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H.P. 1140

House of Representatives, April 25, 2023

An Act to Create Economic Opportunity for Wabanaki Nations Through Internet Gaming

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.


ROBERT B. HUNT
Clerk

Presented by Representative SUPICA of Bangor.
Cosponsored by Senator HICKMAN of Kennebec and
Representatives: RANA of Bangor, ROEDER of Bangor, Speaker TALBOT ROSS of
Portland, Senator: President JACKSON of Aroostook.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 8 MRSA §1202, sub-§7, ¶B,** as enacted by PL 2021, c. 681, Pt. J, §6, is
3 repealed.

4 **Sec. 2. 8 MRSA §1202, sub-§7, ¶C,** as enacted by PL 2021, c. 681, Pt. J, §6, is
5 amended to read:

6 C. A supplier license under section 1208 to sell goods and services to be used in
7 connection with sports wagering, but not to directly accept wagers; and

8 **Sec. 3. 8 MRSA §1202, sub-§7, ¶D,** as enacted by PL 2021, c. 681, Pt. J, §6, is
9 repealed.

10 **Sec. 4. 8 MRSA §1202, sub-§7, ¶E,** as enacted by PL 2021, c. 681, Pt. J, §6, is
11 amended to read:

12 E. An occupational license under section 1210 to be employed by a facility sports
13 wagering licensee ~~or a mobile sports wagering licensee~~ to operate sports wagering
14 when the employee performs duties in furtherance of or associated with the operation
15 of sports wagering.

16 **Sec. 5. 8 MRSA §1202, sub-§8,** as enacted by PL 2021, c. 681, Pt. J, §6, is repealed.

17 **Sec. 6. 8 MRSA §1202, sub-§9,** as enacted by PL 2021, c. 681, Pt. J, §6, is amended
18 to read:

19 **9. Operator.** "Operator" includes a facility operator ~~and a mobile operator~~.

20 **Sec. 7. 8 MRSA §1202, sub-§14,** as enacted by PL 2021, c. 681, Pt. J, §6, is
21 amended to read:

22 **14. Sports wagering.** "Sports wagering" means the business of accepting wagers on
23 sports events or portions of sports events, the individual performance statistics of athletes
24 in a sports event or a combination of any of the same by any system or method of wagering
25 approved by the director, including, but not limited to, in person on the property of a facility
26 operator ~~or via a mobile operator's mobile applications and digital platforms that use~~
27 ~~communications technology to accept wagers.~~ "Sports wagering" does not include the sale
28 of pari-mutuel pools authorized under chapter 11 or the operation of fantasy contests as
29 defined in section 1101, subsection 4.

30 **Sec. 8. 8 MRSA §1203, sub-§2, ¶A,** as enacted by PL 2021, c. 681, Pt. J, §6, is
31 amended to read:

32 A. Additional qualifications and procedures for obtaining a facility sports wagering
33 license, supplier license, management services license, ~~mobile sports wagering license~~
34 or occupational license, including the job classifications subject to the occupational
35 license requirement;

36 **Sec. 9. 8 MRSA §1203, sub-§2, ¶B,** as enacted by PL 2021, c. 681, Pt. J, §6, is
37 amended to read:

38 B. Additional qualifications and procedures for obtaining a temporary facility sports
39 wagering license, temporary supplier license, and temporary management services
40 license ~~and temporary mobile sports wagering license;~~

1 **Sec. 10. 8 MRSA §1203, sub-§2, ¶C**, as enacted by PL 2021, c. 681, Pt. J, §6, is
2 amended to read:

3 C. The methods of operation of sports wagering, including but not limited to the
4 permitted systems and methods of wagers; the use of credit and checks by persons
5 making wagers; the types of wagering receipts that may be used; the method of issuing
6 receipts; the prevention of sports wagering on prohibited sports events; the protection
7 of patrons placing wagers; and the promotion of social responsibility and responsible
8 gaming and display of information on resources for problem gambling at a facility
9 operator's premises ~~or on any mobile application or digital platform used to place~~
10 ~~wagers;~~

11 **Sec. 11. 8 MRSA §1203, sub-§2, ¶G**, as enacted by PL 2021, c. 681, Pt. J, §6, is
12 repealed.

13 **Sec. 12. 8 MRSA §1207**, as enacted by PL 2021, c. 681, Pt. J, §6, is repealed.

14 **Sec. 13. 8 MRSA §1217, sub-§1, ¶C**, as enacted by PL 2021, c. 681, Pt. J, §6, is
15 amended to read:

16 C. "Licensee" means a facility operator, ~~a mobile operator~~ or a management services
17 licensee under section 1209.

18 **Sec. 14. 8 MRSA c. 37** is enacted to read:

19 **CHAPTER 37**

20 **REGULATION OF INTERNET GAMING**

21 **§1301. Authorization of Internet gaming; license required**

22 Notwithstanding any provision of law to the contrary, the operation of Internet gaming
23 and ancillary activities are lawful when conducted in accordance with the provisions of this
24 chapter and the rules adopted under this chapter.

25 A person or entity may not engage in any activities in this State that require a license
26 under this chapter unless all necessary licenses have been obtained in accordance with this
27 chapter and rules adopted under this chapter.

28 **§1302. Definitions**

29 As used in this chapter, unless the context otherwise indicates, the following terms
30 have the following meanings.

31 **1. Adjusted gross Internet gaming receipts.** "Adjusted gross Internet gaming
32 receipts" means an operator's gross receipts from Internet gaming less the total of all
33 winnings paid to patrons, which includes the cash equivalent of any merchandise or thing
34 of value awarded as a prize, and less excise tax payments remitted to the Federal
35 Government.

36 **2. Commissioner.** "Commissioner" means the Commissioner of Public Safety.

37 **3. Department.** "Department" means the Department of Public Safety.

1 **4. Director.** "Director" means the director of the Gambling Control Unit within the
2 department.

