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VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT " " to H.P. 430, L.D. 587, "An Act Regarding the Licensing of Persons To Conduct Advance Deposit Wagering"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 8 MRSA §1001, sub-§1-A, as enacted by PL 2015, c. 499, §1, is repealed and the following enacted in its place:

1-A. Advance deposit wagering. "Advance deposit wagering" means a form of pari-mutuel wagering on horse races in which wagers are made in person or by telephone, Internet, mobile device, electronic communication or, if approved by the board, other electronic medium and the account holder deposits funds in a wagering account administered by an advance deposit wagering licensee. An advance deposit wagering licensee makes wagers from the wagering account at the direction of and on behalf of the account holder, and the advance deposit wagering licensee deposits money into the wagering account from winning wagers awarded to the account holder.

Sec. 2. 8 MRSA §1001, sub-§1-B, as enacted by PL 2015, c. 499, §1, is amended to read:

1-B. Advance deposit wagering licensee. "Advance deposit wagering licensee" means a person that is chosen by competitive bid and licensed by the board pursuant to subchapter 7 to conduct advance deposit wagering.

Sec. 3. 8 MRSA §1001, sub-§20-A is enacted to read:

20-A. Gross advance deposit wagering income. "Gross advance deposit wagering income" means the total amount of wagers placed by residents of this State via advance deposit wagering before payment of money to winning bettors who are residents of this State.

Sec. 4. 8 MRSA §1001, sub-§29-D is enacted to read:

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1 **29-D. Multijurisdictional account wagering provider.** "Multijurisdictional account
2 wagering provider" means a business entity domiciled in a jurisdiction other than this State
3 that is licensed by another jurisdiction to offer advance deposit wagering on horse races for
4 which it offers wagering to account holders in or out of the jurisdiction that issued the
5 license, including in this State.

6 **Sec. 5. 8 MRSA §1015**, as amended by PL 2013, c. 212, §§13 and 14, is further
7 amended to read:

8 **§1015. Licensing of employees of slot machine and casino operators, slot machine and**
9 **table game distributors ~~and~~, gambling services vendors and advance deposit**
10 **wagering licenses**

11 **1. License required.** A person may not be employed by a slot machine operator,
12 casino operator, slot machine distributor, table game distributor ~~or~~, gambling services
13 vendor or advance deposit wagering licensee unless the person is licensed to do so by the
14 board, temporarily authorized as an employee pursuant to subsection 4 or granted a waiver
15 by the board pursuant to subsection 3.

16 **2. Requirements for license.** The board may issue an employee license to an
17 employee of a slot machine operator, casino operator, slot machine distributor, table game
18 distributor ~~or~~, gambling services vendor or advance deposit wagering licensee if the
19 applicant meets the qualifications set out in sections 1016 and 1019.

20 **3. Requirements for waiver.** Upon application by a slot machine operator, casino
21 operator, slot machine distributor, table game distributor ~~or~~, gambling services vendor or
22 advance deposit wagering licensee, the board may waive the employee license requirement
23 under this section if the slot machine operator, casino operator, slot machine distributor,
24 table game distributor ~~or~~, gambling services vendor or advance deposit wagering licensee
25 demonstrates to the board's satisfaction that the public interest is not served by the
26 requirement of the employee license.

27 **4. Employees authorized temporarily.** A new employee of a slot machine operator,
28 casino operator, slot machine distributor, table game distributor ~~or~~, gambling services
29 vendor or advance deposit wagering licensee is temporarily authorized to work in a position
30 requiring an employee license pursuant to subsection 1 as of the date a completed employee
31 license application is received by the board. A completed employee license application is
32 composed of:

- 33 A. The completed form for application for an employee license approved by the board;
- 34 B. Two complete sets of the fingerprints of the applicant;
- 35 C. The fee for processing the employee license application as prescribed by the board;
- 36 and
- 37 D. The results of the background investigation conducted by the employer.

38 If the department determines after receiving an employee license application under this
39 subsection that the application is incomplete, it may suspend the new employee's temporary
40 authorization until such time as the new employee files a completed application.

41 Temporary authorization is not available for renewal of employee licenses.

1 **5. Termination of temporary authorization.** Unless suspended or revoked, a
2 temporary authorization under subsection 4 continues until the granting or denial of the
3 new employee's employee license application in accordance with sections 1016, 1017 and
4 1019 and any applicable rules adopted by the board. An applicant whose temporary
5 authorization is suspended or revoked is not eligible for employment in a position requiring
6 an employee license pursuant to subsection 1 until such time as the suspension or
7 revocation is withdrawn or an employee license is issued.

