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Date: (Filing No. H-)

VETERANS AND LEGAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1140, L.D. 1777, “An Act to Create Economic Opportunity for Wabanaki Nations Through Internet Gaming”

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

Sec. 1. 8 MRSA §1205, sub-§1, ¶E, as enacted by PL 2021, c. 681, Pt. J, §6, is amended by amending subparagraph (3) to read:

(3) Has engaged in conduct in this State or any other jurisdiction that would constitute a violation of this chapter; chapter 11 involving gambling; chapter 31; chapter 33; chapter 39; Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or substantially similar offenses in other jurisdictions;

Sec. 2. 8 MRSA §1210, sub-§1, as enacted by PL 2021, c. 681, Pt. J, §6, is amended to read:

1. License required. A person may not be employed by an operator to be engaged directly in sports wagering-related activities or otherwise to conduct or operate sports wagering without a valid occupational license issued by the director under this section. The director shall issue an occupational license to a person who meets the requirements of this section, section 1204 and section 1205. The director shall by rule establish a process for issuance of occupational licenses that is, as far as possible, identical to the process for occupational licenses issued under section 1409 and for licensing employees of a casino under section 1015.

Sec. 3. 8 MRSA §1210, sub-§5, as enacted by PL 2021, c. 681, Pt. J, §6, is amended to read:

5. Exception. An individual who is actively licensed under section 1015 as an employee of a casino that has a facility sports wagering license or who is actively licensed under section 1409 as an employee of an Internet gaming operator may obtain or renew a license under this section without paying an initial license fee or a renewal license fee under this section.

COMMITTEE AMENDMENT

1 C. A management services license under section 1408 to manage Internet gaming on
2 behalf of an Internet gaming licensee; and

3 D. An occupational license under section 1409 to be employed by an Internet gaming
4 licensee to operate Internet gaming when the employee performs duties in furtherance
5 of or associated with the operation of Internet gaming.

6 **7. Operator.** "Operator" means a federally recognized Indian nation, tribe or band in
7 this State that conducts Internet gaming.

8 **8. Person.** "Person" means an individual or an entity, including but not limited to a
9 federally recognized Indian nation, tribe or band in this State.

10 **9. Wager.** "Wager" means a sum of money or thing of value risked on an uncertain
11 occurrence.

12 **§1403. Powers and duties of director**

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

14 A. Has the power to regulate the conduct of Internet gaming;

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

17 C. Shall levy and collect all fees, civil penalties and tax on adjusted gross Internet
18 gaming receipts imposed by this chapter, except as otherwise provided under this
19 chapter;

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

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

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

26 **2. Rules.** The director shall adopt rules governing the conduct of Internet gaming in
27 the State, which must, at a minimum, include the following:

28 A. The methods of operation of Internet gaming, including but not limited to the
29 permitted systems and methods of wagers; the use of credit and checks by persons
30 making wagers; the types of wagering receipts that may be used; the method of issuing
31 receipts; the protection of patrons placing wagers; and the promotion of social
32 responsibility and responsible gaming and display of information on resources for
33 problem gambling;

34 B. Standards for the adoption of comprehensive house rules governing Internet gaming
35 by operators and the approval of house rules by the director as required under section
36 1410;

37 C. Minimum design and security requirements for applications and digital platforms
38 for the acceptance of wagers by operators, including required methods for verifying
39 the age and identity of a person who places a wager with an operator, for verifying that
40 the person making the wager is physically located in the State and is not prohibited
41 from making a wager under section 1412 and for requiring the refund of any wager

1 determined to have been placed by a person prohibited from making a wager under
2 section 1412;

3 D. The types of interested parties from whom operators are prohibited from accepting
4 wagers under section 1412, subsection 3;

5 E. Minimum design, security, testing and approval requirements for Internet gaming
6 equipment, systems or services sold by suppliers licensed under section 1407;

7 F. Minimum requirements for a contract between a management services licensee
8 under section 1408 and an operator on whose behalf the management services licensee
9 conducts Internet gaming, including but not limited to requirements that the person
10 providing management services be licensed prior to entering a contract; that the
11 contract be approved by the director prior to the conduct of Internet gaming; that, if the
12 management services licensee contracts with more than one operator, the contract
13 include a condition requiring the management services licensee to employ a method
14 approved by the director for separately accounting for each operator's gross receipts
15 from Internet gaming and adjusted gross Internet gaming receipts; and that the contract
16 not authorize the person providing management services to receive more than 30% of
17 the operator's adjusted gross Internet gaming receipts, except that the director may
18 approve a contract authorizing the management services licensee to receive up to 40%
19 of the operator's adjusted gross Internet gaming receipts if the director determines that
20 the management services licensee has demonstrated that the fee is commercially
21 reasonable given the management services licensee's capital investments and the
22 operator's projected adjusted gross Internet gaming receipts;

