

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

Journal and Legislative Record
House of Representatives
One Hundred and Twenty-Ninth Legislature
State of Maine

Daily Edition

First Regular Session
beginning December 5, 2018

pages 1 -

bill is a good effort by those who wish to bring out into the open a black market activity that is practiced by many now and who want to regulate that activity without over-regulating or over-taxing it so as to drive it back underground. The bill is a step forward towards achieving that delicate balance.

But, respectfully, I remain unconvinced at this time that the majority of Maine people are ready to legalize, support, endorse and promote betting on competitive athletic events.

Before Maine joins the frenzy of states hungry to attract this market, I believe we need to examine the issue more clearly; better understand the evolving experiences of other states; and thoughtfully determine the best approach for Maine. That approach needs to balance the desire to suppress gambling activities now being conducted illegally and the need to protect youthful gamblers and those least able to absorb losses under a closely regulated scheme.

This bill prohibits gambling on sports by people under the age of 21, and I am aware that mobile sports gambling operators offer sophisticated mechanisms to detect problem gamblers and gambling by young people. But it is difficult to envision a system which does this and at the same time would employ broad based marketing and aggressive advertising in social media and on television, including ads during the very games on which live bets are being placed. These ads would unduly draw in people who should not be risking money impetuously because of youth or financial or family circumstances.

It may be that the regulations permitted by this bill would allow reasonable oversight of marketing and access to youth. But that is far from certain given the federal and regional jurisdiction over much of the relevant media.

We are also told that the state can access new revenues by legalizing sports betting. But for the more than dozen states that have enacted legislation regarding this form of gambling, revenues have fallen far short of projections for a variety of reasons, and the economic impact of mobile sports gambling on preexisting facilities, given the potential saturation in the market, is uncertain. In addition, while legalized sports gambling may attract some revenue to the state coffers, the same economic premise in theory would justify legalizing all forms of gambling — betting on the weather, spelling bees and school board elections, for instance.

Finally, we are also told that Maine needs to legalize sports gambling in order to preserve its existing market share in the betting industry. That premise is still speculative, and, in any event, merits a longer term analysis given the constantly changing dynamics of gambling in New England.

Should the Legislature override this veto, or should Legislature take up a similar measure next year, my administration will continue to help with drafting and analysis to best address the unique needs of our state. In that respect, I commend the broad regulatory authority described in this bill that includes strict licensing criteria and the state's right to establish a maximum wager, to collect child support arrearages, to avoid insider betting and to promote social responsibility. At the same time, if the Legislature is serious about cracking down on illegal activities, it should consider penalties that are more serious and more consistent with the Maine Criminal Code, including recognizing the financial gain of the offender, rather than the misdemeanor penalties described in section 1216 of the bill. In the meantime, of course, federal sanctions prohibit gambling activities of any sort that are not allowed under state law.

I appreciate the Legislature's interest in this evolving issue and respectfully request that you sustain this veto while we closely monitor the impact of legalization and the successes and

failures in other states as they seek to regulate and benefit from sports betting.

Thank you.

Sincerely,
S/Janet T. Mills

Governor

Came from the Senate, **READ** and **ORDERED PLACED ON FILE**.

READ and **ORDERED PLACED ON FILE** in concurrence.

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

(S.P. 175) (L.D. 553)

(C. "A" S-318)

In Senate, February 6, 2020, this Bill, having been returned by the Governor, together with objections to the same, pursuant to the provisions of the Constitution of the State of Maine, after reconsideration, the Senate proceeded to vote on the question: 'Shall this Bill become a law notwithstanding the objections of the Governor?'

20 voted in favor and 10 against, and 20 being more than 2/3 of the members present and voting, accordingly it was the vote of the Senate that the Bill become law and the veto was overridden.

The SPEAKER: The Chair recognizes the Representative from Pittsfield, Representative Strom.

Representative **STROM**: Thank you, Madam Speaker. And I rise in support of overriding the Chief Executive's veto of LD 553, An Act to Ensure Proper Oversight of Sports Betting in the State.