3 **5. License.** "License" means any license applied for or issued by the director under
4 this chapter, including, but not limited to:

5 **A.** An Internet gaming license under section 1306 to permit an operator to operate
6 Internet gaming through an approved application or other digital platform that involves,
7 at least in part, the use of the Internet;

8 **B.** A supplier license under section 1307 to sell goods and services to be used in
9 connection with Internet gaming, but not to directly accept wagers;

10 **C.** A management services license under section 1308 to manage Internet gaming on
11 behalf of an Internet gaming licensee; and

12 **D.** An occupational license under section 1309 to be employed by an Internet gaming
13 licensee to operate Internet gaming when the employee performs duties in furtherance
14 of or associated with the operation of Internet gaming.

15 **6. Internet gaming.** "Internet gaming" means a game of skill or chance offered
16 through the Internet in which an individual wagers money or something of monetary value
17 for the opportunity to win money or something of monetary value. "Internet gaming" does
18 not include the sale of pari-mutuel pools authorized under chapter 11 or the operation of
19 fantasy contests as defined in section 1101, subsection 4.

20 **7. Operator.** "Operator" means a federally recognized Indian nation, tribe or band in
21 this State that conducts Internet gaming.

22 **8. Person.** "Person" means an individual or an entity, including but not limited to a
23 federally recognized Indian nation, tribe or band in this State.

24 **9. Wager.** "Wager" means a sum of money or thing of value risked on an uncertain
25 occurrence.

26 **§1303. Powers and duties of director**

27 **1. Powers and duties.** In administering and enforcing this chapter, the director:

28 **A.** Has the power to regulate the conduct of Internet gaming;

29 **B.** Shall determine the eligibility of a person to hold or continue to hold a license, shall
30 issue all licenses and shall maintain a record of all licenses issued under this chapter;

31 **C.** Shall levy and collect all fees, civil penalties and tax on adjusted gross Internet
32 gaming receipts imposed by this chapter, except as otherwise provided under this
33 chapter;

34 **D.** May sue to enforce any provision of this chapter or any rule of the director by civil
35 action or petition for injunctive relief;

36 **E.** May hold hearings, administer oaths and issue subpoenas or subpoenas duces tecum
37 in the manner provided by applicable law; and

38 **F.** May exercise any other powers necessary to effectuate the provisions of this chapter
39 and the rules of the director.

1 **2. Rules.** The director shall adopt rules governing the conduct of Internet gaming in
2 the State, which must, at a minimum, include the following:

3 A. The methods of operation of Internet gaming, including but not limited to the
4 permitted systems and methods of wagers; the use of credit and checks by persons
5 making wagers; the types of wagering receipts that may be used; the method of issuing
6 receipts; the protection of patrons placing wagers; and the promotion of social
7 responsibility and responsible gaming and display of information on resources for
8 problem gambling;

9 B. Standards for the adoption of comprehensive house rules governing Internet gaming
10 by operators and the approval of house rules by the director as required under section
11 1310;

12 C. Minimum design and security requirements for applications and digital platforms
13 for the acceptance of wagers by operators, including required methods for verifying
14 the age and identity of a person who places a wager with an operator, for verifying that
15 the person making the wager is physically located in the State and is not prohibited
16 from making a wager under section 1312 and for requiring the refund of any wager
17 determined to have been placed by a person prohibited from making a wager under
18 section 1312;

19 D. The types of interested parties from whom operators are prohibited from accepting
20 wagers under section 1312, subsection 4;

21 E. Minimum design, security, testing and approval requirements for Internet gaming
22 equipment, systems or services sold by suppliers licensed under section 1307;

23 F. Minimum requirements for a contract between a management services licensee
24 under section 1308 and an operator on whose behalf the management services licensee
25 conducts Internet gaming, including but not limited to requirements that the person
26 providing management services be licensed prior to entering a contract; that the
27 contract be approved by the director prior to the conduct of Internet gaming; that, if the
28 management services licensee contracts with more than one operator, the contract
29 include a condition requiring the management services licensee to employ a method
30 approved by the director for separately accounting for each operator's gross receipts
31 from Internet gaming and adjusted gross Internet gaming receipts; and that the contract
32 not authorize the person providing management services to receive more than 30% of
33 the operator's adjusted gross Internet gaming receipts, except that the director may
34 approve a contract authorizing the management services licensee to receive up to 40%
35 of the operator's adjusted gross Internet gaming receipts if the director determines that
36 the management services licensee has demonstrated that the fee is commercially
37 reasonable given the management services licensee's capital investments and the
38 operator's projected adjusted gross Internet gaming receipts;

39 G. Establishment of a list of persons who are not authorized to place a wager, including
40 but not limited to those persons who voluntarily request that their names be included
41 on the list of unauthorized persons. The rules adopted under this paragraph must define
42 the standards for involuntary placement on the list and for removal from the list;

43 H. Minimum internal control standards for operators and management services
44 licensees, including but not limited to procedures for safeguarding assets and revenues;

1 the recording of cash and evidence of indebtedness; the maintenance of reliable
2 records, accounts and reports of transactions, operations and events; required audits;
3 and the content and frequency of reports of Internet gaming activities and revenues that
4 must be made to the director; and

5 I. Restrictions on the advertisement and marketing of Internet gaming, including but
6 not limited to prohibiting misleading, deceptive or false advertisements; requiring an
7 operator to disclose its status as a federally recognized Indian nation, tribe or band in
8 this State or a business entity wholly owned by a federally recognized Indian nation,
9 tribe or band in this State; and restricting, to the extent permissible, advertising that has
10 a high probability of reaching persons under 21 years of age or that is specifically
11 designed to appeal particularly to persons under 21 years of age.

12 **3. Rulemaking.** Rules adopted by the director pursuant to this chapter are routine
13 technical rules as defined in Title 5, chapter 375, subchapter 2-A.

