

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1558

H.P. 1127

House of Representatives, June 4, 2013

An Act To Provide Property Tax Relief by Expanding Gaming Opportunities

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McCABE of Skowhegan.

Cosponsored by Representative: CASAVANT of Biddeford, Senators: DUTREMBLE of York, TUTTLE of York.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** this State has an interest in promoting economic recovery, tax relief and
4 job creation as soon as possible through the development and regulation of gaming in
5 order to preserve the quality of life for residents of this State; and

6 **Whereas,** this State has an interest in ensuring the financial stability and integrity of
7 gaming operations in the State; and

8 **Whereas,** this State has a substantial interest in choosing gaming sites based on their
9 potential for job growth and revenue generation, suitability for tourism and development
10 opportunities; and

11 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
12 the meaning of the Constitution of Maine and require the following legislation as
13 immediately necessary for the preservation of the public peace, health and safety; now,
14 therefore,

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

16 **Sec. 1. 8 MRSA §1011, sub-§2-A,** as amended by PL 2011, c. 417, §2, is further
17 amended to read:

18 **2-A. Persons eligible for casino operator license.** The board may accept an
19 application for a casino operator license to operate slot machines and table games at a
20 casino from a commercial track licensed to operate a slot machine facility on January 1,
21 2011 for the same location where slot machines were operated on January 1, 2011 and
22 any person if that person and casino satisfy the following criteria:

23 A. The casino is located on a parcel of land in Oxford County that is:

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

25 (2) Located not more than:

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

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

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

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

31 (e) Ten miles from a fire station;

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

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

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

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

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

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

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

13 Notwithstanding subsection 2-B, the board may accept an application for a casino
14 operator license to operate slot machines and table games at a casino from a person who
15 is licensed to operate a commercial track that is located within a 25-mile radius of the
16 center of a commercial track that conducted harness racing with pari-mutuel wagering on
17 more than 25 days during calendar year 2002 and at which the operation of a casino at the
18 commercial track is approved by the voters of the municipality and county in which the
19 commercial track to be licensed is located by referendum election held at any time after
20 December 31, 2002. A person who is licensed to operate a commercial track and who is
21 initially granted a casino operator license after January 1, 2013, except for an interim
22 period after licensure that may not exceed 20 months, shall locate the slot machines and
23 table games in a building adjacent to and that provides a prominent view of the racing
24 oval with a hotel that includes at least 115 guest rooms.

25 **Sec. 2. 8 MRSA §1011, sub-§4**, as amended by PL 2005, c. 663, §6, is further
26 amended to read:

27 **4. Requirement for license; agreement with municipality where slot machines**
28 **are located.** A slot machine operator and a person who is licensed to operate a
29 commercial track and who is initially granted a casino operator license after January 1,
30 2013 pursuant to subsection 2-A shall enter into an agreement with the municipality
31 where the slot machine operator's or casino operator's slot machines are located that
32 provides for revenue sharing or other compensation, including, but not limited to, a
33 provision requiring the preparation, in conjunction with the municipality, of a security
34 plan for the premises on which the slot machines are located. The revenue-sharing
35 agreement must provide for a minimum payment to the municipality of 3% of the net slot
36 machine income derived from the machines located in the municipality.

37 **Sec. 3. 8 MRSA §1018, sub-§1-B** is enacted to read:

38 **1-B. Fee for initial casino operator license granted after January 1, 2013.**
39 Notwithstanding subsection 1, paragraphs C and C-1 and subsection 1-A, a person who is
40 licensed to operate a commercial track and who is initially granted a casino operator
41 license after January 1, 2013 pursuant to section 1011, subsection 2-A shall pay an initial
42 license fee of \$5,000,000 and make a prepayment of money that otherwise would be

1 distributed pursuant to section 1036, subsection 2-D in the amount of \$50,000,000, which
2 must be deposited in the General Fund. The person who is licensed to operate the
3 commercial track shall retain the first \$10,000,000 each year that otherwise would be
4 distributed pursuant to section 1036, subsection 2-D, paragraph I for 5 years.

5 **Sec. 4. 8 MRSA §1019, sub-§6**, as amended by PL 2011, c. 417, §5, is further
6 amended to read:

7 **6. Proximity of licensed casinos and slot machine facilities.** A casino operator
8 license or slot machine operator license may not be issued under this chapter to operate
9 any casino or slot machine facility located within 100 miles of a licensed casino or slot
10 machine facility. This subsection does not prohibit a commercial track that was licensed
11 to operate slot machines on January 1, 2011 from obtaining a casino operator license for
12 the same facility where slot machines were operated as of January 1, 2011. This
13 subsection does not prohibit a commercial track that was licensed to accept any form of
14 wagers prior to December 31, 2002 from obtaining a casino operator license for any
15 commercial track where wagers on harness racing were taken prior to December 31, 2002
16 or at any replacement commercial track that, as defined in section 275-A, subsection 1, is
17 considered the same commercial track as such a facility and that is not located nearer to
18 any existing casino or slot machine facility than was the commercial track that it
19 replaced.

