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**VETERANS AND LEGAL AFFAIRS**

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**STATE OF MAINE**

**SENATE**

**130TH LEGISLATURE**

**FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 256, L.D. 671, “An Act To Allow the Sale of Raffle Tickets Online”

Amend the bill by striking out all of section 1 and inserting the following:

**'Sec. 1. 17 MRSA §1831, sub-§3,** as enacted by PL 2009, c. 487, Pt. A, §2, is amended to read:

**3. Distributor.** "Distributor" means a person, firm, corporation, association or organization, other than an Internet raffle operator, that sells, markets or otherwise distributes sealed tickets, gambling apparatus or any other implements of gambling that may be used in the conduct of a game of chance.

**Sec. 2. 17 MRSA §1831, sub-§7-B** is enacted to read:

**7-B. Internet raffle.** "Internet raffle" means a raffle in which a person purchases a raffle chance or ticket through a mobile application or other digital platform that involves, at least in part, the use of the Internet.

**Sec. 3. 17 MRSA §1831, sub-§7-C** is enacted to read:

**7-C. Internet raffle operator.** "Internet raffle operator" means a person, firm, corporation, association or organization licensed under section 1837-B, subsection 2 to conduct an Internet raffle using an Internet raffle system.

**Sec. 4. 17 MRSA §1831, sub-§7-D** is enacted to read:

**7-D. Internet raffle system.** "Internet raffle system" means a mobile application or other digital platform and the accompanying computer software approved by the Gambling Control Unit under section 1837-B, subsection 4 for use in conducting an Internet raffle.

**Sec. 5. 17 MRSA §1832, sub-§1,** as amended by PL 2019, c. 129, §1, is further amended to read:

**1. License or registration required.** Except as provided in ~~section~~ sections 1837-A and 1837-B, a person, firm, corporation, association or organization may not hold, conduct or operate a game of chance without a license issued by or, as applicable, without

**COMMITTEE AMENDMENT**

1 registering with the Gambling Control Unit in accordance with this section. A license is  
2 not required when a game of chance constitutes social gambling.

3 **Sec. 6. 17 MRSA §1834, sub-§5-A** is enacted to read:

4 **5-A. Internet raffle operator.** The fee for an Internet raffle operator license is \$500  
5 for each calendar year or portion of a calendar year.

6 **Sec. 7. 17 MRSA §1835-A, sub-§2,** as enacted by PL 2017, c. 284, Pt. KKKKK,  
7 §18, is amended to read:

8 **2. Games conducted by members and bartenders of registrant only.** A game of  
9 chance registered pursuant to this chapter must be operated and conducted for the exclusive  
10 benefit of the registrant and, except for an Internet raffle conducted by an Internet raffle  
11 operator, must be operated and conducted only by duly authorized members of the  
12 registrant or by persons employed by the registrant as bartenders, ~~except that nonmembers.~~  
13 Nonmembers employed by the registrant as bartenders may not operate or conduct any  
14 game of chance permitted under subsection 5, paragraph B. The requirements of this  
15 subsection do not apply to any agricultural society registered to operate a game of chance.

16 **Sec. 8. 17 MRSA §1837-A, sub-§2,** as amended by PL 2019, c. 129, §3, is further  
17 amended to read:

18 **2. Raffle with a prize of \$2,500 or less.** Except for raffles conducted by an eligible  
19 organization under subsection ~~2-A~~ 7, a person or organization is not required to register  
20 with the Gambling Control Unit to conduct a raffle in which the total value of the prize  
21 offered to the holder of the winning chance does not exceed \$2,500. If the raffle is  
22 conducted in a manner in which there are multiple winning chances, the total value of all  
23 prizes offered may not exceed a value of \$2,500.

