

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-TWO

—
S.P. 711 - L.D. 1980

**An Act To Allow Internet Payment for Tickets and Chances for Raffles Held
by Nonprofit Organizations and Other Eligible Organizations and To
Require the Gambling Control Unit To Adopt Certain Rules**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, eligible nonprofit organizations in the State rely on fund-raising to meet their charitable goals; and

Whereas, the COVID-19 pandemic has severely restricted the ability of eligible nonprofit organizations to effectively raise funds, which has directly led to a reduction in charitable giving; and

Whereas, allowing eligible nonprofit organizations to modernize their fund-raising process is needed and will increase charitable giving across the State, especially during the summer tourist season; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 17 MRSA §1831, sub-§7-B, as enacted by PL 2021, c. 136, §2, is amended to read:

7-B. Internet raffle. "Internet raffle" means a raffle in which a person purchases a raffle chance or ticket through, and a winner or winning chances are determined by, a mobile application or other digital platform that involves, at least in part, the use of the Internet. A raffle where a winner or winning chance is determined by drawing from a container is not an Internet raffle, even if some or all of the raffle chances or tickets are purchased through a digital platform.

Sec. 2. 17 MRSA §1837-A, sub-§7, as enacted by PL 2021, c. 136, §10, is amended to read:

7. Internet raffles; restrictions. An eligible organization described in section 1832, subsection 2 may conduct a raffle described in subsection 2-A or subsection 4 as an Internet raffle if the eligible organization registers with the Gambling Control Unit and the Internet raffle is operated in accordance with the requirements of this chapter by an Internet raffle operator identified on the registration form. Notwithstanding subsection 6, an eligible organization may not conduct more than one Internet raffle at the same time. The eligible organization and Internet raffle operator may not permit a person under 18 years of age to purchase a chance or ticket for an Internet raffle and may not advertise or market the Internet raffle in a manner that has a high likelihood of reaching persons under 18 years of age or that is specifically designed to appeal particularly to persons under 18 years of age.

Sec. 3. 17 MRSA §1837-C is enacted to read:

§1837-C. Raffle entry by payment management system

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

A. "Geolocation technology" means a computer program or data collection system that can be used to identify the geographic location of a person interacting with that computer program or data collection system through the Internet.

B. "Payment management system" means a mobile application or other digital platform and the accompanying computer software used to accept payment for a raffle chance or ticket through the Internet.

2. Use of payment management system. When conducting a raffle under section 1837-A that is not an Internet raffle, an eligible organization may accept payment for a raffle chance or ticket from a payment management system if:

A. The payment management system is approved by the director under subsection 3;

B. The raffle chance or ticket is purchased by a person who is at least 18 years of age;
and

C. The raffle chance or ticket is purchased by a person who is physically located in the State or another state where the purchase of that raffle chance or ticket would be legal under the laws of that state.

If the eligible organization determines that the purchase of a raffle chance or ticket is made in violation of paragraph B or C, the organization shall immediately refund the payment and void the raffle chance or ticket associated with the purchase.

If the eligible organization conducts a raffle in which a winner receives a firearm, the transfer of that firearm to the winner must be processed through a holder of a federal license for a dealer in firearms who is not a dealer in destructive devices under 18 United States Code, Section 923(a)(3)(B).

An eligible organization that fails to comply with this subsection commits a civil violation punishable by a fine of not less than \$500 and not more than \$5,000.

3. Approval of payment management system. Upon request from an eligible organization, the director may approve a payment management system for use by the organization in conducting a raffle that is not an Internet raffle only if the director determines that the payment management system:

A. Does not permit the extension of credit from the eligible organization to a person who purchases a raffle chance or ticket;

B. Does not permit a person to initiate a transaction to purchase a raffle chance or ticket and finalize the transaction by providing payment by mail;

C. Includes adequate measures to ensure that a person who purchases a raffle chance or ticket is at least 18 years of age;

D. Includes geolocation technology to determine with a reasonable degree of certainty the state in which a person who purchases a raffle chance or ticket is physically located at the time the purchase is made and allows an eligible organization to prevent a person from purchasing a raffle chance or ticket while the person is physically located in a state where the purchase of that raffle chance or ticket would not be legal under the laws of that state;

E. Provides for the immediate refund of any payment to purchase a raffle chance or ticket made by a person who the organization discovers is under 18 years of age at the time of purchase or was physically located in a state where the raffle being conducted is not legally permitted at the time of purchase;

F. Includes adequate measures to protect the privacy and security of payment information submitted by persons who purchase raffle chances or tickets during the purchase process; and

G. Enables the eligible organization to satisfy the record-keeping and reporting requirements in subsection 6 as well as any other requirements established by the Gambling Control Unit by rule.

4. Payment. A payment management system approved by the director under this section may permit the use of a debit card or other payment method that the eligible organization uses to accept membership dues from out-of-state members and may allow a member of the eligible organization to request that payment for a raffle chance or ticket be made using the member's funds already within the possession of the eligible organization.

5. Guidance for raffle operators. Upon receipt of a request to approve a payment management system under subsection 3, the director shall provide the eligible organization with a guidance document including any information the director determines necessary to assist the eligible organization in complying with the requirements of this section.

6. Record-keeping and reporting requirements. In addition to the record-keeping requirements under section 1839, an eligible organization that uses a payment management system to conduct a raffle shall:

A. Retain for a period of 3 years an electronic copy of each receipt for the sale of a raffle chance or ticket sold using the payment management system;

B. Retain for a period of one year a physical copy of each raffle ticket stub generated by the sale of a chance or ticket for a raffle sold using the payment management system;

C. Maintain raffle ticket stubs retained under paragraph A or B separately for each individual raffle;

D. Provide receipts for raffle chances or tickets and raffle ticket stubs retained under this subsection to the Gambling Control Unit on request; and

E. Submit an annual report to the Gambling Control Unit that includes the number of raffles conducted using a payment management system during the year covered by the report and the amount of gross receipts for each of those raffles.

An eligible organization that fails to comply with this subsection commits a civil violation punishable by a fine of not less than \$500 and not more than \$5,000.

Sec. 4. Rulemaking required. No later than September 30, 2022, the Department of Public Safety, Gambling Control Unit shall adopt rules relating to games of chance to add a definition of "immediate family member" and, for a Lucky Seven or similar sealed ticket game of chance, to allow limited posting of whether a prize has been awarded and to eliminate the requirement to sell an entire box of serial-numbered tickets before the end of that serial-numbered game. The Gambling Control Unit shall hold a public hearing regarding the adoption of rules required by this section and, after the public hearing, shall allow the submission of written comments regarding the rules for a period of 30 days.

Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC SAFETY, DEPARTMENT OF

Gambling Control Board Z002

Initiative: Provides allocation for one Public Safety Inspector I position and associated All Other costs.

OTHER SPECIAL REVENUE FUNDS	2021-22	2022-23
POSITIONS - LEGISLATIVE COUNT	0.000	1.000
Personal Services	\$0	\$75,161
All Other	\$0	\$8,389
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$83,550

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.