

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1418

H.P. 1044

House of Representatives, April 6, 2011

**An Act To Allow Table Games at a Facility Licensed To Operate
Slot Machines on January 1, 2011**

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative DAMON of Bangor.
Cosponsored by Senator FARNHAM of Penobscot and
Representatives: FOSTER of Augusta, GOODE of Bangor, PARKER of Veazie,
RICHARDSON of Warren, RIOUX of Winterport, STEVENS of Bangor, WINTLE of
Garland, WOOD of Sabattus.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 8 MRSA §1001, sub-§5-A**, as enacted by IB 2009, c. 2, §2, is amended to
3 read:

4 **5-A. Casino.** "Casino" means a facility ~~in Oxford County, other than a commercial~~
5 ~~track~~ licensed in accordance with this chapter, where gambling activities occur, including,
6 but not limited to, the operation of slot machines and table games.

7 **Sec. 2. 8 MRSA §1001, sub-§29-A**, as enacted by PL 2005, c. 663, §3, is
8 amended to read:

9 **29-A. Net slot machine income.** "Net slot machine income" means money, tokens,
10 credits or similar objects or things of value used to play a slot machine minus money,
11 credits or prizes paid out to winners ~~and amounts paid pursuant to section 1036,~~
12 ~~subsection 1.~~

13 **Sec. 3. 8 MRSA §1011, sub-§2-A**, as enacted by IB 2009, c. 2, §29, is amended
14 to read:

15 **2-A. Person eligible for casino operator license.** The board may issue a casino
16 operator license to a person licensed to operate a slot machine facility on January 1, 2011
17 and may accept an application for a casino operator license to operate slot machines and
18 table games at a casino from any person if that person and casino satisfy the following
19 criteria:

20 A. The casino is located on a parcel of land that is:

21 (1) No less than 50 acres in size; and

22 (2) Located not more than:

23 (a) Thirty miles from a Level I or Level II trauma center verified as such by
24 the American College of Surgeons or successor organization;

25 (b) Fifteen miles from the main office of a county sheriff;

26 (c) Twenty-five miles from the main office of a state police field troop;

27 (d) Thirty miles from an interchange of the interstate highway system;

28 (e) Ten miles from a fire station;

29 (f) Ten miles from a facility at which harness racing was conducted pursuant
30 to a license from the State Harness Racing Commission for the 2009 racing
31 year; and

32 (g) One-half mile from a state highway as defined in Title 23, section 1903,
33 subsection 15.

34 For the purposes of this paragraph, distances are determined by measuring along the
35 most commonly used roadway, as determined by the Department of Transportation;

1 B. The criteria adopted through rulemaking by the board regarding the licensing of
2 the operation of slot machines and table games;

3 C. The operation of a casino is approved by the voters of the municipality in which
4 the casino to be licensed is located in a referendum election or by a vote of the
5 municipal officers in the municipality in which the casino is to be licensed and
6 located held at any time after October 1, 2009 and on or before December 31, 2011;

7 D. The person owns a facility that is within 10 miles of the proposed casino at which
8 harness racing was conducted pursuant to a license from the State Harness Racing
9 Commission for the 2009 racing year; and

10 E. The slot machines and table games are located and operated in the casino.

11 **Sec. 4. 8 MRSA §1011, sub-§3**, as amended by IB 2009, c. 2, §29, is further
12 amended to read:

13 **3. Requirements for license; continued commercial track licensure.** The board
14 may not issue a license to operate a slot machine facility or a casino to any person unless
15 that person demonstrates compliance with the qualifications set forth in sections 1016 and
16 1019. To maintain eligibility for a slot machine operator license, a licensed commercial
17 track must at all times maintain a license to operate a commercial track, without lapse,
18 suspension or revocation, ~~and a licensed commercial track is not eligible for a license to~~
19 ~~operate table games but may apply for a license to operate slot machines as long as the~~
20 ~~licensed commercial track satisfies the requirements of this chapter.~~

21 **Sec. 5. 8 MRSA §1018, sub-§1, ¶C-1**, as enacted by IB 2009, c. 2, §34, is
22 amended to read:

23 C-1. The initial application fee for a casino operator license is \$225,000. The annual
24 renewal fee is \$80,000 plus an amount, set by rules of the board, equal to the cost to
25 the board of licensing casino operators and determined by dividing the costs of
26 administering the casino operator licenses by the total number of casino operators
27 licensed by the board. A slot machine operator that is issued a license in accordance
28 with section 1011, subsection 2-A is not subject to an initial application fee.

