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Legislative Document

No. 1527

H.P. 1131

House of Representatives, April 19, 2021

An Act To Ensure Proper Oversight of Sports Betting in the State

Received by the Clerk of the House on April 15, 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 ROCHE of Wells.
Cosponsored by Representatives: COREY of Windham, CROCKETT of Portland,
DILLINGHAM of Oxford, FAULKINGHAM of Winter Harbor, O'CONNOR of Berwick,
STEARNS of Guilford, Senators: LUCHINI of Hancock, WOODSOME of York.

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

2 **Sec. 1. 8 MRSA §1003, sub-§5**, as repealed and replaced by PL 2017, c. 475, Pt.
3 A, §11, is amended to read:

4 **5. Additional duties of the director.** The director also serves as the director of the
5 Gambling Control Unit, established as a bureau within the Department of Public Safety
6 under Title 25, section 2902, subsection 12. As director of the unit, the director shall
7 administer and enforce the laws governing fantasy contests under chapter 33, sports
8 wagering under chapter 35 and beano and games of chance under Title 17, chapters 13-A
9 and 62, respectively.

10 **Sec. 2. 8 MRSA §1104, sub-§2**, as enacted by PL 2017, c. 303, §2, is amended to
11 read:

12 **2. Certain leagues and contests prohibited.** A fantasy contest operator may not offer
13 a fantasy contest based on the performances of participants in ~~collegiate~~ or high school
14 athletic events or other athletic events involving participants under 18 years of age.

15 **Sec. 3. 8 MRSA c. 35** is enacted to read:

16 **CHAPTER 35**

17 **REGULATION OF SPORTS WAGERING**

18 **§1201. Authorization of sports wagering; license required**

19 Notwithstanding any provision of law to the contrary, the operation of sports wagering
20 and ancillary activities are lawful when conducted in accordance with the provisions of this
21 chapter and the rules adopted under this chapter.

22 A person or entity may not engage in any activities in this State that require a license
23 under this chapter unless all necessary licenses have been obtained in accordance with this
24 chapter and rules adopted under this chapter.

25 **§1202. Definitions**

26 As used in this chapter, unless the context otherwise indicates, the following terms
27 have the following meanings.

28 **1. Adjusted gross sports wagering receipts.** "Adjusted gross sports wagering
29 receipts" means an operator's gross receipts from sports wagering less the total of all
30 winnings paid to patrons, which includes the cash equivalent of any merchandise or thing
31 of value awarded as a prize, and less excise tax payments remitted to the Federal
32 Government.

33 **2. Collegiate sports or athletic event.** "Collegiate sports or athletic event" means a
34 sports or athletic event offered or sponsored by, or played in connection with, a public or
35 private institution that offers postsecondary educational services.

36 **3. Commissioner.** "Commissioner" means the Commissioner of Public Safety.

37 **4. Department.** "Department" means the Department of Public Safety.

1 **5. Director.** "Director" means the director of the Gambling Control Unit within the
2 department.

3 **6. Facility operator.** "Facility operator" means a facility sports wagering licensee
4 under subsection 7, paragraph A.

5 **7. License.** "License" means any license applied for or issued by the director under
6 this chapter, including, but not limited to:

7 A. A facility sports wagering license under section 1206 to conduct sports wagering
8 in which wagers are placed within a physical location in this State;

9 B. A mobile sports wagering license under section 1207 to permit a mobile operator
10 to operate sports wagering through an approved mobile application or other digital
11 platform that involves, at least in part, the use of the Internet;

12 C. A supplier license under section 1208 to sell goods and services to be used in
13 connection with sports wagering, but not to directly accept wagers;

14 D. A management services license under section 1209 to manage sports wagering on
15 behalf of a facility sports wagering licensee or a mobile sports wagering licensee; and

16 E. An occupational license under section 1210 to be employed by a facility sports
17 wagering licensee to operate sports wagering when the employee performs duties in
18 furtherance of or associated with the operation of sports wagering.

19 **8. Mobile operator.** "Mobile operator" means a mobile sports wagering licensee
20 under subsection 7, paragraph B.

21 **9. Official league data.** "Official league data" means statistics, results, outcomes and
22 other data relating to a sports event that is obtained pursuant to an agreement with the
23 relevant sports governing body or an entity expressly authorized by the relevant sports
24 governing body to provide that data to operators for determining the outcome of tier 2
25 sports wagers on that sports event.

26 **10. Operator.** "Operator" includes a facility operator and a mobile operator.

27 **11. Professional sports or athletic event.** "Professional sports or athletic event"
28 means an event at which 2 or more persons participate in sports or athletic contests and
29 receive compensation in excess of actual expenses for their participation in the event.

30 **12. Prohibited sports event.** "Prohibited sports event" means a high school sports or
31 athletic event, any other event in which a majority of the participants are under 18 years of
32 age or a collegiate sports or athletic event in which any Maine collegiate sports team
33 participates, regardless of where the event takes place.

34 **13. Qualified gaming entity.** "Qualified gaming entity" means a gaming entity that
35 offers sports wagering through mobile applications or digital platforms in any jurisdiction
36 in the United States pursuant to a state regulatory structure.

37 **14. Sports event.** "Sports event" means any professional sports or athletic event,
38 collegiate sports or athletic event or amateur sports or athletic event, including but not
39 limited to an Olympic or international sports or athletic event, a motor vehicle race or an
40 electronic sports event, commonly referred to as "e-sports."

1 **15. Sports governing body.** "Sports governing body" means an organization that is
2 headquartered in the United States and prescribes final rules and enforces codes of conduct
3 with respect to a sports event and participants in the sports event.

4 **16. Sports wagering.** "Sports wagering" means the business of accepting wagers on
5 sports events or portions of sports events, the individual performance statistics of athletes
6 in a sports event or a combination of any of the same by any system or method of wagering
7 approved by the director, including, but not limited to, in person on the property of a facility
8 licensee or via a mobile sports wagering licensee's mobile applications and digital
9 platforms that use communications technology to accept wagers. "Sports wagering" does
10 not include the sale of pari-mutuel pools authorized under chapter 11 or the operation of
11 fantasy contests as defined in section 1101, subsection 4.

12 **17. Tier 1 sports wager.** "Tier 1 sports wager" means a wager placed on a sports
13 event that is based solely on the final score or final outcome of the relevant sports event
14 and is placed before the relevant sports event has begun.

15 **18. Tier 2 sports wager.** "Tier 2 sports wager" means a wager placed on a sports
16 event that is not a tier 1 sports wager.

17 **19. Wager.** "Wager" means a sum of money or thing of value risked on an uncertain
18 occurrence.

19 **§1203. Powers and duties of director**

20 **1. Powers and duties.** In administering and enforcing this chapter, the director:

21 A. Has the power to regulate the conduct of sports wagering;

22 B. Shall determine the eligibility of a person to hold or continue to hold a license, shall
23 issue all licenses and shall maintain a record of all licenses issued under this chapter;

24 C. Shall levy and collect all fees, civil penalties and tax on adjusted gross sports
25 wagering receipts imposed by this chapter, except as otherwise provided under this
26 chapter;

27 D. May sue to enforce any provision of this chapter or any rule of the director by civil
28 action or petition for injunctive relief;

29 E. May hold hearings, administer oaths and issue subpoenas or subpoenas duces tecum
30 in the manner provided by applicable law; and

31 F. May exercise any other powers necessary to effectuate the provisions of this chapter
32 and the rules of the director.