8 **6. Exception.** An employee of an advance deposit wagering licensee that is a
9 multijurisdictional account wagering provider is not subject to the employee license
10 requirement under this section if:

11 A. The employee is not involved in the processing of wagers by residents of this State;
12 or

13 B. The employee is not located in this State and is licensed in a jurisdiction in
14 connection with the multijurisdictional account wagering provider's operations in that
15 jurisdiction.

16 **Sec. 6. 8 MRSA §1016, sub-§1,** as amended by PL 2013, c. 212, §§15 to 18, is
17 further amended to read:

18 **1. Minimum qualifications.** Notwithstanding Title 5, chapter 341, and in addition to
19 any requirements imposed by rules adopted by the board, a person must satisfy the
20 following qualifications to be a slot machine operator, a casino operator, a slot machine
21 distributor, a table game distributor, a gambling services vendor, an advance deposit
22 wagering licensee or an employee of these entities:

23 A. The person has completed the application form, promptly and truthfully complied
24 with all information requests of the board and complied with any applicable rules
25 adopted by the board;

26 B. The person has sufficient financial assets and responsibility to meet any financial
27 obligations imposed by this chapter and, if applying for a slot machine operator license,
28 casino operator license, slot machine operator license renewal or casino operator
29 license renewal, has sufficient financial assets and responsibility to continue operation
30 of a commercial track or casino;

31 B-1. If applying for an advance deposit wagering license or advance deposit wagering
32 license renewal under section 1073, subsection 1, paragraph A or B, the person has
33 sufficient financial assets and responsibility to continue operation of a commercial
34 track or off-track betting facility;

35 C. The person has not knowingly or recklessly made a false statement of material fact
36 in applying for a license under this chapter or any gambling-related license in any other
37 jurisdiction;

38 D. In the case of a person applying to be a slot machine operator or, casino operator
39 or advance deposit wagering licensee, the person has sufficient knowledge and
40 experience in the business of operating slot machines or, casinos or advance deposit
41 wagering to effectively operate the slot machine facilities or, casino or advance deposit
42 wagering to which the license application relates in accordance with this chapter and
43 the rules and standards adopted under this chapter; and

1 F. If the applicant is a business organization, the applicant is organized in this State,
2 although that business organization may be a wholly or partially owned subsidiary of
3 an entity that is organized pursuant to the laws of another state or a foreign country.

4 Except as provided by section 1013, subsection 3 and section 1013-A, subsection 3, a
5 person may not hold more than one class of license under this chapter unless the 2nd license
6 is an employee license under section 1015 or an advance deposit wagering license under
7 section 1073.

8 **Sec. 7. 8 MRSA §1071**, as enacted by PL 2015, c. 499, §8, is repealed.

9 **Sec. 8. 8 MRSA §1072**, as enacted by PL 2015, c. 499, §8, is amended to read:

10 **§1072. Distribution of ~~net commission~~ advance deposit wagering revenue**

11 ~~The net commission established in the contract executed pursuant to section 1071,~~
12 ~~subsection 3 must be distributed according to this section.~~

13 **1. Distribution of ~~net commission~~ revenue from wagers placed on races conducted**
14 **in State.** An advance deposit wagering licensee shall collect ~~the net commission~~ 5% of
15 gross advance deposit wagering income from wagers placed with the licensee on races
16 conducted at tracks in the State and distribute it to the board for distribution as follows.

17 A. Ten percent of the ~~net commission~~ amount collected under this subsection must be
18 deposited directly to the General Fund.

19 B. Twenty percent of the ~~net commission~~ amount collected under this subsection must
20 be distributed to all off-track betting facilities licensed under section 275-D or Public
21 Law 2019, chapter 626, section 16 so that each off-track betting facility receives the
22 same amount.

23 C. One percent of the ~~net commission~~ amount collected under this subsection must be
24 distributed to the Sire Stakes Fund established under section 281.

25 D. Ten percent of the ~~net commission~~ amount collected under this subsection must be
26 distributed to the Agricultural Fair Support Fund established under Title 7, section 91
27 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion
28 of the distribution required by this paragraph may be distributed to a commercial track.

29 E. Twenty-four percent of the ~~net commission~~ amount collected under this subsection
30 must be distributed to the fund established under section 298 to supplement harness
31 racing purses.

32 F. Twenty percent of the ~~net commission~~ amount collected under this subsection must
33 be distributed to the track where the race upon which the wager was placed was
34 conducted.

35 G. Fifteen percent of the ~~net commission~~ amount collected under this subsection must
36 be distributed to all commercial tracks, with each commercial track receiving a portion
37 determined by multiplying that 15% times a fraction, the numerator of which is the
38 minimum number of days of racing the commercial track is required by law to conduct
39 annually in order to retain its commercial track license and the denominator of which
40 is the sum of the number of days of racing all the commercial tracks are required to
41 conduct in order to retain their commercial track licenses.