14 **§1304. Application; criminal history background check**

15 **1. Application.** An application for a license or for renewal of a license required under
16 this chapter must be submitted on a form or in a format approved by the director. An
17 application submitted to the director must, at a minimum, include the following:

18 A. The full name, current address and contact information of the applicant;

19 B. Disclosure of each person that has control of the applicant as described in subsection
20 2;

21 C. Consent to permit the director to conduct a criminal history record check in
22 accordance with subsection 3 of the applicant and each person disclosed under
23 paragraph B in accordance with procedures established by the director;

24 D. For the applicant and each person disclosed under paragraph B, a record of previous
25 issuances and denials of or any adverse action taken against a gambling-related license
26 or application under this Title or in any other jurisdiction. For purposes of this
27 paragraph, "adverse action" includes, but is not limited to, a condition resulting from
28 an administrative, civil or criminal violation, a suspension or revocation of a license or
29 a voluntary surrender of a license to avoid or resolve a civil, criminal or disciplinary
30 action; and

31 E. Any additional information required by the director by rule.

32 **2. Persons that have control.** The following persons are considered to have control
33 of an applicant or a licensee:

34 A. Each corporate holding company, parent company or subsidiary company of a
35 corporate applicant or licensee and each person that owns 10% or more of the corporate
36 applicant or licensee and that has the ability to control the activities of the corporate
37 applicant or licensee or elect a majority of the board of directors of that corporate
38 applicant or licensee, except for a bank or other licensed lending institution that holds
39 a mortgage or other lien acquired in the ordinary course of business;

40 B. Each person associated with a noncorporate applicant or licensee that directly or
41 indirectly holds a beneficial or proprietary interest in the noncorporate applicant's or
42 licensee's business operation or that the director otherwise determines has the ability to
43 control the noncorporate applicant or licensee; and

1 C. Key personnel of an applicant or licensee, including any executive, employee or
2 agent, having the power to exercise significant influence over decisions concerning any
3 part of the applicant's or licensee's relevant business operation.

4 **3. Criminal history record check.** The director shall request a criminal history record
5 check in accordance with this subsection for each applicant for initial licensure and each
6 person required to be disclosed by the applicant for initial licensure under subsection 1,
7 paragraph B. The director may require a criminal history record check in accordance with
8 this subsection from a licensee seeking to renew a license, from any person the licensee is
9 required to disclose under subsection 1, paragraph B as part of the license renewal
10 application and from any person identified by the licensee under subsection 4. A criminal
11 history record check conducted pursuant to this subsection must include criminal history
12 record information obtained from the Maine Criminal Justice Information System
13 established in Title 16, section 631 and the Federal Bureau of Investigation.

14 A. Criminal history record information obtained from the Maine Criminal Justice
15 Information System pursuant to this subsection must include a record of public criminal
16 history record information as defined in Title 16, section 703, subsection 8.

17 B. Criminal history record information obtained from the Federal Bureau of
18 Investigation pursuant to this subsection must include other state and national criminal
19 history record information.

20 C. An individual required to submit to a criminal history record check under this
21 subsection shall submit to having the individual's fingerprints taken. The State Police,
22 upon payment by the individual of the fee required under paragraph E, shall take or
23 cause to be taken the individual's fingerprints and shall immediately forward the
24 fingerprints to the Department of Public Safety, Bureau of State Police, State Bureau
25 of Identification. Any person who fails to transmit criminal fingerprint records to the
26 State Bureau of Identification pursuant to this paragraph is subject to the provisions of
27 Title 25, section 1550.

28 D. The Department of Public Safety, Bureau of State Police, State Bureau of
29 Identification shall conduct the state and national criminal history record checks
30 required under this subsection. Except for the portion of a payment, if any, that
31 constitutes the processing fee for a criminal history record check charged by the Federal
32 Bureau of Investigation, all money received by the State Police under this subsection
33 must be paid to the Treasurer of State, who shall apply the money to the expenses
34 incurred by the Department of Public Safety in the administration of this subsection.

35 E. The director shall by rule set the amount of the fee to be paid for each criminal
36 history record check required to be performed under this subsection.

37 F. The subject of a Federal Bureau of Investigation criminal history record check may
38 obtain a copy of the criminal history record check by following the procedures outlined
39 in 28 Code of Federal Regulations, Sections 16.32 and 16.33. The subject of a state
40 criminal history record check may inspect and review the criminal history record
41 information pursuant to Title 16, section 709.

42 G. State and national criminal history record information obtained by the director
43 under this subsection may be used only for the purpose of screening an applicant for a
44 license or a license renewal under this chapter.

1 H. All criminal history record information obtained by the director pursuant to this
2 subsection is confidential, is for the official use of the director only and may not be
3 disseminated by the director or disclosed to any other person or entity except as
4 provided in paragraph F.

5 I. The director, after consultation with the Department of Public Safety, Bureau of
6 State Police, State Bureau of Identification, shall adopt rules to implement this
7 subsection.

8 **4. Material change to application.** A person licensed under this chapter shall give
9 the director written notice within 30 days of any material change to any information
10 provided in the licensee's application for a license or renewal, including any change in the
11 identity of persons considered to have control of the licensee as described in subsection 2.

12 **5. Gambling Control Unit employees prohibited.** An employee of the Gambling
13 Control Unit within the department may not be an applicant for a license issued under this
14 chapter.