20 **Sec. 5. 8 MRSA §1019, sub-§7**, as amended by PL 2011, c. 417, §6, is further
21 amended to read:

22 **7. Countywide referendum; municipal vote.** After January 1, 2011, any proposed
23 casino or slot machine facility may not be issued a license unless it has been approved by
24 a ~~statewide~~ countywide referendum vote and a vote of the municipal officers or
25 municipality in which the casino or slot machine facility is to be located, except that a
26 commercial track licensed to operate slot machines on January 1, 2011 is only required,
27 as a condition to obtain a casino license, to receive approval to operate a casino by means
28 of a referendum of the voters of the county in which the commercial track is located.

29 **Sec. 6. 8 MRSA §1020, sub-§3, ¶A**, as amended by PL 2011, c. 585, §8, is
30 further amended to read:

31 A. Except for slot machines used for training and educational purposes at
32 postsecondary institutions as provided by section 1011, subsection 1-B, the total
33 number of slot machines registered in the State may not exceed ~~3,000~~ 4,500; and

34 **Sec. 7. 8 MRSA §1036, sub-§1**, as amended by PL 2011, c. 417, §7, is further
35 amended to read:

36 **1. Distribution for administrative expenses of board.** A slot machine operator
37 licensed under section 1011, subsection 2 or a casino operator that is a commercial track
38 ~~that was licensed to operate slot machines under section 1011, subsection 2 on January 1,~~
39 ~~2011~~ shall collect and distribute 1% of gross slot machine income to the Treasurer of
40 State for deposit in the General Fund for the administrative expenses of the board.

1 **Sec. 8. 8 MRSA §1036, sub-§2-A**, as amended by PL 2011, c. 625, §§3 and 4
2 and c. 657, Pt. W, §5, is further amended to read:

3 **2-A. Distribution from casino of slot machine income.** A casino operator shall
4 collect and distribute 46% of the net slot machine income from slot machines operated by
5 the casino operator to the board for distribution by the board as follows:

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

10 B. Four percent of the net slot machine income must be forwarded by the board to
11 the University of Maine System Scholarship Fund created in Title 20-A, section
12 10909;

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

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

20 E. Three percent of the net slot machine income must be deposited to the General
21 Fund for administrative expenses of the board, including gambling addiction
22 counseling services, in accordance with rules adopted by the board;

23 F. Two percent of the net slot machine income must be forwarded directly to the
24 municipality in which the casino is located;

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

28 H. One percent of the net slot machine income must be forwarded by the board to the
29 Treasurer of State, who shall credit the money to the fund established in section 298
30 to supplement harness racing purses;

31 I. One percent of the net slot machine income must be credited by the board to the
32 Sire Stakes Fund created in section 281;

33 J. One percent of the net slot machine income must be forwarded directly to the
34 county in which the casino is located to pay for mitigation of costs resulting from
35 gaming operations;

36 K. One percent of the net slot machine income must be forwarded by the board to the
37 Treasurer of State, who shall credit the money to the Maine Milk Pool, Other Special
38 Revenue Funds account within the Department of Agriculture, Conservation and
39 Forestry to help fund dairy farm stabilization pursuant to Title 7, sections 3153-B and
40 3153-D. This paragraph is repealed July 1, 2013;

1 L. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
2 forwarded by the board to the Treasurer of State, who shall credit the money to the
3 Maine Milk Pool, Other Special Revenue Funds account within the Department of
4 Agriculture, Conservation and Forestry to help fund dairy farm stabilization pursuant
5 to Title 7, sections 3153-B and 3153-D; and

6 M. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
7 forwarded by the board to the Treasurer of State, who shall credit the money to the
8 Dairy Improvement Fund established under Title 10, section 1023-P.