I was a co-sponsor of this bill that started out as a concept draft and was written by the VLA committee. LD 553 was written to allow all legal gambling establishments in the State to participate along with any mobile sites approved by the Gambling Control Board. This has been done to make sure we have a fair and open market and to ensure the Legislature wouldn't be picking winners and losers in the industry, nor would we be helping any particular company by eliminating all competition for them. A tax structure was set up where local brick and mortar establishments will be taxed at 10% and mobile sites at 16% as a way to respect the investments that casinos and OTBs have made in Maine.

Our neighboring state of New Hampshire legalized sports gambling just last month and it has been a huge success for them. In a news article from a New Hampshire paper just last week, it was stated that 34,800 people have placed bets so far in the state, totaling \$20.8 million in wagers, which translates into \$1.2 million in new revenue for the State of New Hampshire in just one month. Now, I personally know people from Maine who have crossed the border into New Hampshire to place a wager on the Super Bowl and you can bet when a person does travel to New Hampshire to place a bet, many of them will stay to partake in some tax-free shopping while they are there.

Now, besides the obvious tax revenue reasons for legalizing sports gambling in Maine, it should be done also because adults know how to spend their money and should be able to do so as they choose fit. We already allow betting on horse racing in Maine, and I would consider that a sport. I see no reason not to allow betting on other sports also. Thank you.

The SPEAKER: The Chair recognizes the Representative from Bangor, Representative Schneck.

Representative **SCHNECK**: Thank you, Madam Speaker. Madam Speaker, Men and Women of the House, I'm asking you to consider overriding the veto of LD 553.

Since the U.S. Supreme Court opened the door for states to allow sports betting in 2018, 20 states and the District of Columbia have legalized sports betting. They've done so in part because the illegal gambling market in the U.S. continues to grow and prosper. The American Gaming Association estimates that at least \$150 billion is bet on sports annually, 97% percent of that illegally. LD 533 doesn't create a new gambling market, it simply controls and regulates one that already exists, 553, I'm sorry.

The bill before us was passed by both Houses of the Legislature last year. It would allow and regulate sports betting for people 21 years and older. It would tax Maine-based locations such as casinos and off-track betting parlors at 10% and mobile and online betting revenue at a higher rate of 16%. The Veterans and Legal Affairs Committee worked through several proposals that came before us. We took our time and thoughtfully produced a proposal with bipartisan support. An issue of contention during our consideration of this bill was whether sports betting should be tethered to brick and mortar facilities. The argument that businesses already invested here should get priority was dealt with by our committee via the tax structure; 10% on retail locations and 16% on mobile locations.

LD 553 allows for retail sports books held by Maine's casinos, Maine's tribes, commercial harness racing tracks and off-track betting facilities. In addition, the bill makes mobile licenses available to qualified mobile providers as well as fixed retail locations. This allows us to regulate a market we know now already exists. It's estimated that legalized sports wagering could bring the State as much as \$6.9 million in annual revenue. Regulating sports wagering is the right thing to do, bringing with it jobs and opportunity and funding for pressing state needs. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Vassalboro, Representative Bradstreet.

Representative **BRADSTREET**: Thank you, Madam Speaker, Ladies and Gentlemen of the House. I rise today in support of the Chief Executive's veto and I hope that we do sustain it.

I understand that you can't legislate morality and whatever we do today is not going to keep people from gambling if they want to gamble. However, we need to remember, too, that there are oftentimes unseen victims of gambling and those are the people who are subject to the addictive gambling patterns of a lot of people. I know, myself, I had a business associate a number of years ago who lost \$100,000 because a person could not pay him back the money that he owed him because he lost it to gambling. I think those are a lot more common than we realize. It's my hope that by sustaining the Chief Executive's veto, we'll be able to help keep some people from feeding their current addictions or perhaps even more importantly prevent other people from entering a situation where they will develop a gambling addiction. If we were entertaining the approval of an initiative that could lead to our State's even deeper opioid crisis, I think we'd all be against it and in a lot of ways this is just the same. We should be against this as well.

As Representatives, people look to us to take leadership and I believe this is one of those occasions. Sometimes you have to stand up for things just because they're right. I'd also like to remember that people point out that oftentimes when you go to Las Vegas you point at the buildings and they say, you know, those buildings are built by the losers. But, you know, some of them are also built by the addicts. I hope that you will join me in sustaining the veto. Thank you.

The SPEAKER: The Chair recognizes the Representative from Carmel, Representative Reed.

