CHAPTER 33

REGULATION OF FANTASY CONTESTS

§1101. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2017, c. 303, §2 (NEW).]

1. Beginner fantasy contestant. "Beginner fantasy contestant" means an individual who has entered fewer than 51 fantasy contests offered by a single fantasy contest operator.
[PL 2017, c. 303, §2 (NEW).]

2. Director. "Director" means the director of the Gambling Control Unit within the Department of Public Safety.
[PL 2017, c. 303, §2 (NEW).]

3. Entry fee. "Entry fee" means cash or a cash equivalent that is required to be paid by a fantasy contestant to a fantasy contest operator in order to participate in a fantasy contest.
[PL 2017, c. 303, §2 (NEW).]

4. Fantasy contest. "Fantasy contest" means a simulated game or contest in which:

A. Two or more fantasy contestants per game or contest, none of which may be the fantasy contest operator, pay an entry fee to participate; [PL 2025, c. 95, §1 (AMD).]

B. Fantasy contestants compete against each other by using their knowledge and understanding of sports events and persons engaged in those sports events to select and manage a simulated team roster whose performance directly corresponds with the actual performance of human competitors on sports teams and in sports events; and [PL 2017, c. 303, §2 (NEW).]

C. The outcome of the game or contest reflects the relative knowledge and skill of the contestants and does not depend on the performance of any one participant in a sports event or the outcome of any one sports event but is determined predominantly by accumulated statistical results of the performance of individual competitors on sports teams and in sports events. [PL 2017, c. 303, §2 (NEW).]
[PL 2025, c. 95, §1 (AMD).]

5. Fantasy contestant. "Fantasy contestant" means an individual who participates in a fantasy contest offered by a fantasy contest operator.
[PL 2017, c. 303, §2 (NEW).]

6. Fantasy contest operator. "Fantasy contest operator" means a person that offers a platform for the playing of fantasy contests and that administers a fantasy contest for which a prize of value is awarded.
[PL 2017, c. 303, §2 (NEW).]

7. Gross fantasy contest revenues. "Gross fantasy contest revenues" means the amount determined by subtracting the total of all sums paid out by a fantasy contest operator as cash prizes to all fantasy contestants from the total of all entry fees that the fantasy contest operator collects from all fantasy contestants and multiplying the result by the resident percentage. Sums paid out as prizes may not include the cash equivalent of any merchandise or something of value awarded as a prize.
[PL 2017, c. 303, §2 (NEW).]

8. Highly experienced fantasy contestant. "Highly experienced fantasy contestant" means a fantasy contestant who has:

A. Entered more than 1,000 fantasy contests operated by a single fantasy contest operator; or [PL 2017, c. 303, §2 (NEW).]

B. Won more than 3 prizes of $1,000 or more each from a single fantasy contest operator. [PL 2017, c. 303, §2 (NEW).]
[PL 2017, c. 303, §2 (NEW).]

9. Platform. "Platform" means an online or electronic method by which access to a fantasy contest is provided, including, but not limited to, a website, personal digital device, such as a device commonly known as a smartphone, or other application providing access to a fantasy contest.
[PL 2017, c. 303, §2 (NEW).]

10. Resident percentage. "Resident percentage" means, for each fantasy contest, the percentage, rounded to the nearest tenth of a percent, obtained by dividing the total amount of entry fees collected from fantasy contestants located in the State by the total amount of entry fees collected from all fantasy contestants.
[PL 2017, c. 303, §2 (NEW).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW). PL 2025, c. 95, §1 (AMD).

§1102. Power and duties of director

1. Powers. In administering and enforcing this chapter, the director may:

A. Pursuant to section 1103, issue or deny any application and limit, restrict, suspend or revoke any license issued under this chapter; [PL 2017, c. 303, §2 (NEW).]

B. Review reports of the investigation and qualifications of an applicant before a license is issued; [PL 2017, c. 303, §2 (NEW).]

C. Prescribe the manner for the collection of all license fees and revenues under this chapter; [PL 2017, c. 303, §2 (NEW).]

D. Adopt rules the director determines necessary to administer this chapter; [PL 2017, c. 303, §2 (NEW).]

E. Investigate complaints regarding the conduct of fantasy contests in violation of this chapter and rules adopted pursuant to this chapter; [PL 2017, c. 303, §2 (NEW).]

F. Impose sanctions, penalties and costs of investigation and hearing against an applicant or licensee for violation of this chapter or rules adopted pursuant to this chapter; [PL 2017, c. 303, §2 (NEW).]

