

# LAWS

# **OF THE**

# **STATE OF MAINE**

# **AS PASSED BY THE**

## ONE HUNDRED AND THIRTY-FIRST LEGISLATURE

FIRST REGULAR SESSION December 7, 2022 to March 30, 2023

FIRST SPECIAL SESSION April 5, 2023 to July 26, 2023

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Augusta, Maine 2023

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All Other \$0 \$500,000

GENERAL FUND TOTAL \$0 \$500,000

See title page for effective date.

# **CHAPTER 440**

### S.P. 289 - L.D. 731

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

**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,

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

Sec. 1. 8 MRSA §1001, sub-§1-A, as enacted by PL 2015, c. 499, §1, is repealed and the following enacted in its place:

1-A. Advance deposit wagering. "Advance deposit wagering" means a form of pari-mutuel wagering on horse races in which a person places a wager in person or by telephone, Internet, mobile device or other electronic communication. Before the wager occurs, the person placing the wager deposits money in a wagering account administered by an advance deposit wagering licensee. The advance deposit wagering licensee places the wager from the account at the direction of and on behalf of the account holder. The advance deposits money into the wagering account from winnings awarded to the account holder.

**Sec. 2. 8 MRSA §1001, sub-§1-B**, as enacted by PL 2015, c. 499, §1, is amended to read:

**1-B.** Advance deposit wagering licensee. "Advance deposit wagering licensee" means a person that is chosen by competitive bid and licensed by the board pursuant to subchapter 7 to conduct advance deposit wagering.

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.

Sec. 4. 8 MRSA §1001, sub-§20-A is enacted to read:

**20-A.** Gross advance deposit wagers. "Gross advance deposit wagers" means the total amount of wagers placed by residents of this State by means of advance deposit wagering before payment of money to winning residents of this State.

Sec. 5. 8 MRSA §1001, sub-§29-C, as enacted by PL 2015, c. 499, §2, is repealed.

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

#### §1015. Licensing of employees of slot machine and casino operators, slot machine and table game distributors <del>and</del>, gambling services vendors <u>and advance deposit wagering licensees</u>

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

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

3. Requirements for waiver. Upon application by a slot machine operator, casino operator, slot machine distributor, table game distributor  $\Theta r_{,}$  gambling services vendor or advance deposit wagering licensee, the board may waive the employee license requirement under this section if the slot machine operator, casino operator, slot machine distributor, table game distributor  $\Theta r_{,}$  gambling services vendor or advance deposit wagering licensee demonstrates to the board's satisfaction that the public interest is not served by the requirement of the employee license.

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4. Employees authorized temporarily. A new employee of a slot machine operator, casino operator, slot machine distributor, table game distributor  $\overline{\sigma r}$ , gambling services vendor or advance deposit wagering licensee is temporarily authorized to work in a position requiring an employee license pursuant to subsection 1 as of the date a completed employee license application is received by the board. A completed employee license application is composed of:

A. The completed form for application for an employee license approved by the board;

B. Two complete sets of the fingerprints of the applicant;

C. The fee for processing the employee license application as prescribed by the board; and

D. The results of the background investigation conducted by the employer.

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

Temporary authorization is not available for renewal of employee licenses.

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

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

**1. Minimum qualifications.** Notwithstanding Title 5, chapter 341, and in addition to any requirements imposed by rules adopted by the board, a person must satisfy the following qualifications to be a slot machine operator, a casino operator, a slot machine distributor, a table game distributor, a gambling services vendor, <u>an</u> <u>advance deposit wagering licensee</u> or an employee of these entities:

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

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

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

C. The person has not knowingly or recklessly made a false statement of material fact in applying for a license under this chapter or any gamblingrelated license in any other jurisdiction;

D. In the case of a person applying to be a slot machine operator  $\sigma_{r_a}$  casino operator, or advance deposit wagering licensee, the person has sufficient knowledge and experience in the business of operating slot machines  $\sigma_{r_a}$  casinos or advance deposit wagering to effectively operate the slot machine facilities  $\sigma_{r_a}$  casino or advance deposit wagering to which the license application relates in accordance with this chapter and the rules and standards adopted under this chapter; and

