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Date: (Filing No. S-)

VETERANS AND LEGAL AFFAIRS

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**STATE OF MAINE
SENATE
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 437, L.D. 1352, “An Act To Regulate Sports Betting”

Amend the bill by inserting before section 1 the following:

Sec. 1. 7 MRSA §86, sub-§8, as enacted by PL 2005, c. 563, §3, is amended to read:

8. Maximum allowed distribution from Stipend Fund. A licensee may not receive a stipend from the Stipend Fund greater than the amount actually raised and spent by the licensee on premiums and gratuities in the classes provided in subsection 5. A licensee may not receive a stipend from the Stipend Fund in excess of \$10,000, except that this limitation does not apply to any additional stipend provided for by Title 8, section 287 or to funds distributed from the Fair Fund ~~or~~ in accordance with section 85, the Agricultural Fair Support Fund in accordance with section 91 or the Agricultural Fair Promotion Fund in accordance with section 103.

Sec. 2. 7 MRSA §103 is enacted to read:

§103. Agricultural Fair Promotion Fund

1. Eligible nonprofit organization defined. As used in this section, "eligible nonprofit organization" means a nonprofit organization that is exempt from federal income taxation under Section 501(a) of the United States Internal Revenue Code of 1986 as an organization described by Section 501(c) and that has had, for at least the preceding 25 years, a sole or primary purpose of promoting agricultural fairs in the State.

2. Identification of eligible nonprofit organizations. On January 1st and July 1st of each year, the commissioner shall send a list of all eligible nonprofit organizations to the Treasurer of State.

3. Fund created. The Treasurer of State shall establish an account to be known as "the Agricultural Fair Promotion Fund" and shall credit to it all money received under Title 8, section 1218, subsection 1, paragraph E and Title 8, section 1218, subsection 2, paragraph

COMMITTEE AMENDMENT

1 E. The fund is a dedicated, nonlapsing fund. All revenues deposited in the fund must be
2 disbursed in accordance with this section.

3 **4. Distribution.** On January 31st and July 31st of each year, all amounts credited to
4 the fund established by this section as of the last day of the preceding month and not
5 distributed before that day must be distributed by the Treasurer of State in equal shares to
6 each organization in the State that has been identified by the commissioner as an eligible
7 nonprofit organization under subsection 2.

8 **Sec. 3. 8 MRSA §290**, as enacted by PL 1997, c. 528, §46, is amended to read:

9 **§290. Purse supplement**

10 **1. Payment.** Amounts received pursuant to section 1218, subsection 1, paragraph C
11 and section 1218, subsection 2, paragraph C and amounts calculated as purse supplement
12 share under section 286 must be paid to the commission for distribution as provided in
13 subsection 2.

14 **2. Distribution.** On May 30th, September 30th and January 30th, ~~payments made~~
15 amounts received under this subsection and subsection 1 for distribution in accordance with
16 this subsection must be divided among the licensees conducting live racing in the State.
17 The amount of the payment made to a licensee is calculated by ~~dividing~~ multiplying the
18 amount of money available for distribution by a fraction, the numerator of which is the
19 number of race dates on which that licensee conducted live racing in any calendar year by
20 and the denominator of which is the total number of race dates on which all licensees
21 conducted live racing in that year. Beginning January 30, 1997, the January 30th payment
22 must be adjusted to reflect the dates when live racing was actually conducted during the
23 previous year, not the dates granted.'

24 Amend the bill in section 3 in c. 35 in §1202 in subsection 11 in the last line (page 2,
25 line 28 in L.D.) by inserting after the following: "place." the following: "Prohibited sports
26 event" does not include any game or match that is part of a tournament in which a Maine
27 collegiate sports team participates, as long as a Maine collegiate sports team does not
28 participate in that particular game or match.'

29 Amend the bill in section 3 in c. 35 in §1202 by inserting after subsection 13 the
30 following:

31 **'14. Sports governing body.** "Sports governing body" means an organization that is
32 headquartered in the United States and prescribes final rules and enforces codes of conduct
33 with respect to a sports event and participants in the sports event.'

34 Amend the bill in section 3 in c. 35 in §1202 by renumbering the subsections to read
35 consecutively.

36 Amend the bill in section 3 in c. 35 in §1203 in subsection 2 by striking out all of
37 paragraph M (page 4, lines 37 to 42 in L.D.) and inserting the following:

38 'M. Restrictions on the advertisement and marketing of sports wagering under section
39 1214.'