Representative **REED**: Thank you, Madam Speaker, Ladies and Gentlemen of the House. I rise in opposition to the current motion of the override of the Chief Executive's veto to legalize sports betting in our State.

The Chief Executive and I might not agree on a lot of things, but we do agree on this one. When is enough, enough? How much more gambling do we need in our State? And how hypocritical of us to plaster our newspapers with comments and concerns about addiction in our State while further opening up avenues that leads and adds to other forms of addiction. And this particular bill will greatly entice many of our youth to become involved with gambling because they are so tied into sports and sports teams. And who has the foreknowledge of knowing the damage to our youth that this bill will cause down the road? Has anyone considered what the effects of sports betting will have on college athletes? Those who don't make any money but play for the love of the game? Could it be that a team that is supposed to win by 20 points could have a player who's told that he could be \$500 richer tonight if his team only wins by 10? And, furthermore, when will sports betting filter down to our high school athletes?

Some classify gambling as a victimless crime, and how ludicrous is that idea? There are marriages that have been destroyed, bank accounts that have been depleted and suicides that have occurred all over the country because of gambling. And that doesn't include the children that have been deprived of the shoes on their feet, food on their tables and a roof over their heads. And how victimless is it when the Legislatures and the taxpayers all across our states are called to deal with the addictions thrust upon them every year? I would encourage you in this chamber to do what is right and vote to sustain the Chief Executive's veto. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Friendship, Representative Evangelos.

Representative **EVANGELOS**: Thank you, Madam Speaker, Men and Women of the House. I am voting to support overriding the veto.

Listen, folks, there's two pieces of this for me. One is that we can't legislate fun and, you know, people have fun doing this and they're going to do it whether we legalize it or not. And I want to remind everybody when we tried to legalize an issue in 1919, it didn't work out so well. We ended up repealing that in 1933, that was prohibition, but the end result was we created the mob. Organized crime ended up running the liquor industry. And it's difficult that we get to this juncture when New Hampshire and Rhode Island have already enacted it, Massachusetts, Connecticut, and New York are about to follow, New Jersey's done it. We got people driving to Portsmouth regularly doing this already. We're not going to make a bundle of money on this, but the fact is we're already doing this and the State's already in the gambling industry.

Now, if we're concerned about gambling, let's get the State out of the gambling business. I have some information for you I'd like to share. It's from the Maine Megabucks website. Now, the fact is when you bet on a sports team, you have a 50% chance of winning. Your team wins or your team loses. You bet \$20 and if you lose, you pay 22. That's the fee, it's 10%. If you win, you make 20. In the Maine State Lottery, to win \$25, you have a one in 700 chance of winning. To win \$5 you have a one in 63 chance of winning. To win the jackpot, you got a one in 4,000,000 chance of winning. So, if we want to get rid of the gambling, let's get rid of it. But the

State's in the gambling business. You know, every August, we go to the Union Fair on Sunday once and we go to the harness racetrack. It's a family event and we don't go to sit and watch the beautiful horses warm up or the jockeys in their beautiful silks. I go to the window and I bet \$5 on a horse. And what happens next? Come on, Sea Biscuit, you know? Coming down the stretch. And we're having fun. And if I want to do that, I should be allowed to do it. If you don't want to bet, don't do it.

So, please, this sports gambling's going on on a massive basis across the Country. We can't legislate it, it's happening. It's happening in our neighboring States and if people have an irresponsible problem with gambling, there are all kinds of irresponsible issues we don't legislate. There's drinking, people are betting on Wall Street every day and losing their shirt. That can become an addiction. So, let's get on board with the rest of our neighbors in New England and the rest of the states across the country and allow people to have a little bit of fun. So I will vote to override this veto today. Thank you.

The SPEAKER: The Chair recognizes the Representative from Winthrop, Representative Hickman.

Representative **HICKMAN**: Thank you, Madam Speaker. Madam Speaker, Women and Men of the House, as is my tradition, I stick with my votes in committee and I voted against this bill in committee and I will just say briefly two reasons why.

