

Tri-State Lotto Compact

§ 401. Short title

This compact may be cited as the “Tri-state Lotto Compact.”

§ 402. Compact

<Text of section eff. until contingency met. See Historical and Statutory Notes.>

The State enters into the following compact with the states of Vermont and New Hampshire, subject to the terms and conditions stated in this chapter. [FN1]

<Text of section eff. contingent upon adoption of concurrent legislation by states party to the Tri-state Lotto Compact. See Historical and Statutory Notes.>

The State enters into the following compact with the states of Vermont and New Hampshire, subject to the terms and conditions stated in this chapter. [FN1] The compact may be expanded to include other New England states.

[FN1] 8 M.R.S.A. § 401 et seq.

§ 403. Statement of purpose

This compact is enacted to implement the operation of Tri-state Lotto for the purpose of raising additional revenue for each of the party states. Tri-state Lotto is not intended to replace any existing lottery games in the party states but, rather, to be run in addition to those games. Tri-state Lotto tickets will be sold in each of the party states and processed in a central area to be determined by the commission. Fifty percent of the gross sales from each state will be aggregated in a common prize pool, and operating costs will be charged proportionally, according to sales, to the party states. The remaining revenues generated within each state will remain in that particular state.

§ 404. Definitions

As used in this compact, unless the context otherwise indicates, the following terms have the following meanings.

1. Commission. “Commission” means the Tri-state Lotto Commission created and established by this compact.

2. Concurrent legislation. “Concurrent legislation” means legislation enacted by one of the party states which is concurred in by the other party states in the form of enactments having like effect.

3. Lotto. “Lotto” means a game of chance as prescribed by the commission.

<Text of subsecs. 4 and 5 eff. until contingency met. See Historical and Statutory Notes.>

4. Party states. “Party states” means the states of New Hampshire, Vermont and Maine.

5. Tri-state Lotto. “Tri-state Lotto” means a combined lotto game for all member states, with common tickets, common advertising and a common prize pool.

<Text of subsecs. 4 and 5 eff. contingent upon adoption of concurrent legislation by states party to the Tri-state Lotto Compact. See Historical and Statutory Notes.>

4. Party states. “Party states” means the states of New Hampshire, Vermont and Maine and other New England states pursuant to section 402.

5. Tri-state Lotto. “Tri-state Lotto,” or other such name as may be adopted by the party states, means a combined lotto game for all member states, with common tickets, common advertising and a common prize pool.

§ 405. Creation of the Tri-state Lotto Commission

The party states, for the purpose of operating Tri-state Lotto, do hereby establish and create the Tri-state Lotto Commission.

§ 406. Nature of the commission

The commission shall be an interstate body, both corporate and politic, serving as a common agency of the party states and representing them both collectively and individually in the exercise of its powers and duties.

§ 407. Organization of the commission

The commission shall be composed of one member from each of the party states. Each compact member state lottery or sweepstakes commission shall appoint one of its members to serve on the Tri-state Lotto Commission. Each member shall hold office at the pleasure of the appointing authority. The commission shall elect a chairman from among its members, annually.

§ 408. Functioning of the commission

1. Commission functions. The commission's functions shall be performed and carried out by its members and by such advisory committees or panels, or both as the commission may establish, and by such officers, independent contractors, agents, employees and consultants as may be appointed by the commission. All such officers, independent contractors, agents, consultants and employees shall hold office at the pleasure of the commission, unless the commission otherwise decides, and the commission shall prescribe the person's powers, duties and qualifications and fix their compensation and other terms of their employment.

2. Unanimous decision. Any action of the commission shall not be effective or binding unless there is a unanimous decision by all of the representatives of the various party states.

3. Compensation. The members of the commission shall receive compensation for their services, pursuant to this compact and in accordance with the policies of the respective states, and they shall be entitled to be reimbursed for the expenses they naturally and necessarily incur in the performance of their duties.

4. Member. Any member of the commission who is otherwise a public officer or employee shall not suffer a forfeiture of his office or employment, or any loss or diminution in the rights and privileges pertaining thereto, by reason of membership on the commission.