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

13 **Sec. 9. 8 MRSA §1036, sub-§§2-D and 2-E** are enacted to read:

14 **2-D. Distribution of net slot machine income from casino with commercial track**
15 **initially licensed to operate slot machines after January 1, 2013.** A casino operator
16 that is a commercial track that was initially licensed to operate slot machines under
17 section 1011, subsection 2-A after January 1, 2013 shall collect and distribute 39% of the
18 net slot machine income from slot machines operated by the casino operator to the board
19 for distribution by the board as follows:

20 A. One percent of the net slot machine income must be deposited to the General
21 Fund for administrative expenses of the board in accordance with rules adopted by
22 the board under section 1003, subsection 1, paragraph B, except that of the amount
23 calculated pursuant to this paragraph, \$100,000 must be transferred annually to the
24 Gambling Addiction Prevention and Treatment Fund established by Title 5, section
25 20006-B;

26 B. Eight percent of the net slot machine income must be forwarded by the board to
27 the Treasurer of State, who shall credit the money to the fund established in section
28 298 to supplement harness racing purses;

29 C. Two percent of the net slot machine income must be credited by the board to the
30 Sire Stakes Fund created in section 281;

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

34 E. Two percent of the net slot machine income must be forwarded directly to the
35 municipality in which the slot machines are located;

36 F. Three percent of the net slot machine income must be forwarded directly to the
37 county in which the slot machines are located;

38 G. One percent of the net slot machine income must be forwarded directly to the
39 municipalities that abut the municipality in which the slot machines are located. The
40 revenues must be paid in equal portions to each municipality in order to provide
41 property tax relief to those municipalities;

1 3. Funding. The fund receives money pursuant to Title 8, section 1036, subsection
2 2-D, paragraph I and subsection 2-E, paragraph A. The fund may receive money from
3 other sources.

4 4. Allocations. Allocations from the fund must be made to provide property tax
5 relief and may include, but are not limited to, allocations to state-municipal revenue
6 sharing, the Disproportionate Tax Burden Fund established in section 5681, subsection 3
7 and the Maine Residents Property Tax Program established in Title 36, chapter 907.

8 **Emergency clause.** In view of the emergency cited in the preamble, this
9 legislation takes effect when approved.

10 **SUMMARY**

11 This bill allows the Gambling Control Board to accept an application for a casino
12 operator license to operate slot machines and table games at a casino from a person who
13 is licensed to operate a commercial track that conducted harness racing with pari-mutuel
14 wagering on more than 25 days during calendar year 2002 and at which the operation of a
15 casino at the commercial track is approved by the voters of the municipality and county
16 in which the commercial track to be licensed is located by referendum election held at
17 any time after December 31, 2002. Except for an interim period after licensure, the
18 casino must be located in a building adjacent to and that provides a prominent view of the
19 racing oval with a hotel that includes at least 115 guest rooms. The casino operator must
20 enter into an agreement with the municipality where the slot machines are located that
21 provides for revenue sharing or other compensation of at least 3% of the net slot machine
22 income. The fee for this license is \$5,000,000 and the licensee must make a prepayment
23 of money that otherwise would be required to be distributed from slot machine revenue in
24 the amount of \$50,000,000, which must be deposited in the General Fund. The limit on
25 the number of slot machines that may be registered in the State is raised from 3,000 to
26 4,500.

27 The bill establishes the Property Tax Relief Fund. Allocations from the fund must be
28 made to provide property tax relief and may include, but are not limited to, allocations to
29 state-municipal revenue sharing, the Disproportionate Tax Burden Fund and the Maine
30 Residents Property Tax Program, also known as the Circuit Breaker Program.

31 The casino operator must distribute 1% of gross slot machine income to the General
32 Fund for the administrative expenses of the Gambling Control Board. The casino
33 operator must distribute 39% of net slot machine income as follows:

- 34 1. One percent for the administrative expenses of the Gambling Control Board and
35 for the Gambling Addiction Prevention and Treatment Fund;
- 36 2. Eight percent to supplement harness racing purses;
- 37 3. Two percent to the Sire Stakes Fund;
- 38 4. Three percent to the Agricultural Fair Support Fund;

- 1 5. Two percent to the municipality in which the slot machines are located;
- 2 6. Three percent to the county in which the slot machines are located;
- 3 7. One percent to the municipalities that abut the municipality in which the slot
4 machines are located;
- 5 8. One percent to the Fund to Stabilize Off-track Betting Facilities; and
- 6 9. Eighteen percent to the Property Tax Relief Fund.
- 7 The casino operator must distribute 16% of net table game income as follows:
- 8 1. Ten percent to the Property Tax Relief Fund;
- 9 2. Two percent for the administrative expenses of the Gambling Control Board and
10 for gambling addiction counseling services;
- 11 3. Two percent to the municipality in which the table games are located;
- 12 4. One percent to the municipalities that abut the municipality in which the table
13 games are located; and
- 14 5. One percent to the county in which the table games are located.