29 **Sec. 6. 8 MRSA §1019, sub-§6**, as amended by IB 2009, c. 2, §35, is further
30 amended to read:

31 **6. Proximity of licensed casinos and slot machine facilities.** A casino operator
32 license or slot machine operator license may not be issued under this chapter to operate
33 any casino or slot machine facility located within 100 miles of a licensed casino or slot
34 machine facility. This subsection does not prohibit the operation of a casino at the
35 location of a licensed slot machine facility that operated slot machines on January 1,
36 2011.

37 **Sec. 7. 8 MRSA §1019, sub-§7**, as enacted by IB 2009, c. 2, §36, is amended to
38 read:

39 **7. Referendum and municipal vote.** After January 1, 2011, any proposed casino or
40 slot machine facility may not be issued a license unless it has been approved by a

1 statewide referendum vote and a vote of the municipal officers or municipality in which
2 the casino or slot machine facility is to be located. This subsection does not prohibit a
3 commercial track that was licensed to operate slot machines on January 1, 2010 from
4 obtaining a casino operator license for the same facility where slot machines were
5 operated as of January 1, 2010.

6 **Sec. 8. 8 MRSA §1036, sub-§1**, as amended by PL 2005, c. 663, §11, is repealed.

7 **Sec. 9. 8 MRSA §1036, sub-§2**, as amended by PL 2009, c. 462, Pt. H, §1 and c.
8 622, §2, is further amended to read:

9 **2. Distribution from casino with a commercial track.** A slot machine operator or
10 casino that was a licensed slot machine facility on January 1, 2011 shall collect and
11 distribute ~~39%~~ 46% of the net slot machine income from slot machines operated by the
12 slot machine operator to the board for distribution by the board as follows:

13 A. ~~Three~~ Ten percent of the net slot machine income must be deposited to the
14 General Fund for administrative expenses of the board in accordance with rules
15 adopted by the board, except that of the amount calculated pursuant to this paragraph,
16 the following amounts must be transferred annually to the Gambling Addiction
17 Prevention and Treatment Fund established by Title 5, section 20006-B:

18 (1) For the fiscal year beginning July 1, 2011, \$50,000;

19 (2) For the fiscal year beginning July 1, 2012, \$50,000; and

20 (3) For the fiscal year beginning July 1, 2013 and for each fiscal year thereafter,
21 \$100,000;

22 B. Ten percent of the net slot machine income must be forwarded by the board to the
23 Treasurer of State, who shall credit the money to the fund established in section 298
24 to supplement harness racing purses;

25 C. Three percent of the net slot machine income must be credited by the board to the
26 Sire Stakes Fund created in section 281;

27 D. Three percent of the net slot machine income must be forwarded by the board to
28 the Treasurer of State, who shall credit the money to the Agricultural Fair Support
29 Fund established in Title 7, section 91;

30 E. Ten percent of the net slot machine income must be forwarded by the board to the
31 State Controller to be credited to the Fund for a Healthy Maine established by Title
32 22, section 1511 and segregated into a separate account under Title 22, section 1511,
33 subsection 11, with the use of funds in the account restricted to the purposes
34 described in Title 22, section 1511, subsection 6, paragraph E. For the fiscal years
35 ending June 30, 2010, June 30, 2011 and June 30, 2012, the amount credited annually
36 by the State Controller to the Fund for a Healthy Maine under this paragraph may not
37 exceed \$4,500,000 annually and any funds in excess of \$4,500,000 annually during
38 these fiscal years must be credited as General Fund undedicated revenue;

