



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 623

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H.P. 459

House of Representatives, March 1, 2021

### An Act To Amend the Advance Deposit Wagering Laws

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Received by the Clerk of the House on February 25, 2021. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative McCREIGHT of Harpswell.  
Cosponsored by Representative: DILLINGHAM of Oxford, Senators: CLAXTON of  
Androscoggin, President JACKSON of Aroostook, LIBBY of Androscoggin.

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

2 **Sec. 1. 8 MRSA §1001, sub-§1-A**, as enacted by PL 2015, c. 499, §1, is repealed  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

4 **1-A. Advance deposit wagering.** "Advance deposit wagering" means a form of pari-  
5 mutuel wagering on horse races in which wagers are made in person or by telephone,  
6 Internet, mobile device, electronic communication or, if approved by the board, other  
7 electronic medium and the account holder deposits funds in a wagering account  
8 administered by an advance deposit wagering licensee. An advance deposit wagering  
9 licensee makes wagers from the wagering account at the direction of and on behalf of the  
10 account holder, and the advance deposit wagering licensee deposits money into the  
11 wagering account from winning wagers awarded to the account holder.

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

14 **1-B. Advance deposit wagering licensee.** "Advance deposit wagering licensee"  
15 means a person that is chosen by competitive bid and licensed by the board pursuant to  
16 subchapter 7 to conduct advance deposit wagering.

17 **Sec. 3. 8 MRSA §1001, sub-§20-A** is enacted to read:

18 **20-A. Gross advance deposit wagering income.** "Gross advance deposit wagering  
19 income" means the total amount of wagers placed by residents of this State via advance  
20 deposit wagering before payment of money to winning bettors.

21 **Sec. 4. 8 MRSA §1001, sub-§29-D** is enacted to read:

22 **29-D. Multijurisdictional account wagering provider.** "Multijurisdictional account  
23 wagering provider" means a business entity domiciled in a jurisdiction other than this State  
24 that is licensed by another jurisdiction to offer advance deposit wagering on horse races for  
25 which it offers wagering to account holders in or out of the jurisdiction that issued the  
26 license, including in this State.

27 **Sec. 5. 8 MRSA §1015**, as amended by PL 2013, c. 212, §§13 and 14, is further  
28 amended to read:

29 **§1015. Licensing of employees of slot machine and casino operators, slot machine and  
30 table game distributors and, gambling services vendors and advance deposit  
31 wagering licensees**

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

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

41 **3. Requirements for waiver.** Upon application by a slot machine operator, casino  
42 operator, slot machine distributor, table game distributor or, gambling services vendor or

1 advance deposit wagering licensee, the board may waive the employee license requirement  
2 under this section if the slot machine operator, casino operator, slot machine distributor,  
3 table game distributor or gambling services vendor or advance deposit wagering licensee  
4 demonstrates to the board's satisfaction that the public interest is not served by the  
5 requirement of the employee license.

6 **4. Employees authorized temporarily.** A new employee of a slot machine operator,  
7 casino operator, slot machine distributor, table game distributor or gambling services  
8 vendor or advance deposit wagering licensee is temporarily authorized to work in a position  
9 requiring an employee license pursuant to subsection 1 as of the date a completed employee  
10 license application is received by the board. A completed employee license application is  
11 composed of:

- 12 A. The completed form for application for an employee license approved by the board;
- 13 B. Two complete sets of the fingerprints of the applicant;
- 14 C. The fee for processing the employee license application as prescribed by the board;
- 15 and
- 16 D. The results of the background investigation conducted by the employer.

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

20 Temporary authorization is not available for renewal of employee licenses.

21 **5. Termination of temporary authorization.** Unless suspended or revoked, a  
22 temporary authorization under subsection 4 continues until the granting or denial of the  
23 new employee's employee license application in accordance with sections 1016, 1017 and  
24 1019 and any applicable rules adopted by the board. An applicant whose temporary  
25 authorization is suspended or revoked is not eligible for employment in a position requiring  
26 an employee license pursuant to subsection 1 until such time as the suspension or  
27 revocation is withdrawn or an employee license is issued.

28 **6. Exception.** An employee of an advance deposit wagering licensee that is a  
29 multijurisdictional account wagering provider is not subject to the employee license  
30 requirement under this section if:

- 31 A. The employee is not involved in the processing of wagers by residents of this State;
- 32 or
- 33 B. The employee is not located in this State and is licensed in a jurisdiction in  
34 connection with the multijurisdictional account wagering provider's operations in that  
35 jurisdiction.