33 **2. Rules.** The director shall adopt rules governing the conduct of sports wagering in
34 the State, which must, at a minimum, include the following:

35 A. Qualifications for obtaining a facility sports wagering license, supplier license,
36 management services license, mobile sports wagering license or occupational license,
37 including the procedure and qualifications for obtaining a waiver of the occupational
38 license requirement;

39 B. Qualifications for obtaining a temporary facility sports wagering license, temporary
40 supplier license, temporary management services license and temporary mobile sports
41 wagering license;

- 1 C. The methods of operation of sports wagering, including but not limited to the
2 permitted systems and methods of wagers; the use of credit and checks by persons
3 making wagers; the types of wagering receipts that may be used; the method of issuing
4 receipts; the prevention of sports wagering on prohibited sports events; the protection
5 of patrons placing wagers; and the promotion of social responsibility and responsible
6 gaming and display of information on resources for problem gambling at a facility
7 operator's premises or on any mobile application or digital platform used to place
8 wagers;
- 9 D. If the director determines that establishment of a maximum wager is necessary for
10 the protection of public safety, the maximum wager that may be accepted from any one
11 person on a single sports event;
- 12 E. Standards for the adoption of comprehensive house rules governing sports wagering
13 by operators and the approval of house rules by the director as required under section
14 1211;
- 15 F. Minimum design and security requirements for the physical premises of facility
16 operators in which sports wagering is conducted, including but not limited to minimum
17 requirements for the acceptance of wagers at a self-serve kiosk located on the premises
18 and minimum required methods for verifying the identity and age of a person who
19 places a wager with a facility operator, for verifying that the person making a wager is
20 not prohibited from a making a wager under section 1213 and for requiring the refund
21 of any wager determined to have been placed by a person prohibited from making a
22 wager under section 1213;
- 23 G. Minimum design and security requirements for mobile applications and digital
24 platforms for the acceptance of wagers by mobile operators, including required
25 methods for verifying the age and identity of a person who places a wager with a mobile
26 operator, for verifying that the person making the wager is physically located in the
27 State and is not prohibited from making a wager under section 1213 and for requiring
28 the refund of any wager determined to have been placed by a person prohibited from
29 making a wager under section 1213;
- 30 H. The types of interested parties, including sports team or league employees or
31 owners, from whom operators are prohibited from accepting wagers under section
32 1213, subsection 4;
- 33 I. Minimum design, security, testing and approval requirements for sports wagering
34 equipment, systems or services sold by suppliers licensed under section 1208;
- 35 J. Minimum requirements for a contract between a management services licensee
36 under section 1209 and an operator on whose behalf the management services licensee
37 conducts sports wagering, including but not limited to requirements that the person
38 providing management services is licensed prior to entering a contract and that the
39 contract be approved by the director prior to the conduct of sports wagering;
- 40 K. Establishment of a list of persons who are not authorized to place a wager on a
41 sports event, including but not limited to those persons who voluntarily request that
42 their names be included on the list of unauthorized persons. The rules adopted under
43 this paragraph must define the standards for involuntary placement on the list and for
44 removal from the list; and

1 L. Minimum internal control standards for operators, including but not limited to
2 procedures for safeguarding assets and revenues; the recording of cash and evidence
3 of indebtedness; the maintenance of reliable records, accounts and reports of
4 transactions, operations and events; required audits; and the content of and frequency
5 with which reports of sports wagering activities and revenues must be made to the
6 director.

7 **3. Rulemaking.** Rules adopted by the director pursuant to this chapter are routine
8 technical rules as defined in Title 5, chapter 375, subchapter 2-A.

9 **§1204. Application; criminal history background check**

10 **1. Application.** An application for a license or for renewal of a license required under
11 this chapter must be submitted on the form provided by the director. An application
12 submitted to the director must, at a minimum, include the following:

13 A. The full name, current address and contact information of the applicant;

14 B. Disclosure of each person that has control of the applicant as described in subsection
15 2;

16 C. Consent to permit the director to conduct a criminal history record check in
17 accordance with subsection 3 of the applicant and each person disclosed under
18 paragraph B in accordance with procedures established by the director;

19 D. For the applicant and each person disclosed under paragraph B, a record of previous
20 issuances and denials of or any adverse action taken against a gambling-related license
21 or application under this Title or in any other jurisdiction. For purposes of this
22 paragraph, "adverse action" includes, but is not limited to, a condition resulting from
23 an administrative, civil or criminal violation, a suspension or revocation of a license or
24 a voluntary surrender of a license to avoid or resolve a civil, criminal or disciplinary
25 action; and

26 E. Any additional information required by the director by rule.

27 **2. Persons that have control.** The following persons are considered to have control
28 of an applicant or a licensee:

29 A. Each corporate holding company, parent company or subsidiary company of a
30 corporate applicant or licensee and each person that owns 10% or more of the corporate
31 applicant or licensee and that has the ability to control the activities of the corporate
32 applicant or licensee or elect a majority of the board of directors of that corporate
33 applicant or licensee, except for a bank or other licensed lending institution that holds
34 a mortgage or other lien acquired in the ordinary course of business;

35 B. Each person associated with a noncorporate applicant or licensee that directly or
36 indirectly holds a beneficial or proprietary interest in the noncorporate applicant's or
37 licensee's business operation or that the director otherwise determines has the ability to
38 control the noncorporate applicant or licensee; and

39 C. Key personnel of an applicant or licensee, including any executive, employee or
40 agent, having the power to exercise significant influence over decisions concerning any
41 part of the applicant's or licensee's relevant business operation.

1 **3. Criminal history record check.** The director shall request a criminal history record
2 check in accordance with this subsection for each applicant for initial licensure and each
3 person required to be disclosed by the applicant for initial licensure under subsection 1,
4 paragraph B. The director may require a criminal history record check in accordance with
5 this section from a licensee seeking to renew a license, from any person the licensee is
6 required to disclose under subsection 1, paragraph B as part of the license renewal
7 application and from any person identified by the licensee under subsection 4. A criminal
8 history record check conducted pursuant to this section must include criminal history
9 record information obtained from the Maine Criminal Justice Information System
10 established in Title 16, section 631 and the Federal Bureau of Investigation.

11 A. Criminal history record information obtained from the Maine Criminal Justice
12 Information System pursuant to this subsection must include a record of public criminal
13 history record information as defined in Title 16, section 703, subsection 8.

14 B. Criminal history record information obtained from the Federal Bureau of
15 Investigation pursuant to this subsection must include other state and national criminal
16 history record information.

17 C. An individual required to submit to a criminal history record check under this
18 subsection shall submit to having the individual's fingerprints taken. The State Police,
19 upon payment by the individual of the fee required under paragraph D, shall take or
20 cause to be taken the individual's fingerprints and shall forward the fingerprints to the
21 Department of Public Safety, Bureau of State Police, State Bureau of Identification.
22 The State Bureau of Identification shall conduct the state and national criminal history
23 record checks required under this subsection. Except for the portion of a payment, if
24 any, that constitutes the processing fee for a criminal history record check charged by
25 the Federal Bureau of Investigation, all money received by the State Police under this
26 subsection must be paid to the Treasurer of State, who shall apply the money to the
27 expenses incurred by the Department of Public Safety in the administration of this
28 subsection.