§ 409. Powers and duties of the commission

1. Operation and administration; rules. The commission shall have the power and it shall be its duty to operate and administer Tri-state Lotto and to promulgate rules governing the establishment and operation thereof, including, but not limited to, the following topics:

<Text of paragraph A effective pending enactment of legislation concurrent with Laws 1987, c. 566, § 1.>

A. The type of lottery to be conducted;

<Text of paragraph A effective upon enactment of legislation concurrent with Laws 1987, c. 566, § 1. See Historical and Statutory Notes.>

A. The type of lottery to be conducted, except that the game shall have no more than 36 numbers from which 6 are to be selected;

B. The price of the tickets;

C. The number and sizes of the prizes on the winning tickets;

D. The manner of selecting the winning tickets and paying the prizes;

E. The frequency of the drawings;

F. The type or types of locations at which tickets may be sold;

G. The method to be used in selling tickets;

H. The compensation required to be paid to Tri-state Lotto sales agents in order to assure adequate availability of tickets and public convenience in purchasing tickets; and

I. The development of an internal security plan designed to prevent player fraud.

2. Licensed sales agents. The commission, or its designee, shall also have the power and it shall be its duty to license sales agents to sell Tri-state Lotto tickets, in accordance with section 411. The commission may require a bond from any licensed agent in an amount to be determined by the commission.

3. Reports. The commission shall make monthly and year-end reports to the commissions of the party states, which shall include a full and complete statement of Tri-state Lotto revenues, prize disbursements and other expenses, and any other information the party states may require.

4. Audits. All Tri-state Lotto accounts and transactions shall be subject to annual post audits conducted by independent auditors retained by the commission for this purpose.

5. Corporate seal; contractual powers. In addition to the powers enumerated in this section, the commission may adopt a corporate seal and enter into contracts, including, but not limited to, contracts with other governments or agencies, to hire, lease, acquire and dispose of property to the extent necessary to carry out its functions, powers and duties as set forth in this chapter and to expend or authorize expenditures of moneys for the purpose of operating Tri-state Lotto pursuant to this compact. The party states each shall have the right to require such audit as that state may from time to time consider proper.

6. Additional powers. The commission also shall have such additional powers, incidental to the express powers granted to it by this compact, as may be necessary or proper for the effective performance of its functions.

§ 410. Cooperation and assistance of other agencies

To avoid duplication of effort and in the interests of economy, the commission may make use of existing studies, plans, data and other materials in the possession of the governmental agencies of the party states and their respective political subdivisions. Each such agency may make those materials available to the commission and otherwise assist it in the performance of its functions. The officers and personnel of those agencies, and of any other government or agency whatever, may serve at the request of the commission upon such advisory committees and panels as the commission determines to create, and the officers and personnel may serve upon those committees and panels without forfeiture of office or employment and with no loss or diminution in the status, rights and privileges which they otherwise enjoy.

§ 411. Licensing of Tri-state Lotto sales agents

1. Agents. The commission, or its designee, may license as agents to sell Tri-state Lotto tickets such persons as in its opinion will best serve the public convenience, except that no license may be issued to any person to engage in business exclusively as such a sales agent.

2. Person. For purposes of this chapter the term “person” shall be construed to mean and include an individual, partnership, association, organization, club, company, corporation, trust, estate, society, joint stock company, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals. “Person” shall also be construed to mean and include agencies and instrumentalities of the State, counties, cities, towns and villages.

3. Issuance of licenses. Before issuing a license to any person, the commission shall consider with respect to that person:

A. Financial responsibility and the security of the business or activity in which the person is engaged;

B. Accessibility of the place of business or activity to the public;

C. Sufficiency of existing licenses to serve public convenience;

D. Whether the place of business or activity is predominantly frequented by persons under the age of 18 years;

E. Volumes of expected sales; and

F. The possession of a valid party state license.

§ 412. Suspension and revocation of licenses

1. Suspension; revocation. The commission may suspend or revoke, after notice and hearing, any license issued pursuant to this compact. The license may be temporarily suspended by the commission without prior notice, pending any prosecution, investigation or hearing. A license may be suspended or revoked by the commission for just cause, including one or more of the following reasons:

A. Failure to account for tickets received or the proceeds of the sale of tickets or to file a bond, if required by the commission, or to comply with instructions of the commission concerning the licensed activity;

B. Conviction of any criminal offense;

C. Failure to file any return or report, to keep records or to pay any tax;

D. Engaging in fraud, deceit, misrepresentation or conduct prejudicial to public confidence;

E. Insufficiency of the number of tickets sold by the sales agent; or

F. A material change, since issuance of the license, with respect to any of the matters required to be considered by the commission under section 411, subsection 3.

2. Suspension; tri-state license. Any suspension or revocation of a state license shall automatically result in suspension of the tri-state license.

§ 413. Inapplicability of other statutes

1. Inapplicability. No other law providing for any penalty or disability for the sale of lottery tickets or any acts done in connection with a lottery applies to the sale of tickets or acts performed under this chapter.