15 **§1305. Denial of license; administrative sanctions**

16 **1. Grounds for denial of license or imposition of administrative sanctions.** The
17 following are grounds for the director to deny a license or license renewal or for the
18 imposition of administrative sanctions, in accordance with this section, on a person licensed
19 under this chapter:

20 A. If the applicant or licensee has knowingly made a false statement of material fact
21 to the director;

22 B. If the applicant or licensee has not disclosed the existence or identity of other
23 persons that have control of the applicant or licensee as required by section 1304,
24 subsections 1 and 4;

25 C. If the applicant or licensee has had a license revoked by any government authority
26 responsible for regulation of gaming activities;

27 D. If the applicant, the licensee or a person having control of the applicant or licensee
28 under section 1304, subsection 2 is not of good moral character. In determining
29 whether the applicant, licensee or person is of good moral character, the director shall
30 consider qualities that include but are not limited to honesty, candor, trustworthiness,
31 diligence, reliability, observance of fiduciary and financial responsibility and respect
32 for the rights of others;

33 E. If the applicant, the licensee or a person having control of the applicant or licensee
34 under section 1304, subsection 2:

35 (1) Has, in any jurisdiction, been convicted of or pled guilty or nolo contendere to
36 a crime punishable by one year or more of imprisonment;

37 (2) Has, in any jurisdiction, been adjudicated of committing a civil violation or
38 been convicted of a criminal violation involving dishonesty, deception,
39 misappropriation or fraud;

40 (3) Has engaged in conduct in this State or any other jurisdiction that would
41 constitute a violation of this chapter; chapter 11 involving gambling; chapter 31;

1 chapter 33; Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or substantially
2 similar offenses in other jurisdictions;

3 (4) Is a fugitive from justice, a drug user, a person with substance use disorder, an
4 undocumented noncitizen or a person who was dishonorably discharged from the
5 Armed Forces of the United States; or

6 (5) Is not current in filing all applicable tax returns and in the payment of all taxes,
7 penalties and interest owed to this State, any other state or the United States
8 Internal Revenue Service, excluding items under formal appeal;

9 F. If the applicant or licensee has not demonstrated to the satisfaction of the director
10 sufficient financial assets to meet the requirements of the licensed business or proposed
11 business and to meet any financial obligations imposed by this chapter;

12 G. If the applicant, the licensee or a person having control of the applicant or licensee
13 under section 1304, subsection 2 has not demonstrated financial responsibility. For the
14 purposes of this paragraph, "financial responsibility" means a demonstration of a
15 current and expected future condition of financial solvency sufficient to satisfy the
16 director that the applicant, the licensee or the person can successfully engage in
17 business without jeopardy to the public health, safety and welfare. Financial
18 responsibility may be determined by an evaluation of the total history concerning the
19 applicant, the licensee or the person, including past, present and expected condition
20 and record of financial solvency, business record and accounting and managerial
21 practices;

22 H. If the applicant or licensee has not met the requirements of this chapter; or

23 I. If the applicant or licensee has violated any provision of this chapter or of the rules
24 adopted under this chapter.

25 **2. Denial of initial license or renewed license; notice; hearing.** The director may
26 deny an application for a license or for renewal of a license for the reasons set forth in
27 subsection 1. The director shall notify the applicant or the licensee in writing of the
28 decision and of the opportunity to request a hearing conducted by the commissioner.

29 If the applicant or licensee fails to request a hearing within 30 days of the date that the
30 notice was mailed under this subsection, the director may issue a final decision denying the
31 application for a license or for renewal of a license. If the applicant or licensee makes a
32 timely request for a hearing, the commissioner shall conduct an adjudicatory hearing in
33 accordance with Title 5, chapter 375, subchapter 4. The director's decision to deny the
34 license or license renewal stands until the commissioner issues a decision to uphold, modify
35 or overrule the director's decision.

36 After hearing, if the commissioner finds grounds for denying a license or license renewal
37 under subsection 1, the commissioner may deny the application for a license or for renewal
38 of a license.

39 **3. Investigation of complaints; notice; hearing.** The director or the director's
40 designee shall investigate a complaint on the director's own motion or upon receipt of a
41 written complaint regarding noncompliance with or violation of this chapter or of any rules
42 adopted under this chapter. Following the investigation, the director may mail the licensee
43 a notice of violation informing the licensee of the administrative sanction under subsection
44 4 the director proposes to impose and of the licensee's opportunity to request a hearing.

1 If the licensee fails to request a hearing within 30 days of the date that a notice was mailed
2 under this subsection, the director may issue a final decision imposing the sanction
3 proposed in the notice. If the licensee makes a timely request for a hearing, the
4 commissioner shall conduct an adjudicatory hearing in accordance with Title 5, chapter
5 375, subchapter 4. If, after the hearing, the commissioner finds that the factual basis of the
6 complaint is true and is of sufficient gravity to warrant further action, the commissioner
7 may impose an administrative sanction under subsection 4.

8 **4. Administrative sanctions.** The director or the commissioner may, pursuant to
9 subsection 3, impose the following administrative sanctions on a licensee:

10 A. A written reprimand;

11 B. Conditions of probation of a license;

12 C. A license suspension;

13 D. A license revocation; or

14 E. A civil penalty of up to \$25,000 per violation of any provision of this chapter or
15 rule adopted pursuant to this chapter.

16 **5. Appeals.** A person aggrieved by the final decision of the commissioner under
17 subsection 2 or 3 may appeal the commissioner's decision to the Superior Court in
18 accordance with Title 5, chapter 375, subchapter 7.

19 **§1306. Internet gaming license**

20 **1. Issuance of license.** The director shall issue an Internet gaming license upon finding
21 that the applicant meets all requirements of this section, sections 1304 and 1305 and rules
22 adopted under this chapter. The provisions of Title 30, Part 5 apply to the issuance of
23 licenses under this chapter.

24 **2. Eligibility; transfer to wholly owned entity.** To be eligible to receive an Internet
25 gaming license, an applicant must be a federally recognized Indian nation, tribe or band in
26 this State. Each federally recognized Indian nation, tribe or band in this State may receive
27 only one Internet gaming license under this section. An Internet gaming license may not
28 be transferred or assigned, except that a federally recognized Indian nation, tribe or band
29 in this State may transfer its Internet gaming license to a business entity with a principal
30 place of business in the State that is wholly owned by that federally recognized Indian
31 nation, tribe or band.

32 **3. Authority to conduct Internet gaming; management services permitted.** An
33 Internet gaming license granted by the director pursuant to this section grants a licensee
34 lawful authority to conduct Internet gaming in which wagers are placed by persons who
35 are physically located in the State through any applications or digital platforms approved
36 by the director within the terms and conditions of the license and any rules adopted under
37 this chapter. An Internet gaming licensee may contract with no more than one management
38 services licensee under section 1308.

