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Legislative Document

No. 1633

H.P. 1176

House of Representatives, April 25, 2019

An Act To Legalize Keno and Historical Instant Racing

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

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative COLLINGS of Portland.
Cosponsored by Senator DIAMOND of Cumberland and
Representatives: ALLEY of Beals, CAMPBELL of Orrington, LANDRY of Farmington,
McCREA of Fort Fairfield, McDONALD of Stonington, PERRY of Bangor, STEWART of
Presque Isle, Senator: CARPENTER of Aroostook.

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

2 **Sec. 1. 8 MRSA §1001, sub-§15**, as amended by IB 2009, c. 2, §4, is further
3 amended to read:

4 **15. Gambling activity.** "Gambling activity" means off-track betting, pari-mutuel
5 wagering at a race track, historical instant racing, keno, high-stakes beano, beano, games
6 of chance or slot machine or table game operation.

7 **Sec. 2. 8 MRSA §1001, sub-§17**, as amended by IB 2009, c. 2, §6, is further
8 amended to read:

9 **17. Gambling services.** "Gambling services" means any goods or services provided
10 to an operator licensed under this chapter or at a gambling facility that are used directly in
11 connection with the operation of a slot machine or a table game, historical instant racing
12 or keno, including, but not limited to, maintenance, security services or junket services,
13 and excluding slot machine or table game distribution by a slot machine distributor or
14 table game distributor.

15 **Sec. 3. 8 MRSA §1001, sub-§§22-A and 22-B** are enacted to read:

16 **22-A. Historical instant racing.** "Historical instant racing" means the creation and
17 sale of pari-mutuel pools from wagers placed at a commercial track, off-track betting
18 facility, high-stakes beano facility or casino on previously conducted horse races.

19 **22-B. Historical instant racing operator.** "Historical instant racing operator"
20 means a person licensed under section 1014-A to operate historical instant racing in the
21 State that in fact operates historical instant racing in the State.

22 **Sec. 4. 8 MRSA §1001, sub-§§26-A and 26-B** are enacted to read:

23 **26-A. Keno.** "Keno" means a game of chance in which a player places a wager and
24 selects numbers from a preestablished range of numbers, a mechanical or electronic
25 device randomly draws winning numbers from the same preestablished range of numbers,
26 and the player may win a prize, the amount of which is based on the amount of the wager
27 and the quantity of numbers drawn that match the numbers selected by the player.

28 **26-B. Keno operator.** "Keno operator" means a person licensed under section
29 1014-A to operate keno in the State that in fact operates keno in the State.

30 **Sec. 5. 8 MRSA §1001, sub-§§29-D and 29-E** are enacted to read:

31 **29-D. Net historical instant racing income.** "Net historical instant racing income"
32 means the total amount of wagers placed on historical instant racing after payment of
33 money from winning wagers to winning bettors.

34 **29-E. Net keno income.** "Net keno income" means the total value of money, tokens,
35 credits or similar objects or things of value used to play keno minus money, credits or
36 prizes paid out to winners.

1 **Sec. 6. 8 MRSA §1003, sub-§1, ¶K**, as amended by PL 2015, c. 499, §4, is
2 further amended to read:

3 K. Ensure that public safety inspectors employed by the board assigned to enforce
4 the provisions of this chapter at the site of a casino may, in the absence of a sworn
5 law enforcement officer, detain any person who is suspected of violating any
6 provision of this chapter. Such detention must comply with federal and state laws
7 including the provisions of Title 17-A, section 107; ~~and~~

8 **Sec. 7. 8 MRSA §1003, sub-§1, ¶L**, as enacted by PL 2015, c. 499, §5, is
9 amended to read:

10 L. Regulate, supervise and exercise general control over the operation of advance
11 deposit wagering in the State; ~~and~~

12 **Sec. 8. 8 MRSA §1003, sub-§1, ¶M** is enacted to read:

13 M. Regulate, supervise and exercise general control over the operation of historical
14 instant racing and keno in the State.