24 **Sec. 9. 17 MRSA §1837-A, sub-§2-A,** as enacted by PL 2019, c. 129, §3, is  
25 amended to read:

26 **2-A. Raffle with a prize of \$10,000 or less conducted by eligible organization.** ~~As~~  
27 Except as provided in subsection 7, an eligible organization as described in section 1832,  
28 subsection 2 is not required to register with the Gambling Control Unit to conduct a raffle  
29 in which the total value of the prize offered to the holder of the winning chance does not  
30 exceed \$10,000. If the raffle is conducted in a manner in which there are multiple winning  
31 chances, the total value of all prizes offered may not exceed a value of \$10,000.

32 **Sec. 10. 17 MRSA §1837-A, sub-§7** is enacted to read:

33 **7. Internet raffles; restrictions.** An eligible organization described in section 1832,  
34 subsection 2 may conduct a raffle described in subsection 2-A or subsection 4 as an Internet  
35 raffle if the eligible organization registers with the Gambling Control Unit and the Internet  
36 raffle is operated in accordance with the requirements of this chapter by an Internet raffle  
37 operator identified on the registration form. The eligible organization and Internet raffle  
38 operator may not permit a person under 18 years of age to purchase a chance or ticket for  
39 an Internet raffle and may not advertise or market the Internet raffle in a manner that has a  
40 high likelihood of reaching persons under 18 years of age or that is specifically designed  
41 to appeal particularly to persons under 18 years of age.

42 **Sec. 11. 17 MRSA §1837-B** is enacted to read:

1 **§1837-B. Internet raffle operator license; approval of Internet raffle system**

2 **1. License and approval required.** A person may not operate an Internet raffle unless  
3 the person is licensed as an Internet raffle operator under subsection 2, the Internet raffle is  
4 conducted on behalf of an eligible organization registered under section 1837-A, subsection  
5 7, each payment for a chance or ticket for the Internet raffle is made through an Internet  
6 raffle system approved under subsection 4 and the winning chance or chances are selected  
7 by an Internet raffle system approved under subsection 4.

8 **2. Internet raffle operator license.** The Gambling Control Unit may issue an Internet  
9 raffle operator license to a person, firm, corporation, association or organization. The  
10 Gambling Control Unit may not issue an Internet raffle operator license to a business entity  
11 unless it is organized under the laws of the State or authorized to transact business or  
12 conduct activities in the State. An applicant for an Internet raffle operator license or for  
13 renewal of an Internet raffle operator license shall submit an application to the Gambling  
14 Control Unit on a form or in a format approved by the Gambling Control Unit. The  
15 application must, at a minimum, include the following:

16 A. The name, primary business location and contact information of the applicant;

17 B. Disclosure of each person that owns 10% or more of a corporate applicant's equity  
18 or voting shares and that has the ability to control the activities of the corporate  
19 applicant; each person that directly or indirectly holds a beneficial or proprietary  
20 interest in a noncorporate applicant's business operation or that has the ability to control  
21 the noncorporate applicant's business operation; and key personnel of the applicant.  
22 For purposes of this subsection, "key personnel" means any officer, director, manager  
23 or general partner of an applicant that is a business entity and each executive, employee  
24 or agent having the power to exercise significant influence over decisions concerning  
25 any part of an applicant's relevant business operation;

26 C. Consent to permit the Executive Director of the Gambling Control Unit to conduct  
27 a criminal history record check pursuant to subsection 3 for the applicant and each  
28 person disclosed under paragraph B;

29 D. For the applicant and each person disclosed under paragraph B, a record of previous  
30 issuances and denials of or any adverse action taken against a gambling-related license  
31 or application under this Title or Title 8 or in any other jurisdiction. For purposes of  
32 this paragraph, "adverse action" includes, but is not limited to, a condition resulting  
33 from an administrative, civil or criminal violation, a suspension or revocation of a  
34 license or a voluntary surrender of a license to avoid or resolve a civil, criminal or  
35 disciplinary action; and

36 E. Any additional information required by the Gambling Control Unit by rule.

37 **3. Criminal history record check.** The Executive Director of the Gambling Control  
38 Unit shall request a criminal history record check in accordance with this subsection for  
39 the applicant and for each person disclosed by the applicant under subsection 2, paragraph  
40 B. The director may require a criminal history record check in accordance with this  
41 subsection from a licensee seeking to renew a license and for any person the licensee is  
42 required to disclose under subsection 2, paragraph B as part of the license renewal  
43 application. A criminal history record check conducted pursuant to this subsection must  
44 include, at a minimum, a record of public criminal history record information as defined in

1 Title 16, section 703, subsection 8. An applicant must reimburse the director for the actual  
2 costs of conducting the criminal history record checks required under this subsection.