29 D. The director shall by rule set the amount of the fee to be paid for each criminal
30 history record check required to be performed under this subsection.

31 E. The subject of a Federal Bureau of Investigation criminal history record check may
32 obtain a copy of the criminal history record check by following the procedures outlined
33 in 28 Code of Federal Regulations, Sections 16.32 and 16.33. The subject of a state
34 criminal history record check may inspect and review the criminal history record
35 information pursuant to Title 16, section 709.

36 F. State and national criminal history record information obtained by the director under
37 this subsection may be used only for the purpose of screening an applicant for a license
38 or a license renewal under this chapter.

39 G. All criminal history record information obtained by the director pursuant to this
40 subsection is confidential, is for the official use of the director only and may not be
41 disseminated by the director or disclosed to any other person or entity except as
42 provided in paragraph E.

1 H. The director, after consultation with the Department of Public Safety, Bureau of
2 State Police, State Bureau of Identification, shall adopt rules to implement this
3 subsection.

4 **4. Material change to application.** A person licensed under this chapter shall give
5 the director written notice within 30 days of any material change to any information
6 provided in the licensee's application for a license or renewal, including any change in the
7 identity of persons considered to have control of the licensee as described in subsection 2.

8 **5. Gambling Control Unit employees prohibited.** An employee of the Gambling
9 Control Unit within the department may not be an applicant for a license issued under this
10 chapter.

11 **§1205. Denial of license; administrative sanctions**

12 **1. Grounds for denial of license or imposition of administrative sanctions.** The
13 following are grounds for the director to deny a license or license renewal or for the
14 imposition of administrative sanctions, in accordance with this section, on a person licensed
15 under this chapter:

16 A. If the applicant or licensee has knowingly made a false statement of material fact
17 to the director;

18 B. If the applicant or licensee has not disclosed the existence or identity of other
19 persons that have control of the applicant or licensee as required by section 1204,
20 subsections 1 and 4;

21 C. If the applicant or licensee has had a license revoked by any government authority
22 responsible for regulation of gaming activities;

23 D. If the applicant, the licensee or a person having control of the applicant or licensee
24 under section 1204, subsection 2 is not of good moral character. In determining whether
25 the applicant, licensee or person is of good moral character, the director shall consider
26 qualities that include but are not limited to honesty, candor, trustworthiness, diligence,
27 reliability, observance of fiduciary and financial responsibility and respect for the
28 rights of others;

29 E. If the applicant, the licensee or a person having control of the applicant or licensee
30 under section 1204, subsection 2:

31 (1) Has, in any jurisdiction, been convicted of or pled guilty or nolo contendere to
32 a crime punishable by one year or more of imprisonment;

33 (2) Has, in any jurisdiction, been adjudicated of committing a civil violation or
34 been convicted of a criminal violation involving dishonesty, deception,
35 misappropriation or fraud;

36 (3) Has engaged in conduct in this State or any other jurisdiction that would
37 constitute a violation of this chapter; chapter 11 involving gambling; chapter 31;
38 Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or substantially similar
39 offenses in other jurisdictions;

40 (4) Is a fugitive from justice, a drug user, a person with substance use disorder, an
41 illegal alien or a person who was dishonorably discharged from the Armed Forces
42 of the United States; or

1 (5) Is not current in filing all applicable tax returns and in the payment of all taxes,
2 penalties and interest owed to this State, any other state or the United States
3 Internal Revenue Service, excluding items under formal appeal;

4 F. If the applicant or licensee has not demonstrated to the satisfaction of the director
5 sufficient financial assets to meet the requirements of the licensed business or proposed
6 business and to meet any financial obligations imposed by this chapter;

7 G. If the applicant, the licensee or a person having control of the applicant or licensee
8 under section 1204, subsection 2 has not demonstrated financial responsibility. For the
9 purposes of this paragraph, "financial responsibility" means a demonstration of a
10 current and expected future condition of financial solvency sufficient to satisfy the
11 director that the applicant, the licensee or the person can successfully engage in
12 business without jeopardy to the public health, safety and welfare. "Financial
13 responsibility" may be determined by an evaluation of the total history concerning the
14 applicant, the licensee or the person, including past, present and expected condition
15 and record of financial solvency, business record and accounting and managerial
16 practices;

17 H. If the applicant or licensee has not met the requirements of this chapter; or

18 I. If the applicant or licensee has violated any provision of this chapter or of the rules
19 adopted under this chapter.

20 **2. Denial of initial license or renewed license; notice; hearing.** The director may
21 deny an application for a license or for renewal of a license for the reasons set forth in
22 subsection 1. The director shall notify the applicant or the licensee in writing of the
23 decision and of the opportunity to request a hearing conducted by the commissioner.

24 If the applicant or licensee fails to request a hearing within 30 days of the date that the
25 notice was mailed under this subsection, the director may issue a final decision denying the
26 application for a license or for renewal of a license. If the applicant or licensee makes a
27 timely request for a hearing, the commissioner shall conduct an adjudicatory hearing in
28 accordance with Title 5, chapter 375, subchapter 4. The director's decision to deny the
29 license or license renewal stands until the commissioner issues a decision to uphold, modify
30 or overrule the director's decision.

31 After hearing, if the commissioner finds grounds for denying a license or license renewal
32 under subsection 1, the commissioner may deny the application for a license or for renewal
33 of a license.

34 **3. Investigation of complaints; notice; hearing.** The director or the director's
35 designee shall investigate a complaint on the director's own motion or upon receipt of a
36 written complaint regarding noncompliance with or violation of this chapter or of any rules
37 adopted under this chapter. Following the investigation, the director may mail the licensee
38 a notice of violation and proposed sanction and the opportunity to request a hearing.

39 If the licensee fails to request a hearing within 30 days of the date that a notice was mailed
40 under this subsection, the director may issue a final decision imposing the sanction
41 proposed in the notice. If the licensee makes a timely request for a hearing, the
42 commissioner shall conduct an adjudicatory hearing in accordance with Title 5, chapter
43 375, subchapter 4. If, after the hearing, the commissioner finds that the factual basis of the

1 complaint is true and is of sufficient gravity to warrant further action, the commissioner
2 may impose an administrative sanction under subsection 4.

3 **4. Administrative sanctions.** The director or the commissioner may, pursuant to
4 subsection 3, impose the following administrative sanctions on a licensee:

5 A. A written reprimand;

6 B. Conditions of probation of a license;

7 C. A license suspension;

8 D. A license revocation; or

9 E. A civil penalty of up to \$25,000 per violation of any provision of this chapter or
10 rule adopted pursuant to this chapter.

11 **5. Appeals.** A person aggrieved by the final decision of the commissioner under
12 subsection 2 or 3 may appeal the commissioner's decision to the Superior Court in
13 accordance with Title 5, chapter 375, subchapter 7.

14 **§1206. Facility sports wagering license**

15 **1. Issuance of license.** The director shall issue a facility sports wagering license upon
16 finding that the applicant meets all requirements of this section, sections 1204 and 1205
17 and rules adopted under this chapter.

18 **2. Eligibility.** To be eligible to receive a facility sports wagering license, an applicant
19 must be:

20 A. A commercial track licensed under section 271;

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

22 C. A slot machine facility or casino licensed under section 1011; or

23 D. A federally recognized Indian tribe in this State.

24 Each entity or tribe identified in paragraphs A to D may receive only one facility sports
25 wagering license under this section.