23 G. Provisions allowing individuals to restrict themselves from Internet gaming upon
24 request by placing themselves on the list pursuant to section 1003, subsection 3,
25 paragraph I. The rules adopted under this paragraph must define the standards for
26 involuntary placement on the list and for removal from the list;

27 H. Minimum internal control standards for operators and management services
28 licensees, including but not limited to procedures for safeguarding assets and revenues;
29 the recording of cash and evidence of indebtedness; the maintenance of reliable
30 records, accounts and reports of transactions, operations and events; required audits;
31 and the content and frequency of reports of Internet gaming activities and revenues that
32 must be made to the director; and

33 I. Restrictions on the advertisement and marketing of Internet gaming, including but
34 not limited to prohibiting misleading, deceptive or false advertisements; requiring an
35 operator to disclose its status as a federally recognized Indian nation, tribe or band in
36 this State or a business entity wholly owned by a federally recognized Indian nation,
37 tribe or band in this State; and restricting, to the extent permissible, advertising that has
38 a high probability of reaching persons under 21 years of age or that is specifically
39 designed to appeal particularly to persons under 21 years of age.

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

42 **§1404. Application; criminal history record check**

1 **1. Application.** An application for a license or for renewal of a license required under
2 this chapter must be submitted on a form or in a format approved by the director. An
3 application submitted to the director must, at a minimum, include the following:

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

5 B. Disclosure of each person that has control of the applicant as described in subsection
6 2;

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

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

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

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

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

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

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

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

- 1 A. Criminal history record information obtained from the Maine Criminal Justice
2 Information System pursuant to this subsection must include a record of public criminal
3 history record information as defined in Title 16, section 703, subsection 8.
- 4 B. Criminal history record information obtained from the Federal Bureau of
5 Investigation pursuant to this subsection must include other state and national criminal
6 history record information.
- 7 C. An individual required to submit to a criminal history record check under this
8 subsection shall submit to having the individual's fingerprints taken. The State Police,
9 upon payment by the individual of the fee required under paragraph E, shall take or
10 cause to be taken the individual's fingerprints and shall immediately forward the
11 fingerprints to the Department of Public Safety, Bureau of State Police, State Bureau
12 of Identification. Any person who fails to transmit criminal fingerprint records to the
13 State Bureau of Identification pursuant to this paragraph is subject to the provisions of
14 Title 25, section 1550.
- 15 D. The Department of Public Safety, Bureau of State Police, State Bureau of
16 Identification shall conduct the state and national criminal history record checks
17 required under this subsection. Except for the portion of a payment, if any, that
18 constitutes the processing fee for a criminal history record check charged by the Federal
19 Bureau of Investigation, all money received by the State Police under this subsection
20 must be paid to the Treasurer of State, who shall apply the money to the expenses
21 incurred by the Department of Public Safety in the administration of this subsection.
- 22 E. The director shall by rule set the amount of the fee to be paid for each criminal
23 history record check required to be performed under this subsection.
- 24 F. The subject of a Federal Bureau of Investigation criminal history record check may
25 obtain a copy of the criminal history record check by following the procedures outlined
26 in 28 Code of Federal Regulations, Sections 16.32 and 16.33. The subject of a state
27 criminal history record check may inspect and review the criminal history record
28 information pursuant to Title 16, section 709.
- 29 G. State and national criminal history record information obtained by the director
30 under this subsection may be used only for the purpose of screening an applicant for a
31 license or a license renewal under this chapter.
- 32 H. All criminal history record information obtained by the director pursuant to this
33 subsection is confidential, is for the official use of the director only and may not be
34 disseminated by the director or disclosed to any other person or entity except as
35 provided in paragraph F.
- 36 I. The director, after consultation with the Department of Public Safety, Bureau of
37 State Police, State Bureau of Identification, shall adopt rules to implement this
38 subsection.
- 39 **4. Material change to application.** A person licensed under this chapter shall give
40 the director written notice within 30 days of any material change to any information
41 provided in the licensee's application for a license or renewal, including any change in the
42 identity of persons considered to have control of the licensee as described in subsection 2.