40 Amend the bill in section 3 in c. 35 in §1204 in subsection 3 by striking out all of
41 paragraph C (page 6, lines 7 to 18 in L.D.) and inserting the following:

1 'C. An individual required to submit to a criminal history record check under this
2 subsection shall submit to having the individual's fingerprints taken. The State Police,
3 upon payment by the individual of the fee required under paragraph E, shall take or
4 cause to be taken the individual's fingerprints and shall immediately forward the
5 fingerprints to the Department of Public Safety, Bureau of State Police, State Bureau
6 of Identification. Any person who fails to transmit criminal fingerprint records to the
7 State Bureau of Identification pursuant to this paragraph is subject to the provisions of
8 Title 25, section 1550.

9 D. The Department of Public Safety, Bureau of State Police, State Bureau of
10 Identification shall conduct the state and national criminal history record checks
11 required under this subsection. Except for the portion of a payment, if any, that
12 constitutes the processing fee for a criminal history record check charged by the Federal
13 Bureau of Investigation, all money received by the State Police under this subsection
14 must be paid to the Treasurer of State, who shall apply the money to the expenses
15 incurred by the Department of Public Safety in the administration of this subsection.'

16 Amend the bill in section 3 in c. 35 in §1204 in subsection 3 in paragraph G in the last
17 line (page 6, line 32 in L.D.) by striking out the following: "E" and inserting the following:
18 'F'

19 Amend the bill in section 3 in c. 35 in §1204 in subsection 3 by relettering the
20 paragraphs to read alphabetically.

21 Amend the bill in section 3 in c. 35 in §1207 in subsection 4 in the first line (page 10,
22 line 36 in L.D.) by striking out the following: "\$20,000" and inserting the following:
23 '\$100,000'

24 Amend the bill in section 3 in c. 35 in §1207 in subsection 6 in the 3rd line (page 11,
25 line 8 in L.D.) by striking out the following: "\$20,000" and inserting the following:
26 '\$100,000'

27 Amend the bill in section 3 in c. 35 by striking out all of §§1214 and 1215 (page 14,
28 line 42 to page 17, line 35 in L.D.) and inserting the following:

29 **§1214. Signs, advertising and marketing**

30 **1. Prohibitions.** Signs, advertising and marketing used by or on behalf of a licensee
31 under this chapter:

32 A. May not be misleading, deceptive or false;

33 B. May not involve advertising or marketing that has a high likelihood of reaching
34 persons under 21 years of age or that is specifically designed to appeal particularly to
35 persons under 21 years of age; and

36 C. May not be placed or otherwise used within 1,000 feet of the property line of a
37 preexisting public or private school.

38 **2. Rulemaking.** The director shall adopt rules regarding the placement, content and
39 use of signs, advertising and marketing to implement this section. Rules adopted pursuant
40 to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter
41 2-A.

42 **§1215. Abnormal wagering activity**

1 **1. Duty to report.** An operator shall, as soon as practicable, report to the director any
2 information relating to abnormal wagering activity or patterns that may indicate a concern
3 with the integrity of a sports event or any other conduct that corrupts a wagering outcome
4 of a sports event for purposes of financial gain, including match fixing. An operator shall
5 concurrently report that information to the relevant sports governing body.

6 **2. Cooperation efforts.** An operator shall use commercially reasonable efforts to
7 cooperate with investigations conducted by sports governing bodies or law enforcement
8 agencies, including but not limited to using commercially reasonable efforts to provide or
9 facilitate the provision of wagering information.

10 **3. Information confidentiality.** The director and operators shall maintain the
11 confidentiality of information provided by a sports governing body for purposes of
12 investigating or preventing the conduct described in this section, unless disclosure is
13 otherwise required by the director or by law, or unless the sports governing body consents
14 to disclosure.

15 **4. Information use and disclosure.** With respect to any information provided by an
16 operator to a sports governing body relating to conduct described in this section, a sports
17 governing body:

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

20 B. Shall maintain the confidentiality of the information, unless disclosure is otherwise
21 required by the director or by law, or unless the operator consents to disclosure, except
22 that the sports governing body may make disclosures necessary to conduct and resolve
23 integrity-related investigations and may publicly disclose such information if required
24 by the sports governing body's integrity policies or if determined by the sports
25 governing body in its reasonable judgment to be necessary to maintain the actual or
26 perceived integrity of its sports events. Prior to any public disclosure that would
27 identify the operator by name, the sports governing body shall provide that operator
28 with notice of the disclosure and an opportunity to object to the disclosure.