3 **4. Internet raffle system certification.** An Internet raffle operator may not conduct  
4 an Internet raffle using an Internet raffle system unless it has been examined, tested and  
5 approved by the Gambling Control Unit or certified by an independent testing laboratory  
6 approved by the Gambling Control Unit. The Internet raffle system operator must pay the  
7 cost of the examination, testing and certification before the examination occurs. To be  
8 approved by the Gambling Control Unit or certified by an independent testing laboratory,  
9 the Internet raffle system:

10 A. Must prohibit a person from purchasing a chance or ticket for an Internet raffle  
11 unless the person opens a raffle account into which the person deposits the funds used  
12 to purchase the chance or ticket;

13 B. May not permit the use of a credit card to purchase a chance or ticket for an Internet  
14 raffle or the extension of credit from the Internet raffle operator to a person who  
15 purchases a chance or ticket for an Internet raffle;

16 C. Must ensure that a person who opens a raffle account or who purchases a chance or  
17 ticket for an Internet raffle is at least 18 years of age; must provide for the immediate  
18 refund of any payment to purchase a chance or ticket for an Internet raffle made by a  
19 person whom the Internet raffle operator discovers is under 18 years of age; and must  
20 publish and facilitate the use of parental controls that permit adults to exclude minors  
21 from access to the system's mobile applications and electronic platforms;

22 D. Must determine and verify that a person who purchases a chance or ticket for an  
23 Internet raffle is physically located within the State at the time the purchase is made;

24 E. Must select the winning chance or chances in an Internet raffle by means of a  
25 cryptographically strong random number generator;

26 F. Must protect the privacy and security of a raffle account owner's information and  
27 all of the raffle account owner's accounts maintained or accessed by the Internet raffle  
28 system;

29 G. Must maintain for at least 3 years after the winner or winners are selected a list of  
30 all persons who purchased a chance or ticket for the Internet raffle and the name and  
31 contact information of the winner or winners of the Internet raffle; a copy of this list  
32 and an exact accounting of all gross revenue from the Internet raffle must be  
33 transmitted to the eligible organization on whose behalf the Internet raffle was  
34 conducted immediately after the winner or winners are selected; and

35 H. Must meet any other requirements established by the Gambling Control Unit by  
36 rule.

37 **Sec. 12. 17 MRSA §1838, sub-§1, ¶C** is enacted to read:

38 C. An Internet raffle operator may not be paid more than 10% of the Internet raffle  
39 proceeds to operate an Internet raffle on behalf of an eligible organization.'

40 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
41 number to read consecutively.

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**SUMMARY**

This amendment, which is the majority report of the committee, clarifies that an Internet raffle may be operated only by a nonprofit organization that registers with the Department of Public Safety, Gambling Control Unit. The Internet raffle must be conducted by a licensed Internet raffle organization using a mobile application or electronic platform, referred to in the amendment as an Internet raffle system, certified by the Gambling Control Unit or an approved independent testing laboratory. A person who purchases an Internet raffle chance or ticket must be at least 18 years of age, must be physically located in the State and must deposit the funds used to purchase the chance or ticket in a raffle account. Credit card purchases and the extension of credit from an Internet raffle operator to a person attempting to purchase an Internet raffle chance or ticket are prohibited. Internet raffles may not be marketed to persons under 18 years of age and the Internet raffle system must facilitate the use of parental controls to prevent persons under 18 years of age from purchasing Internet raffle tickets or chances. An Internet raffle operator may retain no more than 10% of the Internet raffle proceeds as payment for conducting the Internet raffle.

**FISCAL NOTE REQUIRED**

**(See attached)**