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

4 **§1405. Denial of license; administrative sanctions**

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

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

11 B. If the applicant or licensee has not disclosed the existence or identity of other
12 persons that have control of the applicant or licensee as required by section 1404,
13 subsections 1 and 4;

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

16 D. If the applicant, the licensee or a person having control of the applicant or licensee
17 under section 1404, subsection 2 is not of good moral character. In determining
18 whether the applicant, licensee or person is of good moral character, the director shall
19 consider qualities that include but are not limited to honesty, candor, trustworthiness,
20 diligence, reliability, observance of fiduciary and financial responsibility and respect
21 for the rights of others;

22 E. If the applicant, the licensee or a person having control of the applicant or licensee
23 under section 1404, subsection 2:

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

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

29 (3) Has engaged in conduct in this State or any other jurisdiction that would
30 constitute a violation of this chapter; chapter 11 involving gambling; chapter 31;
31 chapter 33; chapter 35; Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or
32 substantially similar offenses in other jurisdictions;

33 (4) Is a fugitive from justice, a drug user, a person with substance use disorder, an
34 undocumented noncitizen or a person who was dishonorably discharged from the
35 Armed Forces of the United States; or

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

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

1 G. If the applicant, the licensee or a person having control of the applicant or licensee
2 under section 1404, subsection 2 has not demonstrated financial responsibility. For the
3 purposes of this paragraph, "financial responsibility" means a demonstration of a
4 current and expected future condition of financial solvency sufficient to satisfy the
5 director that the applicant, the licensee or the person can successfully engage in
6 business without jeopardy to the public health, safety and welfare. Financial
7 responsibility may be determined by an evaluation of the total history concerning the
8 applicant, the licensee or the person, including past, present and expected condition
9 and record of financial solvency, business record and accounting and managerial
10 practices;

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

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

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

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

25 After hearing, if the commissioner finds grounds for denying a license or license renewal
26 under subsection 1, the commissioner may deny the application for a license or for renewal
27 of a license.

28 **3. Investigation of complaints; notice; hearing.** The director or the director's
29 designee shall investigate a complaint on the director's own motion or upon receipt of a
30 written complaint regarding noncompliance with or violation of this chapter or of any rules
31 adopted under this chapter. Following the investigation, the director may mail the licensee
32 a notice of violation informing the licensee of the administrative sanction under subsection
33 4 the director proposes to impose and of the licensee's opportunity to request a hearing.

34 If the licensee fails to request a hearing within 30 days of the date that a notice was mailed
35 under this subsection, the director may issue a final decision imposing the sanction
36 proposed in the notice. If the licensee makes a timely request for a hearing, the
37 commissioner shall conduct an adjudicatory hearing in accordance with Title 5, chapter
38 375, subchapter 4. If, after the hearing, the commissioner finds that the factual basis of the
39 complaint is true and is of sufficient gravity to warrant further action, the commissioner
40 may impose an administrative sanction under subsection 4.

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

43 A. A written reprimand;

44 B. Conditions of probation of a license;

- 1 C. A license suspension;
- 2 D. A license revocation; or
- 3 E. A civil penalty of up to \$25,000 per violation of any provision of this chapter or
- 4 rule adopted pursuant to this chapter.

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

8 **§1406. Internet gaming license**

9 **1. Issuance of license.** The director shall issue an Internet gaming license upon finding
10 that the applicant meets all requirements of this section, sections 1404 and 1405 and rules
11 adopted under this chapter. The provisions of Title 30, Part 5 apply to the issuance of
12 licenses under this chapter. The director shall by rule establish a process for issuance of an
13 Internet gaming license under this chapter that is, to the extent practicable, identical to the
14 process for a mobile sports wagering license under section 1207.

15 **2. Eligibility; transfer to wholly owned entity.** To be eligible to receive an Internet
16 gaming license, an applicant must be a federally recognized Indian nation, tribe or band in
17 this State. Each federally recognized Indian nation, tribe or band in this State may receive
18 only one Internet gaming license under this section. An Internet gaming license may not
19 be transferred or assigned, except that a federally recognized Indian nation, tribe or band
20 in this State may transfer its Internet gaming license to a business entity with a principal
21 place of business in the State that is wholly owned by that federally recognized Indian
22 nation, tribe or band.