15 **Sec. 9. 8 MRSA §1003, sub-§2, ¶H**, as amended by PL 2013, c. 212, §8, is
16 further amended to read:

17 H. Pursuant to subchapter 5, cause the department to investigate all complaints made
18 to the board regarding ownership, distribution or operation of slot machines or table
19 games or operation of historical instant racing or keno and all violations of this
20 chapter or rules adopted under this chapter;

21 **Sec. 10. 8 MRSA §1003, sub-§2, ¶Q**, as amended by IB 2009, c. 2, §20, is
22 further amended to read:

23 Q. Certify monthly to the department a full and complete statement of all slot
24 machine ~~and~~, table game, historical instant racing and keno revenue, credits disbursed
25 by licensees, administrative expenses and the allocation of slot machine ~~and~~, table
26 game, historical instant racing and keno income for the preceding month;

27 **Sec. 11. 8 MRSA §1003, sub-§2, ¶R**, as amended by IB 2009, c. 2, §21, is
28 further amended to read:

29 R. Submit by March 15th an annual report to the Governor and the joint standing
30 committee of the Legislature having jurisdiction over gambling affairs on slot
31 machine ~~and~~, table game, historical instant racing and keno revenue, credits disbursed
32 by slot machine operators ~~and~~, table game operators, historical instant racing
33 operators and keno operators, administrative expenses and the allocation of slot
34 machine ~~and~~, table game, historical instant racing and keno income for the preceding
35 year;

36 **Sec. 12. 8 MRSA §1003, sub-§2, ¶T**, as amended by PL 2015, c. 499, §6, is
37 further amended to read:

38 T. Keep accurate and complete records of its proceedings and certify the records as
39 may be appropriate; ~~and~~

1 **Sec. 13. 8 MRSA §1003, sub-§2, ¶U**, as enacted by PL 2015, c. 499, §7, is
2 amended to read:

3 U. Adopt rules relating to the conduct of advance deposit wagering, including but
4 not limited to the following:

- 5 (1) Requirements for licensure to conduct advance deposit wagering;
- 6 (2) The prevention of any fraud or deception upon an advance deposit wagering
7 account holder;
- 8 (3) Distributions of account statements to advance deposit wagering account
9 holders from the advance deposit wagering licensee;
- 10 (4) Establishing a definition of an abandoned advance deposit wagering account
11 and provisions for disposition of funds in an abandoned account;
- 12 (5) Prescribing methods for verifying residency and age of an applicant for an
13 advance deposit wagering account;
- 14 (6) Prescribing methods for verifying that an applicant for an advance deposit
15 wagering account is a natural person and not a custodian, beneficiary, joint trust
16 corporation or other organization;
- 17 (7) Prescribing methods by which deposits are made to advance deposit
18 wagering accounts. The methods prescribed must prohibit the use of the
19 electronic benefits transfer system administered by the Department of Health and
20 Human Services under Title 22, chapter 1, subchapter 1-A; and
- 21 (8) Prohibiting the assignment or transfer of an advance deposit wagering
22 account from an authorized account holder to another person.

23 Rules initially adopted as required by this paragraph are major substantive rules as
24 described in Title 5, chapter 375, subchapter 2-A. Rules adopted after the first year
25 of operation of advance deposit wagering conducted by an advance deposit wagering
26 licensee are routine technical rules as described in Title 5, chapter 375, subchapter
27 2-A.;

28 **Sec. 14. 8 MRSA §1003, sub-§2, ¶¶V and W** are enacted to read:

29 V. Adopt rules relating to the conduct of historical instant racing, including but not
30 limited to the following:

- 31 (1) Requirements for licensure to conduct historical instant racing;
- 32 (2) The prevention of any fraud or deception upon a person making a historical
33 instant racing wager;
- 34 (3) Prescribing methods for the conduct of historical instant racing, including but
35 not limited to the hours of operation, the types of races on which wagers may be
36 made, the race information made available to bettors prior to the placement of
37 wagers, the types and amounts of wagers permitted, the minimum payoff on a
38 winning wager and the maximum percentage of all wagers that may be retained
39 by the historical instant racing operator;

- 1 (4) Standards for the equipment used to operate historical instant racing; and
2 (5) Prescribing methods for verifying the identity and age of a person making a
3 historical instant racing wager and for ensuring that the person is not prohibited
4 from making a historical instant racing wager under section 1031-A.

