion
 31 of the management services licensee's responsibilities under the contract or any portion of
 32 the management services licensee's right to compensation under the contract to any other
 33 person who does not hold a management services license.

34 4. Fees. The fee for an initial or renewed management services license is \$10,000 and
 35 must be retained by the director for the costs of administering this chapter. In addition to
 36 the license fee, the director may charge a processing fee for an initial or renewed license in
 37 an amount equal to the projected cost of processing the application and performing any
 38 background investigations. If the actual cost exceeds the projected cost, an additional fee
 39 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
 40 difference may be refunded to the applicant or licensee.

41 5. Term of license. Except as provided in subsection 6, a license granted or renewed
 42 under this section is valid for one year unless sooner revoked by the director or the
 43 commissioner under section 1405.

1 6. Temporary license. An applicant for a management services license may submit
 2 with the application a request for a temporary license. A request for a temporary license
 3 must include the initial license fee under subsection 4. If the director determines that the
 4 applicant is qualified under subsection 1, meets the requirements established by rule for a
 5 temporary license and has paid the initial license fee and the director is not aware of any
 6 reason the applicant is ineligible for a license under this section, the director may issue a
 7 temporary management services license. A temporary license issued under this subsection
 8 is valid for the length of the term of the license under subsection 5 or until a final
 9 determination on the management services license application is made, whichever is
 10 sooner. If after investigation the director determines that the applicant is eligible for a
 11 management services license under this chapter, the director shall issue the initial
 12 management services license, at which time the temporary license terminates. The initial
 13 management services license is valid for one year from the date that the temporary license
 14 was issued by the director.

15 **§1409. Occupational license**

16 1. License required. A person may not be employed by an operator to be engaged
 17 directly in Internet gaming-related activities or otherwise to conduct or operate Internet
 18 gaming without a valid occupational license issued by the director under this section. The
 19 director shall issue an occupational license to a person who meets the requirements of this
 20 section, section 1404 and section 1405. The director shall by rule establish a process for
 21 issuance of occupational licenses that is, to the extent practicable, identical to the process
 22 for occupational licenses issued under section 1210 and for licensing employees of a casino
 23 under section 1015.

24 2. Authority to be employed in Internet gaming. An occupational license authorizes
 25 the licensee to be employed by an operator in the capacity designated by the director while
 26 the license is active. The director may establish, by rule, job classifications with different
 27 requirements to recognize the extent to which a particular job has the ability to affect the
 28 proper operation of Internet gaming.

29 3. Application and fee. Except as provided in subsection 5, an applicant shall submit
 30 any required application forms established by the director and pay a nonrefundable
 31 application fee of \$250. The fee may be paid on behalf of an applicant by the operator. Fees
 32 paid under this subsection must be retained by the director for the costs of administering
 33 this chapter.

34 4. Renewal fee and form. An occupational licensee must pay a fee of \$25 to renew
 35 the license for a one-year term or a fee of \$50 to renew the license for a 3-year term. The
 36 fee may be paid on behalf of the occupational licensee by the operator. In addition to a
 37 renewal fee, an occupational licensee must annually submit a renewal application on a form
 38 or in a format approved by the director. Fees paid under this subsection must be retained
 39 by the director for the costs of administering this chapter.

40 5. Exception. An individual who is actively licensed under section 1015 as an
 41 employee of a casino that has a facility sports wagering license or who is actively licensed
 42 under section 1210 as an employee of a facility sports wagering licensee or mobile sports
 43 wagering licensee may obtain or renew a license under this section without paying an initial
 44 license fee or a renewal license fee under this section.

45 **§1410. Internet gaming house rules**

1 **1. Adoption of house rules.** An operator shall adopt comprehensive house rules for
 2 game play governing Internet gaming transactions with its patrons. House rules must be
 3 approved by the director prior to implementation and meet the minimum standards
 4 established by the director by rule, including but not limited to requiring that the house
 5 rules specify the amounts to be paid on winning wagers, the circumstances under which the
 6 operator will void a wager and treatment of errors, late wagers and related contingencies.