2. Precedence. The provisions of this compact shall apply and take precedence in the event of any conflict between the provisions contained in this compact and the provisions of other laws of any of the member states.

§ 414. When sale of tickets prohibited

1. Prohibition; price; licensed sales agent. No ticket may be sold at a price greater than those fixed by the commission, nor may a sale be made by any person other than a licensed sales agent. Any person who violates any of these provisions shall be subject to the sanctions of each respective party state's lottery statutes.

2. Prohibition; age limitation. No ticket may be sold to any person under 18 years of age, but this shall not be deemed to prohibit the purchase of a ticket for the purpose of making a gift by a person 18 years of age or older to a person less than that age. Any licensee or the employee or agent of any licensee who sells or offers to sell a ticket to any person under 18 years of age shall be subject to the sanctions of each respective party state's lottery statutes.

3. Prohibition; affiliation with commission. No prize may be paid to any of the following persons:

A. Any member, officer or employee of the commission; or

B. Any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any of the persons set out in paragraph A.

§ 415. Collection and disposition of revenue

1. Delivery to commission of party state. All moneys received by any and all Tri-state Lotto sales agents from the sales of Tri-state Lotto tickets, less the amount, if any, retained pursuant to section 409, subsection 1, paragraph G shall be delivered weekly to the commission of the party state in which the sales were made.

2. Tri-state Lotto Prize Account. Within one week after a Tri-state Lotto drawing has been held, the party state commission shall pay to the commission, who in turn shall promptly pay to an account known as the Tri-state Lotto Prize Account, such money as is necessary for the payment of prizes, less actual prizes paid by the respective party state in the preceding week, but not to exceed 60% of the total amount for which tickets have been sold.

3. Interest; prize account. Interest earned by the Tri-state Lotto Prize Account shall accrue to the party states in direct proportion to their contribution to the account. Distribution shall be made at least semiannually.

4. Withdrawals. The withdrawals, pursuant to section 416, of moneys from the Tri-state Lotto Prize Account so deposited by the commission, shall be subject to a check signed by a member of the commission or such officer, employee or agent of the commission as the commission may designate. The moneys in the prize payment account shall be paid out of that account on vouchers certified or approved by the commission or its duly designated officer, agent or employee.

5. Tri-state Lotto Operations Account. The commission shall receive from party states, within one week after a Tri-state Lotto drawing, an additional sum of moneys not to exceed 15% of the total amount for which tickets have been sold. The moneys to be deposited in a bank, banking house or trust company selected by the commission in an account to be named the Tri-state Lotto Operations Account. The operations account shall be used to pay Tri-state Lotto current operating costs, which shall be charged proportionally to the party states. If operating costs exceed or fall short of the amount obtained in that account, appropriate adjustments shall be made on a quarterly basis within 30 days of the end of each quarter.

6. Interest; operations account. Interest earned by the Tri-state Lotto Operations Account shall accrue to the party states in direct proportion to their contribution to the account. Distribution shall be made at least semiannually.

§ 416. Certification of prize winners and payment of prizes

1. Prizes over \$5,000; certified list. All prizes over \$5,000 are awarded to holders of winning tickets as provided in this section. Within one week after any drawing or selection of prize winning tickets, the commission shall deliver to each of the party states a certified list of the tickets to which prizes are awarded and the amount of each such prize. Upon delivery of the certified list and voucher of the commission, moneys sufficient for the payment of those prizes may be withdrawn from the prize account established in section 415, subsection 2. The commission shall each month provide each party state with a record of all such withdrawals. Payment of prizes is made by the commission, or its designee, to holders of the tickets to which prizes are awarded. The right of any person to a prize drawn is not assignable, except that payment of any prize drawn may be paid to another person as provided in section 416-A.

2. Payment; persons under 18 years of age. If the person entitled to a prize on any winning ticket is under 18 years of age and the prize is less than \$5,000, the commission may make payment by delivery to an adult member of the minor's family or a guardian of the minor of a check or draft payable to the order of the minor. If the person entitled to a prize on any winning ticket is under 18 years of age and if the prize is \$5,000 or more, the commission may make payment to the minor by depositing the amount of the prize in any bank to the credit of an adult member of the

minor's family or a guardian of the minor as custodian for the minor. The commission shall be discharged of all further liability upon payment of a prize to a minor pursuant to this subsection.

3. Prizes under \$5,000. Prizes of less than \$5,000 may be paid in such manner as the commission may direct in its rules, as long as those rules are not inconsistent with this compact.

