



Janet T. Mills
GOVERNOR

STATE OF MAINE
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AUGUSTA, MAINE
04333-0001

January 10, 2020

The 129th Legislature of the State of Maine
State House
Augusta, Maine

Dear Honorable Members of the 129th Legislature:

Pursuant to the authority vested in me by Article IV, Part Third, Section 2 of the Maine Constitution, I am vetoing L.D. 553, "An Act to Ensure Proper Oversight of Sports Betting in the State."

Since the Murphy decision in the United States Supreme Court in May of 2018, a number of states have rushed to pass laws that legalize, tax and regulate sports gambling in a great variety of ways.

The Supreme Court said we could regulate it; but that does not mean we have to.

I respect the long hours and hard work that the Committee on Veterans and Legal Affairs put into this bill following its submission as a concept draft and the number of work sessions in which the Committee tried to combine the best of several bills on this difficult subject matter. And I believe this bill is a good effort by those who wish to bring out into the open a black market activity that is practiced by many now and who want to regulate that activity without over-regulating or over-taxing it so as to drive it back underground. The bill is a step forward towards achieving that delicate balance.

But, respectfully, I remain unconvinced at this time that the majority of Maine people are ready to legalize, support, endorse and promote betting on competitive athletic events.

Before Maine joins the frenzy of states hungry to attract this market, I believe we need to examine the issue more clearly; better understand the evolving experiences of other states; and thoughtfully determine the best approach for Maine. That approach needs to balance the desire to suppress gambling activities now being conducted illegally and the need to protect youthful gamblers and those least able to absorb losses under a closely regulated scheme.

This bill prohibits gambling on sports by people under the age of 21, and I am aware that mobile sports gambling operators offer sophisticated mechanisms to detect problem gamblers and gambling by young people. But it is difficult to envision a system which does this and at the



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same time would employ broad based marketing and aggressive advertising in social media and on television, including ads during the very games on which live bets are being placed. These ads would unduly draw in people who should not be risking money impetuously because of youth or financial or family circumstances.

It may be that the regulations permitted by this bill would allow reasonable oversight of marketing and access to youth. But that is far from certain given the federal and regional jurisdiction over much of the relevant media.

We are also told that the state can access new revenues by legalizing sports betting. But for the more than dozen states that have enacted legislation regarding this form of gambling, revenues have fallen far short of projections for a variety of reasons, and the economic impact of mobile sports gambling on preexisting facilities, given the potential saturation in the market, is uncertain. In addition, while legalized sports gambling may attract some revenue to the state coffers, the same economic premise in theory would justify legalizing all forms of gambling — betting on the weather, spelling bees and school board elections, for instance.

Finally, we are also told that Maine needs to legalize sports gambling in order to preserve its existing market share in the betting industry. That premise is still speculative, and, in any event, merits a longer term analysis given the constantly changing dynamics of gambling in New England.

Should the Legislature override this veto, or should Legislature take up a similar measure next year, my administration will continue to help with drafting and analysis to best address the unique needs of our state. In that respect, I commend the broad regulatory authority described in this bill that includes strict licensing criteria and the state's right to establish a maximum wager, to collect child support arrearages, to avoid insider betting and to promote social responsibility. At the same time, if the Legislature is serious about cracking down on illegal activities, it should consider penalties that are more serious and more consistent with the Maine Criminal Code, including recognizing the financial gain of the offender, rather than the misdemeanor penalties described in section 1216 of the bill. In the meantime, of course, federal sanctions prohibit gambling activities of any sort that are not allowed under state law.

I appreciate the Legislature's interest in this evolving issue and respectfully request that you sustain this veto while we closely monitor the impact of legalization and the successes and failures in other states as they seek to regulate and benefit from sports betting.

Thank you.

Sincerely,


Janet T. Mills
Governor



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