7 **2. Advertisement of house rules.** The house rules, together with any other
 8 information the director determines to be appropriate, must be advertised as required by
 9 the director by rule and must be made readily available to patrons.

10 **§1411. Access to premises and equipment**

11 A licensee under this chapter shall permit the director, the department or a designee of
 12 the director unrestricted access, during regular business hours, including access to locked
 13 or secured areas, to inspect any facility and any equipment, prizes, records or other items
 14 to be used in the operation of Internet gaming.

15 **§1412. Persons prohibited from making wagers**

16 An operator and a management services licensee conducting Internet gaming on behalf
 17 of an operator may not accept a wager from the following persons:

18 **1. Persons under 21 years of age.** A person who has not attained 21 years of age;

19 **2. Operators and employees.** An operator or management services licensee;
 20 directors, officers and employees of an operator or management services licensee; or a
 21 relative living in the same household as any of these persons. This subsection does not
 22 prohibit a relative living in the same household as a director, officer or employee of an
 23 operator or management services licensee from making a wager with an unaffiliated
 24 operator or management services licensee;

25 **3. Interested parties.** A person with an interest in the outcome of the Internet gaming
 26 event identified by the director by rule;

27 **4. Unauthorized persons.** A person on a list established by rule by the director under
 28 section 1403, subsection 2, paragraph G of persons who are not authorized to make wagers;

29 **5. Third parties.** A person making a wager on behalf of or as the agent or custodian
 30 of another person; and

31 **6. Regulatory staff.** An employee of the Gambling Control Unit within the
 32 department.

33 **§1413. Abnormal wagering activity**

34 **1. Duty to report.** An operator shall, as soon as practicable, report to the director any
 35 information relating to abnormal wagering activity or patterns that may indicate a concern
 36 with the integrity of the Internet gaming event.

37 **2. Cooperation efforts.** An operator shall use commercially reasonable efforts to
 38 cooperate with investigations conducted by law enforcement agencies, including but not
 39 limited to using commercially reasonable efforts to provide or facilitate the provision of
 40 wagering information.

41 **3. Information confidentiality.** The director and operators shall maintain the
 42 confidentiality of information provided by entities involved in the Internet gaming event

1 for purposes of investigating or preventing the conduct described in this section, unless
 2 disclosure is otherwise required by the director or by law or unless the entity consents to
 3 disclosure.

4 **4. Information use and disclosure.** With respect to any information provided by an
 5 operator to an entity involved in the Internet gaming event relating to conduct described in
 6 this section, the entity:

7 A. May use such information only for integrity-monitoring purposes and may not use
 8 the information for any commercial or other purpose; and

9 B. Shall maintain the confidentiality of the information, unless disclosure is otherwise
 10 required by the director or by law or unless the operator consents to disclosure, except
 11 that the entity may make disclosures necessary to conduct and resolve integrity-related
 12 investigations and may publicly disclose such information if necessary to maintain the
 13 actual or perceived integrity of the Internet gaming event. Prior to any public
 14 disclosure that would identify the operator by name, the entity shall provide that
 15 operator with notice of the disclosure and an opportunity to object to the disclosure.

16 **§1414. Security, maintenance and sharing of wagering records**

17 **1. Records maintenance.** An operator shall maintain for 3 years after an Internet
 18 gaming event occurs at least the following records of all wagers placed with respect to that
 19 Internet gaming event:

- 20 A. Personally identifiable information of each person placing a wager;
- 21 B. The amount and type of each wager;
- 22 C. The time each wager was placed;
- 23 D. The location of each wager, including the Internet protocol address if applicable;
- 24 E. The outcome of each wager; and
- 25 F. Instances of abnormal wagering activity.

26 An operator shall make the records required to be maintained under this subsection
 27 available for inspection upon request of the director or as required by court order.