§ 416-A. Payment of prize to another person

1. Conditions permitting payment of a prize to another person. Payment of a prize may be made to a person other than the winner as follows:

A. To the estate of a deceased prizewinner upon receipt by the commission of a certified court order appointing an executor or administrator;

B. To any person pursuant to a certified final order of a court of competent jurisdiction, including orders pertaining to claims of ownership in the prize, division of marital property in divorce actions, bankruptcy, child support, appointment of a guardian or conservator and distribution of an estate; or

<Text of par. C eff. until contingency met. See Historical and Statutory Notes.>

C. To any person, including a trustee, pursuant to a certified final order of a court of competent jurisdiction of a party state approving the voluntary assignment of the right to a prize if the court affirmatively finds all of the following:

- (1) That the assignor and the assignee are not represented by the same counsel;
- (2) That the assignment is in writing and represents the entire agreement between the parties;
- (3) That the assignment agreement contains the following provisions:
 - (a) The assignor's name, social security number or tax identification number and address;

(b) The assignee's name, social security number or tax identification number, citizenship or resident alien number, if applicable, and address;

(c) The specific prize payment or payments assigned or any portion of the payments, including:

(i) The payable due dates and amounts of each payment to be assigned; and

(ii) The gross amount of the annual payment or payments to be assigned before taxes; and

(d) A notice of right to cancel in immediate proximity to the space reserved for the signature of the assignor in boldface type of a minimum size of 10 points that provides that:

(i) The assignor may cancel the assignment without cost until midnight of the 15th business day after the day on which the assignor has signed an agreement to assign a prize or portion of a prize;

(ii) Cancellation occurs when notice of cancellation is given to the assignee;

(iii) Notice is sufficient if it indicates the intention of the assignor not to be bound; and

(iv) Notice of cancellation, if given by mail, is deemed given when deposited in a mailbox properly addressed with first class mail postage prepaid.

Failure to provide the notice of right to cancel as provided in this division renders the assignment agreement unenforceable and the assignor may collect a reasonable attorney's fee in any action to enforce such agreement;

(4) That, prior to execution of the assignment agreement, the assignee has provided to the assignor in writing, on a disclosure form separate and apart from the agreement, the following:

(a) The aggregate dollar value of payments assigned;

(b) The total consideration paid to the assignor by the assignee; and

(c) An itemization of all other fees or costs to be paid by the assignor or deducted from the payment to the assignor;

(5) That the assignor has represented to the court in sworn testimony, if a personal appearance is required by the court, or in the assignor's written affidavit, sworn to under penalty of perjury, that:

(a) Prior to signing the assignment agreement, the assignor reviewed the agreement and understood its terms and effects;

(b) The assignor has consulted with independent financial and tax advisors not referred by or associated with the assignee;

(c) The assignor has signed the assignment agreement acting under free will without undue influence or duress;

(d) The assignor is not under any obligation to pay child support or is under that obligation and is in good standing with respect to that obligation or has agreed to a payment plan with the party state agency responsible for child support and is in full compliance with that plan; and

(e) The assigned payment or payments are not subject to any claims, liens, levies, security interests, assignments or offsets asserted by other persons or the party states or has provided the court with written consent of each person having such an interest; and

(6) If the assignor is married, the assignor has submitted to the court a signed and notarized statement of the spouse consenting to the assignment. If a notarized statement is not presented to the court, the court shall determine the ability of the assignor to make the proposed assignment without the spouse's consent.

<Text of subsec. 2 eff. until contingency met. See Historical and Statutory Notes.>

2. Pledge of payment as collateral for a loan. A winner may pledge all or any part of a prize as collateral for a loan.

A. Notwithstanding any provision of the Uniform Commercial Code--Secured Transactions, Title 11, article 9, [FN1] to the contrary, perfection of a security interest in a prize must be completed by filing, in addition to any other filings that may be required, a financing statement with the commission.

B. In order to be entitled to receive a prize payment or payments from the commission, a secured party must obtain a certified final order of a court of competent jurisdiction that:

(1) Adjudges the prize winner in default of a loan agreement with the secured party;

(2) Makes findings with respect to the loan agreements and financing statements constituting the loan transaction that are equivalent to those required pursuant to subsection 1, paragraph C and, in addition, a finding that truth-in-lending disclosures set forth in 12 Code of Federal Regulations, Sections 226.17, 226.18, 226.19 and 226.20 were made; and

(3) Identifies specific payments and awards ownership of those payments to the secured party.

