

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

'An Act To Authorize Advance Deposit Wagering for Horse Racing'

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

'Sec. 1. 8 MRSA §263-A, sub-§1, as amended by PL 2011, c. 358, §3, is further amended to read:

1. Rulemaking. The commission shall adopt rules for:

A. The conduct of harness racing and off-track betting facilities, including advance deposit wagering;

B. The licensing of racetracks and off-track betting facilities;

C. The licensing of individuals participating in harness racing and off-track betting facilities and advance deposit wagering, including rules requiring applicants to submit information sufficient for the report required to be submitted by the executive director of the commission as required by section 1037;

D. The procedures for hearing appeals from decisions of track judges;

E. The procedures and standards for setting racing dates; and

F. Any other responsibility assigned to the commission under this chapter.

Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter ~~H-A2-A~~, except for rules governing the conduct of advance deposit wagering, which are major substantive rules pursuant to Title 5, chapter 375, subchapter 2-A.

Sec. 2. 8 MRSA §263-A, sub-§3, as enacted by PL 1997, c. 528, §6, is amended to read:

3. Licensing of tracks, advance deposit wagering providers and off-track betting facilities. The commission shall license racetracks ~~and, advance deposit wagering providers and~~ off-track betting facilities as provided in sections 271 ~~and, 271-A and~~ 275-D.

Sec. 3. 8 MRSA §263-C, sub-§4, as amended by PL 2007, c. 611, §4, is further amended to read:

4. Duties. The executive director has the following duties:

A. Management of the work of the commission, including:

(1) Rulemaking;

(2) Processing appeals;

(3) Licensing of tracks and, off-track betting facilities and advance deposit wagering providers;

(4) Setting race dates;

(5) Making reports to the Governor and Legislature and recommendations to the commissioner regarding harness racing and, off-track betting operations and advance deposit wagering and the need for changes in statutes and rules; and

(6) Presenting evidence in adjudicatory hearings before the commission regarding alleged violations of this chapter or rules adopted in accordance with this chapter; and

B. Management of the work of the department regarding harness racing and, off-track betting and advance deposit wagering, including:

(1) Supervision of all staff involved in harness racing and, off-track betting and advance deposit wagering functions;

(2) Management of the collection and distribution of revenues under this chapter;

(3) Budget development and management;

(4) Policy development with regard to harness racing and, off-track betting and advance deposit wagering;

(5) Management of participant licensing;

(6) Enforcement of advance deposit wagering, harness racing and off-track betting statutes and rules;

(7) Investigation of advance deposit wagering, harness racing and off-track betting violations; and

(8) Facilitating the development of positive working relationships in the harness racing industry and State Government.

Sec. 4. 8 MRSA §271-A is enacted to read:

§ 271-A. Advance deposit wagering

1. Persons eligible to conduct advance deposit wagering. The commission may issue a license to conduct advance deposit wagering, including accepting deposits and making wagers from accounts and entering into contracts with a provider of advance deposit wagering services located within the United States, to a commercial track licensed by the commission. If a commercial track has not been issued a license to conduct advance deposit wagering by July 1, 2015, the commission may issue a license to conduct advance deposit wagering to an off-track betting facility licensed by the commission and in operation as of January 1, 2014. After January 1, 2016, if a commercial track licensed to conduct advance deposit wagering surrenders or fails to renew its license or the license to conduct advance deposit wagering is revoked, the commission may issue a license to an off-track betting facility licensed by the commission and that was in operation as of January 1, 2014. When issuing a license to conduct advance deposit wagering to an off-track betting facility, the commission may issue the license to a single off-track betting facility or to multiple off-track betting facilities in partnership.

2. Fees. The initial fee for a license to conduct advance deposit wagering is \$500. The annual renewal fee is \$250.

3. Duties of the commission. The commission, or the executive director as delegated by the commission, shall:

- A. Enforce the provisions of this section and any rules adopted under this section;
- B. Issue licenses for the conduct of advance deposit wagering;
- C. Prescribe the form and content of an application for a license to conduct advance deposit wagering;
- D. Collect all license fees for advance deposit wagering and distribute commissions from wagers made using advance deposit wagering;
- E. Ensure that an advance deposit wagering licensee employs a reliable system to verify the age and identity of an advance deposit wagering account holder;
- F. Prescribe the process by which a person may establish an advance deposit wagering account with an advance deposit wagering licensee that requires that the account holder be a natural person and not a custodian, beneficiary, joint trust, corporation or other organization;
- G. Prescribe the methods by which deposits are made to advance deposit wagering accounts. The methods prescribed must prohibit the use of credit cards and must prohibit the use of the electronic benefits transfer system administered by the Department of Health and Human Services under Title 22, chapter 1, subchapter 1-A;

H. Prescribe and approve methods by which an advance deposit wagering licensee may accept wagers from and pay prizes to account holders registered and authorized to place wagers using advance deposit wagering;

I. Prohibit the assignment or transfer of an advance deposit wagering account from an authorized account holder to another person;

J. Establish a process for disposition of abandoned advance deposit wagering accounts in accordance with state law; and

K. Require advance deposit wagering licensees to employ an appropriate system, commonly known as a totalisator, to provide accounting controls and accurate transmission of wagering data.