23 **3. Authority to conduct Internet gaming; management services permitted.** An
24 Internet gaming license granted by the director pursuant to this section grants a licensee
25 lawful authority to conduct Internet gaming in which wagers are placed by persons who
26 are physically located in the State through any applications or digital platforms approved
27 by the director within the terms and conditions of the license and any rules adopted under
28 this chapter. An Internet gaming licensee may contract with no more than one management
29 services licensee under section 1408.

30 **4. Fees.** The fee for an initial or renewed Internet gaming license is \$50,000 and must
31 be retained by the director for the costs of administering this chapter. In addition to the
32 license fee, the director may charge a processing fee for an initial or renewed license in an
33 amount equal to the projected cost of processing the application and performing any
34 background investigations. If the actual cost exceeds the projected cost, an additional fee
35 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
36 difference may be refunded to the applicant or licensee.

37 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
38 under this section is valid for one year unless sooner revoked by the director or the
39 commissioner under section 1405.

40 **6. Temporary license.** An applicant for an Internet gaming license may submit with
41 the application a request for a temporary license. A request for a temporary license must
42 include the initial license fee under subsection 4. If the director determines that the
43 applicant meets the requirements established by rule for a temporary license and has paid
44 the initial license fee and the director is not aware of any reason the applicant is ineligible

1 for a license under this section, the director may issue a temporary Internet gaming license.
2 A temporary license issued under this subsection is valid for the length of the term of the
3 license under subsection 5 or until a final determination on the Internet gaming license
4 application is made, whichever is sooner. If after investigation the director determines that
5 the applicant is eligible for an Internet gaming license under this chapter, the director shall
6 issue the initial Internet gaming license, at which time the temporary license terminates.
7 The initial Internet gaming license is valid for one year from the date that the temporary
8 license was issued by the director. Internet gaming conducted under authority of a
9 temporary license must comply with the operator's house rules adopted under section 1410.

10 **7. Occupational license required.** An Internet gaming licensee, including a
11 temporary licensee under subsection 6, may conduct Internet gaming only through persons
12 holding a valid occupational license under section 1409.

13 **§1407. Supplier license**

14 **1. Issuance of license; eligibility.** The director shall issue a supplier license upon
15 finding that the applicant meets all requirements of this section, sections 1404 and 1405
16 and rules adopted under this chapter. The director shall by rule establish a process for
17 issuance of a supplier license under this chapter that is, to the extent practicable, identical
18 to the process for a supplier license under section 1208.

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

24 **3. Authority to supply operators.** A supplier license granted by the director pursuant
25 to this section grants a licensee lawful authority to sell or to lease Internet gaming
26 equipment, systems or services to operators in the State within the terms and conditions of
27 the license and any rules adopted under this chapter.

28 **4. Fees.** The fee for an initial or renewed supplier license is \$10,000 and must be
29 retained by the director for the costs of administering this chapter. In addition to the license
30 fee, the director may charge a processing fee for an initial or renewed license in an amount
31 equal to the projected cost of processing the application and performing any background
32 investigations. If the actual cost exceeds the projected cost, an additional fee may be
33 charged to meet the actual cost. If the projected cost exceeds the actual cost, the difference
34 may be refunded to the applicant or licensee.

35 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
36 under this section is valid for one year unless sooner revoked by the director or the
37 commissioner under section 1405.

38 **6. Temporary license.** An applicant for a supplier license may submit with the
39 application a request for a temporary license. A request for a temporary license must
40 include the initial license fee under subsection 4. If the director determines that the
41 applicant is qualified under subsection 1, meets the requirements established by rule for a
42 temporary license and has paid the initial license fee and the director is not aware of any
43 reason the applicant is ineligible for a license under this section, the director may issue a
44 temporary supplier license. A temporary license issued under this subsection is valid for

1 the length of the term of the license under subsection 5 or until a final determination on the
2 supplier license application is made, whichever is sooner. If after investigation the director
3 determines that the applicant is eligible for a supplier license under this chapter, the director
4 shall issue the initial supplier license, at which time the temporary license terminates. The
5 initial supplier license is valid for one year from the date that the temporary license was
6 issued by the director.