C. This subsection may not be construed to:

(1) Create or enlarge a cause of action in favor of a secured party;

(2) Alter or impair any rule of law applicable to or governing the rights of a debtor under federal or state lending statutes; or

(3) Alter or impair the provisions of the Uniform Commercial Code--Secured Transactions, Title 11, article 9, except to the extent inconsistent with the provisions of this section.

3. Commission intervention. The commission may intervene as of right in any action pursuant to subsection 1, paragraph C or subsection 2, but may not be considered an indispensable or necessary party.

4. Service of final order. A certified copy of the final order required by subsection 1, paragraph B, a certified copy of the final order and the assignor's affidavit required under subsection 1, paragraph C and a certified copy of the final order required by subsection 2 must be served on the commission together with a nonrefundable processing fee of \$500 within 15 days after entry of the order.

5. Request to modify or vacate final order. The commission may file a request to modify or vacate a final order pursuant to subsection 1, paragraph C or subsection 2 within 15 days after service of the order on the commission.

6. Payments. Commencing on the 30th day after full compliance with subsection 4 or after final determination of any motion filed to vacate or modify a final order entered pursuant to subsection 5, the commission is obligated to make payments, subject to tax withholding, in accordance with that order.

7. Change in assignment. A modification or amendment to an order pursuant to subsection 1, paragraph B or C or subsection 2 or an additional or subsequent assignment of a prize is not valid or binding on the commission unless the modification, amendment or assignment is approved by a separate court order that meets the requirements of this section.

8. Discharge of liability. The commission, its officers, agents and employees are discharged of all further liability upon payment of a prize pursuant to this section.

9. Confidentiality of records. The financial, tax, trust or personal records filed, received, maintained or produced by the commission in connection with payment of a prize as provided in this section are confidential. Such records are not public records under Title 1, chapter 13. [FN2] Upon written request, the commission may release the name, town of residence, date of prize and the gross and net amounts of the annual prize payment of a winner. Financing statements filed with the commission are public records.

10. Child support debts. This compact recognizes that each party state has enacted laws authorizing a party state agency to collect child support debts and arrearages. Upon receipt of notice from a party state agency, the commission shall suspend payment of winnings in the amount of the child support debt or arrearage and notify the winner. Child support debts and arrearages of a winner must be offset by the commission in the manner in which the state lottery commission of a party state is required by law to offset those debts and arrearages.

[FN1] 11 M.R.S.A. § 9-101 et seq.

[FN2] 1 M.R.S.A. § 401 et seq.

§ 417. Unclaimed prize money

Unclaimed prize money for the prize on a winning ticket shall be retained by the commission for payment to the person entitled thereto for one year after the drawing in which the prize was won. If no claim is made for the prize within one year from the date of the drawing, the prize money shall be credited to the prize pool. Upon the expiration of a one-year time period from the drawing date, the ticket holder shall forfeit any claim or entitlement to the prize moneys.

§ 418. Duration of commission and Tri-state Lotto

The commission and Tri-state Lotto shall continue in existence until this compact is revoked by all of the party states. The withdrawal of one party state shall not render the compact invalid between the remaining states.

§ 419. Interpretation

This compact shall be construed liberally to effectuate its purposes.

§ 420. Amendments

Amendments and supplements to this compact may be adopted by concurrent legislation of the party states.

§ 421. Immunity and limitation on liability

1. Sovereign Immunity. The commission shall enjoy the sovereign immunity of the party states and neither it nor any of its officers or employees may be sued in any court or tribunal whatsoever by any player in connection with their activities in administering the Tri-state Lotto Game.

2. Liability; pledge of credit. The commission may not pledge the credit of the party states, or any of them individually, or impose any liability upon them, or any of them, directly or indirectly.

3. Disputes concerning tickets. In the event a dispute arises as to whether a ticket is a winning ticket, and irrespective of whether the basis for the dispute is a claim of negligence, breach of contract, intentional tort or any other culpable conduct on the part of the commission, its members or employees, the player's sole remedy shall be to apply to the commission for a refund of the price allegedly wagered, and whether that price is refunded lies solely within the discretion of the commission. The provisions of this section are essential to the compact.

§ 422. Fiscal year

The fiscal year of the Tri-state Lotto Commission shall be from July 1st of one calendar year to June 30th of the succeeding calendar year.

§ 423. Repealed. Laws 1987, c. 343, § 2

Current with emergency legislation through Chapter 142 of the 2011 First Regular Session of the 125th Legislature
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