28 **2. Anonymized information.** An operator shall use commercially reasonable efforts
 29 to maintain, in real time and at the account level, anonymized information regarding a
 30 person who places a wager; the amount and type of the wager; the time the wager was
 31 placed; the location of the wager, including the Internet protocol address if applicable; the
 32 outcome of the wager; and records of abnormal wagering activity. The director may
 33 request that information in the form and manner required by rule. Nothing in this
 34 subsection requires an operator to provide any information that is prohibited by federal or
 35 state law, including without limitation laws and rules relating to privacy and personally
 36 identifiable information.

37 **3. Records monitoring.** If an entity involved in the Internet gaming event has notified
 38 the director that access to the information described in subsection 2 for wagers placed on
 39 Internet gaming events of that entity is necessary to monitor the integrity of that Internet
 40 gaming event, and the entity represents to the director that it specifically uses that data for
 41 the purpose of monitoring the integrity of the Internet gaming event, an operator shall share,
 42 in a commercially reasonable frequency, form and manner, with the entity or its designee

1 the same information the operator is required to maintain under subsection 2 with respect
 2 to the Internet gaming event. An entity and its designee may use information received
 3 under this subsection only for integrity-monitoring purposes and may not use information
 4 received under this subsection for any commercial or other purpose. Nothing in this
 5 subsection requires an operator to provide any information if prohibited by federal or state
 6 law, including without limitation laws and rules relating to privacy and personally
 7 identifiable information.

8 4. Security. An operator shall use commercially reasonable methods to maintain the
 9 security of wagering data, customer data and other confidential information from
 10 unauthorized access and dissemination. Nothing in this chapter precludes the use of
 11 Internet-based or so-called cloud-based hosting of that data and information or disclosure
 12 as required by law.

13 **§1415. Interception of Internet gaming winnings to pay child support debt**

14 1. Definitions. As used in this section, unless the context otherwise indicates, the
 15 following terms have the following meanings.

16 A. "Child support debt" means child support debt that has been liquidated by judicial
 17 or administrative action.

18 B. "Department" means the Department of Health and Human Services.

19 C. "Licensee" means an operator or a management services licensee under section
 20 1408.

21 D. "Registry operator" means the department or an entity with which the department
 22 enters into a contract to maintain the registry pursuant to subsection 3.

23 E. "Winner" means an Internet gaming patron to whom cash is returned as winnings
 24 for placement of a wager.

25 2. Interception. A licensee shall intercept Internet gaming winnings to pay child
 26 support debt in accordance with this section.

27 3. Registry. The department shall create and maintain, or shall contract with a private
 28 entity to create and maintain, a secure, electronically accessible registry containing
 29 information regarding individuals with outstanding child support debt. The department
 30 shall regularly enter into the registry information including:

31 A. The name and social security number of each individual with outstanding child
 32 support debt;

33 B. The account number or identifier assigned by the department to the outstanding
 34 child support debt;

35 C. The amount of the outstanding child support debt; and

36 D. Any other information necessary to effectuate the purposes of this section.

37 4. Electronic access to information; procedures. A licensee shall electronically
 38 access the registry in accordance with this subsection.

39 A. Before making a payout of winnings of an amount equal to or greater than the
 40 amount for which the licensee is required to file a Form W-2G or substantially
 41 equivalent form with the United States Internal Revenue Service, the licensee shall

