

# MAINE STATE LEGISLATURE

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DATE: 5/31/5

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LEGAL AND VETERANS AFFAIRS

Majority

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
122ND LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1111, L.D. 1573, Bill, "An Act To Authorize a Tribal Commercial Track and Slot Machines in Washington County"

Amend the bill in section 2 in subsection 12 by striking out all of paragraph A and inserting in its place the following:

'A. Is located more than 90 miles from an existing commercial track that operates slot machines but within 45 miles of the operating tribe's Indian reservation as described in Title 30, chapter 601; and'

Further amend the bill in section 2 in subsection 12 by inserting at the end a new blocked paragraph to read:

'For purposes of this subsection, distance in miles is determined by measuring the distance from the center of the tribal commercial track along the most commonly used roadway as determined by the Department of Transportation.'

Further amend the bill by striking out all of section 10 and inserting in its place the following:

**'Sec. 10. 8 MRSA §299, sub-§2,** as enacted by PL 2003, c. 687, Pt. A, §4 and affected by Pt. B, §11, is amended to read:

**2. Distribution.** On May 30th, September 30th and January 30th, all amounts credited to the fund established by this section as of the last day of the preceding month and not distributed before that day must be distributed to each commercial track licensed, including tribal commercial tracks,

**COMMITTEE AMENDMENT**

2 under section 271, with each track receiving that amount of the  
3 money available for distribution determined by multiplying that  
4 amount times a fraction, the numerator of which is the total  
5 number of live race days conducted by the commercial track during  
6 the preceding time period and the denominator of which is the  
7 total number of race days conducted by all commercial tracks  
8 licensed under section 271 during that time period. The payment  
9 in January must be adjusted so that for the prior 3 time periods  
10 each commercial track receives that fraction of the total money  
11 distributed over the full year from the fund established by this  
12 section, the amount determined by multiplying the total amount of  
13 money times a fraction, the numerator of which is the number of  
14 live race days conducted by the commercial track during the  
15 calendar year and the denominator of which is the total number of  
16 race days conducted by all commercial tracks licensed under  
17 section 271 during that calendar year.

18 **Sec. 11. 8 MRSA §300, sub-§1**, as enacted by PL 2003, c. 687,  
19 Pt. A, §4 and affected by Pt. B, §11, is amended to read:

20 **1. Fund created.** The Fund to Stabilize Off-track Betting  
21 Facilities is established to provide revenues to those off-track  
22 betting facilities licensed and in operation as of December 31,  
23 2003. The fund must also provide revenues to an off-track  
24 betting facility licensed and operating after December 31, 2003  
25 within the market area of a tribal commercial track as long as  
26 the tribal commercial track is licensed to operate and operates  
27 slot machines.'

30 Further amend the bill in section 12 in subsection 2 in the  
31 first paragraph in the 3rd line (page 5, line 29 in L.D.) by  
32 inserting after the following: "track" the following: 'if, by  
33 December 31, 2005, the operation of slot machines is approved by  
34 an affirmative vote at a regular meeting of the governing body or  
35 by referendum by the voters of the municipality where the tribal  
36 commercial track is located'

38 Further amend the bill in section 20 in subsection 2 in the  
39 first paragraph in the 2nd line (page 8, line 2 in L.D.) by  
40 striking out the following: "39%" and inserting in its place the  
41 following: '39% percentages'

42 Further amend the bill in section 20 in subsection 2 by  
43 striking out all of paragraphs H and I and inserting in their  
44 place the following:

45 'H. Four percent of the total gross slot machine income  
46 must be forwarded by the board to the Treasurer of State,  
47 who shall credit the money to the Fund to Encourage Racing  
48 at Maine's Commercial Tracks, established in section 299;  
49  
50

COMMITTEE AMENDMENT "A" to H.P. 1111, L.D. 1573

2 however, the payment required by this paragraph is  
terminated when all commercial tracks have obtained a  
4 license to operate slot machines in accordance with this  
chapter;

6 I. Two percent of the total gross slot machine income must  
be forwarded by the board to the Treasurer of State, who  
8 shall credit the money to the Fund to Stabilize Off-track  
Betting Facilities established by section 300, as long as a  
10 facility has conducted off-track wagering operations for a  
minimum of 250 days during the preceding 12-month period in  
12 which the first payment to the fund is required. After 48  
months of receiving an allocation of the total gross slot  
14 machine income from a licensed operator, the percent of  
total slot machine income forwarded to the Fund to Stabilize  
16 Off-track Betting Facilities is reduced to 1% with the  
remaining 1% to be forwarded to the State in accordance with  
18 subsection 1; and'

20 Further amend the bill by inserting after section 21 the  
following:

22 'Sec. 22. Appropriations and allocations. The following  
24 appropriations and allocations are made.

