

MAINE STATE LEGISLATURE

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R 0 8

L.D. 1998

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DATE: 3/31/94

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
SECOND REGULAR SESSION

12

14

HOUSE AMENDMENT "A" to H.P. 1470, L.D. 1998, Bill, "An Act Authorizing a Tribally Owned Casino in the City of Calais"

18

Amend the bill in Part A by striking out all of section 15 (page 36, lines 30 to 48 and page 37, lines 1 to 44 in L.D.)

20

'Sec. A-15. Allocation. The following funds are allocated from Other Special Revenue to carry out the purposes of this Act.

24

1994-95

26

PUBLIC SAFETY, DEPARTMENT OF

28

Casino Tax Account

30

Positions (17.0)

32

Personal Services \$519,328

34

All Other 166,576

36

Capital Expenditures 247,750

38

Provides funds for one State Police Lieutenant position, 2 Sergeant positions, 7 Detective positions, one Field Examiner III position, 2 Field Examiner II positions, one Clerk Stenographer III position and 3 Clerk Typist II positions to regulate gaming operations and conduct law enforcement activities.

40

42

44

DEPARTMENT OF PUBLIC SAFETY

46

TOTAL

\$933,654

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HOUSE AMENDMENT "A" to H.P. 1470, L.D. 1998

ATTORNEY GENERAL, DEPARTMENT OF THE

2

Administration - Attorney General

4

Positions	(2.0)
Personal Services	\$50,801
All Other	1,750
Capital Expenditures	2,500

6

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10

Provides funds from the Casino Tax Account for one Assistant Attorney General position and one Senior Legal Secretary position to provide legal services in support of the Indian gaming legislation.

12

14

16

DEPARTMENT OF THE ATTORNEY GENERAL

18

TOTAL \$55,051

20

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

22

Bureau of Taxation

24

Positions	(1.0)
Personal Services	\$10,000
All Other	110,000
Capital Expenditures	7,645

26

28

30

Provides funds from the Casino Tax Account for one Senior Revenue Agent position effective April 1, 1995, computer system modifications and operating expenses.

32

34

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

36

TOTAL \$127,645

38

TOTAL ALLOCATIONS \$1,116,350'

40

Further amend the bill by inserting after Part B the following:

42

44

PART C

46

Sec. C-1. Statutory referendum procedure; submission at general election; form of question; effective date. This Act must be submitted to the legal voters of the State of Maine at a general election to be held on the Tuesday following the first Monday of November following passage of this Act. The municipal

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2 officers of this State shall notify the inhabitants of their
3 respective cities, towns and plantations to meet, in the manner
4 prescribed by law for holding a statewide election, to vote on
5 the acceptance or rejection of this Act by voting on the
6 following question:

7 "Do you favor permitting gambling casinos in Maine?"
8

9 The legal voters of each city, town and plantation shall
10 vote by ballot on this question and designate their choice by a
11 cross or check mark placed within a corresponding square below
12 the word "Yes" or "No." The ballots must be received, sorted,
13 counted and declared in open ward, town and plantation meetings
14 and returns made to the Secretary of State in the same manner as
15 votes for members of the Legislature. The Governor shall review
16 the returns and, if it appears that a majority of the legal votes
17 are cast in favor of the Act, the Governor shall proclaim that
18 fact without delay, and the Act takes effect 30 days after the
19 date of the proclamation.

20 The Secretary of State shall prepare and furnish to each
21 city, town and plantation all ballots, returns and copies of this
22 Act necessary to carry out the purpose of this referendum.'

23 Further amend the bill by striking out all of the fiscal
24 note and inserting in its place the following:

25 **FISCAL NOTE**

26 **1994-95**

27 **APPROPRIATIONS/ALLOCATIONS**

28 Other Funds \$1,116,350

29 **REVENUES**

30 Other Funds \$1,200,000

31 This bill must be submitted to referendum at the November
32 1994 general election in order to become effective. The
33 estimated cost of sending this statutory referendum out to
34 referendum will vary according to the total number of referenda
35 enacted during the Second Regular Session of the 116th
36 Legislature. The estimated cost to the Secretary of State if one

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2 to 6 referenda are enacted is \$95,000. Each additional
referendum costs an additional \$7,000.

4 If approved by the voters, this bill will have the following
fiscal impact.

6
8 This bill imposes a 10% casino excise tax on gross gaming
revenues less the value of all prizes and winnings paid. For the
10 first 5 years of operation, the casino will be allowed to exempt
\$10,000,000 of gross revenue per year to cover debt service and
12 management fees. In addition, the casino will be allowed to
exempt another \$15,000,000 of gross revenue in the first year of
14 operation to offset its \$1,500,000 advance to cover regulation
and enforcement costs for fiscal year 1994-95.