26 **3. Authority to conduct sports wagering; management services permitted.** A
27 facility sports wagering license granted by the director pursuant to this section grants a
28 licensee lawful authority to conduct sports wagering within the terms and conditions of the
29 license and any rules adopted under this chapter. A facility sports wagering licensee may
30 contract with a management services licensee under section 1209.

31 **4. Fees.** The fee for an initial or renewed facility sports wagering license is \$2,000
32 and must be retained by the director for the costs of administering this chapter. In addition
33 to the license fee, the director may charge a processing fee for an initial or renewed license
34 in an amount equal to the projected cost of processing the application and performing any
35 background investigations. If the actual cost exceeds the projected cost, an additional fee
36 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
37 difference may be refunded to the applicant or licensee.

38 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
39 under this section is valid for 2 years unless sooner revoked by the director under section
40 1205. The failure of an entity identified in subsection 2, paragraph A, B or C to maintain

1 the underlying license described in that paragraph voids the entity's facility sports wagering
2 license.

3 **6. Temporary license.** An applicant for a facility sports wagering license that is
4 qualified under subsection 2, paragraph A, B or C may submit with the application a request
5 for a temporary license. An applicant for a facility sports wagering license that is qualified
6 under subsection 2, paragraph D and that has a license to operate high-stakes beano under
7 Title 17, section 314-A may submit with the application a request for a temporary license.

8 A request for a temporary license must include the initial license fee of \$2,000. If the
9 director determines that the applicant is qualified under subsection 2, meets the
10 requirements established by rule for a temporary license and has paid the initial license fee
11 and the director is not aware of any reason the applicant is ineligible for a license under
12 this section, the director may issue a temporary facility sports wagering license. A
13 temporary license issued under this subsection is valid for one year or until a final
14 determination on the facility sports wagering license application is made, whichever is
15 sooner. If after investigation the director determines that the applicant is eligible for a
16 facility sports wagering license under this chapter, the director shall issue the initial facility
17 sports wagering license, at which time the temporary license terminates. The initial facility
18 sports wagering license is valid for 2 years from the date that the temporary license was
19 issued by the director. Sports wagering conducted under authority of a temporary license
20 must comply with the facility operator's house rules adopted under section 1211.

21 **7. Occupational license required.** A facility sports wagering licensee, including a
22 temporary licensee under subsection 6, shall conduct sports wagering through persons
23 holding a valid occupational license under section 1210.

24 **8. Municipal control.** Nothing in this chapter may be construed to restrict the
25 authority of municipalities under municipal home rule provisions of the Constitution of
26 Maine, including zoning and public safety authority.

27 **§1207. Mobile sports wagering license**

28 **1. Issuance of license.** The director shall issue a mobile sports wagering license upon
29 finding that the applicant meets all requirements of this section, sections 1204 and 1205
30 and rules adopted under this chapter.

31 **2. Eligibility.** To be eligible to receive a mobile sports wagering license, an applicant
32 must be:

- 33 A. A commercial track licensed under section 271;
- 34 B. An off-track betting facility licensed under section 275-D;
- 35 C. A slot machine facility or casino licensed under section 1011;
- 36 D. A federally recognized Indian tribe in this State; or
- 37 E. A qualified gaming entity.

38 **3. Authority to conduct sports wagering; management services permitted.** A
39 mobile sports wagering license granted by the director pursuant to this section grants a
40 licensee lawful authority to conduct sports wagering through any mobile applications or
41 digital platforms approved by the director within the terms and conditions of the license

1 and any rules adopted under this chapter. A mobile sports wagering licensee may contract
2 with a management services licensee under section 1209.

3 **4. Fees.** The fee for an initial or renewed mobile sports wagering license is \$20,000
4 and must be retained by the director for the costs of administering this chapter. In addition
5 to the license fee, the director may charge a processing fee for an initial or renewed license
6 in an amount equal to the projected cost of processing the application and performing any
7 background investigations. If the actual cost exceeds the projected cost, an additional fee
8 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
9 difference may be refunded to the applicant or licensee.

10 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
11 under this section is valid for 2 years unless sooner revoked by the director under section
12 1205. The failure of an entity identified in subsection 2, paragraph A, B or C to maintain
13 the underlying license described in that paragraph voids the entity's mobile sports wagering
14 license.

15 **6. Temporary license.** An applicant for a mobile sports wagering license may submit
16 with the application a request for a temporary license. A request for a temporary license
17 must include the initial license fee of \$20,000. If the director determines that the applicant
18 is qualified under subsection 2, meets the requirements established by rule for a temporary
19 license and has paid the initial license fee and the director is not aware of any reason the
20 applicant is ineligible for a license under this section, the director may issue a temporary
21 mobile sports wagering license. A temporary license issued under this subsection is valid
22 for one year or until a final determination on the mobile sports wagering license application
23 is made, whichever is sooner. If after investigation the director determines that the
24 applicant is eligible for a mobile sports wagering license under this chapter, the director
25 shall issue the initial mobile sports wagering license, at which time the temporary license
26 terminates. The initial mobile sports wagering license is valid for 2 years from the date
27 that the temporary license was issued by the director. Sports wagering conducted under
28 authority of a temporary license must comply with the mobile operator's house rules
29 adopted under section 1211.

30 **§1208. Supplier license**

31 **1. Issuance of license; eligibility.** The director shall issue a supplier license upon
32 finding that the applicant meets all requirements of this section, sections 1204 and 1205
33 and rules adopted under this chapter.

34 **2. Equipment.** An applicant for a supplier license shall demonstrate that the
35 equipment, systems or services that the applicant plans to offer to an operator conform to
36 standards established by rule by the director. The director may accept approval by another
37 jurisdiction that is specifically determined by the director to have similar equipment
38 standards as evidence the applicant meets the standards established by the director by rule.

39 **3. Authority to supply operators.** A supplier license granted by the director pursuant
40 to this section grants a licensee lawful authority to sell or to lease sports wagering
41 equipment, systems or services to operators in the State within the terms and conditions of
42 the license and any rules adopted under this chapter.

43 **4. Fees.** The fee for an initial or renewed supplier license is \$20,000 and must be
44 retained by the director for the costs of administering this chapter. In addition to the license

1 fee, the director may charge a processing fee for an initial or renewed license in an amount
2 equal to the projected cost of processing the application and performing any background
3 investigations. If the actual cost exceeds the projected cost, an additional fee may be
4 charged to meet the actual cost. If the projected cost exceeds the actual cost, the difference
5 may be refunded to the applicant or licensee.

6 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
7 under this section is valid for 2 years unless sooner revoked by the director under section
8 1205.

9 **6. Temporary license.** An applicant for a supplier license may submit with the
10 application a request for a temporary license. A request for a temporary license must
11 include the initial license fee of \$20,000. If the director determines that the applicant is
12 qualified under subsection 2, meets the requirements established by rule for a temporary
13 license and has paid the initial license fee and the director is not aware of any reason the
14 applicant is ineligible for a license under this section, the director may issue a temporary
15 supplier license. A temporary license issued under this subsection is valid for one year or
16 until a final determination on the supplier license application is made, whichever is sooner.
17 If after investigation the director determines that the applicant is eligible for a supplier
18 license under this chapter, the director shall issue the initial supplier license, at which time
19 the temporary license terminates. The initial supplier license is valid for 2 years from the
20 date that the temporary license was issued by the director.

