

Chapter 65: MANAGEMENT SERVICES CONTRACT CRITERIA

This rule establishes the criteria that will be used to approve a contract more than 30% but not more than 40% of the operator's adjusted gross wagering receipts if the Director determines that the management services provider demonstrates that the additional percentage is commercially reasonable in relation to the capital investments and operator's projected adjusted gross sports wagering receipts. The rule ensures transparency and consistency in the deciding factors.

1. The following words and terms shall have the following meanings unless the context indicates otherwise:
 - A. "Commercially reasonable" means that the particular arrangement furthers a legitimate business purpose of the parties to the arrangement and is sensible, considering the characteristic of the parties, including their size, type, scope and specialty.
 - B. "Capital investments" means an expenditure of money or permanent fixed assets to fund a company's long-term growth.
2. Management services providers shall submit in addition to the application for licensure as a management services provider in the State of Maine, the following:
 - A. Up to two contracts with facility or mobile sports operators in other jurisdictions to establish basic services with redactions as necessary for confidentiality;
 - B. Written explanation of any projected adjusted gross sports wagering receipts to warrant the increase above 30%, but not more than 40% and if any of those projections are not met, what the adjustment will be, if any;
 - C. Written explanation of the capital investments of the management services provider to warrant the increase above 30%, but not more than 40%;
 - D. Written explanation of the commercially reasonable arrangement between the management services provider and facility or mobile operator;
 - E. Include that the contract does not exclude the facility operator, mobile operator or management services provider from any disciplinary action under Title 8, Chapter 35 of the Maine Revised Statutes as a result of one or the other's actions.