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

13 **§1408. Management services license**

14 **1. Issuance of license; eligibility.** The director shall issue a management services
15 license upon finding that the applicant meets all requirements of this section, sections 1404
16 and 1405 and rules adopted under this chapter and that the applicant has sufficient
17 knowledge and experience in the business of operating Internet gaming to effectively
18 conduct Internet gaming in accordance with this chapter and the rules adopted under this
19 chapter. The director shall by rule establish a process for issuance of a management
20 services license under this chapter that is, to the extent practicable, identical to the process
21 for a management services license under section 1209.

22 **2. Authority to enter contract with operator.** A management services licensee may
23 contract with an operator to manage Internet gaming operations on behalf of the operator
24 in accordance with rules adopted under this chapter.

25 **3. Contract approval; material change in written contract.** A person may not
26 contract with an operator to conduct Internet gaming on behalf of the operator unless the
27 person is licensed under this section and the director approves the written contract. A
28 management services licensee shall submit to the director any proposed material change to
29 the written contract that has been approved by the director under this subsection. A
30 management services licensee may not transfer, assign, delegate or subcontract any portion
31 of the management services licensee's responsibilities under the contract or any portion of
32 the management services licensee's right to compensation under the contract to any other
33 person who does not hold a management services license.

34 **4. Fees.** The fee for an initial or renewed management services license is \$10,000 and
35 must be retained by the director for the costs of administering this chapter. In addition to
36 the license fee, the director may charge a processing fee for an initial or renewed license in
37 an amount equal to the projected cost of processing the application and performing any
38 background investigations. If the actual cost exceeds the projected cost, an additional fee
39 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
40 difference may be refunded to the applicant or licensee.

41 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
42 under this section is valid for one year unless sooner revoked by the director or the
43 commissioner under section 1405.

1 **6. Temporary license.** An applicant for a management services license may submit
2 with the application a request for a temporary license. A request for a temporary license
3 must include the initial license fee under subsection 4. If the director determines that the
4 applicant is qualified under subsection 1, meets the requirements established by rule for a
5 temporary license and has paid the initial license fee and the director is not aware of any
6 reason the applicant is ineligible for a license under this section, the director may issue a
7 temporary management services license. A temporary license issued under this subsection
8 is valid for the length of the term of the license under subsection 5 or until a final
9 determination on the management services license application is made, whichever is
10 sooner. If after investigation the director determines that the applicant is eligible for a
11 management services license under this chapter, the director shall issue the initial
12 management services license, at which time the temporary license terminates. The initial
13 management services license is valid for one year from the date that the temporary license
14 was issued by the director.

15 **§1409. Occupational license**

16 **1. License required.** A person may not be employed by an operator to be engaged
17 directly in Internet gaming-related activities or otherwise to conduct or operate Internet
18 gaming without a valid occupational license issued by the director under this section. The
19 director shall issue an occupational license to a person who meets the requirements of this
20 section, section 1404 and section 1405. The director shall by rule establish a process for
21 issuance of occupational licenses that is, to the extent practicable, identical to the process
22 for occupational licenses issued under section 1210 and for licensing employees of a casino
23 under section 1015.

24 **2. Authority to be employed in Internet gaming.** An occupational license authorizes
25 the licensee to be employed by an operator in the capacity designated by the director while
26 the license is active. The director may establish, by rule, job classifications with different
27 requirements to recognize the extent to which a particular job has the ability to affect the
28 proper operation of Internet gaming.

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

34 **4. Renewal fee and form.** An occupational licensee must pay a fee of \$25 to renew
35 the license for a one-year term or a fee of \$50 to renew the license for a 3-year term. The
36 fee may be paid on behalf of the occupational licensee by the operator. In addition to a
37 renewal fee, an occupational licensee must annually submit a renewal application on a form
38 or in a format approved by the director. Fees paid under this subsection must be retained
39 by the director for the costs of administering this chapter.

40 **5. Exception.** An individual who is actively licensed under section 1015 as an
41 employee of a casino that has a facility sports wagering license or who is actively licensed
42 under section 1210 as an employee of a facility sports wagering licensee or mobile sports
43 wagering licensee may obtain or renew a license under this section without paying an initial
44 license fee or a renewal license fee under this section.

45 **§1410. Internet gaming house rules**

1 **1. Adoption of house rules.** An operator shall adopt comprehensive house rules for
2 game play governing Internet gaming transactions with its patrons. House rules must be
3 approved by the director prior to implementation and meet the minimum standards
4 established by the director by rule, including but not limited to requiring that the house
5 rules specify the amounts to be paid on winning wagers, the circumstances under which the
6 operator will void a wager and treatment of errors, late wagers and related contingencies.