1 **2. Distribution of ~~net commission~~ revenue from wagers placed on races conducted**
2 **outside State.** An advance deposit wagering licensee shall collect ~~the net commission~~ 5%
3 of gross advance deposit wagering income from wagers placed with the licensee on races
4 conducted at tracks outside the State and distribute it to the board for distribution as follows.

5 A. Ten percent of the ~~net commission~~ amount collected under this subsection must be
6 deposited directly to the General Fund.

7 B. Thirty-six percent of the ~~net commission~~ amount collected under this subsection
8 must be distributed to all off-track betting facilities licensed under section 275-D or
9 Public Law 2019, chapter 626, section 16 so that each off-track betting facility receives
10 the same amount.

11 C. One percent of the ~~net commission~~ amount collected under this subsection must be
12 distributed to the Sire Stakes Fund established under section 281.

13 D. Ten percent of the ~~net commission~~ amount collected under this subsection must be
14 distributed to the Agricultural Fair Support Fund established under Title 7, section 91
15 except that, notwithstanding Title 7, section 91, subsection 2, paragraph A, no portion
16 of the distribution required by this paragraph may be distributed to a commercial track.

17 E. Seven percent of the ~~net commission~~ amount collected under this subsection must
18 be distributed to the fund established under section 298 to supplement harness racing
19 purses.

20 F. Thirty-six percent of the ~~net commission~~ amount collected under this subsection
21 must be distributed to all commercial tracks, with each commercial track receiving a
22 portion determined by multiplying that 36% times a fraction, the numerator of which
23 is the minimum number of days of racing the commercial track is required by law to
24 conduct annually in order to retain its commercial track license and the denominator of
25 which is the sum of the number of days of racing all the commercial tracks are required
26 to conduct in order to retain their commercial track licenses.

27 **Sec. 9. 8 MRSA §1073** is enacted to read:

28 **§1073. Advance deposit wagering license**

29 **1. Eligibility.** To receive an advance deposit wagering license from the board, an
30 entity must meet the requirements of this section and the rules adopted by the board under
31 section 1003, subsection 2, paragraph U and must be:

32 A. A commercial track licensed under section 271;

33 B. An off-track betting facility licensed under section 275-D or Public Law 2019,
34 chapter 626, section 16; or

35 C. A multijurisdictional account wagering provider.

36 **2. Authority to conduct advance deposit wagering.** An advance deposit wagering
37 license issued by the board under this section grants a licensee authority to conduct advance
38 deposit wagering in this State, including accepting deposits and wagers from account
39 holders. An advance deposit wagering licensee may accept a wager from an advance
40 deposit wagering account holder in person or by telephone, Internet, mobile device,
41 electronic communication or, if approved by the board, other electronic medium.

1 3. Contract. Advance deposit wagering may be conducted directly by an advance
2 deposit wagering licensee or through such a licensee entering into a contract with a provider
3 of advance deposit wagering services located within the United States.

4 4. Conditions of licensure. An advance deposit wagering licensee shall:

5 A. Purchase a bond to secure the accounts of advance deposit wagering bettors; and

6 B. Use a system to conduct advance deposit wagering to ensure that bettors who
7 establish accounts to place bets on horse racing via advance deposit wagering are 18
8 years of age or older and residents of the State.

9 5. Application fee. The board shall require a nonrefundable application fee of \$1,000
10 for a license under this section and an applicant shall pay the costs of the board for
11 processing an application and performing background investigations.

12 6. License fee; term; renewal. A license issued under this section authorizes the
13 licensee to conduct advance deposit wagering for a period of 5 years. The fee for a license
14 to conduct advance deposit wagering is \$500. The renewal fee for a license to conduct
15 advance deposit wagering is \$250.'

16 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
17 number to read consecutively.

18 SUMMARY

19 This amendment, which is the minority report of the committee, strikes and replaces
20 the bill. The amendment repeals the provision of law that directs the Department of Public
21 Safety, Gambling Control Board to award one bidder the privilege to be licensed to conduct
22 advance deposit wagering through a competitive bidding process and instead allows
23 commercial tracks, off-track betting facilities and multijurisdictional account wagering
24 providers to obtain a license to conduct advance deposit wagering. It requires advance
25 deposit wagering licensees to remit 5% of the licensees' gross advance deposit wagering
26 income on wagers placed by residents of the State to the board for distribution by the board.
27 The amendment further requires licensure of employees of advance deposit wagering
28 licensees.