- 1 obtain the name, address, date of birth and social security number of the winner and
- 2 shall electronically submit this information to the registry operator.
- 3 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
- 4 electronically inform the licensee whether the winner is listed in the registry. If the
- 5 winner is listed in the registry, the registry operator shall inform the licensee of the
- 6 amount of the winner's outstanding child support debt and the account number or
- 7 identifier assigned to the outstanding child support debt and shall provide the licensee
- 8 with a notice of withholding that informs the winner of the right to an administrative
- 9 hearing.
- 10 C. If the registry operator informs the licensee that the winner is not listed in the
- 11 registry or if the licensee is unable to obtain information from the registry operator on
- 12 a real-time basis after attempting in good faith to do so, the licensee may make payment
- 13 to the winner.
- 14 D. If the registry operator informs the licensee that the winner is listed in the registry,
- 15 the licensee may not make payment to the winner unless the amount of the payout
- 16 exceeds the amount of outstanding child support debt, in which case the licensee may
- 17 make payment to the winner of the amount of winnings that is in excess of the amount
- 18 of the winner's outstanding child support debt.
- 19 **5. Lien against winnings.** If the registry operator informs a licensee pursuant to this
- 20 section that a winner is listed in the registry, the department has a valid lien upon and claim
- 21 of lien against the winnings in the amount of the winner's outstanding child support debt.
- 22 **6. Withholding of winnings.** The licensee shall withhold from any winnings an
- 23 amount equal to the amount of the lien created under subsection 5 and shall provide a notice
- 24 of withholding to the winner. Within 7 days after withholding an amount pursuant to this
- 25 subsection, the licensee shall transmit the amount withheld to the department together with
- 26 a report of the name, address and social security number of the winner, the account number
- 27 or identifier assigned to the debt, the amount withheld, the date of withholding and the
- 28 name and location of the licensee.
- 29 **7. Licensee costs.** Notwithstanding subsection 6, the licensee may retain \$10 from an
- 30 amount withheld pursuant to this section to cover the cost of the licensee's compliance with
- 31 this section.
- 32 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
- 33 to this section has the right, within 15 days of receipt of the notice of withholding, to request
- 34 from the department an administrative hearing. The hearing is limited to questions of
- 35 whether the debt is liquidated and whether any post-liquidation events have affected the
- 36 winner's liability. The administrative hearing decision constitutes final agency action.
- 37 **9. Authorization to provide information.** Notwithstanding any provision of law to
- 38 the contrary, the licensee may provide to the department or registry operator any
- 39 information necessary to effectuate the intent of this section. The department or registry
- 40 operator may provide to the licensee any information necessary to effectuate the intent of
- 41 this section.
- 42 **10. Confidentiality of information.** The information obtained by the department or
- 43 registry operator from a licensee pursuant to this section and the information obtained by
- 44 the licensee from the department or registry operator pursuant to this section are

1 confidential and may be used only for the purposes set forth in this section. An employee
 2 or prior employee of the department, the registry operator or a licensee who knowingly or
 3 intentionally discloses any such information commits a civil violation for which a fine not
 4 to exceed \$1,000 may be adjudged.

5 **11. Effect of compliance; noncompliance.** A licensee, the department and the
 6 registry operator are not liable for any action taken in good faith to comply with this section.
 7 A licensee who fails to make a good faith effort to obtain information from the registry
 8 operator or who fails to withhold and transmit the amount of the lien created under
 9 subsection 5 is liable to the department for the greater of \$500 and the amount the person
 10 was required to withhold and transmit to the department under this section, together with
 11 costs, interest and reasonable attorney's fees.

12 **12. Biennial review.** The department shall include in its report to the Legislature
 13 under section 1066 the following information:

14 A. The number of names of winners submitted by licensees to the registry operator
 15 pursuant to this section in each of the preceding 2 calendar years;

16 B. The number of winners who were found to be listed in the registry in each of the
 17 preceding 2 calendar years;

18 C. The amount of winnings withheld by licensees pursuant to this section in each of
 19 the preceding 2 calendar years; and

20 D. The amount of withheld winnings refunded to winners as the result of
 21 administrative hearings requested pursuant to this section in each of the preceding 2
 22 calendar years.

23 **§1416. Allocation of funds**

24 **1. Tax imposed; allocation of funds.** An operator shall collect and distribute 16% of
 25 adjusted gross Internet gaming receipts to the director to be forwarded by the director to
 26 the Treasurer of State for distribution as follows:

27 A. Two percent of the adjusted gross Internet gaming receipts must be deposited in the
 28 Gambling Control Unit administrative expenses Other Special Revenue Funds account,
 29 which is a nonlapsing dedicated account;

30 B. Three percent of the adjusted gross Internet gaming receipts must be deposited in
 31 the Gambling Addiction Prevention and Treatment Fund established by Title 5, section
 32 20006-B;