26 **AGRICULTURE, FOOD AND RURAL RESOURCES, DEPARTMENT OF**

28 **Harness Racing Commission 0320**

30 Initiative: Appropriates funds for a .310 full-time equivalent  
State Racing Steward position, a .310 full-time equivalent State  
32 Harness Racing Technician position and operating costs necessary  
to regulate a new commercial track in Washington County.

34

<b>GENERAL FUND</b>	<b>2005-06</b>	<b>2006-07</b>
36 POSITIONS - FTE COUNT	(0.000)	(0.620)
Personal Services	\$0	\$40,568
38 All Other	\$0	\$15,474
40 GENERAL FUND TOTAL	<u>\$0</u>	<u>\$56,042</u>

42 **Harness Racing Commission 0320**

44 Initiative: Allocates funds for distribution of revenues to  
various accounts.

46

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2005-06</b>	<b>2006-07</b>
48 All Other	\$355,659	\$4,370,009
50 OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$355,659</u>	<u>\$4,370,009</u>

COMMITTEE AMENDMENT "A" to H.P. 1111, L.D. 1573

2	<b>AGRICULTURE, FOOD AND RURAL RESOURCES,</b>		
	<b>DEPARTMENT OF</b>		
4	<b>DEPARTMENT TOTALS</b>	<b>2005-06</b>	<b>2006-07</b>
6	<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$56,042</b>
	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$355,659</b>	<b>\$4,370,009</b>
8		<hr/>	<hr/>
	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$355,659</b>	<b>\$4,426,051</b>
10	<b>FINANCE AUTHORITY OF MAINE</b>		
12	<b>Student Financial Assistance Programs      0653</b>		
14	Initiative: Allocates funds for the University of Maine System		
16	Scholarship Fund.		
18	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2005-06</b>	<b>2006-07</b>
	All Other	\$32,333	\$395,748
20		<hr/>	<hr/>
	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$32,333</b>	<b>\$395,748</b>
22	<b>FINANCE AUTHORITY OF MAINE</b>		
24	<b>DEPARTMENT TOTALS</b>	<b>2005-06</b>	<b>2006-07</b>
26	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$32,333</b>	<b>\$395,748</b>
28	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$32,333</b>	<b>\$395,748</b>
30	<b>HARNESS RACING PROMOTIONAL BOARD</b>		
32	<b>Harness Racing Promotional Board      0873</b>		
34	Initiative: Allocates funds to reflect the distribution of		
36	revenues that will be realized by the establishment of a new		
	commercial track in Washington County.		
38	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2005-06</b>	<b>2006-07</b>
	All Other	\$0	\$1,250
40		<hr/>	<hr/>
	<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$0</b>	<b>\$1,250</b>
42	<b>HARNESS RACING PROMOTIONAL BOARD</b>		
44	<b>DEPARTMENT TOTALS</b>	<b>2005-06</b>	<b>2006-07</b>
46	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$1,250</b>
48	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$1,250</b>
50	<b>PUBLIC SAFETY, DEPARTMENT OF</b>		

**Gambling Control Board 2002**

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Initiative: Provide funds for the costs of one additional Detective position, 2 additional Public Safety Inspector positions and operational costs necessary to regulate the new slot machine facility.

<b>GENERAL FUND</b>	<b>2005-06</b>	<b>2006-07</b>
POSITIONS - LEGISLATIVE COUNT	(3.000)	(3.000)
Personal Services	\$112,630	\$232,017
All Other	\$190,921	\$160,765
<b>GENERAL FUND TOTAL</b>	<b>\$303,551</b>	<b>\$392,782</b>

**Gambling Control Board 2002**

Initiative: Provides allocations to allow the distribution of funds to the host municipality for the new slot machine facility to be located in Washington County, for the Washington County Development Authority and for career and technical education centers located in Washington County.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2005-06</b>	<b>2006-07</b>
All Other	\$48,498	\$593,622
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$48,498</b>	<b>\$593,622</b>

<b>PUBLIC SAFETY, DEPARTMENT OF DEPARTMENT TOTALS</b>	<b>2005-06</b>	<b>2006-07</b>
<b>GENERAL FUND</b>	<b>\$303,551</b>	<b>\$392,782</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$48,498</b>	<b>\$593,622</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$352,049</b>	<b>\$986,404</b>

**MAINE COMMUNITY COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE**

**Maine Community College System - Board of Trustees 0556**

Initiative: Allocates funds for the scholarship program.

