

Final draft of GOC legislation regarding OPEGA report on the Maine State Lottery – to be submitted to the First Regular Session of the 129th Legislature pursuant to 3 MRSA §997 sub-§2

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

Sec. 1. 8 MRSA §372, sub-§2, ¶H, as amended by PL 1991, c. 780, Pt. Y, §109, is further amended to read:

H. Certify monthly to the ~~Treasurer of State, the~~ commission and the commissioner a full and complete statement of lottery revenues, prize disbursements and other expenses for the preceding month; ~~submit an annual report, subject to the approval of the commission, that must include a full and complete statement of lottery revenues, prize disbursements and expenses, to the Governor and the Legislature, together with recommendations for changes in this chapter;~~

Sec. 2. 8 MRSA §372, sub-§2, ¶I, as amended by PL 2003, c. 673, Pt. MM, §1, is further amended to read:

I. Carry on a continuous study and investigation of the lotteries throughout the State and the operation and administration of similar laws that may be in effect in other jurisdictions. The director, subject to the prior approval of the commission, may enter into a written agreement with a multijurisdictional lottery association for the operation, marketing and promotion of a joint lottery or joint lottery games with other jurisdictions.

Any final agreement entered into with a multijurisdictional lottery association must provide that the director has the authority to terminate the agreement upon the provision of reasonable notice, not to exceed 6 months. The final agreement must further provide that the director may terminate the agreement at any time, without prior notice, in the event that the director's authority is withdrawn or limited by law; ~~and~~

Sec. 3. 8 MRSA §372, sub-§2, ¶J, as enacted by PL 1991, c. 780, Pt. Y, §112, is amended to read:

J. Assign duties as necessary to a designee; and

Sec. 4. 8 MRSA §372, sub-§2, ¶K is enacted to read:

K. Beginning February 15, 2020, submit a report annually, subject to the approval of the commission, to the Governor and the joint standing committees of the Legislature having jurisdiction over lottery matters and appropriations and financial affairs. The joint standing committee of the Legislature having jurisdiction over lottery matters may submit to the Legislature any legislation based on the report. The report must include:

(1) A list of the decisions made by the commission and resulting actions for the preceding calendar year relevant to lottery operations;

(2) A complete statement of lottery revenues, prize disbursements and expenses and appropriations from the General Fund, if any, for the preceding calendar year;

(3) A 5-year history of the account used to manage lottery operations, which must include the amount of revenues deposited into the State Lottery Fund and the amounts transferred to the General Fund;

(4) A detailed statement of the expenditures made to promote lottery sales through marketing, advertising and recruitment of agents for the preceding calendar year;

(5) A description of the lottery marketing and advertising activities for the preceding calendar year. The description must identify each radio station and television station, if any, that broadcast or distributed the advertising;

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(6) For each radio station and television station identified pursuant to subparagraph (5), the format of advertising activity and amount of the expenditures for the preceding calendar year associated with each station; and

(7) Any recommendations for changes to this chapter.

Sec. 5. 28-A MRSA §83-B, sub-§11, as enacted by PL 2013, c. 476, Pt. A, §9, is amended to read:

11. Certification. Certify monthly to the ~~Treasurer of State and the~~ commissioner a complete statement of expenses and revenues collected in accordance with the licensing and enforcement functions of the bureau. ~~The bureau shall submit an annual report that includes a complete statement of expenses and revenues collected in accordance with the licensing and enforcement functions of the bureau to the Governor and the joint standing committee of the Legislature having jurisdiction over alcoholic beverage matters, together with recommendations for changes to this Title.~~

Sec. 6. 28-A MRSA §83-C, sub-§7, as enacted by PL 2013, c. 476, Pt. A, §9, is amended to read:

7. Certification. Certify monthly to the ~~Treasurer of State and the~~ commissioner a complete statement of revenues from and expenses for the sale of spirits by the bureau ~~and submit an annual report that includes a complete statement of the revenues and expenses of the bureau to the Governor and the joint standing committee of the Legislature having jurisdiction over alcoholic beverage matters, together with recommendations for changes to this Title;~~

Sec. 7. 28-A MRSA §84, sub-§5, as amended by PL 2015, c. 430, §2, is further amended to read:

5. Certification. Certify monthly to the ~~Treasurer of State and the~~ Commissioner of Administrative and Financial Services a complete statement of revenues and expenses for liquor sales for the preceding month ~~and submit an annual report that includes a complete statement of the revenues and expenses for the bureau to the Governor and the Legislature, together with recommendations for changes in this Title; and~~

Sec. 8. 28-A MRSA §84, sub-§6, as enacted by PL 2015, c. 430, §3, is amended to read:

6. Implement a spirits sales data reporting system. Collect from reselling agents data on spirits sales made by each reselling agent to establishments licensed to sell spirits for on-premises consumption. The data must include, but is not limited to, the amount and date of sale of each product code sold to on-premises licensees by the reselling agent. For the purposes of this subsection, "product code" has the same meaning as in section 461. For the purposes of collecting on-premises spirits sales data from reselling agents, the director shall enter into a contract with a trade association representing states that control and manage the sale of spirits. The contract must require that neither the bureau nor the trade association may make publicly available any information that would specifically identify the reselling agent, including, but not limited to, the reseller's name, the name of the reseller's agency liquor store, the reseller's agency liquor store's address or the address of any associated storage facility of the reselling agent; and

Sec. 9. 28-A MRSA §84, sub-§7 is enacted to read:

7. Annual report. Beginning February 15, 2020, submit a report annually, subject to the approval of the commission, to the Governor and the joint standing committees of the Legislature having jurisdiction over alcoholic beverage matters and appropriations and financial affairs. The joint

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standing committee of the Legislature having jurisdiction over alcoholic beverage matters may submit to the Legislature any legislation based on the report. The report must include:

- A. A complete statement of the revenues and expenses for the bureau for the preceding calendar year;
- B. A complete statement of the information required by section 83-B, subsection 11 for the preceding calendar year;
- C. A complete statement of the information required by section 83-C, subsection 7 and section 84, subsection 5 for the preceding calendar year;
- D. The information required by section 83-C, subsection 9; and
- E. Any recommendations for changes to this Title.

SUMMARY

This bill implements recommendations of the Government Oversight Committee based on the report on the Maine State Lottery issued by the Office of Program Evaluation and Government Accountability in April 2017. The bill removes a provision of law that requires the director of the Bureau of Alcoholic Beverages and Lottery Operations within the Department of Administrative and Financial Services to certify certain financial information related to lottery operations to the Treasurer of State monthly. The bill modifies the bureau's annual reporting requirements related to lottery operations. It requires the director to submit an annual report to the Governor and the joint standing committees of the Legislature having jurisdiction over lottery matters and appropriations and financial affairs. The report must include specific information on lottery activities and finances and marketing and advertising efforts and a listing of decisions made by the State Liquor and Lottery Commission and actions taken as a result.

The bill also amends several provisions related to monthly certification and annual reporting requirements related to administration of the State's spirits business and the bureau's oversight of the manufacture, distribution and sale of liquor in the State to make them consistent with the bill's proposed requirements for lottery operations reporting. Finally, the bill authorizes the joint standing committee of the Legislature having jurisdiction over lottery and alcoholic beverage matters to submit legislation based on the reports required to be submitted by the bureau.