33 C. Three percent of the adjusted gross Internet gaming receipts must be deposited in
 34 the E-9-1-1 fund under Title 25, section 2927, subsection 2-B;

35 D. Three percent of the adjusted gross Internet gaming receipts must be deposited in
 36 the Opioid Use Disorder Prevention and Treatment Fund established under Title 5,
 37 section 20010;

38 E. Two percent of the adjusted gross Internet gaming receipts must be deposited in the
 39 Emergency Housing Relief Fund established under Title 30-A, section 4765; and

40 F. Three percent of the adjusted gross Internet gaming receipts must be deposited in
 41 the Maine Veterans' Homes Stabilization Fund established under Title 37-B, section
 42 613.

1 2. Due dates; late payments. The director may adopt rules establishing the dates on
 2 which payments required by this section are due. All payments not remitted when due must
 3 be paid together with interest on the unpaid balance at a rate of 1.5% per month.

4 **§1417. Applicability of other laws**

5 1. Authorized conduct. The provisions of Title 17, chapter 62 and Title 17-A, chapter
 6 39 do not apply to Internet gaming conducted in accordance with this chapter and the rules
 7 adopted under this chapter.

8 2. Unlicensed conduct. A person who engages in an activity for which a license is
 9 required under this chapter and who does not possess the required license to engage in that
 10 activity is subject to any criminal or civil penalties that may be imposed pursuant to Title
 11 17-A, chapter 39.

12 3. Unauthorized conduct by licensees. In addition to any penalties that may be
 13 imposed pursuant to section 1405, a licensee who conducts Internet gaming in violation of
 14 this chapter or the rules adopted under this chapter is subject to any criminal or civil
 15 penalties that may be imposed pursuant to Title 17-A, chapter 39.

16 **Sec. 5. 17 MRSA §1831, sub-§5,** as amended by PL 2017, c. 284, Pt. KKKKK,
 17 §8, is further amended by amending the first blocked paragraph to read:

18 For the purposes of this subsection, "an event the result of which is determined by chance"
 19 includes but is not limited to a shuffle of a deck of cards, a roll of a die or dice or a random
 20 drawing or generation of an object that may include, but is not limited to, a card, a die, a
 21 number or simulations of any of these. A shuffle of a deck of cards, a roll of a die, a random
 22 drawing or generation of an object or some other event the result of which is determined
 23 by chance that is employed to determine impartially the initial order of play in a game,
 24 contest, scheme or device does not alone make a game, contest, scheme or device a game
 25 of chance. For purposes of this chapter, beano, bingo and table games as defined in Title
 26 8, section 1001, subsection 43-A and Internet gaming as defined in Title 8, section 1402,
 27 subsection 5 are not games of chance.

28 **Sec. 6. 17-A MRSA §951,** as amended by PL 2021, c. 681, Pt. J, §7, is further
 29 amended to read:

30 **§951. Inapplicability of chapter**

31 Any person licensed or registered by the Gambling Control Unit as provided in Title
 32 17, chapter 13-A or chapter 62; or authorized to operate or conduct a raffle pursuant to Title
 33 17, section 1837-A or licensed to operate sports wagering pursuant to Title 8, chapter 35
 34 or Internet gaming pursuant to Title 8, chapter 39 is exempt from the application of the
 35 provisions of this chapter insofar as that person's conduct is within the scope of the license
 36 or registration.

37 **Sec. 7. 25 MRSA §1542-A, sub-§1,** ¶CC is enacted to read:

38 CC. Who is required to have a criminal history record check under Title 8, section
 39 1404.

40 **Sec. 8. 25 MRSA §1542-A, sub-§3,** ¶BB is enacted to read:

41 BB. The State Police shall take or cause to be taken the fingerprints of the person
 42 named in subsection 1, paragraph CC at the request of that person or the director of the

1 Gambling Control Unit within the Department of Public Safety and upon payment of
2 the fee established by the director of the Gambling Control Unit pursuant to Title 8,
3 section 1404, subsection 3.