39 F. Two percent of the net slot machine income must be forwarded by the board to the
40 University of Maine System Scholarship Fund created in Title 20-A, section 10909;

1 G. One percent of the net slot machine income must be forwarded by the board to the
2 board of trustees of the Maine Community College System to be applied by the board
3 of trustees to fund its scholarships program under Title 20-A, section 12716,
4 subsection 1;

5 H. Four percent of the net slot machine income must be forwarded by the board to
6 the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at
7 Maine's Commercial Tracks, established in section 299; however, the payment
8 required by this paragraph is terminated when all commercial tracks have obtained a
9 license to operate slot machines in accordance with this chapter;

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

19 J. One percent of the net slot machine income must be forwarded directly to the
20 municipality in which the slot machines are located.

21 **Sec. 10. 8 MRSA §1036, sub-§2-A**, as enacted by IB 2009, c. 2, §45, is amended
22 to read:

23 **2-A. Distribution from casino of slot machine income.** A casino operator that was
24 not licensed as a slot machine operator on January 1, 2011 shall collect and distribute
25 46% of the net slot machine income from slot machines operated by the casino operator
26 to the board for distribution by the board as follows:

27 A. Twenty-five percent of the net slot machine income must be forwarded directly
28 by the board to the Treasurer of State, who shall credit the money to the Department
29 of Education, to be used to supplement and not to supplant funding for essential
30 programs and services for kindergarten to grade 12 under Title 20-A, chapter 606-B;

31 B. Four percent of the net slot machine income must be forwarded by the board to
32 the University of Maine System Scholarship Fund created in Title 20-A, section
33 10909;

34 C. Three percent of the net slot machine income must be forwarded by the board to
35 the Board of Trustees of the Maine Community College System to be applied by the
36 board of trustees to fund its scholarships program under Title 20-A, section 12716,
37 subsection 1;

38 D. Four percent of the net slot machine income must be forwarded by the board to
39 the Treasurer of State, who shall distribute the funds to the tribal governments of the
40 Penobscot Nation and the Passamaquoddy Tribe;

- 1 E. Three percent of the net slot machine income must be deposited to the General
2 Fund for administrative expenses of the board, including gambling addiction
3 counseling services, in accordance with rules adopted by the board;
- 4 F. Two percent of the net slot machine income must be forwarded directly to the
5 municipality in which the casino is located;
- 6 G. One percent of the net slot machine income must be forwarded by the board to the
7 Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund
8 established in Title 7, section 91;
- 9 H. One percent of the net slot machine income must be forwarded by the board to the
10 Treasurer of State, who shall credit the money to the fund established in section 298
11 to supplement harness racing purses;
- 12 I. One percent of the net slot machine income must be credited by the board to the
13 Sire Stakes Fund created in section 281;
- 14 J. One percent of the net slot machine income must be forwarded directly to the
15 county in which the casino is located to pay for mitigation of costs resulting from
16 gaming operations; and
- 17 K. One percent of the net slot machine income must be forwarded by the board to the
18 Treasurer of State, who shall credit the money to the Department of Agriculture,
19 Food and Rural Resources to fund dairy farm stabilization pursuant to Title 7, section
20 3153-B.

21 ~~If a recipient of net slot machine income in paragraph D, H or I owns or receives funds~~
22 ~~from a slot machine facility or casino, other than the casino in Oxford County or the slot~~
23 ~~machine facility in Bangor, then the recipient may not receive funds under this~~
24 ~~subsection, and those funds must be retained by the Oxford County casino operator.~~

25 **SUMMARY**

26 This bill provides that a slot machine facility that was operating slot machines as of
27 January 1, 2011 may receive a license to operate a casino that includes table games.
28 Distribution of revenue from slot machines operated at a casino that was a slot machine
29 facility is changed to make it similar to that of the slot machine facility except the 1%
30 distribution of gross revenue is replaced by an increase of the net distribution to the
31 General Fund. In total, the amount of distribution is increased to 46% of net revenue. A
32 casino that was not a slot machine facility on January 1, 2011 is also subject to a 46%
33 distribution of net revenue but the distribution is divided among different accounts.