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

10 **§1411. Access to premises and equipment**

11 A licensee under this chapter shall permit the director, the department or a designee of
12 the director unrestricted access, during regular business hours, including access to locked
13 or secured areas, to inspect any facility and any equipment, prizes, records or other items
14 to be used in the operation of Internet gaming.

15 **§1412. Persons prohibited from making wagers**

16 An operator and a management services licensee conducting Internet gaming on behalf
17 of an operator may not accept a wager from the following persons:

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

19 **2. Operators and employees.** An operator or management services licensee;
20 directors, officers and employees of an operator or management services licensee; or a
21 relative living in the same household as any of these persons. This subsection does not
22 prohibit a relative living in the same household as a director, officer or employee of an
23 operator or management services licensee from making a wager with an unaffiliated
24 operator or management services licensee;

25 **3. Interested parties.** A person with an interest in the outcome of the Internet gaming
26 event identified by the director by rule;

27 **4. Unauthorized persons.** A person on a list established by rule by the director under
28 section 1403, subsection 2, paragraph G of persons who are not authorized to make wagers;

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

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

33 **§1413. 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 the Internet gaming event.

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

41 **3. Information confidentiality.** The director and operators shall maintain the
42 confidentiality of information provided by entities involved in the Internet gaming event

1 for purposes of investigating or preventing the conduct described in this section, unless
2 disclosure is otherwise required by the director or by law or unless the entity consents to
3 disclosure.

4 **4. Information use and disclosure.** With respect to any information provided by an
5 operator to an entity involved in the Internet gaming event relating to conduct described in
6 this section, the entity:

7 A. May use such information only for integrity-monitoring purposes and may not use
8 the 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 entity may make disclosures necessary to conduct and resolve integrity-related
12 investigations and may publicly disclose such information if necessary to maintain the
13 actual or perceived integrity of the Internet gaming event. Prior to any public
14 disclosure that would identify the operator by name, the entity shall provide that
15 operator with notice of the disclosure and an opportunity to object to the disclosure.

16 **§1414. Security, maintenance and sharing of wagering records**

17 **1. Records maintenance.** An operator shall maintain for 3 years after an Internet
18 gaming event occurs at least the following records of all wagers placed with respect to that
19 Internet gaming event:

20 A. Personally identifiable information of each person placing a wager;

21 B. The amount and type of each wager;

22 C. The time each wager was placed;

23 D. The location of each wager, including the Internet protocol address if applicable;

24 E. The outcome of each wager; and

25 F. Instances of abnormal wagering activity.

26 An operator shall make the records required to be maintained under this subsection
27 available for inspection upon request of the director or as required by court order.

28 **2. Anonymized information.** An operator shall use commercially reasonable efforts
29 to maintain, in real time and at the account level, anonymized information regarding a
30 person who places a wager; the amount and type of the wager; the time the wager was
31 placed; the location of the wager, including the Internet protocol address if applicable; the
32 outcome of the wager; and records of abnormal wagering activity. The director may
33 request that information in the form and manner required by rule. Nothing in this
34 subsection requires an operator to provide any information that is prohibited by federal or
35 state law, including without limitation laws and rules relating to privacy and personally
36 identifiable information.

37 **3. Records monitoring.** If an entity involved in the Internet gaming event has notified
38 the director that access to the information described in subsection 2 for wagers placed on
39 Internet gaming events of that entity is necessary to monitor the integrity of that Internet
40 gaming event, and the entity represents to the director that it specifically uses that data for
41 the purpose of monitoring the integrity of the Internet gaming event, an operator shall share,
42 in a commercially reasonable frequency, form and manner, with the entity or its designee

1 the same information the operator is required to maintain under subsection 2 with respect
2 to the Internet gaming event. An entity and its designee may use information received
3 under this subsection only for integrity-monitoring purposes and may not use information
4 received under this subsection for any commercial or other purpose. Nothing in this
5 subsection requires an operator to provide any information if prohibited by federal or state
6 law, including without limitation laws and rules relating to privacy and personally
7 identifiable information.

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

13 **§1415. Interception of Internet gaming winnings to pay child support debt**

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

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

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

19 C. "Licensee" means an operator or a management services licensee under section
20 1408.

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

23 E. "Winner" means an Internet gaming patron to whom cash is returned as winnings
24 for placement of a wager.

25 **2. Interception.** A licensee shall intercept Internet gaming winnings to pay child
26 support debt in accordance with this section.

