



# Maine Credit Union League

2 Ledgeview Drive · Westbrook, ME 04092  
Mailing Address: P.O. Box 1236 · Portland, ME 04104  
207-773-5671 · 1-800-442-6715  
[www.maine cul.org](http://www.maine cul.org)

## **Testimony by Ellen Parent In Support of LD 1086**

*An Act to Exempt Internet Raffles Conducted by Certain Organizations with Prizes of \$2,500 or Less from Registration and Licensing Requirements*

### **Committee on Veterans and Legal Affairs March 24, 2025**

Senator Hickman, Representative Supica, and distinguished members of the Committee on Veterans and Legal Affairs, my name is Ellen Parent and I am the Director of Compliance at the Maine Credit Union League and I am submitting testimony on behalf of the Maine Credit Union League in support of LD 1086, An Act to Remove State Requirements for Nonprofits on Raffles and Internet Raffles with Prizes of \$2,500 or Less. The Maine Credit Union League is the trade association for Maine's 48 credit unions and over 750,000 members statewide.

Maine's credit unions take to heart the industry motto of "people helping people" and regularly raise money for charities. Maine credit union members and employees have shown support for their communities by raising over \$14.9 million since 1990 in the League's Campaign for Ending Hunger. The Campaign for Ending Hunger is registered as a nonprofit corporation in the state of Maine and is designated as a public charity by the IRS. All 48 of the credit unions headquartered in Maine contribute to the Campaign and the money goes back to their local food pantries and organizations feeding the hungry in Maine. The Campaign for Ending Hunger is not currently registered as an "eligible organization" with the Gambling Control Unit and despite being not-for-profit organizations Maine credit unions do not qualify under the definition of "eligible organizations" under the definition of 17 M.R.S.A §1832(2).

While we appreciate the importance of restrictions on games of chance, we strongly support a change to allow for the simplified online sale of raffle tickets for legitimate charitable causes. The COVID-19 pandemic accelerated the decline in the use of cash. When we worked

with this committee in years past, there have been advancements made to allow for the use of technology to collect funds for raffles, but many organizations still find the process to be overly burdensome.

At the League, we actively recommend that credit unions do not use games of chance for fundraising, despite their popularity at large. Our credit unions do not hold any raffles where the total value of the prize is more than \$2,500 and they are instructed to only take cash as payment. If a credit union member wishes to buy a ticket with money from their account, they must request a withdrawal of cash, and then pass the cash back across the counter to the teller who may be selling the tickets. A credit union holding a raffle cannot legally transfer money from the member's account to the appropriate account for fundraising even if the member is performing the transaction in person without an assessment of their core processing system by the Gambling Control Unit. This bill would allow our credit unions and their members to participate in small dollar games of chance to fundraise for hunger initiatives across Maine. We would also ask that the committee consider clarifying the language to explicitly permit in-person sales through an electronic means.

There seem to be many misconceptions in the general public about raffles held for charitable purposes. Eligible organizations, such as schools and charities, often don't realize that they need to be approved by the Gambling Control Unit to conduct raffles where they sell tickets by electronic means. The definition of internet raffle is often confused with the sale of tickets by an electronic system, though there is a section of statute that specifically outlines that selling tickets does not make it an internet raffle, there is limited guidance on how to sell tickets by an electronic means. Many organizations just want the ability to use card processing systems to sell tickets, in person, to people who do not carry cash. In addition, clarifying the rules and regulations around small raffles would reduce confusion, significantly reducing the administrative burden on the Gambling Control Unit who can then focus their efforts on malicious or misleading raffles.

Electronic sales of raffle tickets for bona fide charitable purposes would serve a valuable purpose for organizations who wish to mobilize their membership to support their community and the state of Maine at large. This effort should not be limited to large

organizations who have the time and staff and money to dedicate to the application process but should be streamlined to allow small organizations to participate.

We would urge the committee to support this bill and to view such bills with an eye for allowing these sorts of fundraisers to be conducted to raise money for the many worthy charitable causes in Maine.