21 **7. Inventory.** A supplier licensee shall submit to the director a list of all sports
22 wagering equipment, systems and services sold or leased to, delivered to or offered to an
23 operator in this State as required by the director, all of which must be tested and approved
24 by an independent testing laboratory approved by the director. An operator may continue
25 to use supplies acquired from a licensed supplier if the supplier's license subsequently
26 expires or is otherwise revoked, unless the director finds a defect in the supplies.

27 **§1209. Management services license**

28 **1. Issuance of license; eligibility.** The director shall issue a management services
29 license upon finding that the applicant meets all requirements of this section, sections 1204
30 and 1205 and rules adopted under this chapter and that the applicant has sufficient
31 knowledge and experience in the business of operating sports wagering to effectively
32 conduct sports wagering in accordance with this chapter and the rules adopted under this
33 chapter.

34 **2. Authority to enter contract with operator.** A management services licensee may
35 contract with an operator to manage sports wagering operations on behalf of the operator
36 in accordance with rules adopted under this chapter.

37 **3. Contract approval; material change in written contract.** A person may not
38 contract with an operator to conduct sports wagering on behalf of the operator unless the
39 person is licensed under this section and the director approves the written contract. A
40 management services licensee shall submit to the director any proposed material change to
41 the written contract that has been approved by the director under this subsection. A
42 management services licensee may not transfer, assign, delegate or subcontract any portion
43 of the management services licensee's responsibilities under the contract or any portion of
44 the management services licensee's right to compensation under the contract to any other
45 person who does not hold a management services license.

1 **4. Fees.** The fee for an initial or renewed management services license is \$20,000 and
2 must be retained by the director for the costs of administering this chapter. In addition to
3 the license fee, the director may charge a processing fee for an initial or renewed license in
4 an amount equal to the projected cost of processing the application and performing any
5 background investigations. If the actual cost exceeds the projected cost, an additional fee
6 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
7 difference may be refunded to the applicant or licensee.

8 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
9 under this section is valid for 2 years unless sooner revoked by the director under section
10 1205.

11 **6. Temporary license.** An applicant for a management services license may submit
12 with the application a request for a temporary license. A request for a temporary license
13 must include the initial license fee of \$20,000. If the director determines that the applicant
14 is qualified under subsection 1, meets the requirements established by rule for a temporary
15 license and has paid the initial license fee and the director is not aware of any reason the
16 applicant is ineligible for a license under this section, the director may issue a temporary
17 management services license. A temporary license issued under this subsection is valid for
18 one year or until a final determination on the management services license application is
19 made, whichever is sooner. If after investigation the director determines that the applicant
20 is eligible for a management services license under this chapter, the director shall issue the
21 initial management services license, at which time the temporary license terminates. The
22 initial management services license is valid for 2 years from the date that the temporary
23 license was issued by the director.

24 **§1210. Occupational license**

25 **1. License required.** A person may not be employed by a facility operator to be
26 engaged directly in sports wagering-related activities or otherwise to conduct or operate
27 sports wagering without a valid occupational license issued by the director under this
28 section. The director shall issue an occupational license to a person who meets the
29 requirements of this section, section 1204 and section 1205. The director shall by rule
30 establish a process for issuance of occupational licenses that is, as far as possible, identical
31 to the process for licensing employees of a casino under section 1015.

32 **2. Authority to be employed in sports wagering.** An occupational license authorizes
33 the licensee to be employed by a facility operator in the capacity designated by the director
34 while the license is active. The director may establish, by rule, job classifications with
35 different requirements to recognize the extent to which a particular job has the ability to
36 affect the proper operation of sports wagering.

37 **3. Application and fee.** Except as provided in subsection 5, an applicant shall submit
38 any required application forms established by the director and pay a nonrefundable
39 application fee of \$250. The fee may be paid on behalf of an applicant by the facility
40 operator employer. Fees paid under this subsection must be retained by the director for the
41 costs of administering this chapter.

42 **4. Renewal fee and form.** An occupational licensee shall pay to the director an annual
43 renewal fee of \$50. The fee may be paid on behalf of the occupational licensee by the
44 facility operator employer. In addition to a renewal fee, an occupational licensee shall

1 annually submit a renewal application on the form required by the director. Fees paid under
2 this subsection must be retained by the director for the costs of administering this chapter.

3 **5. Exception.** An individual who is actively licensed under section 1015 as an
4 employee of a casino that has a facility sports wagering license may obtain or renew a
5 license under this section without paying an initial license fee or a renewal license fee under
6 this section.

7 **§1211. Sports wagering house rules**

8 **1. Adoption of house rules.** An operator shall adopt comprehensive house rules for
9 game play governing sports wagering transactions with its patrons. House rules must be
10 approved by the director prior to implementation and meet the minimum standards
11 established by the director by rule, including, but not limited to, requiring that the house
12 rules specify the amounts to be paid on winning wagers and the effect of schedule changes,
13 the circumstances under which the operator will void a bet and treatment of errors, late bets
14 and related contingencies.

15 **2. Advertisement of house rules.** The house rules, together with any other
16 information the director determines to be appropriate, must be advertised as required by
17 the director by rule and must be made readily available to patrons.

18 **§1212. Access to premises and equipment**

19 A licensee under this chapter shall permit the director, the department or a designee of
20 the director unrestricted access, during regular business hours, including access to locked
21 or secured areas, to inspect any facility and any equipment, prizes, records or other items
22 to be used in the operation of sports wagering.

23 **§1213. Persons prohibited from making wagers on sports events**

24 An operator and a management services licensee conducting sports wagering on behalf
25 of an operator may not accept a wager on a sports event from the following persons:

26 **1. Persons under 21 years of age.** A person who has not attained 21 years of age;

27 **2. Sports event participants.** An athlete or individual who participates or officiates
28 in the sports event that is the subject of the wager;

29 **3. Operators and employees.** An operator or management services licensee;
30 directors, officers and employees of an operator or management services licensee; or a
31 relative living in the same household as any of these persons. This subsection does not
32 prohibit a relative living in the same household as a director, officer or employee of an
33 operator or management services licensee from making a sports wager with an unaffiliated
34 operator or management services licensee;

35 **4. Interested parties.** A person with an interest in the outcome of the sports event
36 identified by the director by rule. The interested parties identified by the director by rule
37 under this paragraph may include, but are not limited to, legal or beneficial owners of or
38 employees of a sports team participating in the event or another sports team in the same
39 league as a sports team participating in the event as well as directors, owners or employees
40 of the sports league conducting the event;

1 **5. Unauthorized persons.** A person on a list established by rule by the director under
2 section 1203, subsection 2, paragraph K of persons who are not authorized to make wagers
3 on sports events;

4 **6. Third parties.** A person making a wager on behalf of or as the agent or custodian
5 of another person; and

6 **7. Regulatory staff.** An employee of the Gambling Control Unit within the
7 department.

8 **§1214. Certain sports wagers prohibited**

9 **1. Prohibited wagers.** An operator may not, with respect to a sports event of a sport
10 governing body headquartered in the United States, offer or accept wagers on the
11 occurrence of injuries or penalties, the outcome of player disciplinary rulings or replay
12 reviews.