39 **4. Fees.** The fee for an initial or renewed Internet gaming license is \$200,000 and
40 must be retained by the director for the costs of administering this chapter. In addition to
41 the license fee, the director may charge a processing fee for an initial or renewed license in
42 an amount equal to the projected cost of processing the application and performing any
43 background investigations. If the actual cost exceeds the projected cost, an additional fee

1 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
2 difference may be refunded to the applicant or licensee.

3 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
4 under this section is valid for 4 years unless sooner revoked by the director or the
5 commissioner under section 1305.

6 **6. Temporary license.** An applicant for an Internet gaming license may submit with
7 the application a request for a temporary license. A request for a temporary license must
8 include the initial license fee of \$200,000. If the director determines that the applicant
9 meets the requirements established by rule for a temporary license and has paid the initial
10 license fee and the director is not aware of any reason the applicant is ineligible for a license
11 under this section, the director may issue a temporary Internet gaming license. A temporary
12 license issued under this subsection is valid for one year or until a final determination on
13 the Internet gaming license application is made, whichever is sooner. If after investigation
14 the director determines that the applicant is eligible for an Internet gaming license under
15 this chapter, the director shall issue the initial Internet gaming license, at which time the
16 temporary license terminates. The initial Internet gaming license is valid for 4 years from
17 the date that the temporary license was issued by the director. Internet gaming conducted
18 under authority of a temporary license must comply with the operator's house rules adopted
19 under section 1310.

20 **7. Occupational license required.** An Internet gaming licensee, including a
21 temporary licensee under subsection 6, may conduct Internet gaming only through persons
22 holding a valid occupational license under section 1309.

23 **§1307. Supplier license**

24 **1. Issuance of license; eligibility.** The director shall issue a supplier license upon
25 finding that the applicant meets all requirements of this section, sections 1304 and 1305
26 and rules adopted under this chapter.

27 **2. Equipment.** An applicant for a supplier license shall demonstrate that the
28 equipment, systems or services that the applicant plans to offer to an operator conform to
29 standards established by rule by the director. The director may accept approval by another
30 jurisdiction that is specifically determined by the director to have similar equipment
31 standards as evidence the applicant meets the standards established by the director by rule.

32 **3. Authority to supply operators.** A supplier license granted by the director pursuant
33 to this section grants a licensee lawful authority to sell or to lease Internet gaming
34 equipment, systems or services to operators in the State within the terms and conditions of
35 the license and any rules adopted under this chapter.

36 **4. Fees.** The fee for an initial or renewed supplier license is \$40,000 and must be
37 retained by the director for the costs of administering this chapter. In addition to the license
38 fee, the director may charge a processing fee for an initial or renewed license in an amount
39 equal to the projected cost of processing the application and performing any background
40 investigations. If the actual cost exceeds the projected cost, an additional fee may be
41 charged to meet the actual cost. If the projected cost exceeds the actual cost, the difference
42 may be refunded to the applicant or licensee.

1 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
2 under this section is valid for 4 years unless sooner revoked by the director or the
3 commissioner under section 1305.

4 **6. Temporary license.** An applicant for a supplier license may submit with the
5 application a request for a temporary license. A request for a temporary license must
6 include the initial license fee of \$40,000. If the director determines that the applicant is
7 qualified under subsection 2, meets the requirements established by rule for a temporary
8 license and has paid the initial license fee and the director is not aware of any reason the
9 applicant is ineligible for a license under this section, the director may issue a temporary
10 supplier license. A temporary license issued under this subsection is valid for one year or
11 until a final determination on the supplier license application is made, whichever is sooner.
12 If after investigation the director determines that the applicant is eligible for a supplier
13 license under this chapter, the director shall issue the initial supplier license, at which time
14 the temporary license terminates. The initial supplier license is valid for 4 years from the
15 date that the temporary license was issued by the director.

16 **7. Inventory.** A supplier licensee shall submit to the director a list of all Internet
17 gaming equipment, systems and services sold or leased to, delivered to or offered to an
18 operator in this State as required by the director, all of which must be tested and approved
19 by an independent testing laboratory approved by the director. An operator may continue
20 to use supplies acquired from a licensed supplier if the supplier's license subsequently
21 expires or is otherwise revoked, unless the director finds a defect in the supplies.

22 **§1308. Management services license**

23 **1. Issuance of license; eligibility.** The director shall issue a management services
24 license upon finding that the applicant meets all requirements of this section, sections 1304
25 and 1305 and rules adopted under this chapter and that the applicant has sufficient
26 knowledge and experience in the business of operating Internet gaming to effectively
27 conduct Internet gaming in accordance with this chapter and the rules adopted under this
28 chapter.

29 **2. Authority to enter contract with operator.** A management services licensee may
30 contract with an operator to manage Internet gaming operations on behalf of the operator
31 in accordance with rules adopted under this chapter.

32 **3. Contract approval; material change in written contract.** A person may not
33 contract with an operator to conduct Internet gaming on behalf of the operator unless the
34 person is licensed under this section and the director approves the written contract. A
35 management services licensee shall submit to the director any proposed material change to
36 the written contract that has been approved by the director under this subsection. A
37 management services licensee may not transfer, assign, delegate or subcontract any portion
38 of the management services licensee's responsibilities under the contract or any portion of
39 the management services licensee's right to compensation under the contract to any other
40 person who does not hold a management services license.

41 **4. Fees.** The fee for an initial or renewed management services license is \$40,000 and
42 must be retained by the director for the costs of administering this chapter. In addition to
43 the license fee, the director may charge a processing fee for an initial or renewed license in
44 an amount equal to the projected cost of processing the application and performing any
45 background investigations. If the actual cost exceeds the projected cost, an additional fee

1 may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the
2 difference may be refunded to the applicant or licensee.