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2005-06</b>	<b>2006-07</b>
All Other	\$16,166	\$197,874
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$16,166</b>	<b>\$197,874</b>

<b>MAINE COMMUNITY COLLEGE SYSTEM, BOARD OF TRUSTEES OF THE DEPARTMENT TOTALS</b>	<b>2005-06</b>	<b>2006-07</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$16,166</b>	<b>\$197,874</b>

2	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u>\$16,166</u>	<u>\$197,874</u>
4	<b>SECTION TOTALS</b>	<b>2005-06</b>	<b>2006-07</b>
6	<b>GENERAL FUND</b>	<b>\$303,551</b>	<b>\$448,824</b>
8	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$452,656</b>	<b>\$5,558,503</b>
10	<b>SECTION TOTAL - ALL FUNDS</b>	<u><b>\$756,207</b></u>	<u><b>\$6,007,327</b></u>

12 Further amend the bill by relettering or renumbering any  
14 nonconsecutive Part letter or section number to read  
16 consecutively.

16 **SUMMARY**

18 This amendment strikes the provision in the bill that  
20 created a tribal commercial track development fund and instead  
22 provides that the tribal commercial track will receive a  
24 percentage of slot machine income from the Fund to Stabilize  
26 Off-track Betting Facilities. The amendment removes the  
28 provision that stated that a percentage of income from slot  
30 machines operated at a tribal commercial track would not be  
32 required to be paid to the Fund to Stabilize Off-track Betting  
34 Facilities. The amendment also provides that if an off-track  
betting facility is licensed within the market area of a tribal  
commercial track with slot machines it will be eligible for money  
from the Fund to Stabilize Off-track Betting Facilities. This  
amendment also requires that a tribal commercial track receive  
municipal approval to operate slot machines before it is eligible  
to receive a license to operate slot machines from the Gambling  
Control Board. The amendment also adds an appropriations and  
allocations section to the bill.

36  
38 **FISCAL NOTE REQUIRED**  
(See attached)



# 122nd MAINE LEGISLATURE

LD 1573

LR 1964(02)

## An Act to Authorize a Tribal Commercial Track and Slot Machines in Washington County

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Legal and Veterans Affairs

Fiscal Note Required: Yes

### Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
<b>Net Cost (Savings)</b>				
General Fund	(\$616,977)	(\$2,206,365)	(\$4,380,363)	(\$4,818,024)
Fund For Healthy Maine	(\$161,663)	(\$1,978,740)	(\$3,700,290)	(\$4,117,500)
<b>Appropriations/Allocations</b>				
General Fund	\$303,551	\$448,824	\$562,841	\$601,053
Other Special Revenue Funds	\$452,656	\$5,558,503	\$10,378,843	\$11,547,031
<b>Revenue</b>				
General Fund	\$920,528	\$2,655,189	\$4,943,204	\$5,419,077
Fund For Healthy Maine	\$161,663	\$1,978,740	\$3,700,290	\$4,117,500
Other Special Revenue Funds	\$452,656	\$5,558,503	\$10,378,843	\$11,547,031

### Fiscal Detail and Notes

Presented below is a detailed estimate of revenues and subsequent distribution that may be generated assuming the approval of the host municipal governance body and the successful licensure of one additional commercial racing track and one additional licensed slot machine operator with a total of 1,500 slot machines by the end of fiscal year 2008-09 beginning with 750 slot machines first on-line in June 2006. This estimate factors in the net effect on the facility currently pending full licensure.

<u>Summary of Slot Machine Revenue</u>	2005-06	2006-07	2007-08	2008-09
Total Slot Machine Revenue	\$16,166,250	\$197,874,000	\$370,029,000	\$411,750,000
89% Payback	\$14,387,962	\$176,107,860	\$329,325,810	\$366,457,500
General Fund Administration @ 1%	\$161,663	\$1,978,740	\$3,700,290	\$4,117,500
Gross Slot Income @ 10%	\$1,616,625	\$19,787,400	\$37,002,900	\$41,175,000
59% of Gross Slot Income to Licensee	\$953,807	\$11,674,566	\$21,831,711	\$24,293,250
41% of Gross Slot Income to State & Host Municipality	\$662,818	\$8,112,834	\$15,171,189	\$16,881,750