5 Rules initially adopted as required by this paragraph are major substantive rules as
6 defined in Title 5, chapter 375, subchapter 2-A. Rules adopted after the first year of
7 operation of historical instant racing conducted by a person licensed under this
8 chapter are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A;
9 and

10 W. Adopt rules relating to the conduct of keno, including but not limited to the
11 following:

- 12 (1) Requirements for licensure to conduct keno;
13 (2) The prevention of any fraud or deception upon a person making a keno
14 wager;
15 (3) Prescribing methods for the conduct of keno, including but not limited to the
16 hours of operation, the types and amounts of wagers permitted, the minimum
17 payoff on a winning wager and the maximum percentage of all wagers that may
18 be retained by the keno operator;
19 (4) Standards for the equipment used to operate keno; and
20 (5) Prescribing methods for verifying the identity and age of a person making a
21 keno wager and for ensuring that the person is not prohibited from making a keno
22 wager under section 1031-A.

23 Rules initially adopted as required by this paragraph are major substantive rules as
24 defined in Title 5, chapter 375, subchapter 2-A. Rules adopted after the first year of
25 operation of keno conducted by a person licensed under this chapter are routine
26 technical rules as defined in Title 5, chapter 375, subchapter 2-A.

27 **Sec. 15. 8 MRSA §1003, sub-§3, ¶G,** as amended by IB 2009, c. 2, §23, is
28 further amended to read:

29 G. Minimum procedures for the exercise of effective control over the internal fiscal
30 affairs of slot machine operators, casino operators, historical instant racing operators,
31 keno operators, slot machine distributors, table game distributors, gambling services
32 vendors and nongambling services vendors, including provisions for the safeguarding
33 of assets and revenues, the recording of cash and evidence of indebtedness and the
34 maintenance of reliable records, accounts and reports of transactions, operations and
35 events, including reports to the board;

36 **Sec. 16. 8 MRSA §1003, sub-§3, ¶H,** as amended by IB 2009, c. 2, §24, is
37 further amended to read:

38 H. Procedures for the annual audit of the books and records of slot machine
39 operators, casino operators, historical instant racing operators, keno operators, slot
40 machine distributors, table game distributors and gambling services vendors;

1 **Sec. 17. 8 MRSA §1003, sub-§3, ¶I**, as amended by PL 2013, c. 212, §10, is
2 further amended to read:

3 I. Establishment of a list of persons who are to be excluded or removed from any
4 facility where historical instant racing or keno are conducted, slot machine facility or
5 casino, including those persons who voluntarily request that their names be included
6 on the list of excluded persons. These rules must:

7 (1) Define the standards for exclusion and removal and include standards
8 regarding persons who are career or professional offenders, as defined by rules of
9 the board, whose presence in a facility where historical instant racing or keno are
10 conducted or in a slot machine facility or casino would, in the opinion of the
11 board, be inimical to the interest of the State; and

12 (2) Provide that, before making a payout of winnings in an amount equal to or
13 greater than the amount for which the licensee is required to file a Form W-2G or
14 substantially equivalent form with the United States Internal Revenue Service,
15 the licensee, after any interception of winnings required by law to pay child
16 support debt or other obligations, shall intercept money or anything of value that
17 an excluded person is seeking to redeem as a result of wagers made by the person
18 after that person has been excluded. The rules must offer the excluded person the
19 right to an administrative hearing with reasonable notice to contest the
20 interception of winnings. Winnings intercepted must be remitted by the licensee
21 to the board or its designee for deposit in an Other Special Revenue Funds
22 account within the office of substance abuse within the Department of Health and
23 Human Services to address gambling addiction;

24 **Sec. 18. 8 MRSA §1005, sub-§1, ¶¶A and B**, as amended by IB 2009, c. 2, §27,
25 are further amended to read:

26 A. Without notice, and at any time during regular hours of operation, enter the
27 offices, facilities or other places of business of slot machine operators, casino
28 operators, historical instant racing operators, keno operators, slot machine
29 distributors, table game distributors and gambling services vendors to conduct
30 administrative inspections to determine compliance with this chapter and rules
31 adopted under this chapter; and

32 B. Request the director to disable any slot machine ~~or~~, table game, historical instant
33 racing equipment or keno equipment if the department has a reasonable articulable
34 suspicion that the slot machine ~~or~~, table game, historical instant racing equipment or
35 keno equipment is being operated in violation of this chapter or of any rule adopted
36 under this chapter.