3 **5. Term of license.** Except as provided in subsection 6, a license granted or renewed
4 under this section is valid for 4 years unless sooner revoked by the director or the
5 commissioner under section 1305.

6 **6. Temporary license.** An applicant for a management services license may submit
7 with the application a request for a temporary license. A request for a temporary license
8 must include the initial license fee of \$40,000. If the director determines that the applicant
9 is qualified under subsection 1, meets the requirements established by rule for a temporary
10 license and has paid the initial license fee and the director is not aware of any reason the
11 applicant is ineligible for a license under this section, the director may issue a temporary
12 management services license. A temporary license issued under this subsection is valid for
13 one year or until a final determination on the management services license application is
14 made, whichever is sooner. If after investigation the director determines that the applicant
15 is eligible for a management services license under this chapter, the director shall issue the
16 initial management services license, at which time the temporary license terminates. The
17 initial management services license is valid for 4 years from the date that the temporary
18 license was issued by the director.

19 **§1309. Occupational license**

20 **1. License required.** A person may not be employed by an operator to be engaged
21 directly in Internet gaming-related activities or otherwise to conduct or operate Internet
22 gaming without a valid occupational license issued by the director under this section. The
23 director shall issue an occupational license to a person who meets the requirements of this
24 section, section 1304 and section 1305. The director shall by rule establish a process for
25 issuance of occupational licenses that is, as far as possible, identical to the process for
26 licensing employees of a casino under section 1015.

27 **2. Authority to be employed in Internet gaming.** An occupational license authorizes
28 the licensee to be employed by an operator in the capacity designated by the director while
29 the license is active. The director may establish, by rule, job classifications with different
30 requirements to recognize the extent to which a particular job has the ability to affect the
31 proper operation of Internet gaming.

32 **3. Application and fee.** Except as provided in subsection 5, an applicant shall submit
33 any required application forms established by the director and pay a nonrefundable
34 application fee of \$250. The fee may be paid on behalf of an applicant by the operator. Fees
35 paid under this subsection must be retained by the director for the costs of administering
36 this chapter.

37 **4. Renewal fee and form.** An occupational licensee must pay a fee of \$25 to renew
38 the license for a one-year term or a fee of \$50 to renew the license for a 3-year term. The
39 fee may be paid on behalf of the occupational licensee by the operator. In addition to a
40 renewal fee, an occupational licensee must annually submit a renewal application on a form
41 or in a format approved by the director. Fees paid under this subsection must be retained
42 by the director for the costs of administering this chapter.

1 **5. Exception.** An individual who is actively licensed under section 1015 as an
2 employee of a casino may obtain or renew a license under this section without paying an
3 initial license fee or a renewal license fee under this section.

4 **§1310. Internet gaming house rules**

5 **1. Adoption of house rules.** An operator shall adopt comprehensive house rules for
6 game play governing Internet gaming transactions with its patrons. House rules must be
7 approved by the director prior to implementation and meet the minimum standards
8 established by the director by rule, including, but not limited to, requiring that the house
9 rules specify the amounts to be paid on winning wagers, the circumstances under which the
10 operator will void a wager and treatment of errors, late wagers and related contingencies.

11 **2. Advertisement of house rules.** The house rules, together with any other
12 information the director determines to be appropriate, must be advertised as required by
13 the director by rule and must be made readily available to patrons.

14 **§1311. Access to premises and equipment**

15 A licensee under this chapter shall permit the director, the department or a designee of
16 the director unrestricted access, during regular business hours, including access to locked
17 or secured areas, to inspect any facility and any equipment, prizes, records or other items
18 to be used in the operation of Internet gaming.

19 **§1312. Persons prohibited from making wagers**

20 An operator and a management services licensee conducting Internet gaming on behalf
21 of an operator may not accept a wager from the following persons:

22 **1. Persons under 21 years of age.** A person who has not attained 21 years of age;

23 **2. Operators and employees.** An operator or management services licensee;
24 directors, officers and employees of an operator or management services licensee; or a
25 relative living in the same household as any of these persons. This subsection does not
26 prohibit a relative living in the same household as a director, officer or employee of an
27 operator or management services licensee from making a wager with an unaffiliated
28 operator or management services licensee;

29 **3. Interested parties.** A person with an interest in the outcome of the Internet gaming
30 event identified by the director by rule;

31 **4. Unauthorized persons.** A person on a list established by rule by the director under
32 section 1303, subsection 2, paragraph G of persons who are not authorized to make wagers;

33 **5. Third parties.** A person making a wager on behalf of or as the agent or custodian
34 of another person; and

35 **6. Regulatory staff.** An employee of the Gambling Control Unit within the
36 department.

37 **§1313. Abnormal wagering activity**

38 **1. Duty to report.** An operator shall, as soon as practicable, report to the director any
39 information relating to abnormal wagering activity or patterns that may indicate a concern
40 with the integrity of the Internet gaming event.

1 **2. Cooperation efforts.** An operator shall use commercially reasonable efforts to
2 cooperate with investigations conducted by law enforcement agencies, including but not
3 limited to using commercially reasonable efforts to provide or facilitate the provision of
4 wagering information.

5 **3. Information confidentiality.** The director and operators shall maintain the
6 confidentiality of information provided by entities involved in the Internet gaming event
7 for purposes of investigating or preventing the conduct described in this section, unless
8 disclosure is otherwise required by the director or by law or unless the entity consents to
9 disclosure.

10 **4. Information use and disclosure.** With respect to any information provided by an
11 operator to an entity involved in the Internet gaming event relating to conduct described in
12 this section, the entity:

13 A. May use such information only for integrity-monitoring purposes and may not use
14 the information for any commercial or other purpose; and

15 B. Shall maintain the confidentiality of the information, unless disclosure is otherwise
16 required by the director or by law or unless the operator consents to disclosure, except
17 that the entity may make disclosures necessary to conduct and resolve integrity-related
18 investigations and may publicly disclose such information if necessary to maintain the
19 actual or perceived integrity of the Internet gaming event. Prior to any public
20 disclosure that would identify the operator by name, the entity shall provide that
21 operator with notice of the disclosure and an opportunity to object to the disclosure.