13 **2. Request from sports governing body.** A sports governing body may submit to the
14 director in writing a request to restrict, limit or exclude a certain type, form or category of
15 sports wagering with respect to sports events of that sports governing body if the sports
16 governing body believes that that type, form or category of sports wagering with respect to
17 sports events of that sports governing body may undermine the integrity or perceived
18 integrity of that sports governing body or sports events of that sports governing body. The
19 director shall request comment from operators on all requests under this subsection. After
20 giving due consideration to all comments received, the director shall, upon a demonstration
21 of good cause from the sports governing body that the type, form or category of sports
22 wagering is likely to undermine the integrity or perceived integrity of that sports governing
23 body or sports events of that sports governing body, grant the request. The director shall
24 respond to a request concerning a particular event before the start of the event or, if it is not
25 feasible to respond before the start of the event, no later than 7 days after the request is
26 made. If the director determines that the sports governing body is more likely than not to
27 prevail in successfully demonstrating good cause for its request, the director may
28 provisionally grant the request of the sports governing body until the director makes a final
29 determination as to whether the sports governing body has demonstrated good cause.
30 Absent such a provisional grant by the director, an operator may continue to offer sports
31 wagering on sports events that are the subject of that request during the pendency of the
32 director's consideration of the request.

33 **§1215. Abnormal wagering activity**

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

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

43 **3. Information confidentiality.** The director and operators shall maintain the
44 confidentiality of information provided by a sports governing body for purposes of

1 investigating or preventing the conduct described in this section, unless disclosure is
2 otherwise required by the director or by law, or unless the sports governing body consents
3 to disclosure.

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

7 A. May use such information only for integrity purposes and may not use the
8 information for any commercial or other purpose; and

9 B. Shall maintain the confidentiality of the information, unless disclosure is otherwise
10 required by the director or by law, or unless the operator consents to disclosure, except
11 that the sports governing body may make disclosures necessary to conduct and resolve
12 integrity-related investigations and may publicly disclose such information if required
13 by the sports governing body's integrity policies or if determined by the sports
14 governing body in its reasonable judgment to be necessary to maintain the actual or
15 perceived integrity of its sports events. Prior to any public disclosure that would
16 identify the operator by name, the sports governing body shall provide that operator
17 with notice of the disclosure and an opportunity to object to the disclosure.

18 **§1216. Official league data**

19 **1. Results determination.** An operator is not required to use official league data for
20 determining the results of tier 1 sports wagers on events of any organization headquartered
21 in the United States or elsewhere or the results of tier 2 sports wagers on events of
22 organizations that are not headquartered in the United States.

23 **2. Use of official league data notification.** A sports governing body may notify the
24 director that it desires operators to use official league data to settle tier 2 sports wagers on
25 sports events of that sports governing body. The notification must be made in the form and
26 manner as the director requires. The director shall notify each operator of a sports
27 governing body's notification within 5 days of the director's receipt of the notification. If a
28 sports governing body does not so notify the director, an operator is not required to use
29 official league data for determining the results of tier 2 sports wagers on sports events of
30 that sports governing body.

31 **3. Use of official league data required; exemptions.** Within 60 days of the director's
32 notifying each operator of a sports governing body notification to the director under
33 subsection 2, or such longer period as may be agreed to between the sports governing body
34 and the applicable operator, an operator must use only official league data to determine the
35 results of tier 2 sports wagers on sports events of that sports governing body, unless:

36 A. The sports governing body or its designee cannot provide a feed of official league
37 data to determine the results of a particular type of tier 2 sports wager, in which case
38 operators are not required to use official league data for determining the results of the
39 applicable tier 2 sports wager until such time as a data feed becomes available from the
40 sports governing body on commercially reasonable terms and conditions;

41 B. The operator can demonstrate to the director that the sports governing body or its
42 designee will not provide a feed of official league data to the operator on commercially
43 reasonable terms and conditions; or

1 C. The sports governing body or its designee does not obtain a license from the director
2 to provide official league data to operators to determine the results of tier 2 sports
3 wagers, if and to the extent required by law.

4 **4. Commercially reasonable terms.** The director may consider the following
5 nonexclusive factors in evaluating whether official league data is being offered on
6 commercially reasonable terms and conditions for purposes of subsection 3:

7 A. The extent to which operators have purchased the same or similar official league
8 data on the same or similar terms, particularly in jurisdictions where that purchase was
9 not required by law or was required by law but only if offered on commercially
10 reasonable terms;

11 B. The nature and quantity of the official league data, including but not limited to its
12 speed, accuracy, reliability and overall quality as compared to comparable nonofficial
13 data;

14 C. The quality and complexity of the process used to collect and distribute the official
15 league data as compared to comparable nonofficial data;

16 D. The availability of a sports governing body's tier 2 official league data to an operator
17 from more than one authorized source;

18 E. Market information, including but not limited to price and other terms and
19 conditions, regarding the purchase by operators of comparable data for the purpose of
20 settling sports wagers in this State and other jurisdictions; and

21 F. The extent to which sports governing bodies or their designees have made data used
22 to settle tier 2 sports wagers available to operators and any terms and conditions
23 relating to the use of that data.

24 **5. Pendency.** Notwithstanding any provision of law to the contrary, during the
25 pendency of the director's determination as to whether a sports governing body or its
26 designee will provide a feed of official league data on commercially reasonable terms, an
27 operator is not required to use official league data for determining the results of tier 2 sports
28 wagers. The director's determination must be made within 60 days of the operator's
29 notifying the director that it desires to demonstrate that the sports governing body or its
30 designee will not provide a feed of official league data to the operator on commercially
31 reasonable terms.

32 **6. Sharing agreements.** A sports governing body on whose sports events the director
33 has authorized wagering may also enter into commercial agreements with operators or
34 other entities in which that sports governing body may share in the amount wagered from
35 sports wagering on sports events of that sports governing body. A sports governing body
36 is not required to obtain a license or other approval from the director to lawfully accept
37 such amounts.

38 **7. Information disclosure.** All disclosures of information under this chapter are
39 subject to compliance with all federal and state laws and rules, including without limitation
40 laws and rules relating to privacy and personally identifiable information.

41 **§1217. Security, maintenance and sharing of wagering records**

42 **1. Records maintenance.** An operator shall maintain records of all wagers placed,
43 including personally identifiable information of the bettor, amount and type of wager, time

1 the wager was placed, location of the wager, including the Internet protocol address if
2 applicable, the outcome of the wager and instances of abnormal wagering activity for 3
3 years after the sports event occurs, as well as video recordings in the case of in-person
4 wagers for at least one year after the sports event occurs and shall make that data available
5 for inspection upon request of the director or as required by court order.

6 **2. Anonymized information.** An operator shall use commercially reasonable efforts
7 to maintain, in real time and at the account level, anonymized information regarding a
8 bettor and the amount and type of a wager, the time the wager was placed, the location of
9 the wager, including the Internet protocol address if applicable, the outcome of the wager
10 and records of abnormal wagering activity. The director may request that information in
11 the form and manner required by rule. Nothing in this subsection requires an operator to
12 provide any information that is prohibited by federal or state law, including without
13 limitation laws and rules relating to privacy and personally identifiable information.

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

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

33 **§1218. Interception of sports wagering winnings to pay child support debt**

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

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

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

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

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

43 E. "Winner" means a sports wagering customer to whom cash is returned as winnings.

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

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

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

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

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

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

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

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

20 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
21 electronically inform the licensee whether the winner is listed in the registry. If the
22 winner is listed in the registry, the registry operator shall inform the licensee of the
23 amount of the winner's outstanding child support debt and the account number or
24 identifier assigned to the outstanding child support debt and shall provide the licensee
25 with a notice of withholding that informs the winner of the right to an administrative
26 hearing.