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

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

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

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

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

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

39 A. Before making a payout of winnings of an amount equal to or greater than the
40 amount for which the licensee is required to file a Form W-2G or substantially
41 equivalent form with the United States Internal Revenue Service, the licensee shall

1 obtain the name, address, date of birth and social security number of the winner and
2 shall electronically submit this information to the registry operator.

3 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
4 electronically inform the licensee whether the winner is listed in the registry. If the
5 winner is listed in the registry, the registry operator shall inform the licensee of the
6 amount of the winner's outstanding child support debt and the account number or
7 identifier assigned to the outstanding child support debt and shall provide the licensee
8 with a notice of withholding that informs the winner of the right to an administrative
9 hearing.

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

14 D. If the registry operator informs the licensee that the winner is listed in the registry,
15 the licensee may not make payment to the winner unless the amount of the payout
16 exceeds the amount of outstanding child support debt, in which case the licensee may
17 make payment to the winner of the amount of winnings that is in excess of the amount
18 of the winner's outstanding child support debt.

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

22 **6. Withholding of winnings.** The licensee shall withhold from any winnings an
23 amount equal to the amount of the lien created under subsection 5 and shall provide a notice
24 of withholding to the winner. Within 7 days after withholding an amount pursuant to this
25 subsection, the licensee shall transmit the amount withheld to the department together with
26 a report of the name, address and social security number of the winner, the account number
27 or identifier assigned to the debt, the amount withheld, the date of withholding and the
28 name and location of the licensee.

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

32 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
33 to this section has the right, within 15 days of receipt of the notice of withholding, to request
34 from the department an administrative hearing. The hearing is limited to questions of
35 whether the debt is liquidated and whether any post-liquidation events have affected the
36 winner's liability. The administrative hearing decision constitutes final agency action.

37 **9. Authorization to provide information.** Notwithstanding any provision of law to
38 the contrary, the licensee may provide to the department or registry operator any
39 information necessary to effectuate the intent of this section. The department or registry
40 operator may provide to the licensee any information necessary to effectuate the intent of
41 this section.

42 **10. Confidentiality of information.** The information obtained by the department or
43 registry operator from a licensee pursuant to this section and the information obtained by
44 the licensee from the department or registry operator pursuant to this section are

1 confidential and may be used only for the purposes set forth in this section. An employee
2 or prior employee of the department, the registry operator or a licensee who knowingly or
3 intentionally discloses any such information commits a civil violation for which a fine not
4 to exceed \$1,000 may be adjudged.

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

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

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

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

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

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

23 **§1416. Allocation of funds**

24 **1. Tax imposed; allocation of funds.** An operator shall collect and distribute 16% of
25 adjusted gross Internet gaming receipts to the director to be forwarded by the director to
26 the Treasurer of State for distribution as follows:

27 A. Two percent of the adjusted gross Internet gaming receipts must be deposited in the
28 Gambling Control Unit administrative expenses Other Special Revenue Funds account,
29 which is a nonlapsing dedicated account;

30 B. Three percent of the adjusted gross Internet gaming receipts must be deposited in
31 the Gambling Addiction Prevention and Treatment Fund established by Title 5, section
32 20006-B;

33 C. Three percent of the adjusted gross Internet gaming receipts must be deposited in
34 the E-9-1-1 fund under Title 25, section 2927, subsection 2-B;

35 D. Three percent of the adjusted gross Internet gaming receipts must be deposited in
36 the Opioid Use Disorder Prevention and Treatment Fund established under Title 5,
37 section 20010;

38 E. Two percent of the adjusted gross Internet gaming receipts must be deposited in the
39 Emergency Housing Relief Fund established under Title 30-A, section 4765; and

40 F. Three percent of the adjusted gross Internet gaming receipts must be deposited in
41 the Maine Veterans' Homes Stabilization Fund established under Title 37-B, section
42 613.

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

4 **§1417. Applicability of other laws**

5 **1. Authorized conduct.** The provisions of Title 17, chapter 62 and Title 17-A, chapter
6 39 do not apply to Internet gaming conducted in accordance with this chapter and the rules
7 adopted under this chapter.

8 **2. Unlicensed conduct.** A person who engages in an activity for which a license is
9 required under this chapter and who does not possess the required license to engage in that
10 activity is subject to any criminal or civil penalties that may be imposed pursuant to Title
11 17-A, chapter 39.