4. Wagering. Notwithstanding section 275-B, an advance deposit wagering licensee may accept wagers from advance deposit wagering account holders by telephone, electronic communication or other electronic media as approved by the commission.

5. Rules. The commission shall adopt rules for the administration, clarification, execution and enforcement of the provisions of this section. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 5. 8 MRSA §275-A, sub-§§2-A, 2-B and 7-A are enacted to read:

2-A. Advance deposit wagering. "Advance deposit wagering" means a form of pari-mutuel wagering on harness or thoroughbred races in which the bettor deposits funds in a wagering account administered by an advance deposit wagering licensee from which the licensee makes wagers on behalf of the bettor and to which the licensee deposits prize money awarded to the bettor.

2-B. Advance deposit wagering licensee. "Advance deposit wagering licensee" means a commercial track or off-track betting facility licensed under section 271-A that is a host facility for advance deposit wagering.

7-A. Net commission. "Net commission" means the wagers placed via advance deposit wagering after subtracting the amount of the contract cost of the advance deposit wagering licensee in contracting with an advance deposit wagering service provider and then subtracting an amount equal to 6.5% of the total remaining commission that is retained by the advance deposit wagering licensee for expenses related to conducting advance deposit wagering.

Sec. 6. 8 MRSA §286, sub-§3, as enacted by PL 1997, c. 528, §46, is amended to read:

3. Track intrastate simulcasting. The distribution of the commission on simulcasting of races originating at a racetrack in the State by another racetrack in the State is calculated as percentages of the handle and distributed as follows.

A. On exotic wagers:

(1) The state share is 2.248%;

- (2) The Sire Stakes Fund share is 1.551%;
- (3) The Stipend Fund share is 1.169%;
- (4) The purse supplement share is 0.99%;
- (5) The Harness Racing Promotional Fund share is 0.25%;
- (6) The horsemen's purse share is 4.305%; and
- (7) The track share is 15.487%.

B. On regular wagers:

- (1) The state share is 0.493%;
- (2) The Sire Stakes Fund share is 0.072%;
- (3) The Stipend Fund share is 1.186%;
- (4) The purse supplement share is 0.986%;
- (5) The Harness Racing Promotional Fund share is 0.25%;
- (6) The horsemen's purse share is 1.512%; and
- (7) The track share is 13.501%.

For exotic and regular wagers placed with an advance deposit wagering licensee that is an off-track betting facility, the track share is reduced by 2% and credited to the off-track betting facility, licensed to conduct advance deposit wagering.

Sec. 7. 8 MRSA §286, sub-§§8 to 13 are enacted to read:

8. Advance deposit wagering interstate simulcasting with commingled pools; commercial track licensee. Except as provided by subsection 9, the distribution of the commission on advance deposit wagering conducted by a commercial track licensed to accept advance deposit wagers in accordance with section 271-A in simulcasting of races with commingled pools originating at a racetrack in another state is calculated as a percentage of the net commission and distributed as follows.

A. On exotic wagers:

- (1) The state share is 1.250%;
- (2) The off-track betting facilities' pooled share is 34.750%;
- (3) The Sire Stakes Fund share is 1.250%;
- (4) The Stipend Fund share is 1.250%;
- (5) The purse supplement share is 2.750%;
- (6) The Harness Racing Promotional Fund share is 0.750%;
- (7) The horsemen's purse share is 3.250%; and
- (8) The commercial tracks' pooled share is 54.750%.

B. On regular wagers:

- (1) The state share is 0.750%;
- (2) The off-track betting facilities' pooled share is 33.000%;
- (3) The Sire Stakes Fund share is 1.250%;
- (4) The Stipend Fund share is 1.250%;
- (5) The purse supplement share is 2.750%;
- (6) The Harness Racing Promotional Fund share is 0.50%;

(7) The horsemen's purse share is 2.5%; and

(8) The commercial tracks' pooled share is 58%.

9. Advance deposit wagering interstate simulcasting with commingled pools exceeding \$5,000,000; commercial track licensee. Beginning with the first Monday after the total statewide handle from advance deposit wagering in simulcasting of races with commingled pools originating from out-of-state tracks has reached \$5,000,000, the commission on advance deposit wagering is calculated as a percentage of the net commission and must be distributed as follows.