36 **Sec. 6. 8 MRSA §1016, sub-§1**, as amended by PL 2013, c. 212, §§15 to 18, is  
37 further amended to read:

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

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

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

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

13 C. The person has not knowingly or recklessly made a false statement of material fact  
14 in applying for a license under this chapter or any gambling-related license in any other  
15 jurisdiction;

16 D. In the case of a person applying to be a slot machine operator ~~or~~, casino operator  
17 or advance deposit wagering licensee, the person has sufficient knowledge and  
18 experience in the business of operating slot machines ~~or~~, casinos or advance deposit  
19 wagering to effectively operate the slot machine facilities ~~or~~, casino or advance deposit  
20 wagering to which the license application relates in accordance with this chapter and  
21 the rules and standards adopted under this chapter; and

22 F. If the applicant is a business organization, the applicant is organized in this State,  
23 although that business organization may be a wholly or partially owned subsidiary of  
24 an entity that is organized pursuant to the laws of another state or a foreign country.

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

28 **Sec. 7. 8 MRSA §1071**, as enacted by PL 2015, c. 499, §8, is repealed.

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

30 **§1072. Distribution of ~~net commission~~ advance deposit wagering revenue**

31 ~~The net commission established in the contract executed pursuant to section 1071,~~  
32 ~~subsection 3 must be distributed according to this section.~~

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

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

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

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

3 D. Ten percent of the ~~net commission~~ amount collected under this subsection must be  
4 distributed to the Agricultural Fair Support Fund established under Title 7, section 91  
5 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion  
6 of the distribution required by this paragraph may be distributed to a commercial track.

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

10 F. Twenty percent of the ~~net commission~~ amount collected under this subsection must  
11 be distributed to the track where the race upon which the wager was placed was  
12 conducted.

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

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

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

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

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

31 D. Ten percent of the ~~net commission~~ amount collected under this subsection must be  
32 distributed to the Agricultural Fair Support Fund established under Title 7, section 91  
33 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion  
34 of the distribution required by this paragraph may be distributed to a commercial track.

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

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

1 which is the sum of the number of days of racing all the commercial tracks are required  
2 to conduct in order to retain their commercial track licenses.

3 **Sec. 9. 8 MRSA §1073** is enacted to read:

4 **§1073. Advance deposit wagering license**

5 **1. Eligibility.** To receive an advance deposit wagering license from the board, an  
6 entity must meet the requirements of this section and the rules adopted by the board under  
7 section 1003, subsection 2, paragraph U and must be:

8 A. A commercial track licensed under section 271;

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

10 C. A multijurisdictional account wagering provider.

11 Neither a multijurisdictional account wagering provider nor its parent company,  
12 subsidiaries or affiliates may be found in violation of this section or any other laws of this  
13 State or ineligible to receive an advance deposit wagering license or may be subject to any  
14 other disciplinary action as a result of unlicensed conduct under this Title before the  
15 effective date of this section that was conducted pursuant to its multijurisdictional license  
16 and would have been permitted as licensed conduct under this section.

17 **2. Authority to conduct advance deposit wagering.** An advance deposit wagering  
18 license issued by the board under this section grants a licensee authority to conduct advance  
19 deposit wagering in this State, including accepting deposits and wagers from account  
20 holders. An advance deposit wagering licensee may accept a wager from an advance  
21 deposit wagering account holder in person or by telephone, Internet, mobile device,  
22 electronic communication or, if approved by the board, other electronic medium.

23 **3. Contract.** Advance deposit wagering may be conducted directly by an advance  
24 deposit wagering licensee or through such a licensee entering into a contract with a provider  
25 of advance deposit wagering services located within the United States.

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

27 A. Purchase a bond to secure the accounts of advance deposit wagering bettors; and

28 B. Use a system to conduct advance deposit wagering to ensure that bettors who  
29 establish accounts to place bets on horse racing via advance deposit wagering are 18  
30 years of age or older and residents of the State.

31 **5. Application fee.** The board shall require a nonrefundable application fee of \$1,000  
32 for a license under this section and an applicant shall pay the costs of the board for  
33 processing an application and performing background investigations.

34 **6. License fee; term; renewal.** A license issued under this section authorizes the  
35 licensee to conduct advance deposit wagering for a period of 5 years. The fee for a license  
36 to conduct advance deposit wagering is \$500. The renewal fee for a license to conduct  
37 advance deposit wagering is \$250.

38 **SUMMARY**

39 This bill allows commercial tracks, off-track betting facilities and multijurisdictional  
40 account wagering providers to obtain a license to conduct advance deposit wagering. It

1        repeals the provision that directs the Department of Public Safety, Gambling Control  
2        Board, through a competitive bidding process, to award one bidder the privilege to be  
3        licensed to conduct advance deposit wagering. It requires advance deposit wagering  
4        licensees to remit 5% of the licensees' gross advance deposit wagering income to the board  
5        for distribution by the board. The bill also requires licensure of employees of advance  
6        deposit wagering licensees.