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

31 D. If the registry operator informs the licensee that the winner is listed in the registry,
32 the licensee may not make payment to the winner unless the amount of the payout
33 exceeds the amount of outstanding child support debt, in which case the licensee may
34 make payment to the winner of the amount of winnings that is in excess of the amount
35 of the winner's outstanding child support debt.

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

39 **6. Withholding of winnings.** The licensee shall withhold from any winnings an
40 amount equal to the amount of the lien created under subsection 5 and shall provide a notice
41 of withholding to the winner. Within 7 days after withholding an amount pursuant to this
42 subsection, the licensee shall transmit the amount withheld to the department together with
43 a report of the name, address and social security number of the winner, the account number

1 or identifier assigned to the debt, the amount withheld, the date of withholding and the
2 name and location of the licensee.

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

6 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
7 to this section has the right, within 15 days of receipt of the notice of withholding, to request
8 from the department an administrative hearing. The hearing is limited to questions of
9 whether the debt is liquidated and whether any postliquidation events have affected the
10 winner's liability. The administrative hearing decision constitutes final agency action.

11 **9. Authorization to provide information.** Notwithstanding any provision of law to
12 the contrary, the licensee may provide to the department or registry operator any
13 information necessary to effectuate the intent of this section. The department or registry
14 operator may provide to the licensee any information necessary to effectuate the intent of
15 this section.

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

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

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

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

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

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

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

41 **§1219. Allocation of funds**

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

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

7 B. One percent of the adjusted gross sports wagering receipts must be deposited in the
8 Gambling Addiction Prevention and Treatment Fund established by Title 5, section
9 20006-B; and

10 C. Eight percent of the adjusted gross sports wagering receipts must be deposited in
11 the General Fund.

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

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

18 B. One percent of the adjusted gross sports wagering receipts must be deposited in the
19 Gambling Addiction Prevention and Treatment Fund established by Title 5, section
20 20006-B; and

21 C. Fourteen percent of the adjusted gross sports wagering receipts must be deposited
22 in the General Fund.

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

26 **§1220. Unauthorized sports wagering**

27 Notwithstanding Title 17-A, chapter 39, a person who engages in an activity for which
28 a license is required under this chapter and who does not possess the required license under
29 this chapter to conduct that activity is subject to the penalties specified in this section and
30 is not subject to Title 17-A, chapter 39 for that unlicensed activity.

31 **1. First violation.** A person, other than a licensee under this chapter, that operates or
32 facilitates sports wagering commits a Class E crime and is subject to a fine of not more
33 than \$10,000 and a term of imprisonment of not more than 90 days.

34 **2. Second violation.** A person convicted of a 2nd violation of subsection 1 commits
35 a Class D crime and is subject to a fine of not more than \$50,000 and a term of
36 imprisonment of not more than 6 months.

37 **3. Third or subsequent violation.** A person convicted of a 3rd or subsequent
38 violation of subsection 1 commits a Class C crime and is subject to a fine of not less than
39 \$25,000 and not more than \$100,000 and a term of imprisonment of not less than one year
40 and not more than 5 years.

41 **§1221. Applicability of other laws**

1 The provisions of Title 17, chapter 62 and Title 17-A, chapter 39 do not apply to sports
2 wagering conducted in accordance with this chapter and the rules adopted under this
3 chapter.

4 **Sec. 4. 25 MRSA §1542-A, sub-§1, ¶R**, as amended by PL 2019, c. 343, Pt. G,
5 §5; c. 399, §3; c. 402, §3; and c. 416, §3, is repealed and the following enacted in its place:

6 R. Who is required to have a criminal background check under Title 22, section
7 8302-A or 8302-B;

8 **Sec. 5. 25 MRSA §1542-A, sub-§1, ¶S**, as enacted by PL 2019, c. 399, §4 and c.
9 402, §4 and reallocated by c. 343, Pt. G, §4 and c. 416, §2, is repealed and the following
10 enacted in its place:

11 S. Who is required to have a criminal history record check under Title 22, section
12 2425-A, subsection 3-A;

13 **Sec. 6. 25 MRSA §1542-A, sub-§1, ¶T**, as enacted by PL 2019, c. 399, §4; c. 402,
14 §4; and c. 416, §4, is repealed and the following enacted in its place:

15 T. Who is required to have a criminal history record check under Title 22, section
16 8110;

17 **Sec. 7. 25 MRSA §1542-A, sub-§1, ¶U**, as enacted by PL 2019, c. 616, Pt. S, §2,
18 is reallocated to 25 MRSA §1542-A, sub-§1, ¶X.

19 **Sec. 8. 25 MRSA §1542-A, sub-§1, ¶V** is enacted to read:

20 V. Who is employed or may be offered employment by the Office of the State Auditor
21 as required under Title 5, section 247;

22 **Sec. 9. 25 MRSA §1542-A, sub-§1, ¶W** is enacted to read:

23 W. Who is required to have a criminal history record check under Title 19-A, section
24 2111;

25 **Sec. 10. 25 MRSA §1542-A, sub-§1, ¶Y** is enacted to read:

26 Y. Who is required to have a criminal background check under Title 8, section 1204.

27 **Sec. 11. 25 MRSA §1542-A, sub-§3, ¶O**, as repealed by PL 2019, c. 343, Pt. G,
28 §8 and c. 416, §5 and repealed and replaced by c. 399, §5 and c. 402, §5, is repealed and
29 the following enacted in its place:

30 O. The State Police shall take or cause to be taken the fingerprints of the person named
31 in subsection 1, paragraph P at the request of that person and upon payment of the
32 expenses by that person as required by Title 32, section 2571-A.

33 **Sec. 12. 25 MRSA §1542-A, sub-§3, ¶S**, as enacted by PL 2019, c. 399, §6; c.
34 402, §6; and c. 416, §7, is repealed and the following enacted in its place:

35 S. The State Police shall take or cause to be taken the fingerprints of the person named
36 in subsection 1, paragraph T at the request of that person or the Department of Health
37 and Human Services pursuant to Title 22, section 8110.

38 **Sec. 13. 25 MRSA §1542-A, sub-§3, ¶T**, as enacted by PL 2019, c. 616, Pt. S, §3
39 and c. 644, §2, is repealed and the following enacted in its place:

1 T. The State Police shall take or cause to be taken the fingerprints of the person named
2 in subsection 1, paragraph U at the request of that person and upon payment of the
3 expenses by the Department of Labor, Bureau of Unemployment Compensation as
4 specified under Title 26, section 1085, subsection 3.

5 **Sec. 14. 25 MRSA §1542-A, sub-§3, ¶U** is enacted to read:

6 U. The State Police shall take or cause to be taken the fingerprints of the person named
7 in subsection 1, paragraph V at the request of that person or the Office of the State
8 Auditor and upon payment by the Office of the State Auditor of the fee established in
9 Title 5, section 247, subsection 3.

10 **Sec. 15. 25 MRSA §1542-A, sub-§3, ¶V** is enacted to read:

11 V. The State Police shall take or cause to be taken the fingerprints of the person named
12 in subsection 1, paragraph W at the request of that person or the Department of Health
13 and Human Services pursuant to Title 19-A, section 2111.