16 The bill also establishes a Casino Tax Account to pay
regulatory costs from casino tax revenue collected as well as
18 make payments of up to \$2,000,000 per year to the City of Calais
and the Rising Tide Regional Development Program Fund.

20
22 Based on projections of \$45,000,000 to \$50,000,000 annually
in gaming revenues, after deducting the exemption, regulatory and
24 enforcement costs and payments to the City of Calais and the
Rising Tide Regional Development Program Fund, the General Fund
26 will not receive any direct revenue from the casino excise tax
for the next 3 to 5 years. Indirectly, the gaming and hotel
28 complex is expected to generate additional sales and income tax
revenue from incremental increases of economic activity. The
30 amounts of this incremental revenue can not be estimated at this
time.

32 The Department of Public Safety will require additional
allocations of \$933,654 in fiscal year 1994-95 to provide funds
34 for a State Police Lieutenant, 2 Sergeants, 7 Detectives, a Field
Examiner III, 2 Field Examiner II's, a Clerk Steno III and 3
36 Clerk Typist II's to provide regulatory and law enforcement
services for casino gambling. The Department of the Attorney
38 General will require additional allocations of \$55,051 in fiscal
year 1994-95 to provide funds for an Assistant Attorney General
40 and a Senior Legal Secretary to provide legal services in support
of the Indian gaming. The Bureau of Taxation within the
42 Department of Administrative and Financial Services will require
additional allocations of \$127,645 in fiscal year 1994-95 to
44 provide funds for a Senior Revenue Agent for the final quarter,
computer system modifications and operational expenses. Ongoing
46 future costs beginning in fiscal year 1995-96 are estimated to be
approximately \$1,600,000.

48
50 In addition to these direct costs, the Department of Public
Safety may require additional General Fund and Highway Fund

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HOUSE AMENDMENT "A" to H.P. 1470, L.D. 1998

2 resources for increased enforcement in that region. The amounts
will depend on the increased activity in the region, which can
not be estimated at this time.

4
6 Revenue required to fund regulatory and law enforcement
activities will be generated by licensee fees and a flat fee
assessed against a tribe who conducts casino gambling. These
8 fees are deposited into the Casino Tax Account, a dedicated
revenue account. The amount of dedicated revenue generated in
10 fiscal year 1994-95 is estimated to be \$1,200,000. The dedicated
revenue available in the Casino Tax Account beginning in fiscal
12 year 1995-96 will be sufficient to provide for the ongoing
regulatory costs.

14
16 These estimates are based on the location approval of one
casino in the City of Calais. If other tribes elect to conduct
Indian gaming in other locations, future revenue estimates and
18 allocations will be required.

20 This bill establishes several new Class C and Class D
crimes. Sentences of more than 9 months and beginning January 1,
22 1995, more than 12 months imposed for Class C crimes must be
served in a state correctional institution. The cost to the
24 State per sentence is \$45,352 based upon an average length of
stay of one year and 9 months. The State also must reimburse
26 counties for sentences served in county jails of 9 months or less
and beginning January 1, 1995, 12 months or less for Class C
28 crimes. Sentences imposed for Class D offenses must be served in
a county jail. The average cost per sentence for a Class D crime
30 is \$8,320 based upon an average length of stay of 119 days. The
additional costs to the counties for the housing of each offender
32 sentenced under this new crime are not reimbursed by the State.

34 The Judicial Department may require additional General Fund
appropriations to cover indigent defense costs related to these
36 new cases. The amounts can not be estimated at this time. The
additional workload and administrative costs associated with the
38 minimal number of new cases filed in the court system can be
absorbed within the budgeted resources of the Judicial
40 Department's administrative account. The collection of
additional fines may also increase General Fund revenue by minor
42 amounts.'

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STATEMENT OF FACT

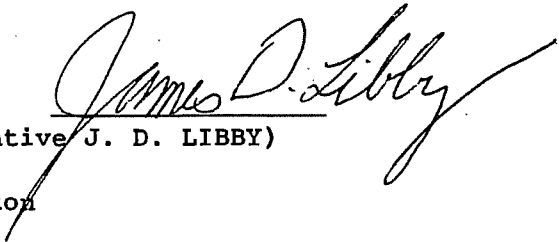
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This amendment adds a new Part requiring that the Act be submitted to the voters in the November general election in order to become effective. This amendment also replaces the allocation section and the fiscal note.

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SPONSORED BY:



(Representative J. D. LIBBY)

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TOWN: Buxton

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