22 **§1314. Security, maintenance and sharing of wagering records**

23 **1. Records maintenance.** An operator shall maintain for 3 years after an Internet
24 gaming event occurs at least the following records of all wagers placed with respect to that
25 Internet gaming event:

26 A. Personally identifiable information of each person placing a wager;

27 B. The amount and type of each wager;

28 C. The time each wager was placed;

29 D. The location of each wager, including the Internet protocol address if applicable;

30 E. The outcome of each wager; and

31 F. Instances of abnormal wagering activity.

32 An operator shall make the records required to be maintained under this subsection
33 available for inspection upon request of the director or as required by court order.

34 **2. Anonymized information.** An operator shall use commercially reasonable efforts
35 to maintain, in real time and at the account level, anonymized information regarding a
36 person who places a wager and the amount and type of the wager, the time the wager was
37 placed, the location of the wager, including the Internet protocol address if applicable, the
38 outcome of the wager and records of abnormal wagering activity. The director may request
39 that information in the form and manner required by rule. Nothing in this subsection
40 requires an operator to provide any information that is prohibited by federal or state law,
41 including without limitation laws and rules relating to privacy and personally identifiable
42 information.

1 **3. Records monitoring.** If an entity involved in the Internet gaming event has notified
2 the director that access to the information described in subsection 2 for wagers placed on
3 Internet gaming events of that entity is necessary to monitor the integrity of that Internet
4 gaming event, and the entity represents to the director that it specifically uses that data for
5 the purpose of monitoring the integrity of the Internet gaming event, then an operator shall
6 share, in a commercially reasonable frequency, form and manner, with the entity or its
7 designee the same information the operator is required to maintain under subsection 2 with
8 respect to the Internet gaming event. An entity and its designee may use information
9 received under this subsection only for integrity-monitoring purposes and may not use
10 information received under this subsection for any commercial or other purpose. Nothing
11 in this subsection requires an operator to provide any information if prohibited by federal
12 or state law, including without limitation laws and rules relating to privacy and personally
13 identifiable information.

14 **4. Security.** An operator shall use commercially reasonable methods to maintain the
15 security of wagering data, customer data and other confidential information from
16 unauthorized access and dissemination. Nothing in this chapter precludes the use of
17 Internet-based or so-called cloud-based hosting of that data and information or disclosure
18 as required by law.

19 **§1315. Interception of Internet gaming winnings to pay child support debt**

20 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
21 following terms have the following meanings.

22 A. "Child support debt" means child support debt that has been liquidated by judicial
23 or administrative action.

24 B. "Department" means the Department of Health and Human Services.

25 C. "Licensee" means an operator or a management services licensee under section
26 1308.

27 D. "Registry operator" means the department or an entity with which the department
28 enters into a contract to maintain the registry pursuant to subsection 3.

29 E. "Winner" means an Internet gaming patron to whom cash is returned as winnings
30 for placement of a wager.

31 **2. Interception.** A licensee shall intercept Internet gaming winnings to pay child
32 support debt in accordance with this section.

33 **3. Registry.** The department shall create and maintain, or shall contract with a private
34 entity to create and maintain, a secure, electronically accessible registry containing
35 information regarding individuals with outstanding child support debt. The department
36 shall regularly enter into the registry information including:

37 A. The name and social security number of each individual with outstanding child
38 support debt;

39 B. The account number or identifier assigned by the department to the outstanding
40 child support debt;

41 C. The amount of the outstanding child support debt; and

42 D. Any other information necessary to effectuate the purposes of this section.

1 **4. Electronic access to information; procedures.** A licensee shall electronically
2 access the registry in accordance with this subsection.

3 A. Before making a payout of winnings of an amount equal to or greater than the
4 amount for which the licensee is required to file a Form W-2G or substantially
5 equivalent form with the United States Internal Revenue Service, the licensee shall
6 obtain the name, address, date of birth and social security number of the winner and
7 shall electronically submit this information to the registry operator.

8 B. Upon receipt of information pursuant to paragraph A, the registry operator shall
9 electronically inform the licensee whether the winner is listed in the registry. If the
10 winner is listed in the registry, the registry operator shall inform the licensee of the
11 amount of the winner's outstanding child support debt and the account number or
12 identifier assigned to the outstanding child support debt and shall provide the licensee
13 with a notice of withholding that informs the winner of the right to an administrative
14 hearing.

15 C. If the registry operator informs the licensee that the winner is not listed in the
16 registry or if the licensee is unable to obtain information from the registry operator on
17 a real-time basis after attempting in good faith to do so, the licensee may make payment
18 to the winner.

19 D. If the registry operator informs the licensee that the winner is listed in the registry,
20 the licensee may not make payment to the winner unless the amount of the payout
21 exceeds the amount of outstanding child support debt, in which case the licensee may
22 make payment to the winner of the amount of winnings that is in excess of the amount
23 of the winner's outstanding child support debt.

24 **5. Lien against winnings.** If the registry operator informs a licensee pursuant to this
25 section that a winner is listed in the registry, the department has a valid lien upon and claim
26 of lien against the winnings in the amount of the winner's outstanding child support debt.

27 **6. Withholding of winnings.** The licensee shall withhold from any winnings an
28 amount equal to the amount of the lien created under subsection 5 and shall provide a notice
29 of withholding to the winner. Within 7 days after withholding an amount pursuant to this
30 subsection, the licensee shall transmit the amount withheld to the department together with
31 a report of the name, address and social security number of the winner, the account number
32 or identifier assigned to the debt, the amount withheld, the date of withholding and the
33 name and location of the licensee.

34 **7. Licensee costs.** Notwithstanding subsection 6, the licensee may retain \$10 from an
35 amount withheld pursuant to this section to cover the cost of the licensee's compliance with
36 this section.