A. On exotic wagers:

(1) The state share is 1.25%;

(2) The Sire Stakes Fund share is 1.7975%;

(3) The Stipend Fund share is 2.345%;

(4) The horsemen's purse share is 3.75%;

(5) The purse supplement share is 7.13%;

(6) The Harness Racing Promotional Fund share is 1.8998%;

(7) The commercial tracks' pooled share is 47.0777%; and

(8) The off-track betting facilities' pooled share is 34.75%.

B. On regular wagers:

(1) The state share is 0.75%;

(2) The Sire Stakes Fund share is 1.83%;

(3) The Stipend Fund share is 2.41%;

- (4) The horsemen's purse share is 2.5%;
- (5) The purse supplement share is 7.39%;
- (6) The Harness Racing Promotional Fund share is 1.718%;
- (7) The commercial tracks' pooled share is 50.402%; and
- (8) The off-track betting facilities' pooled share is 33%.

10. Advance deposit wagering interstate simulcasting with commingled pools; off-track betting facility licensee. Except as provided by subsection 11, the distribution of the commission on advance deposit wagering conducted by an off-track betting facility licensed to accept advance deposit wagers in accordance with section 271-A in simulcasting of races with commingled pools originating at a racetrack in another state is calculated as a percentage of the net commission and distributed as follows.

A. On exotic wagers:

- (1) The state share is 1.25%;
- (2) The Sire Stakes Fund share is 1.25%;
- (3) The Stipend Fund share is 1.25%;
- (4) The purse supplement share is 6%;
- (5) The Harness Racing Promotional Fund share is 0.75%;
- (6) The off-track betting facilities' pooled share is 54.75%; and
- (7) The commercial tracks' pooled share is 34.75%.

B. On regular wagers:

- (1) The state share is 0.75%;

- (2) The Sire Stakes Fund share is 1.25%;
- (3) The Stipend Fund share is 1.25%;
- (4) The purse supplement share is 5.25%;
- (5) The Harness Racing Promotional Fund share is 0.5%;
- (6) The off-track betting facilities' pooled share is 58%; and
- (7) The commercial tracks' pooled share is 33%.

11. Advance deposit wagering interstate simulcasting with commingled pools exceeding \$5,000,000; off-track betting facility licensee. Beginning with the first Monday after the total statewide handle from advance deposit wagering in that calendar year has reached \$5,000,000, the commission on advance deposit wagering by an off-track betting facility licensee is calculated as a percentage of the net commission and must be distributed as follows.

A. On exotic wagers:

- (1) The state share is 1.25%;
- (2) The Sire Stakes Fund share is 1.7975%;
- (3) The Stipend Fund share is 2.345%;
- (4) The purse supplement share is 10.88%;
- (5) The Harness Racing Promotional Fund share is 1.8998%;
- (6) The off-track betting facilities' pooled share is 47.0777%; and
- (7) The commercial tracks' pooled share is 34.750%.

B. On regular wagers:

- (1) The state share is 0.75%;

(2) The Sire Stakes Fund share is 1.83%;

(3) The Stipend Fund share is 2.41%;

(4) The purse supplement share is 9.89%;

(5) The Harness Racing Promotional Fund share is 1.718%;

(6) The off-track betting facilities' pooled share is 50.402%; and

(7) The commercial tracks' pooled share is 33%.

12. Advance deposit wagering intrastate simulcasting with commingled pools; commercial track licensee. The distribution of the commission on advance deposit wagering conducted by a commercial track licensed to conduct advance deposit wagering in simulcasting of races with commingled pools originating at a racetrack within the State is calculated as a percentage of the net commission and distributed as follows.

A. On exotic wagers:

(1) The state share is 6.48462%;

(2) The off-track betting facilities' pooled share is 25%;

(3) The Sire Stakes Fund share is 4.47404%;

(4) The Stipend Fund share is 3.37212%;

(5) The purse supplement share is 2.85577%;

(6) The Harness Racing Promotional Fund share is 0.72115%;

(7) The horsemen's purse share is 9.5625%; and

(8) The host track share is 47.5298%.

B. On regular wagers:

- (1) The state share is 2.05417%;
- (2) The off-track betting facilities' pooled share is 25%;
- (3) The Sire Stakes Fund share is 0.3%;
- (4) The Stipend Fund share is 4.94167%;
- (5) The purse supplement share is 4.10833%;
- (6) The Harness Racing Promotional Fund share is 1.04167%; and
- (7) The host track share is 60.3625%.

13. Advance deposit wagering intrastate simulcasting with commingled pools; off-track betting facility licensee. The distribution of the commission on advance deposit wagering conducted by an off-track betting facility licensed to conduct advance deposit wagering in simulcasting of races with commingled pools originating at a racetrack within the State is calculated as a percentage of the net commission and distributed as follows.