14 **Sec. 16. 25 MRSA §1542-A, sub-§3, ¶W** is enacted to read:

15 W. The State Police shall take or cause to be taken the fingerprints of the person named
16 in subsection 1, paragraph X at the request of that person or the Department of
17 Administrative and Financial Services, Office of Information Technology and upon
18 payment of the fees as provided under Title 5, section 1986.

19 **Sec. 17. 25 MRSA §1542-A, sub-§3, ¶X** is enacted to read:

20 X. The State Police shall take or cause to be taken the fingerprints of the person named
21 in subsection 1, paragraph Y at the request of that person or the director of the
22 Gambling Control Unit within the Department of Public Safety and upon payment by
23 the director of the Gambling Control Unit of the fee established pursuant to Title 8,
24 section 1204, subsection 3.

25 **Sec. 18. 25 MRSA §1542-A, sub-§4**, as repealed and replaced by PL 2019, c. 343,
26 Pt. G, §10; c. 399, §7; c. 402, §7; and c. 416, §8, is repealed and the following enacted in
27 its place:

28 **4. Duty to submit to State Bureau of Identification.** It is the duty of the law
29 enforcement agency taking the fingerprints as required by subsection 3, paragraphs A, B
30 and G to transmit immediately to the State Bureau of Identification the criminal fingerprint
31 record. Fingerprints taken pursuant to subsection 1, paragraph C, D, E or F or pursuant to
32 subsection 5 may not be submitted to the State Bureau of Identification unless an express
33 request is made by the commanding officer of the State Bureau of Identification.
34 Fingerprints taken pursuant to subsection 1, paragraph G must be transmitted immediately
35 to the State Bureau of Identification to enable the bureau to conduct state and national
36 criminal history record checks for the Department of Education. The bureau may not use
37 the fingerprints for any purpose other than that provided for under Title 20-A, section 6103.
38 The bureau shall retain the fingerprints, except as provided under Title 20-A, section 6103,
39 subsection 9. Fingerprints taken pursuant to subsection 1, paragraph I and subsection 3,
40 paragraph I must be transmitted immediately to the State Bureau of Identification to enable
41 the bureau to conduct state and national criminal history record checks for the court and
42 the Department of Public Safety, Gambling Control Board, respectively. Fingerprints
43 taken pursuant to subsection 1, paragraph J or S must be transmitted immediately to the

1 State Bureau of Identification to enable the bureau to conduct state and national criminal
2 history record checks for the Department of Administrative and Financial Services.
3 Fingerprints taken pursuant to subsection 1, paragraph P must be transmitted immediately
4 to the State Bureau of Identification to enable the bureau to conduct state and national
5 criminal history record checks for the Board of Osteopathic Licensure, established in Title
6 32, chapter 36. Fingerprints taken pursuant to subsection 1, paragraph N must be
7 transmitted immediately to the State Bureau of Identification to enable the bureau to
8 conduct state and national criminal history record checks for the Board of Licensure in
9 Medicine, established in Title 32, chapter 48. Fingerprints taken pursuant to subsection 1,
10 paragraph Q must be transmitted immediately to the State Bureau of Identification to enable
11 the bureau to conduct state and national criminal history record checks for the State Board
12 of Nursing, established in Title 32, chapter 31. Fingerprints taken pursuant to subsection
13 1, paragraph O must be transmitted immediately to the State Bureau of Identification to
14 enable the bureau to conduct state and national criminal history record checks under Title
15 28-B, section 204. Fingerprints taken pursuant to subsection 1, paragraph R, T or W must
16 be transmitted immediately to the State Bureau of Identification to enable the bureau to
17 conduct state and national criminal history record checks for the Department of Health and
18 Human Services. Fingerprints taken pursuant to subsection 1, paragraph V must be
19 transmitted immediately to the State Bureau of Identification to enable the bureau to
20 conduct state and national criminal history record checks for the Office of the State Auditor.

21 **Sec. 19. Emergency rules.** The director of the Gambling Control Unit within the
22 Department of Public Safety may adopt emergency rules under the Maine Revised Statutes,
23 Title 5, section 8054 as necessary to implement this Act without the necessity of
24 demonstrating that immediate adoption is necessary to avoid a threat to public health, safety
25 or general welfare.

26 SUMMARY

27 This bill authorizes the Department of Public Safety, Gambling Control Unit to
28 regulate sports wagering in the State.

29 Licensed commercial tracks, licensed off-track betting facilities, licensed casinos and
30 federally recognized Indian tribes are eligible to apply for facility sports wagering licenses
31 to conduct in-person sports wagering in the State. These entities are also eligible to apply
32 for mobile sports wagering licenses to conduct sports wagering through mobile applications
33 or digital platforms, as are qualified gaming entities that offer sports wagering through
34 mobile applications or digital platforms in any jurisdiction in the United States pursuant to
35 a state regulatory structure. Facility sports wagering licensees and mobile sports wagering
36 licensees, referred to in the bill as operators, may purchase or lease equipment, systems or
37 services for sports wagering from entities with a supplier license, whose equipment,
38 systems or services must meet standards established by rule. Operators may also enter into
39 written contracts, approved by the director of the Gambling Control Unit within the
40 Department of Public Safety, with management services licensees that have sufficient
41 knowledge and experience in the business of operating sports wagering to effectively
42 conduct sports wagering on behalf of operators. A person employed by a facility sports
43 wagering licensee to be engaged directly in sports wagering-related activities must be
44 licensed by the Gambling Control Unit.

1 Operators may accept wagers on professional, collegiate and amateur sports events,
2 including international events, as well as on the individual performances of athletes, on
3 motor vehicle races and on electronic sports. Sports wagers are prohibited on high school
4 events, other events where a majority of participants are less than 18 years of age and events
5 involving Maine-based colleges and universities. Operators may not accept sports wagers
6 from individuals under 21 years of age; participants in the sports event, including athletes
7 and officials; persons with an interest in the outcome of the sports event identified by the
8 director by rule; the operator's own directors or employees or persons living in their
9 households; persons voluntarily or involuntarily placed on a list maintained by the
10 Gambling Control Unit within the Department of Public Safety of persons not authorized
11 to make sports wagers; 3rd persons making wagers on behalf of another person; and
12 Gambling Control Unit employees. Mobile sports wagering licensees are also prohibited
13 from accepting sports wagers from persons who are not physically located within the State.

14 A facility sports wagering licensee must remit 10% of the licensee's adjusted gross
15 sports wagering receipts to the State and a mobile sports wagering licensee must remit 16%
16 of the licensee's adjusted gross sports wagering receipts to the State. One percent of
17 adjusted gross sports wagering receipts must be deposited in the General Fund for the
18 administrative expenses of the Gambling Control Unit within the Department of Public
19 Safety and 1% of the adjusted gross sports wagering receipts must be deposited in the
20 Gambling Addiction Prevention and Treatment Fund established by the Maine Revised
21 Statutes, Title 5, section 20006-B. The remaining adjusted gross sports wagering receipts
22 remitted to the State must be deposited in the General Fund.

23 The bill also allows a licensed fantasy contest operator to offer a fantasy contest based
24 on the performances of participants in collegiate athletic events.

25 The bill also contains provisions regarding restrictions on the types of sports wagers
26 allowed, abnormal wagering activity reporting, official league data distribution and costs,
27 wager amount sharing agreements, records management and security and information
28 disclosure and confidentiality.