37 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
38 to this section has the right, within 15 days of receipt of the notice of withholding, to request
39 from the department an administrative hearing. The hearing is limited to questions of
40 whether the debt is liquidated and whether any post-liquidation events have affected the
41 winner's liability. The administrative hearing decision constitutes final agency action.

42 **9. Authorization to provide information.** Notwithstanding any provision of law to
43 the contrary, the licensee may provide to the department or registry operator any
44 information necessary to effectuate the intent of this section. The department or registry

1 operator may provide to the licensee any information necessary to effectuate the intent of
2 this section.

3 **10. Confidentiality of information.** The information obtained by the department or
4 registry operator from a licensee pursuant to this section and the information obtained by
5 the licensee from the department or registry operator pursuant to this section are
6 confidential and may be used only for the purposes set forth in this section. An employee
7 or prior employee of the department, the registry operator or a licensee who knowingly or
8 intentionally discloses any such information commits a civil violation for which a fine not
9 to exceed \$1,000 may be adjudged.

10 **11. Effect of compliance; noncompliance.** A licensee, the department and the
11 registry operator are not liable for any action taken in good faith to comply with this section.
12 A licensee who fails to make a good faith effort to obtain information from the registry
13 operator or who fails to withhold and transmit the amount of the lien created under
14 subsection 5 is liable to the department for the greater of \$500 and the amount the person
15 was required to withhold and transmit to the department under this section, together with
16 costs, interest and reasonable attorney's fees.

17 **12. Biennial review.** The department shall include in its report to the Legislature
18 under section 1066 the following information:

19 A. The number of names of winners submitted by licensees to the registry operator
20 pursuant to this section in each of the preceding 2 calendar years;

21 B. The number of winners who were found to be listed in the registry in each of the
22 preceding 2 calendar years;

23 C. The amount of winnings withheld by licensees pursuant to this section in each of
24 the preceding 2 calendar years; and

25 D. The amount of withheld winnings refunded to winners as the result of
26 administrative hearings requested pursuant to this section in each of the preceding 2
27 calendar years.

28 **§1316. Allocation of funds**

29 **1. Tax imposed; allocation of funds.** An operator shall collect and distribute 10% of
30 adjusted gross Internet gaming receipts to the director to be forwarded by the director to
31 the Treasurer of State for distribution as follows:

32 A. One percent of the adjusted gross Internet gaming receipts must be deposited in the
33 General Fund for the administrative expenses of the Gambling Control Unit within the
34 department;

35 B. One percent of the adjusted gross Internet gaming receipts must be deposited in the
36 Gambling Addiction Prevention and Treatment Fund established by Title 5, section
37 20006-B;

38 C. Four percent of the adjusted gross Internet gaming receipts must be deposited in the
39 E-9-1-1 fund under Title 25, section 2927, subsection 2-B;

40 D. Two percent of the adjusted gross Internet gaming receipts must be deposited in the
41 Opioid Use Disorder Prevention and Treatment Fund established under Title 5, section
42 20010;

1 E. Two percent of the adjusted gross Internet gaming receipts must be deposited in the
2 Emergency Housing Relief Fund established under Title 30-A, section 4765; and

3 **2. Due dates; late payments.** The director may adopt rules establishing the dates on
4 which payments required by this section are due. All payments not remitted when due must
5 be paid together with interest on the unpaid balance at a rate of 1.5% per month.

6 **§1317. Applicability of other laws**

7 **1. Authorized conduct.** The provisions of Title 17, chapter 62 and Title 17-A, chapter
8 39 do not apply to Internet gaming conducted in accordance with this chapter and the rules
9 adopted under this chapter.

10 **2. Unlicensed conduct.** A person who engages in an activity for which a license is
11 required under this chapter and who does not possess the required license to engage in that
12 activity is subject to any criminal or civil penalties that may be imposed pursuant to Title
13 17-A, chapter 39.

14 **3. Unauthorized conduct by licensees.** In addition to any penalties that may be
15 imposed pursuant to section 1305, a licensee who conducts Internet gaming in violation of
16 this chapter or the rules adopted under this chapter is subject to any criminal or civil
17 penalties that may be imposed pursuant to Title 17-A, chapter 39.

18 **Sec. 15. 17-A MRSA §951,** as amended by PL 2021, c. 681, Pt. J, §7, is further
19 amended to read:

20 **§951. Inapplicability of chapter**

21 Any person licensed or registered by the Gambling Control Unit as provided in Title
22 17, chapter 13-A or chapter 62; or authorized to operate or conduct a raffle pursuant to Title
23 17, section 1837-A or licensed to operate sports wagering pursuant to Title 8, chapter 35
24 or Internet gaming pursuant to Title 8, chapter 37 is exempt from the application of the
25 provisions of this chapter insofar as that person's conduct is within the scope of the license
26 or registration.

27 **Sec. 16. 25 MRSA §1542-A, sub-§1, ¶AA** is enacted to read:

28 AA. Who is required to have a criminal history background check under Title 8,
29 section 1304.

30 **Sec. 17. 25 MRSA §1542-A, sub-§3, ¶Z** is enacted to read:

31 Z. The State Police shall take or cause to be taken the fingerprints of the person named
32 in subsection 1, paragraph AA at the request of that person or the director of the
33 Gambling Control Unit within the Department of Public Safety and upon payment of
34 the fee established by the director of the Gambling Control Unit pursuant to Title 8,
35 section 1304, subsection 3.

36 **SUMMARY**

37 This bill authorizes each federally recognized Indian nation, tribe or band in this State
38 to operate Internet gaming pursuant to a license from the Gambling Control Unit within the
39 Department of Public Safety. Only a federally recognized Indian nation, tribe or band in
40 this State is eligible to obtain a license and operate Internet gaming. The licensing structure

1 follows the law governing sports wagering. The law governing sports wagering is also
2 amended to remove mobile sports betting, which the bill regulates as Internet gaming.