37 **Sec. 19. 8 MRSA §1006, sub-§8**, as enacted by PL 2013, c. 212, §12, is amended
38 to read:

39 **8. Voluntary exclusion.** Notwithstanding Title 1, section 401, records and
40 information obtained or developed by the board as part of establishing and administering
41 the list of persons who voluntarily request exclusion from any facility where historical
42 instant racing or keno are conducted, slot machine facility or casino under section 1003,
43 subsection 3, paragraph I are confidential except that information may be released with

1 the written consent of the person requesting voluntary exclusion and as is necessary to
2 inform the historical instant racing operator, keno operator or slot machine facility or
3 casino licensee and enforce the voluntary exclusion. Statistical data and general
4 information that do not allow for a person on the voluntary exclusion list to be personally
5 identified are not confidential.

6 **Sec. 20. 8 MRSA §1014-A** is enacted to read:

7 **§1014-A. Licensing of historical instant racing operators and keno operators**

8 **1. License required.** A person or a federally recognized Indian tribe in the State
9 may not operate historical instant racing or keno in the State unless the person or the
10 federally recognized Indian tribe in the State has been issued a license by the board under
11 this section.

12 **2. Requirements for license.** The board may issue a license to operate historical
13 instant racing and keno to a person or a federally recognized Indian tribe in the State that
14 demonstrates compliance with the qualifications set forth in sections 1016 and 1019 and
15 the criteria adopted by the board through rulemaking and that is:

16 A. Licensed to operate a casino in the State under this chapter;

17 B. Licensed to operate a commercial track in the State under chapter 11;

18 C. Licensed to operate an off-track betting facility in the State under chapter 11; or

19 D. Licensed to operate high-stakes beano in the State under Title 17, chapter 13-A.

20 **3. Continued eligibility.** To maintain eligibility for a license under this section, the
21 licensee must at all times maintain the licensee's casino operator license, commercial
22 track license, off-track betting facility license or high-stakes beano license without lapse,
23 suspension or revocation.

24 **4. Authority of licensee.** A person or a federally recognized Indian tribe licensed
25 under this section may operate historical instant racing or keno, or both, at the licensee's
26 casino, commercial track, off-track betting facility or high-stakes beano facility in
27 accordance with this chapter and the rules adopted under this chapter.

28 **Sec. 21. 8 MRSA §1015**, as amended by PL 2013, c. 212, §§13 and 14, is further
29 amended to read:

30 **§1015. Licensing of employees of historical instant racing, keno, slot machine and**
31 **casino operators, slot machine and table game distributors and gambling**
32 **services vendors**

33 **1. License required.** A person may not be employed by a slot machine operator,
34 casino operator, historical instant racing operator, keno operator, slot machine distributor,
35 table game distributor or gambling services vendor unless the person is licensed to do so
36 by the board, temporarily authorized as an employee pursuant to subsection 4 or granted a
37 waiver by the board pursuant to subsection 3.

1 **2. Requirements for license.** The board may issue an employee license to an
2 employee of a slot machine operator, casino operator, historical instant racing operator,
3 keno operator, slot machine distributor, table game distributor or gambling services
4 vendor if the applicant meets the qualifications set out in sections 1016 and 1019.

5 **3. Requirements for waiver.** Upon application by a slot machine operator, casino
6 operator, historical instant racing operator, keno operator, slot machine distributor, table
7 game distributor or gambling services vendor, the board may waive the employee license
8 requirement under this section if the slot machine operator, casino operator, historical
9 instant racing operator, keno operator, slot machine distributor, table game distributor or
10 gambling services vendor demonstrates to the board's satisfaction that the public interest
11 is not served by the requirement of the employee license.