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

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

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

**2. Term of license; renewal, renewal fees.** Except as provided in section 1071 1073, subsection 6 for licenses to conduct advance deposit wagering or as otherwise provided in this subsection, licenses issued by the board under this chapter are effective for one year, unless revoked or surrendered pursuant to subchapter 5. Employee licenses issued by the board under this chapter are a 3-year term. Upon proper application and payment of the required fees and taxes and in accordance with rules adopted by the board, the board may renew a license for an additional year if municipal approval has been obtained as provided in section 1012 or 1012-A. The board shall

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transfer \$25,000 of the renewal fee required by subsection 1, paragraph C to the municipality in which the slot machines are operated.

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

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

#### §1072. Distribution of <del>net commission</del> <u>advance de-</u> posit wagering revenue

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

1. Distribution of net commission revenue from wagers placed on races conducted in State. An advance deposit wagering licensee shall collect the net commission 5% of gross advance deposit wagers from wagers placed with the licensee on races conducted at tracks in the State and distribute it to the board for distribution as follows.

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

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

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

D. Ten percent of the <u>net commission amount col-</u> <u>lected under this subsection</u> must be distributed to the Agricultural Fair Support Fund established under Title 7, section 91 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion of the distribution required by this paragraph may be distributed to a commercial track.

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

F. Twenty percent of the <u>net commission</u> <u>amount</u> <u>collected under this subsection</u> must be distributed to the track where the race upon which the wager was placed was conducted.

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

2. Distribution of net commission revenue from wagers placed on races conducted outside State. An advance deposit wagering licensee shall collect the net commission 5% of gross advance deposit wagers from wagers placed with the licensee on races conducted at tracks outside the State and distribute it to the board for distribution as follows.

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

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

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

D. Ten percent of the <u>net commission amount col-</u> lected under this subsection must be distributed to the Agricultural Fair Support Fund established under Title 7, section 91 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion of the distribution required by this paragraph may be distributed to a commercial track.

E. Seven percent of the net commission amount collected under this subsection must be distributed to the fund established under section 298 to supplement harness racing purses.

F. Thirty-six percent of the net commission amount collected under this subsection must be distributed to all commercial tracks, with each commercial track receiving a portion determined by multiplying that 36% times a fraction, the numerator of which is the minimum number of days of racing the commercial track is required by law to conduct annually in order to retain its commercial track license and the denominator of which is the sum of the number of days of racing all the commercial tracks are required to conduct in order to retain their commercial track licenses.

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

#### §1073. Advance deposit wagering license

The board shall exercise authority over the licensing of all persons conducting advance deposit wagering. A person may not conduct advance deposit wagering without a license issued under this section. 1. Eligibility. In order to receive an advance deposit wagering license from the board, an applicant must meet the requirements of this section and the rules adopted by the board under section 1003, subsection 2, paragraph U and must be:

A. A commercial track;

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

C. An account wagering provider.

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

3. Contract. An advance deposit wagering licensee may conduct advance deposit wagering directly or through a contract with another advance deposit wagering licensee issued a license under this section.

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

A. Purchase a bond to secure the advance deposit wagering accounts:

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

<u>C. Accept wagers on all live races being conducted</u> in this State that are available for simulcast.

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

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

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

Sec. 13. Report on advance deposit wagering and track revenues. The Department of Public

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

Sec. 14. Appropriations and allocations. The following appropriations and allocations are made.

# AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF

#### Harness Racing Commission 0320

Initiative: Provides allocation for expenditure of gross advance deposit wagering income.

OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
All Other	\$1,368,273	\$3,119,665
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,368,273	\$3,119,665
AGRICULTURE, CONSERVATION AND		
FORESTRY, DEPARTMENT OF		
DEPARTMENT TOTALS	2023-24	2024-25
OTHER SPECIAL REVENUE FUNDS	\$1,368,273	\$3,119,665
DEPARTMENT TOTAL - ALL FUNDS	\$1,368,273	\$3,119,665

#### **PUBLIC SAFETY, DEPARTMENT OF**

#### **Gambling Control Board Z002**

Initiative: Provides appropriation for one Public Safety Manager II position and associated All Other costs.

GENERAL FUND POSITIONS - LEGISLATIVE COUNT Personal Services All Other	<b>2023-24</b> 1.000 \$55,243 \$1,550	<b>2024-25</b> 1.000 \$76,163 \$1,550
GENERAL FUND TOTAL	\$56,793	\$77,713
PUBLIC SAFETY, DEPARTMENT OF DEPARTMENT TOTALS	2023-24	2024-25
GENERAL FUND	\$56,793	\$77,713

DEPARTMENT TOTAL - ALL FUNDS	\$56,793	\$77,713
SECTION TOTALS	2023-24	2024-25
GENERAL FUND OTHER SPECIAL REVENUE FUNDS	\$56,793 \$1,368,273	\$77,713 \$3,119,665
SECTION TOTAL - ALL FUNDS	\$1,425,066	\$3,197,378

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.

Effective July 26, 2023.

# CHAPTER 441

## H.P. 1153 - L.D. 1808

### An Act to Amend the State Tax Laws

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

Whereas, legislative action is immediately necessary to ensure continued and efficient administration of municipal property taxes and the property tax stabilization for senior citizens program; and

Whereas, the property tax stabilization for senior citizens program needs to be updated before the 90-day period expires to avoid delay in the processing of municipal property taxes and municipal applications for state reimbursement; 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,

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

### PART A

**Sec. A-1. 36 MRSA §1951-C, sub-§1,** as enacted by PL 2019, c. 441, §8, is amended to read:

**1. Responsibilities of marketplace facilitator.** A marketplace facilitator is considered a retailer for each sale of tangible personal property or taxable services for delivery in this State that the marketplace facilitator facilitates on or through its marketplace, including for the collection of the recycling assistance fee pursuant to chapter 719.

**Sec. A-2. 36 MRSA §2557, sub-§27,** as enacted by PL 2003, c. 673, Pt. V, §25 and affected by §29, is amended to read:

27. Nonprofit housing development organizations. Sales to nonprofit organizations whose primary purpose is to develop housing for low-income people. For the purposes of this subsection, "low-income" means having income that is less than 120% of the median income for the area, adjusted for family size, as established by the United States Department of Housing and Urban Development or its successor organization;

**Sec. A-3. Effective date.** This Part takes effect 90 days following adjournment of the First Special Session of the 131st Legislature.

#### PART B

Sec. B-1. 36 MRSA §653, sub-§1,  $\PC$ , as amended by PL 2021, c. 682, §1, is further amended by amending subparagraph (1) to read:

(1) During any federally recognized war period, including the Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period from February 1, 1955 to February 27, 1961, or who were awarded the Armed Forces Expeditionary Medal an expeditionary medal for service in the Armed Forces of the United States, when they have reached the age of 62 years or when they are receiving any form of pension or compensation from the United States Government for total disability, serviceconnected or nonservice-connected, as a veteran. A veteran of the Vietnam War must have served on active duty after February 27, 1961 and before May 8, 1975. "Persian Gulf War" means service on active duty on or after August 2, 1990 and before or on the date that the United States Government recognizes as the end of that war period; or

**Sec. B-2. 36 MRSA §653, sub-§1, ¶D-1,** as amended by PL 2021, c. 682, §2, is further amended to read:

D-1. The estates up to the just value of \$50,000, having a taxable situs in the place of residence, for specially adapted housing units, of veterans who served in the Armed Forces of the United States during any federally recognized war period, including the Korean Conflict, the Vietnam War, the Persian Gulf War, the periods from August 24, 1982 to July 31, 1984 and December 20, 1989 to January 31, 1990, Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn, or during the period from February 1, 1955 to February 27,