G. Review and approve each platform for compliance with the provisions of this chapter and rules adopted pursuant to this chapter; and [PL 2017, c. 303, §2 (NEW).]

H. Conduct a financial audit of any licensee, at any time, to ensure compliance with this chapter. [PL 2017, c. 303, §2 (NEW).]
[PL 2017, c. 303, §2 (NEW).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW).

§1103. License to conduct fantasy contests

The director shall exercise authority over the licensing of all persons operating fantasy contests in the State. [PL 2017, c. 303, §2 (NEW).]

1. License required. A person or fantasy contest operator may not offer a fantasy contest in the State without first being licensed by the director, except during such time as the person's or fantasy contest operator's application for a license is pending before the director as provided in subsection 9.
[PL 2017, c. 303, §2 (NEW).]

2. Application. Applications for a license must be submitted in a manner prescribed by the director.
[PL 2017, c. 303, §2 (NEW).]

3. Content of application. An application submitted to the director must, at a minimum, include the following:

A. The name, primary business location and contact information of the applicant; [PL 2017, c. 303, §2 (NEW).]

B. Disclosure of ownership interests in the applicant; [PL 2017, c. 303, §2 (NEW).]

C. Consent to permit the director to conduct a criminal background check; [PL 2017, c. 303, §2 (NEW).]

D. The applicant's interest, if any, in other fantasy contest operators licensed in the State or another jurisdiction; [PL 2017, c. 303, §2 (NEW).]

E. Gross fantasy contest revenues in the State, and any another jurisdiction as determined by the director, for the period of 12 months preceding the application; [PL 2017, c. 303, §2 (NEW).]

F. The type and estimated number of fantasy contests to be conducted during the term of the license and during any period of operation authorized under subsection 9; [PL 2017, c. 303, §2 (NEW).]

G. The methods by which the fantasy contest operator will determine and verify the geographic location of a fantasy contestant using the operator's platform; [PL 2017, c. 303, §2 (NEW).]

H. The methods by which the fantasy contest operator will protect a fantasy contestant's personal and private information; and [PL 2017, c. 303, §2 (NEW).]

I. Any additional information required by the director or as determined by rule to ensure that the applicant meets licensing criteria. [PL 2017, c. 303, §2 (NEW).]
[PL 2017, c. 303, §2 (NEW).]

4. Signature as consent. Submission of a signed application is consent of the applicant to be subject to the laws and rules prescribed by this chapter for the operation of fantasy contests.
[PL 2017, c. 303, §2 (NEW).]

5. Application fee. The director may charge a one-time application fee limited to the projected cost of processing the application and performing any background investigations. If the application fee exceeds the actual cost of processing the application and performing background investigations, the excess amount must be applied to the license fee, if the applicant is issued a license, or reimbursed to an applicant not subject to a license fee in accordance with subsection 6 or to an applicant that was not issued a license.
[PL 2017, c. 303, §2 (NEW).]

6. License fee; term. The initial and renewal fee for a license for a fantasy contest operator that had gross fantasy contest revenues during the 12 months preceding application equal to or greater than $100,000 is $2,500. A fantasy contest operator that had gross fantasy contest revenues during the 12 months preceding application of less than $100,000 is not required to pay a license fee. Licenses must be renewed annually.
[PL 2017, c. 303, §2 (NEW).]

7. Denial of license; suspension, refusal to renew and revocation. The director may deny an application for licensure or suspend, refuse to renew or revoke a license issued pursuant to this chapter

upon finding that the applicant or licensee or any partner, officer, director or shareholder of the applicant or licensee has:

A. Made a false statement on an initial application or application for renewal or has deliberately failed to disclose any information required by the director; [PL 2017, c. 303, §2 (NEW).]

B. Legally defaulted in the payment of any obligation or debt due to the State; [PL 2017, c. 303, §2 (NEW).]

C. Violated any provision of this chapter or rules adopted pursuant to this chapter; or [PL 2017, c. 303, §2 (NEW).]

D. Been determined, upon investigation and finding by the director, to have a background, including a criminal record, business associations, questionable business practices or prior activities, that poses a threat to the public interest or the security and integrity of the conduct of fantasy contests. [PL 2017, c. 303, §2 (NEW).]

[PL 2017, c. 303, §2 (NEW).]