29 **§1216. Security, maintenance and sharing of wagering records**

30 **1. Records maintenance.** An operator shall maintain records of all wagers placed,
31 including personally identifiable information of the person placing the wager, amount and
32 type of wager, time the wager was placed, location of the wager, including the Internet
33 protocol address if applicable, the outcome of the wager and instances of abnormal
34 wagering activity for 3 years after the sports event occurs, as well as video recordings in
35 the case of in-person wagers, for at least one year after the sports event occurs and shall
36 make that data available for inspection upon request of the director or as required by court
37 order.

38 **2. Anonymized information.** An operator shall use commercially reasonable efforts
39 to maintain, in real time and at the account level, anonymized information regarding a
40 person who places a wager and the amount and type of the wager, the time the wager was
41 placed, the location of the wager, including the Internet protocol address if applicable, the
42 outcome of the wager and records of abnormal wagering activity. The director may request
43 that information in the form and manner required by rule. Nothing in this subsection
44 requires an operator to provide any information that is prohibited by federal or state law,

1 including without limitation laws and rules relating to privacy and personally identifiable
2 information.

3 **3. Records monitoring.** If a sports governing body has notified the director that
4 access to the information described in subsection 2 for wagers placed on sports events of
5 that sports governing body is necessary to monitor the integrity of that sports governing
6 body's sports events, and the sports governing body represents to the director that it
7 specifically uses that data for the purpose of monitoring the integrity of sports events of
8 that sports governing body, then an operator shall share, in a commercially reasonable
9 frequency, form and manner, with the sports governing body or its designee the same
10 information the operator is required to maintain under subsection 2 with respect to sports
11 wagers on sports events of that sports governing body. A sports governing body and its
12 designee may use information received under this subsection only for integrity-monitoring
13 purposes and may not use information received under this subsection for any commercial
14 or other purpose. Nothing in this subsection requires an operator to provide any
15 information if prohibited by federal or state law, including without limitation laws and rules
16 relating to privacy and personally identifiable information.

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

22 **§1217. Interception of sports wagering winnings to pay child support debt**

23 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
24 following terms have the following meanings.

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

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

28 C. "Licensee" means a facility operator, a mobile operator or a management services
29 licensee under section 1209.

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

32 E. "Winner" means a sports wagering patron to whom cash is returned as winnings for
33 placement of a sports wager.

34 **2. Interception.** A licensee shall intercept sports wagering winnings to pay child
35 support debt in accordance with this section.

36 **3. Registry.** The department shall create and maintain, or shall contract with a private
37 entity to create and maintain, a secure, electronically accessible registry containing
38 information regarding individuals with outstanding child support debt. The department
39 shall regularly enter into the registry information including:

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

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

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

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

5 **4. Electronic access to information; procedures.** A licensee shall electronically
6 access the registry in accordance with this subsection.

7 A. Before making a payout of winnings of an amount equal to or greater than the
8 amount for which the licensee is required to file a Form W-2G or substantially
9 equivalent form with the United States Internal Revenue Service, the licensee shall
10 obtain the name, address, date of birth and social security number of the winner and
11 shall electronically submit this information to the registry operator.

12 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
13 electronically inform the licensee whether the winner is listed in the registry. If the
14 winner is listed in the registry, the registry operator shall inform the licensee of the
15 amount of the winner's outstanding child support debt and the account number or
16 identifier assigned to the outstanding child support debt and shall provide the licensee
17 with a notice of withholding that informs the winner of the right to an administrative
18 hearing.

19 C. If the registry operator informs the licensee that the winner is not listed in the
20 registry or if the licensee is unable to obtain information from the registry operator on
21 a real-time basis after attempting in good faith to do so, the licensee may make payment
22 to the winner.

23 D. If the registry operator informs the licensee that the winner is listed in the registry,
24 the licensee may not make payment to the winner unless the amount of the payout
25 exceeds the amount of outstanding child support debt, in which case the licensee may
26 make payment to the winner of the amount of winnings that is in excess of the amount
27 of the winner's outstanding child support debt.

28 **5. Lien against winnings.** If the registry operator informs a licensee pursuant to this
29 section that a winner is listed in the registry, the department has a valid lien upon and claim
30 of lien against the winnings in the amount of the winner's outstanding child support debt.

31 **6. Withholding of winnings.** The licensee shall withhold from any winnings an
32 amount equal to the amount of the lien created under subsection 5 and shall provide a notice
33 of withholding to the winner. Within 7 days after withholding an amount pursuant to this
34 subsection, the licensee shall transmit the amount withheld to the department together with
35 a report of the name, address and social security number of the winner, the account number
36 or identifier assigned to the debt, the amount withheld, the date of withholding and the
37 name and location of the licensee.