	2005-06	2006-07	2007-08	2008-09
<b><u>Required Distribution of Gross Slot Income (41% State &amp; Host Municipality Share)</u></b>				
General Fund (3%)	\$48,499	\$593,622	\$1,110,087	\$1,235,250
Fund For Healthy Maine (10%)	\$161,663	\$1,978,740	\$3,700,290	\$4,117,500
Purse Supplements (10%)	\$161,663	\$1,978,740	\$3,700,290	\$4,117,500
Agricultural Fair Support Fund (3%)	\$48,499	\$593,622	\$1,110,087	\$1,235,250
FAME (2%)	\$32,333	\$395,748	\$740,058	\$823,500
Sire Stakes Fund (3%)	\$48,499	\$593,622	\$1,110,087	\$1,235,250
Fund to Encourage Racing at ME's Commercial Tracks (4%)	\$64,665	\$791,496	\$1,480,116	\$1,647,000
Fund to Stabilize Off-Track Betting Facilities (2%)	\$32,333	\$395,748	\$740,058	\$823,500
Washington County Development Authority (1%)	\$16,166	\$197,874	\$370,029	\$411,750
Washington County career & technical education (1%)	\$16,166	\$197,874	\$370,029	\$411,750
Maine Community College System (1%)	\$16,166	\$197,874	\$370,029	\$411,750
Host Municipalities (1%)	\$16,166	\$197,874	\$370,029	\$411,750
<b><u>Other Revenue Impacts:</u></b>				
License fees to the General Fund	\$549,250	\$74,500	\$124,500	\$58,000
Reimbursements to the General Fund	\$161,116	\$0	\$0	\$0
Commercial racetrack handle to the General Fund	\$0	\$8,327	\$8,327	\$8,327
Commercial racetrack handle to Other Special Revenue	\$0	\$18,031	\$18,031	\$18,031
<b><u>Summary of Revenue Impacts</u></b>				
<b>General Fund:</b>				
- 1% of Total Slot Income	\$161,663	\$1,978,740	\$3,700,290	\$4,117,500
- 3% of Gross Slot Income	\$48,499	\$593,622	\$1,110,087	\$1,235,250
- Reimbursements	\$161,116	\$0	\$0	\$0
- License fees to the General Fund	\$549,250	\$74,500	\$124,500	\$58,000
- Commercial racetrack handle to the General Fund	\$0	\$8,327	\$8,327	\$8,327
<b>General Fund Total</b>	<b>\$920,528</b>	<b>\$2,655,189</b>	<b>\$4,943,204</b>	<b>\$5,419,077</b>
<b>Fund for Healthy Maine:</b>				
- Proceeds From Slot Machines	\$161,663	\$1,978,740	\$3,700,290	\$4,117,500
<b>Fund for Healthy Maine - Total</b>	<b>\$161,663</b>	<b>\$1,978,740</b>	<b>\$3,700,290</b>	<b>\$4,117,500</b>
<b>Other Special Revenue Funds:</b>				
- Agriculture, Food and Rural Resources	\$355,659	\$4,370,009	\$8,157,419	\$9,075,281
- Harness Racing Promotional Board	\$0	\$1,250	\$1,250	\$1,250
- Public Safety (Host Municipalities)	\$16,166	\$197,874	\$370,029	\$411,750
- FAME	\$32,333	\$395,748	\$740,058	\$823,500
- Maine Community College System	\$16,166	\$197,874	\$370,029	\$411,750
- Washington County Development Authority	\$16,166	\$197,874	\$370,029	\$411,750
- Washington County career & technical education	\$16,166	\$197,874	\$370,029	\$411,750
<b>Other Special Revenue Total</b>	<b>\$452,656</b>	<b>\$5,558,503</b>	<b>\$10,378,843</b>	<b>\$11,547,031</b>

	2005-06	2006-07	2007-08	2008-09
<u>Summary of Expenditure Impacts</u>				
General Fund Appropriations:				
- Agriculture, Food & Rural Resources <sup>1</sup>	\$0	\$56,042	\$57,686	\$59,798
- Public Safety <sup>2</sup>	\$303,551	\$392,782	\$505,155	\$541,255
General Fund Total	\$303,551	\$448,824	\$562,841	\$601,053
Other Special Revenue Funds Allocations <sup>3</sup> :				
- Agriculture, Food and Rural Resources	\$355,659	\$4,370,009	\$8,157,419	\$9,075,281
- Harness Racing Promotional Board	\$0	\$1,250	\$1,250	\$1,250
- Public Safety (Host Municipalities)	\$16,166	\$197,874	\$370,029	\$411,750
- FAME	\$32,333	\$395,748	\$740,058	\$823,500
- Maine Community College System	\$16,166	\$197,874	\$370,029	\$411,750
- Washington County Development Authority	\$16,166	\$197,874	\$370,029	\$411,750
- Washington County career & technical education	\$16,166	\$197,874	\$370,029	\$411,750
Other Special Revenue Total	\$452,656	\$5,558,503	\$10,378,843	\$11,547,031

Notes;

- <sup>1</sup> The Harness Racing Commission within the Department of Agriculture, Food and Rural Resources will require additional General Fund appropriations of \$56,042 in fiscal year 2006-07 for the costs of 2 part-time positions and operational costs necessary to regulate the new commercial track.
- <sup>2</sup> The Gambling Control Board within the Department of Public Safety will require additional General Fund appropriations of \$303,551 and \$392,782 in fiscal years 2005-06 and 2006-07, respectively, for the costs of one additional Detective position, two additional Public Safety Inspector positions and operational costs necessary to regulate the new slot machine facility.
- <sup>3</sup> Allocations are included to authorize the distribution of the additional dedicated revenue.