8. Appeals. A person aggrieved by the decision of the director in denying an application for license or refusing to renew, suspending, revoking or denying transfer of a license issued under this chapter or in imposing disciplinary sanctions prescribed by rules adopted pursuant to this chapter may appeal the decision to the Commissioner of Public Safety for a final decision. The director's decision stands until the commissioner issues a decision to uphold, modify or overrule the director's decision. In the case of appeal to the commissioner, the person must be afforded the opportunity for an adjudicatory hearing in accordance with this chapter and the Maine Administrative Procedure Act. A person aggrieved by the final decision of the commissioner may appeal the commissioner's decision to the Superior Court in accordance with Title 5, chapter 375, subchapter 7.

[PL 2017, c. 303, §2 (NEW).]

9. Operation pending application approval. A fantasy contest operator applying for an initial license, a license renewal or a license transfer under this chapter may operate fantasy contests during the period the application is pending unless the director, for reasonable cause, believes that the applicant is or may be in violation of the provisions of this chapter or rules adopted pursuant to this chapter. In that case, the director shall notify the applicant in writing that the applicant may not operate or must suspend the operation of any fantasy contest until the license or renewal or transfer of licensure is issued.

[PL 2017, c. 303, §2 (NEW).]

10. Transfer. A license issued under this chapter may be transferred upon submission of an application for transfer and approval of the director. If the person to whom the license is being transferred is not licensed as a fantasy contest operator, the director shall require application in the same manner as, or a similar manner to, an initial application as prescribed under this section.

[PL 2017, c. 303, §2 (NEW).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW).

§1104. Conditions of licensure

1. Conditions of operation. As a condition of licensure, a fantasy contest operator shall submit evidence that the fantasy contest operator has established and will implement procedures for fantasy contests that:

A. Prevent the fantasy contest operator and directors, officers and employees of the fantasy contest operator, and relatives living in the same household as those persons, from participating in a fantasy contest offered or operated by that fantasy contest operator; [PL 2017, c. 303, §2 (NEW).]

B. Prevent the sharing with 3rd parties of confidential information that could affect the outcome of a fantasy contest until the information is made publicly available. As used in this paragraph, "confidential information" means information related to the play of a fantasy contest by fantasy contestants obtained as a result of or by virtue of a person's employment; [PL 2017, c. 303, §2 (NEW).]

C. Provide that a winning outcome may not be based on the score, point spread or performance of a single actual sports team or combination of such teams or solely on a single performance of an individual athlete or participant in a single actual sports event; [PL 2017, c. 303, §2 (NEW).]

D. Prohibit the following individuals from participating in a fantasy contest based on the sport, athletic event or competition in which the individual participates or is otherwise associated:

(1) An athlete or individual who participates or officiates in a game, league, athletic event or competition that is the subject of a fantasy contest; or

(2) A sports agent, team employee, referee or umpire or league official associated with a sport or athletic event that is the subject of a fantasy contest; [PL 2017, c. 303, §2 (NEW).]

E. Verify that a fantasy contestant in a fantasy contest is 18 years of age or older. If the licensee discovers that a person under 18 years of age has accessed the platform as a potential or active fantasy contestant, the licensee shall immediately refund any entry fees or other deposits made by the person under 18 years of age; [PL 2017, c. 303, §2 (NEW).]

F. Publish and facilitate parental control procedures to permit adults to exclude minors from access to the platform and fantasy contests offered by the fantasy contest operator; [PL 2017, c. 303, §2 (NEW).]

G. Provide fantasy contestants with access to information on responsible play; [PL 2017, c. 303, §2 (NEW).]

H. Provide fantasy contestants with access to information on seeking assistance for compulsive behavior; [PL 2017, c. 303, §2 (NEW).]

I. Disclose the number of entries that a fantasy contestant may submit to each fantasy contest and provide reasonable steps to prevent fantasy contestants from submitting more than the allowable number; [PL 2017, c. 303, §2 (NEW).]

J. Allow individuals to restrict themselves from entering fantasy contests upon request pursuant to section 1003, subsection 3, paragraph I and provide reasonable steps to prevent the individuals from entering fantasy contests offered by the fantasy contest operator; [PL 2023, c. 635, §8 (AMD).]

K. Ensure that a fantasy contest is not offered on a prohibited sports event; [PL 2017, c. 303, §2 (NEW).]

L. Limit each fantasy contestant to one active and continuously used account; [PL 2017, c. 303, §2 (NEW).]

M. Protect the privacy and security of a fantasy contestant's information and accounts maintained or accessed by the fantasy contest operator; and [PL 2017, c. 303, §2 (NEW).]

N. Prohibit the extension of credit from the fantasy contest operator to a fantasy contestant. [PL 2017, c. 303, §2 (NEW).]

[PL 2023, c. 635, §8 (AMD).]