A. On exotic wagers:

- (1) The state share is 6.48462%;
- (2) The off-track betting facilities' pooled share is 25%;
- (3) The Sire Stakes Fund share is 4.47404%;
- (4) The Stipend Fund share is 3.37212%;
- (5) The purse supplement share is 29.98077%;
- (6) The Harness Racing Promotional Fund share is 0.72115%; and
- (7) The host track share is 47.5298%.

B. On regular wagers:

- (1) The state share is 2.05417%;
- (2) The off-track betting facilities' pooled share is 25%;
- (3) The Sire Stakes Fund share is 0.3%;
- (4) The Stipend Fund share is 4.94167%;
- (5) The purse supplement share is 6.3%;
- (6) The Harness Racing Promotional Fund share is 1.04167%; and
- (7) The host track share is 60.3625%.

Sec. 8. 8 MRSA §293, as enacted by PL 1997, c. 528, §46, is amended to read:

§ 293. Track share, host track share and commercial tracks' pooled share

Amounts calculated as track share under section 286 must be retained by the track where the wager was placed.

Amounts calculated as the commercial tracks' pooled share of commissions distributed from advance deposit wagers under section 286 must be shared among and distributed to all licensed commercial tracks, with each commercial track receiving that portion of the commercial tracks' pooled share determined by multiplying the pooled share times a fraction, the numerator of which is the minimum number of days of racing the 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. The commercial tracks' pooled share must be paid within 17 days after the advance deposit wager is placed.

Amounts calculated as the host track share of commissions distributed from advance deposit wagers under section 286 must be paid to the track where the race was conducted within 17 days after the wager is placed.

Sec. 9. 8 MRSA §294-A is enacted to read:

§ 294-A. Off-track betting facilities' pooled share

Amounts calculated as the off-track betting facilities' pooled share of commissions distributed from advance deposit wagers under section 286 must be divided evenly among and distributed to all off-track betting facilities within 17 days after the advance deposit wager is placed.

Sec. 10. Review of advance deposit wagering. The State Harness Racing Commission shall consult with all licensees authorized to conduct harness racing in the State and organizations that receive a distribution of commissions under the Maine Revised Statutes, Title 8, chapter 11 to consider the impact of the operation of advance deposit wagering on the conduct of racing and recommend any changes to the distribution of commissions from advance deposit wagering. The commission may recommend changes to the distribution to provide greater stability to the harness racing industry and to ensure that distributions are fair and equitable among recipients. The commission shall submit a report based on these considerations and make recommendations to the joint standing committee of the Legislature having jurisdiction over wagering on harness racing matters no later than December 31, 2018.

Sec. 11. Appropriations and allocations. The following appropriations and allocations are made.

AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF

Harness Racing Commission 0320

Initiative: Provides an allocation of \$48,204 in fiscal year 2014-15, which would increase to \$95,408 beginning in fiscal year 2015-16, for monitoring of advance deposit wagering.

OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
All Other	\$0	\$48,204
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$48,204

Harness Racing Commission 0320

Initiative: Provides an allocation of \$7,959 in fiscal year 2014-15, which would increase to \$15,919 beginning in fiscal year 2015-16, for the purpose of funding the State Harness Racing Commission.

OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
All Other	\$0	\$7,959
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$7,959

Harness Racing Promotional Board 0873

Initiative: Provides an allocation of \$6,837 in fiscal year 2014-15, which would increase to \$13,673 beginning in fiscal year 2015-16, to the Harness Racing Promotional Board to promote the harness racing industry.

OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
All Other	\$0	\$6,837

OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$6,837
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AGRICULTURE, CONSERVATION AND FORESTRY,		
DEPARTMENT OF		
DEPARTMENT TOTALS	2013-14	2014-15
OTHER SPECIAL REVENUE FUNDS	\$0	\$63,000
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$63,000

SUMMARY

This amendment, which is the minority report of the committee, replaces the bill and establishes a framework for the conduct of advance deposit wagering on harness horse racing and thoroughbred horse racing. The amendment provides that commercial tracks are eligible for a license to accept wagers made by telephone or electronic communication using advance deposit wagering. If no commercial track is licensed to conduct advance deposit wagering as of July 1, 2015, an existing off-track betting facility is eligible for an advance deposit wagering license. The amendment provides that an off-track betting facility may apply for a license individually or in partnership with another eligible off-track betting facility. Under the amendment, advance deposit wagering is a form of pari-mutuel wagering in which a bettor establishes an account from which wagers on horse races are made and into which prizes are deposited. An advance deposit wager licensee receives a percentage of each wager made using advance deposit wagering. Advance deposit wagering licenses are issued by the State Harness Racing Commission. The amendment prescribes the duties of the commission with regard to enforcement and administration of laws and rules that govern advance deposit wagering. The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED
 (See attached)