12 **4. Employees authorized temporarily.** A new employee of a slot machine
13 operator, casino operator, historical instant racing operator, keno operator, slot machine
14 distributor, table game distributor or gambling services vendor is temporarily authorized
15 to work in a position requiring an employee license pursuant to subsection 1 as of the date
16 a completed employee license application is received by the board. A completed
17 employee license application is composed of:

- 18 A. The completed form for application for an employee license approved by the
19 board;
- 20 B. Two complete sets of the fingerprints of the applicant;
- 21 C. The fee for processing the employee license application as prescribed by the
22 board; and
- 23 D. The results of the background investigation conducted by the employer.

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

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

29 **5. Termination of temporary authorization.** Unless suspended or revoked, a
30 temporary authorization under subsection 4 continues until the granting or denial of the
31 new employee's employee license application in accordance with sections 1016, 1017 and
32 1019 and any applicable rules adopted by the board. An applicant whose temporary
33 authorization is suspended or revoked is not eligible for employment in a position
34 requiring an employee license pursuant to subsection 1 until such time as the suspension
35 or revocation is withdrawn or an employee license is issued.

36 **Sec. 22. 8 MRSA §1016, sub-§1,** as amended by PL 2013, c. 212, §§15 to 18, is
37 further amended to read:

38 **1. Minimum qualifications.** Notwithstanding Title 5, chapter 341, and in addition
39 to any requirements imposed by rules adopted by the board, a person or a federally
40 recognized Indian tribe in the State must satisfy the following qualifications to be a slot
41 machine operator, a casino operator, a historical instant racing operator, a keno operator,

1 a slot machine distributor, a table game distributor, a gambling services vendor or an
2 employee of these entities:

3 A. The person or the federally recognized Indian tribe has completed the application
4 form, promptly and truthfully complied with all information requests of the board and
5 complied with any applicable rules adopted by the board;

6 B. The person or the federally recognized Indian tribe has sufficient financial assets
7 and responsibility to meet any financial obligations imposed by this chapter and, if
8 applying for a slot machine operator license, casino operator license, historical instant
9 racing and keno operator license, slot machine operator license renewal ~~or~~, casino
10 operator license renewal or a historical instant racing and keno operator license
11 renewal, has sufficient financial assets and responsibility to continue operation of a
12 commercial track ~~or~~, casino, off-track betting facility or high-stakes beano facility;

13 C. The person or the federally recognized Indian tribe has not knowingly or
14 recklessly made a false statement of material fact in applying for a license under this
15 chapter or any gambling-related license in any other jurisdiction;

16 D. In the case of a person applying to be a slot machine operator or casino operator,
17 the person has sufficient knowledge and experience in the business of operating slot
18 machines or casinos to effectively operate the slot machine facilities or casino to
19 which the license application relates in accordance with this chapter and the rules and
20 standards adopted under this chapter; and

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

24 Except as provided by section 1013, subsection 3 ~~and~~, section 1013-A, subsection 3, ~~and~~
25 section 1014-A, a person may not hold more than one class of license under this chapter
26 unless the 2nd license is an employee license under section 1015.

27 **Sec. 23. 8 MRSA §1018, sub-§1, ¶D-1** is enacted to read:

28 D-1. The initial application fee for a license to operate historical instant racing and
29 keno is \$5,000. The annual renewal fee is \$5,000.

30 **Sec. 24. 8 MRSA §1018, sub-§2**, as enacted by PL 2003, c. 687, Pt. A, §5 and
31 affected by Pt. B, §11, is amended to read:

32 **2. Term of license; renewal, renewal fees.** All licenses issued by the board under
33 this chapter are effective for one year, unless revoked or surrendered pursuant to
34 subchapter 5. Upon proper application and payment of the required fees and taxes and in
35 accordance with rules adopted by the board, the board may renew a license for an
36 additional year ~~if~~. If municipal approval is required for license renewal, the board may
37 not renew the license unless municipal approval has been obtained as provided in section
38 1012 or 1012-A. The board shall transfer \$25,000 of the renewal fee required by
39 subsection 1, paragraph C to the municipality in which the slot machines are operated.

40 **Sec. 25. 8 MRSA §1031-A** is enacted to read:

1 **§1031-A. Persons prohibited from participation in historical instant racing and**
2 **keno**

3 A historical instant racing operator or keno operator may not accept a historical
4 instant racing wager or a keno wager from the following persons:

5 **1. Minimum age.** A person who has not attained 21 years of age;

6 **2. Prohibited persons.** A person on a list established by the board under section
7 1003, subsection 3, paragraph I; and

8 **3. Unidentified persons.** A person whose identity has not been verified by the
9 historical instant racing operator or keno operator using the methods required by the
10 board by rule.