38 **7. Licensee costs.** Notwithstanding subsection 6, the licensee may retain \$10 from an
39 amount withheld pursuant to this section to cover the cost of the licensee's compliance with
40 this section.

41 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
42 to this section has the right, within 15 days of receipt of the notice of withholding, to request
43 from the department an administrative hearing. The hearing is limited to questions of

1 whether the debt is liquidated and whether any postliquidation events have affected the
2 winner's liability. The administrative hearing decision constitutes final agency action.

3 **9. Authorization to provide information.** Notwithstanding any provision of law to
4 the contrary, the licensee may provide to the department or registry operator any
5 information necessary to effectuate the intent of this section. The department or registry
6 operator may provide to the licensee any information necessary to effectuate the intent of
7 this section.

8 **10. Confidentiality of information.** The information obtained by the department or
9 registry operator from a licensee pursuant to this section and the information obtained by
10 the licensee from the department or registry operator pursuant to this section are
11 confidential and may be used only for the purposes set forth in this section. An employee
12 or prior employee of the department, the registry operator or a licensee who knowingly or
13 intentionally discloses any such information commits a civil violation for which a fine not
14 to exceed \$1,000 may be adjudged.

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

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

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

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

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

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

33 **§1218. Allocation of funds**

34 **1. Tax imposed on facility operator; allocation of funds.** A facility operator shall
35 collect and distribute 10% of adjusted gross sports wagering receipts to the director to be
36 forwarded by the director to the Treasurer of State for distribution as follows:

37 A. One percent of the adjusted gross sports wagering receipts must be deposited in the
38 General Fund for the administrative expenses of the Gambling Control Unit within the
39 department;

40 B. One percent of the adjusted gross sports wagering receipts must be deposited in the
41 Gambling Addiction Prevention and Treatment Fund established by Title 5, section
42 20006-B;

1 C. Fifty-five hundredths of 1% of the adjusted gross sports wagering receipts must be
2 paid to the State Harness Racing Commission for distribution as described in section
3 290, subsection 2;

4 D. Fifty-five hundredths of 1% of the adjusted gross sports wagering receipts must be
5 deposited in the Sire Stakes Fund established in section 281;

6 E. Four-tenths of 1% of the adjusted gross sports wagering receipts must be deposited
7 in the Agricultural Fair Promotion Fund established in Title 7, section 103; and

8 F. Six and one-half percent of the adjusted gross sports wagering receipts must be
9 deposited in the General Fund.

10 **2. Tax imposed on mobile operator; allocation of funds.** A mobile operator shall
11 collect and distribute 16% of adjusted gross sports wagering receipts to the director to be
12 forwarded by the director to the Treasurer of State for distribution as follows:

13 A. One percent of the adjusted gross sports wagering receipts must be deposited in the
14 General Fund for the administrative expenses of the Gambling Control Unit within the
15 department;

16 B. One percent of the adjusted gross sports wagering receipts must be deposited in the
17 Gambling Addiction Prevention and Treatment Fund established by Title 5, section
18 20006-B;

19 C. Fifty-five hundredths of 1% of the adjusted gross sports wagering receipts must be
20 paid to the State Harness Racing Commission for distribution as described in section
21 290, subsection 2;

22 D. Fifty-five hundredths of 1% of the adjusted gross sports wagering receipts must be
23 deposited in the Sire Stakes Fund established in section 281;

24 E. Four-tenths of 1% of the adjusted gross sports wagering receipts must be deposited
25 in the Agricultural Fair Promotion Fund established in Title 7, section 103; and

26 F. Twelve and one-half percent of the adjusted gross sports wagering receipts must be
27 deposited in the General Fund.

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

31 Amend the bill in section 3 in c. 35 by renumbering the sections to read consecutively.

32 Amend the bill by inserting after section 20 the following:

33 **'Sec. 21. Appropriations and allocations.** The following appropriations and
34 allocations are made.

35 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF**

36 **Office of Substance Abuse and Mental Health Services 0679**

37 Initiative: Provides allocations to allow expenditure of sports betting revenue.

| | | |
|---------------------------------------|----------------|----------------|
| 38 OTHER SPECIAL REVENUE FUNDS | 2021-22 | 2022-23 |
| 39 All Other | \$358,625 | \$566,250 |
| 40 | _____ | _____ |