4 **Sec. 9. Appropriations and allocations.** The following appropriations and
5 allocations are made.

6 **PUBLIC SAFETY, DEPARTMENT OF**
7 **Gambling Control Board Z002**

8 Initiative: Provides funding for 2 Criminal Intelligence Analyst positions, one Public
9 Service Coordinator position, one Public Safety Inspector I position, 2 Auditor II positions
10 and associated All Other costs.

11	GENERAL FUND	2023-24	2024-25
12	POSITIONS - LEGISLATIVE COUNT	0.000	6.000
13	Personal Services	\$0	\$673,937
14			
15	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$673,937</u>

16			
17	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
18	All Other	\$0	\$85,000
19			
20	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$85,000</u>

21
22 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
23 number to read consecutively.

24 **SUMMARY**

25 This amendment does the following.

26 1. It makes technical corrections to the bill, adjusting for a new statutory chapter and
27 section numbers.

28 2. It removes the sections of the bill that repeal provisions specific to mobile sports
29 wagering.

30 3. It amends the definition of "Internet gaming" and makes other necessary changes to
31 align with the new definition.

32 4. It makes changes to the sections related to the exclusion list that provide that the
33 exclusion list is the same list as for other forms of gambling in the State and that the rules
34 will include a process for voluntary exclusion and standards for involuntary placement on
35 the list.

36 5. It reduces the terms for all licenses issued under this legislation to one year and
37 reduces the fees accordingly.

38 6. It provides that the director of the Gambling Control Unit within the Department of
39 Public Safety must establish by rule a process for issuing licenses for Internet gaming that
40 is, as far as possible, identical to the process for comparable licenses under the sports



131st MAINE LEGISLATURE

LD 1777

LR 963(02)

An Act to Create Economic Opportunity for Wabanaki Nations Through Internet Gaming

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-932)
 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	\$0	\$232,062	\$260,542	\$289,467
Appropriations/Allocations				
General Fund	\$0	\$673,937	\$701,167	\$730,092
Other Special Revenue Funds	\$0	\$85,000	\$3,925,000	\$4,725,000
Revenue				
General Fund	\$0	\$441,875	\$440,625	\$440,625
Other Special Revenue Funds	\$0	\$0	\$3,840,000	\$4,640,000

Fiscal Detail and Notes

This bill authorizes the Gambling Control Unit (GCU) within the Department of Public Safety to regulate internet-based gaming (igaming) and directs that 16% of the adjusted gross internet gaming receipts be credited to the GCU for distribution as follows:

Gambling Control Unit Admin Expenses (OSR)	2%
Gambling Addiction Prevention and Treatment Fund	3%
E-9-1-1 Fund	3%
Opioid Use Disorder Prevention and Treatment Fund	3%
Emergency Housing Relief Fund	2%
Maine Veterans' Homes Stabilization Fund	3%

The 16% of the igaming revenue (the State's share) in fiscal year 2025-26 is anticipated to generate \$3,840,000 in revenue which will be distributed to various Other Special Revenue Funds accounts listed above. Corresponding allocations will be required beginning in fiscal year 2025-26 to allow for expenditure of the funds.

Provisions in this bill limit igaming licenses to each federally recognized Indian nation, tribe or band in the State. Licenses and application fees are estimated to generate \$441,875 in General Fund revenue beginning in fiscal year 2024-25. This assumes 4 tribe licenses, 20 supplier licenses, 4 management services entity licenses, 25 1-year occupational licenses and 25 3-year occupational licenses are issued.

The bill includes ongoing General Fund appropriations of \$673,937 to the GCU beginning in fiscal year 2024-25 for 2 Criminal Intelligence Analyst positions, one Public Service Coordinator position, one Public Safety Inspector I position and 2 Auditor II positions. Other Special Revenue Funds allocations of \$85,000 for associated All Other costs for the positions are included.

Any additional costs incurred, or additional revenue generated, by the Department of Public Safety from preparing additional fingerprint background checks are expected to be minor and can be absorbed within existing budgeted resources.