11 **Sec. 26. 8 MRSA §1036, sub-§2-D** is enacted to read:

12 **2-D. Distribution of net historical instant racing income and net keno income.**
13 A historical instant racing operator shall collect and distribute 11% of net historical
14 instant racing income and a keno operator shall collect and distribute 11% of net keno
15 income to the board for distribution by the board as follows:

16 A. One percent of the net historical instant racing income and 1% of the net keno
17 income must be deposited to the General Fund for administrative expenses of the
18 board; and

19 B. Ten percent of the net historical instant racing income and 10% of the net keno
20 income must be forwarded directly by the board to the Treasurer of State, who shall
21 credit the money to the Department of Education, to be used for essential programs
22 and services for kindergarten to grade 12 under Title 20-A, chapter 606-B.

23 **Sec. 27. 8 MRSA §1036, sub-§3**, as amended by IB 2009, c. 2, §47, is further
24 amended to read:

25 **3. Failure to deposit funds.** A slot machine operator or casino operator, historical
26 instant racing operator or keno operator who knowingly or intentionally fails to comply
27 with this section commits a Class C crime. In addition to any other sanction available by
28 law, the license of the operator may be revoked by the board and the slot machines or
29 table games, historical instant racing equipment or keno equipment operated by that slot
30 machine operator or casino operator, historical instant racing operator or keno operator
31 may be disabled, and the slot machines or table games; slot machines' or table games'
32 proceeds and associated equipment; historical instant racing equipment or keno
33 equipment; and historical instant racing's proceeds or keno's proceeds may be confiscated
34 by the board and are subject to forfeiture under Title 17-A, section 959 or 960.

35 **Sec. 28. 8 MRSA §1041, sub-§2**, as amended by IB 2009, c. 2, §48, is further
36 amended to read:

37 **2. Location.** A slot machine operator or casino operator, historical instant racing
38 operator or keno operator shall maintain all records required by this chapter or by rules

1 adopted under this chapter at the operator's primary business office within this State or on
2 the premises where the slot machine or table game, historical instant racing or keno is
3 operated. A slot machine distributor or table game distributor shall maintain these
4 records at the distributor's primary business office within this State. The primary
5 business office must be designated by the license holder in the license application. All
6 records must be open to inspection and audit by the board or its designee and a license
7 holder may not refuse the board or its designee the right to inspect or audit the records.
8 Refusal to permit inspection or audit of the records constitutes grounds for revocation or
9 suspension of the license or registration.

10 **Sec. 29. 8 MRSA §1042**, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by
11 Pt. B, §11, is amended to read:

12 **§1042. Access to premises, equipment and records**

13 **1. Inspection.** A person holding a license or registration under this chapter shall
14 permit the board, the department or a designee of the board or the department unrestricted
15 access, during regular business hours, including access to locked or secured areas, to
16 inspect any gambling facility and any equipment, prizes, records or items and materials
17 used or to be used in the operation of any slot machine or associated equipment or
18 historical instant racing or keno equipment owned, distributed or operated by that person.
19 A person holding a license or registration under this chapter shall consent in writing to
20 the examination of all the licensee's books and records related to operations licensed
21 under this chapter and shall authorize all 3rd parties in possession or in control of those
22 books and records to allow the board or the board's designee to examine such books and
23 records as the board determines necessary.

24 **2. Monitoring.** The board or the department shall monitor the use, operation,
25 distribution and servicing of slot machines and equipment used to conduct historical
26 instant racing or keno through on-site observation and other means at any time during the
27 operation of any license for the purpose of certifying the revenue thereof, receiving
28 complaints from the public relating to the conduct of licensees, examining records of
29 revenues and procedures, enforcing the provisions of this chapter and the rules adopted
30 pursuant to this chapter and conducting periodic reviews of licenses for the purpose of
31 evaluating current or suggested provisions of this chapter and the rules adopted pursuant
32 to this chapter.

