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THE MAINE SENATE

132nd Legislature

Testimony of Senator Nicole Grohoski introducing

LD 1490, An Act to Allow Nonprofit Organizations to Sell Progressive Pull-tab Games and to Offer Partner-assisted Beano and to Establish New Guidelines for the Expansion of Gambling

Before the Committee on Veterans and Legal Affairs Monday, April 14, 2025

Senator Hickman, Representative Supica, and members of the Veterans and Legal Affairs Committee. I am Senator Nicole Grohoski, and I represent District 7, the majority of Hancock County. Thank you for the opportunity to introduce my bill <u>LD 1490</u>, "An Act to Allow Nonprofit Organizations to Sell Progressive Pull-tab Games and to Offer Partner-assisted Beano and to Establish New Guidelines for the Expansion of Gambling."

For this bill, I have been working closely with Randy Mosley of Ellsworth VFW Post 109. The Ellsworth VFW is a vibrant community organization that is able to serve veterans and others in our region in large part due to the money it raises through gaming that the State authorizes certain organizations (under <u>Title 17, Section 1832(2)</u>) to conduct. For example, the Ellsworth VFW contributes to charities like the Loaves & Fishes Food Pantry and the Special Olympics. Last year, a local veteran was going to lose the ability for his child with autism to live with him because his trailer was run down. The VFW gave him \$1,750 to fix up his trailer and keep his kid at home.

Community-focused organizations like the Ellsworth VFW rely on revenue from certain types of games that other entities cannot legally be licensed to conduct, which is why it's important that the Legislature ensures they retain exclusive access to these and similar games with fair and practical oversight.

This bill accomplishes three key things to achieve that goal, listed here in order of urgency:

1. It restores access to progressive pull-tab games for nonprofit organizations (Sections 3 and 4 of the bill) —games that were previously available and have long been a valuable fundraising tool. These games allow for jackpot prizes that can carry over to future games

if not won immediately. Although previously offered under existing rules, recent interpretation by the Gambling Control Unit has prohibited non-profits from continuing to offer these games. This bill simply clarifies the definition to ensure these games can continue, protecting critical revenue for community organizations.

- 2. It authorizes partner-assisted beano (Section 2 of the bill). This allows two individuals to play beano together as a team, but limits the pair to playing no more than 18 cards per beano game. This change maintains game integrity while increasing accessibility for folks who want to play but are unable to do so by themselves. Right now under the law, the only assistance allowed is for a bathroom break. There is currently no legal maximum number of cards that can be played by one person, but for reference, the Ellsworth VFW sells a maximum of 48 cards per person.
- 3. It puts in place a new, commonsense process to guide future decisions about gambling expansion (Section 1 of the bill). Before any new form of for-profit gambling—or major expansion of existing gambling—is enacted, it must go through a structured public review. The Gambling Control Board and the Department's Gambling Control Unit will assess whether the proposal would harm nonprofit organizations that run games of chance. If harm is found, the proposal cannot move forward. The goal of this provision is to ensure that the Legislature does not allow for-profit entities to operate games that are the same or similar to the ones that nonprofits run, thus unintentionally undercutting their proceeds or the viability of the other games the nonprofits run.

Regarding the progressive pull-tab games — unfortunately, the Ellsworth VFW did not know about these changes before they purchased their license for 2025. They were allowed to conduct the game they had already purchased and a prize was awarded in January. Since that license was no longer useful, they requested an 11-month refund of the \$700 license fee. The GCU informed Randy and the VFW that no refunds were allowed. If your committee determines that the VFW and other entities should not be operating progressive pull-tab games, I respectfully request that you authorize prorated refunds for licenses that organizations purchased this year that are no longer useful.

In summary, this bill ensures that while Maine remains open to thoughtful innovation in gaming, we are also safeguarding the interests of the many nonprofit organizations that depend on games of chance to support their missions—from local fire departments and veterans' groups to community centers and social service organizations.

I respectfully urge the committee to support this bill, and I welcome any questions.

¹Excerpts from the relevant agency rules:

 $\frac{https://www.maine.gov/dps/sites/maine.gov.dps/files/inline-files/Chapter\%2032\%20Amended\%}{2011.24.24.pdf}$

16 DEPARTMENT OF PUBLIC SAFETY 633 GAMBLING CONTROL UNIT Chapter 32: RULES RELATING TO GAMES OF CHANCE

- §3. Conduct of Games of Chance
 - 1. The licensee or registrant operating a game of chance shall:

H. Ensure at the conclusion of each game of chance, winners are determined and the prize(s) awarded. No prize or any values derived from a previous prize shall be credited toward a greater prize;

- §4. Sealed Tickets
 - 6. Operators of Lucky Seven or similar sealed ticket games shall:
 - G. Close a serial-numbered game, before starting a new serial-numbered game;