2. Certain leagues and contests prohibited. A fantasy contest operator may not offer a fantasy contest based on the performances of participants in high school athletic events or other athletic events involving participants under 18 years of age.

[PL 2021, c. 681, Pt. J, §5 (AMD).]

3. Notice of prizes required. A fantasy contest operator shall provide publicly available notice of all prizes offered to a winning contestant in advance of the fantasy contest.
[PL 2017, c. 303, §2 (NEW).]

4. Contestant funds segregated; reserve account; audit. A fantasy contest operator licensed under this chapter shall:

A. Segregate fantasy contestant funds from operational funds; [PL 2017, c. 303, §2 (NEW).]

B. Maintain a reserve that exceeds the amount of entry fees and any other funds on deposit; this reserve may not be used for operational activities. Reserve funds may take the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond or any combination thereof, and must be in an amount that exceeds the total balances of the fantasy contestants' accounts with the fantasy contest operator; [PL 2017, c. 303, §2 (NEW).]

C. Annually contract with a certified public accountant to conduct an independent audit, consistent with the standards accepted by the American Institute of Certified Public Accountants or a successor organization, to ensure compliance with paragraph B, except that fantasy contest operators with annual gross fantasy contest revenues of less than $100,000 are not required to contract with a certified public accountant as prescribed by this paragraph unless required by the director, in which case the director shall notify the operator and allow a reasonable period of time to comply with the director's requirement for an independent audit; and [PL 2017, c. 303, §2 (NEW).]

D. Provide to the director a copy of the audit report prepared pursuant to paragraph C. Information submitted to the director pursuant to this paragraph is deemed to contain information regarding trade practices of the operator and is confidential and is not a public record within the meaning of Title 1, chapter 13, subchapter 1. [PL 2017, c. 303, §2 (NEW).]
[PL 2017, c. 303, §2 (NEW).]

5. Annual report. By June 30th of each year, a fantasy contest operator licensed under this chapter shall submit a report to the director that includes the following information regarding accounts with the fantasy contest operator held by fantasy contestants in the State:

A. The number of accounts held by fantasy contestants on all platforms offered by the fantasy contest operator. The fantasy contest operator must identify the number of accounts held by highly experienced fantasy contestants on all platforms offered by the fantasy contest operator; [PL 2017, c. 303, §2 (NEW).]

B. The total number of new accounts established and accounts permanently closed in the preceding year or, if the fantasy contest operator has been licensed for less than one year, the number of new accounts and permanently closed accounts in the period since the fantasy contest operator's license was issued; [PL 2017, c. 303, §2 (NEW).]

C. The total amount of entry fees received from fantasy contestants in the State; [PL 2017, c. 303, §2 (NEW).]

D. The total value and number of prizes awarded to fantasy contestants in the State; [PL 2017, c. 303, §2 (NEW).]

E. The total amount of gross fantasy contest revenues received by the fantasy contest operator; and [PL 2017, c. 303, §2 (NEW).]

F. The total number of fantasy contestants who requested to restrict themselves from participating in fantasy contests on all platforms offered by the fantasy contest operator. [PL 2017, c. 303, §2 (NEW).]

Upon submission of a report required by this subsection to the director, to the extent the director considers it necessary to ensure the fantasy contest operator's compliance with this chapter and rules adopted pursuant to this chapter, the director is authorized to conduct a financial audit of the fantasy contest operator. The report of an audit conducted by the director pursuant to this subsection is deemed to contain information regarding trade practices of the operator and is confidential and is not a public record within the meaning of Title 1, chapter 13, subchapter 1.
[PL 2017, c. 303, §2 (NEW).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW). PL 2021, c. 681, Pt. J, §5 (AMD). PL 2023, c. 635, §8 (AMD).

§1105. Operation of fantasy contests; allocation of funds

1. Operation of fantasy contests. A fantasy contest operator licensed under this chapter shall:

A. Disclose the number of entries that a fantasy contestant may submit to each fantasy contest and provide reasonable steps to prevent fantasy contestants from submitting more than the allowable number; [PL 2017, c. 303, §2 (NEW).]

B. Prohibit fantasy contestants from submitting more than one entry in any fantasy contest involving 12 entries or fewer; [PL 2017, c. 303, §2 (NEW).]

C. Prohibit fantasy contestants from submitting more than 2 entries in any fantasy contest involving more than 12 entries but fewer than 36 entries; [PL 2017, c. 303, §2 (NEW).]

D. Prohibit fantasy contestants from submitting more than 3 entries in any fantasy contest involving 36 or more entries but fewer than 101 entries; [PL 2017, c. 303, §2 (NEW).]