33 **Sec. 30. 8 MRSA §1054, sub-§§8 and 9**, as enacted by PL 2003, c. 687, Pt. A,
34 §5 and affected by Pt. B, §11, are amended to read:

35 **8. Failure to deposit funds.** Violates section 1036, subsection 2; or

36 **9. Failure to grant access to premises, equipment and records.** Violates section
37 1042;

38 **Sec. 31. 8 MRSA §1054, sub-§§10 and 11** are enacted to read:

39 **10. Operation of historical instant racing or keno without a license.** Violates
40 section 1014-A, subsection 1; or

1 **11. Accepting underage wagering on historical instant racing or keno.** Violates
2 section 1031-A.

3 **Sec. 32. 8 MRSA §1064**, as amended by PL 2009, c. 487, Pt. B, §4, is further
4 amended to read:

5 **§1064. Applicability of other laws**

6 Except as expressly provided in this chapter, the provisions of Title 17, chapter 62 do
7 not apply to the ownership, distribution or operation of slot machines or table games in
8 the State and the provisions of Title 17, chapter 62 and Title 17-A, chapter 39 do not
9 apply to the conduct of historical instant racing or keno operated in accordance with this
10 chapter and the rules adopted pursuant to this chapter.

11 **Sec. 33. 8 MRSA §1066**, as enacted by PL 2013, c. 255, §2, is amended to read:

12 **§1066. Interception of historical instant racing, keno, slot machine or table game**
13 **winnings to pay child support debt**

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

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

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

19 C. "Registry operator" means the department or an entity with whom the department
20 enters into a contract to maintain the registry pursuant to subsection 3.

21 D. "Winner" means a slot machine customer ~~or~~, a table game customer, a historical
22 instant racing customer or a keno customer to whom cash is returned as winnings.

23 **2. Interception.** A licensee shall intercept slot machine ~~and~~, table game, historical
24 instant racing and keno winnings to pay child support debt in accordance with this
25 section.

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

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

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

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

35 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
18 payment to the winner.

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

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

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

38 **8. Administrative hearing.** A winner from whom an amount was withheld pursuant
39 to this section has the right, within 15 days of receipt of the notice of withholding, to
40 request from the department an administrative hearing. The hearing is limited to
41 questions of whether the debt is liquidated and whether any postliquidation events have

1 affected the winner's liability. The administrative hearing decision constitutes final
2 agency action.

3 **9. Authorization to provide information.** Notwithstanding any other provision of
4 law to the contrary, the licensee may provide to the department or registry operator any
5 information necessary to effectuate the intent of this section. The department or registry
6 operator may provide to the licensee any information necessary to effectuate the intent of
7 this section.

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

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

22 **12. Biennial review.** The department shall report to the Legislature and the
23 Governor on or before January 31, 2015 and biennially thereafter on:

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

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

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

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

33 **Sec. 34. Maine Revised Statutes headnote amended; revision clause.** In
34 the Maine Revised Statutes, Title 8, chapter 31, subchapter 3, in the subchapter headnote,
35 the words "slot machine operation; allocation of funds" are amended to read "slot
36 machine, table game, historical instant racing and keno operation; allocation of funds"
37 and the Revisor of Statutes shall implement this revision when updating, publishing or
38 republishing the statutes.

1

SUMMARY

2 This bill establishes a framework for the regulation of historical instant racing and
3 keno. The bill creates a single license for the operation of historical instant racing and
4 keno. Casinos, commercial tracks, off-track betting facilities and high-stakes beano
5 facilities are each eligible to apply for the license, issued by the Gambling Control Board.

6 The bill directs the board to adopt rules governing the conduct of historical instant
7 racing and keno, including rules related to the prevention of fraud or deception,
8 authorized wager amounts, the maximum percentage of all wagers that may be retained
9 by the licensee and methods for verifying that a person who makes a historical instant
10 racing wager or who plays keno is at least 21 years of age. The bill further requires that
11 1% of the net income from historical instant racing and keno be used for administrative
12 expenses of the board and that 10% of the net revenue be distributed to the Treasurer of
13 the State to be credited to the Department of Education for essential programs and
14 services for kindergarten to grade 12.