My good friend and Representative from Friendship made me think while he was speaking that if we were talking about hate and everybody hates, we should just all enjoy hate, we shouldn't do anything to stop that, and that's what I was thinking. But I have fun watching sports and I was a tennis blogger for a long time and I like watching one on one matches that are honest and pure and true. And when it came to my attention that there were many tennis players on the international scene voting against themselves and tanking their matches so they could make a lot of money because they weren't the champions of the sport, they were the low-ranked players, it was very disturbing to me. And so, I carry that with me wherever I go and while I don't oppose gambling outright, I just oppose betting on individual sports, in particular, and there's nothing in this bill that would stop that.

So, I will support the Chief Executive's veto. I'll finish by quoting from Taylor Branch, the Pulitzer prize-winning historian of the Civil Rights movement and biographer of Martin Luther King, who lays out why the government policy of predatory gambling undermines the core democratic principles our nation was founded on, and he writes; state-sponsored predatory gambling is essentially a corruption of democracy because it violates the most basic premises that make democracy unique, that you can be self-governing, that you can be honest and open about your disagreements as well as your agreements, and that you trust other people that you are in this together. That's what a compact of citizens is and the first step away from it is to play each other for suckers. We're going to trick them into thinking they are going to get rich but they are really going to be paying my taxes. Thank you, Madam Speaker.

The SPEAKER: The Chair recognizes the Representative from Yarmouth, Representative Cooper.

Representative **COOPER**: Thank you, Madam Speaker. In the VLA committee, I did vote for this bill but I was troubled, nevertheless. And I've done a lot of thinking about it since then and I will today vote to sustain the Chief Executive's veto. And the reason is because I think sports betting is a unique category of betting. Sports should be a sacred zone of honesty where athletic ability prevails in those competitions. If we allow people to bet on the outcome or spread of a sports

event, it corrupts the sport, both actually and psychologically, and that is why I am going to vote to sustain the veto. Thank you.

After reconsideration, the House proceeded to vote on the question, 'Shall this Bill become a law notwithstanding the objections of the Governor?' A roll call was taken.

The SPEAKER: The pending question before the House is 'Shall this Bill become a law notwithstanding the objections of the Governor?' All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 344V

YEA - Ackley, Alley, AustinB, Babine, Bailey, Berry, Bickford, Bryant, Campbell, Cebra, Cloutier, Collings, Corey, Crockett, Daughtry, Denk, DeVeau, Dillingham, Dodge, Dolloff, Doudera, Dunphy, Evangelos, Faulkingham, FecteauJ, FecteauR, Foley, Gattine, Gramlich, Grohoski, Hall, Handy, Hanley, Harnett, Harrington, Head, Hepler, Hubbell, Ingwersen, Jorgensen, Keschl, Kessler, MadiganC, MartinT, Mastraccio, Matlack, Maxmin, McCrea, McCreight, McDonald, McLean, Melaragno, Moonen, Morales, O'Connor, Ordway, Paulhus, Pebworth, Perkins, PierceT, Pluecker, Prescott, Reckitt, Riley, Riseman, Roberts, Rudnicki, Rykerson, Schneck, Sheats, Stearns, Stetkis, Stover, Strom, Sylvester, Talbot Ross, Tepler, Terry, Theriault, Tipping, Tuell, Warren, WhiteB, Zeigler, Madam Speaker.

NAY - Andrews, Arata, AustinS, Babbidge, Beebe-Center, Blier, Blume, Bradstreet, Brennan, Brooks, Caiazzo, Cardone, Carney, Cooper, Costain, Craven, Cuddy, Curtis, Doore, Drinkwater, Farnsworth, Fay, Foster, Griffin, Haggan, Hanington, Hickman, Higgins, Hobbs, Hutchins, Hymanson, Javner, Johansen, Kinney, Kornfield, Kryzak, Landry, Lockman, Lyford, Marean, MartinJ, MartinR, Mason, Meyer, Moriarty, Morris, Nadeau, PerryJ, Pickett, Reed, Sampson, Skolfield, Stanley, Stewart, Swallow, Tucker, WhiteD.

ABSENT - Devin, Grignon, Millett, O'Neil, PerryA, Sharpe, Wadsworth.

Yes, 85; No, 57; Absent, 7; Excused, 0.

85 having voted in the affirmative and 57 voted in the negative, with 7 being absent, and accordingly the Veto was **SUSTAINED**.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

On motion of Representative FECTEAU of Biddeford, the House adjourned at 12:07 p.m., until 10:00 a.m., Thursday February 13, 2020.