12 **3. Unauthorized conduct by licensees.** In addition to any penalties that may be
13 imposed pursuant to section 1405, a licensee who conducts Internet gaming in violation of
14 this chapter or the rules adopted under this chapter is subject to any criminal or civil
15 penalties that may be imposed pursuant to Title 17-A, chapter 39.

16 **Sec. 5. 17 MRSA §1831, sub-§5,** as amended by PL 2017, c. 284, Pt. KKKKK,
17 §8, is further amended by amending the first blocked paragraph to read:

18 For the purposes of this subsection, "an event the result of which is determined by chance"
19 includes but is not limited to a shuffle of a deck of cards, a roll of a die or dice or a random
20 drawing or generation of an object that may include, but is not limited to, a card, a die, a
21 number or simulations of any of these. A shuffle of a deck of cards, a roll of a die, a random
22 drawing or generation of an object or some other event the result of which is determined
23 by chance that is employed to determine impartially the initial order of play in a game,
24 contest, scheme or device does not alone make a game, contest, scheme or device a game
25 of chance. For purposes of this chapter, beano, bingo ~~and~~ table games as defined in Title
26 8, section 1001, subsection 43-A and Internet gaming as defined in Title 8, section 1402,
27 subsection 5 are not games of chance.

28 **Sec. 6. 17-A MRSA §951,** as amended by PL 2021, c. 681, Pt. J, §7, is further
29 amended to read:

30 **§951. Inapplicability of chapter**

31 Any person licensed or registered by the Gambling Control Unit as provided in Title
32 17, chapter 13-A or chapter 62; or authorized to operate or conduct a raffle pursuant to Title
33 17, section 1837-A or licensed to operate sports wagering pursuant to Title 8, chapter 35
34 or Internet gaming pursuant to Title 8, chapter 39 is exempt from the application of the
35 provisions of this chapter insofar as that person's conduct is within the scope of the license
36 or registration.

37 **Sec. 7. 25 MRSA §1542-A, sub-§1, ¶CC** is enacted to read:

38 CC. Who is required to have a criminal history record check under Title 8, section
39 1404.

40 **Sec. 8. 25 MRSA §1542-A, sub-§3, ¶BB** is enacted to read:

41 BB. The State Police shall take or cause to be taken the fingerprints of the person
42 named in subsection 1, paragraph CC at the request of that person or the director of the

1 Gambling Control Unit within the Department of Public Safety and upon payment of
2 the fee established by the director of the Gambling Control Unit pursuant to Title 8,
3 section 1404, subsection 3.

4 **Sec. 9. Appropriations and allocations.** The following appropriations and
5 allocations are made.

6 **PUBLIC SAFETY, DEPARTMENT OF**

7 **Gambling Control Board Z002**

8 Initiative: Provides funding for 2 Criminal Intelligence Analyst positions, one Public
9 Service Coordinator position, one Public Safety Inspector I position, 2 Auditor II positions
10 and associated All Other costs.

11 GENERAL FUND	2023-24	2024-25
12 POSITIONS - LEGISLATIVE COUNT	0.000	6.000
13 Personal Services	\$0	\$673,937
14		
15 GENERAL FUND TOTAL	<u>\$0</u>	<u>\$673,937</u>

16		
17 OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
18 All Other	\$0	\$85,000
19		
20 OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$85,000</u>

21 '
22 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
23 number to read consecutively.

24 **SUMMARY**

25 This amendment does the following.

26 1. It makes technical corrections to the bill, adjusting for a new statutory chapter and
27 section numbers.

28 2. It removes the sections of the bill that repeal provisions specific to mobile sports
29 wagering.

30 3. It amends the definition of "Internet gaming" and makes other necessary changes to
31 align with the new definition.

32 4. It makes changes to the sections related to the exclusion list that provide that the
33 exclusion list is the same list as for other forms of gambling in the State and that the rules
34 will include a process for voluntary exclusion and standards for involuntary placement on
35 the list.

36 5. It reduces the terms for all licenses issued under this legislation to one year and
37 reduces the fees accordingly.

38 6. It provides that the director of the Gambling Control Unit within the Department of
39 Public Safety must establish by rule a process for issuing licenses for Internet gaming that
40 is, as far as possible, identical to the process for comparable licenses under the sports