E. Prohibit, unless otherwise provided by this chapter, fantasy contestants from submitting more than 3% of all entries in any fantasy contest involving more than 100 entries; [PL 2017, c. 303, §2 (NEW).]

F. Permit unlimited entries in no more than 3% of all fantasy contests; the entry fee for such contests must be a minimum of $150; and [PL 2017, c. 303, §2 (NEW).]

G. Inform fantasy contestants of state and federal tax obligations on certain winnings. [PL 2017, c. 303, §2 (NEW).]
[PL 2017, c. 303, §2 (NEW).]

2. Allocation of funds. The director shall collect for deposit to the General Fund 10% of gross fantasy contest revenues, including any revenues earned while operating pending approval of an application submitted to the director as described in section 1103, subsection 9.
[PL 2025, c. 95, §2 (AMD).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW). PL 2025, c. 95, §2 (AMD).

§1106. Rules

The director shall adopt rules for the proper enforcement and administration of this chapter. When rules are initially adopted as required by this section, rules are major substantive rules as defined by Title 5, chapter 375, subchapter 2-A. Amendments or changes to those rules, after initial adoption, are routine technical rules as defined by Title 5, chapter 375, subchapter 2-A. [PL 2017, c. 303, §2 (NEW).]

1. Required rules. Rules adopted pursuant to this section must include but are not limited to the following:

A. Prohibiting the operator from making statements that are not accurate or are misleading regarding the likelihood of winning; [PL 2017, c. 303, §2 (NEW).]

B. Requiring disclosure of the number of entries an individual fantasy contestant may submit to each fantasy contest and the maximum number of entries allowed by a fantasy contest operator for each contest; [PL 2017, c. 303, §2 (NEW).]

C. Prohibiting advertisements or promotions that target minors and individuals with gambling addiction, including individuals who have requested to be restricted from play on a fantasy contest operator's platform; [PL 2017, c. 303, §2 (NEW).]

D. Requiring the fantasy contest operator to provide information on how to participate and compete in fantasy contests, including an explanation of fantasy contest play and how to identify a highly experienced fantasy contestant; [PL 2017, c. 303, §2 (NEW).]

E. Requiring a system that identifies a highly experienced fantasy contestant by means of a symbol or other identifier easily viewed by fantasy contestants engaged in the fantasy contest on the platform; [PL 2017, c. 303, §2 (NEW).]

F. Prohibiting the use of 3rd-party scripts or 3rd-party scripting programs for any fantasy contest and implementing methods to detect, deter and to the greatest extent possible prevent cheating and improper manipulation of the fantasy contest; [PL 2017, c. 303, §2 (NEW).]

G. Requiring the implementation of a system within the platform by which a fantasy contestant may submit a complaint against the fantasy contest operator and requiring the fantasy contest operator to respond to the complaint within 48 hours; [PL 2017, c. 303, §2 (NEW).]

H. Requiring the maintenance of records of fantasy contestant accounts, which must be made available to the director upon request, for a period of up to 5 years; [PL 2017, c. 303, §2 (NEW).]

I. Requiring the development and offering of fantasy contests limited to beginner fantasy contestants; and [PL 2017, c. 303, §2 (NEW).]

J. Requiring the fantasy contest operator to ensure that winning outcomes reflect the relative knowledge and skill of the fantasy contestant and that winning outcomes are determined primarily by accumulated statistical results of the performance of human competitors in sports events. [PL 2017, c. 303, §2 (NEW).]

[PL 2017, c. 303, §2 (NEW).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW).

§1107. Violations and penalties

1. Violation. A person, firm, corporation or association or an agent or employee of one of those entities may not violate this chapter or a rule adopted pursuant to this chapter.
[PL 2017, c. 303, §2 (NEW).]

2. Penalty. For each violation of this chapter or any rule adopted pursuant to this chapter, the director may:

A. Impose a fine of up to $1,000 per violation; or [PL 2017, c. 303, §2 (NEW).]

B. Impose a fine not to exceed $5,000 for violations arising out of the same transaction or occurrence. [PL 2017, c. 303, §2 (NEW).]

[PL 2017, c. 303, §2 (NEW).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW).

§1108. Applicability of other laws

Unless expressly provided in this chapter, the provisions of Title 17, chapter 62 and Title 17-A, chapter 39 do not apply to the conduct of fantasy contests operated in accordance with this chapter and rules adopted pursuant to this chapter. [PL 2017, c. 303, §2 (NEW).]

SECTION HISTORY

PL 2017, c. 303, §2 (NEW).

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