

March 17, 2025

LD863 Public Hearing Testimony

Senator Hickman, Representative Supica, and honorable members of the Joint Standing Committee on Veterans and Legal Affairs: My name is Nathan Sessions, I am a resident of Maine and the owner of Levin Marketing Solution, an approved Payment Management System provider within our state. I am here today to testify in favor of LD863.

I strongly support this bill as it eases the regulatory burdens on Internet raffles with prize totals of \$2,500 or less. This is an important step forward to facilitate community-driven fundraising efforts in a safe, lawful, and responsible manner. However, while the intent is commendable, the bill misses a key opportunity to make low-risk raffles more accessible.

Currently, even low-value Internet raffles are restricted to eligible organizations that have undergone a formal registration process. As a result, numerous community groups, small businesses, and informal fundraising efforts cannot access approved Payment Management Systems, which offer secure, compliant ways to manage transactions.

Let me share two stories to illustrate why this is problematic. First, following the tragic mass shooting in Lewiston in 2023, a local business owner contacted us seeking assistance in organizing a small online raffle to raise funds for the victims. Despite the modest prize value, they did not qualify as an eligible organization and, thus, could not legally utilize our system. Unfortunately, they felt compelled to use less secure, unapproved platforms, putting the integrity and transparency of their well-intentioned fundraising at risk or run their raffles unlawfully.

In another case, last year a local high school was raising funds for their Project Graduation through an ambitious raffle, offering a prize valued around \$10,000. Early into their efforts, they reached out to us after they were informed by the Maine Gambling Control Unit that they were not authorized to use popular platforms like Facebook, Instagram, or PayPal to collect payments because these platforms are unapproved for conducting raffles. Yet, since the school itself did not qualify as an eligible organization and the raffle was already active, we were unable to assist. Recognizing that they faced substantial financial losses, the school's parent group approached me again, hoping to recoup some of their lost revenue through smaller, low-value raffles. Unfortunately, despite these raffles falling within the low-value threshold, the organization remained ineligible and thus unable to utilize our approved system. It was deeply

disheartening to inform these dedicated community members that even smaller, low-risk raffles were out of reach.

Stories like these are not isolated incidents; they are common occurrences throughout our state. Often, when I discuss legal raffle options with potential nonprofits and they discover the complexities and limitations imposed by the current legislation, many become discouraged and abandon their fundraising plans altogether or decide to run their raffles on unapproved platforms.

Therefore, I respectfully propose an amendment to §1837-C subsection 2 to include an exemption that allows any organization or business to utilize an approved Payment Management System for online charitable raffles with prizes totaling \$2,500 or less. Such an amendment would greatly simplify the process for community groups, encourage safer and more transparent fundraising efforts, and ultimately better serve the charitable interests of our communities.

Thank you for your time and consideration of this important matter.

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