

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 719

I.B. 1

House of Representatives, February 28, 2017

An Act To Allow Slot Machines or a Casino in York County

Transmitted to the Clerk of the 128th Maine Legislature by the Secretary of State on February 24, 2017 and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

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

2 **Sec. 1. 8 MRSA §1011, sub-§2-C** is enacted to read:

3 **2-C. Entity eligible for slot machine operator license or casino operator license.**
4 Notwithstanding subsection 2-B or any other provision of this Title, the board may accept
5 an application for a slot machine operator license or casino operator license to operate in
6 York County slot machines at a slot machine facility or slot machines and table games at
7 a casino from any entity that owned in 2003 at least 51% of an entity licensed to operate a
8 commercial track in Penobscot County that conducted harness racing with pari-mutuel
9 wagering on more than 25 days during calendar year 2002 if that entity and slot machine
10 facility or casino satisfy the following criteria:

11 A. The operation of the slot machine facility or casino is approved by the
12 municipality in which the slot machine facility or casino to be licensed will be
13 located by local referendum election or by a vote of the municipal officers of the
14 municipality in which the slot machine facility or casino is to be licensed and located
15 held at any time; and

16 B. The slot machines will be located and operated in the slot machine facility or the
17 slot machines and table games will be located and operated in the casino.

18 **Sec. 2. 8 MRSA §1019, sub-§6**, as amended by PL 2011, c. 417, §5, is further
19 amended to read:

20 **6. Proximity of licensed casinos and slot machine facilities.** A casino operator
21 license or slot machine operator license may not be issued under this chapter to operate
22 any casino or slot machine facility located within 100 miles of a licensed casino or slot
23 machine facility. This subsection does not prohibit a commercial track that was licensed
24 to operate slot machines on January 1, 2011 from obtaining a casino operator license for
25 the same facility where slot machines were operated as of January 1, 2011. This
26 subsection does not apply to a license issued under section 1011, subsection 2-C.

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

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

32 **Sec. 4. 8 MRSA §1036, sub-§1**, as amended by PL 2011, c. 417, §7, is further
33 amended to read:

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

1 **Sec. 5. 8 MRSA §1036, sub-§2-D** is enacted to read:

2 **2-D. Distribution of net slot machine income from slot machine facility or casino**
3 **licensed under section 1011, subsection 2-C.** A slot machine operator or casino
4 operator licensed under section 1011, subsection 2-C shall collect and distribute 39% of
5 the net slot machine income from slot machines operated by the slot machine operator or
6 casino operator to the board for distribution by the board as follows:

7 A. One percent of the net slot machine income must be deposited to the General
8 Fund for administrative expenses of the board in accordance with the rules adopted
9 by the board, except that, of the amount calculated pursuant to this paragraph, the
10 following amounts must be transferred annually to the Gambling Addiction
11 Prevention and Treatment Fund established by Title 5, section 20006-B:

12 (1) For the fiscal year beginning July 1, 2017, \$50,000;

13 (2) For the fiscal year beginning July 1, 2018, \$50,000; and

14 (3) For the fiscal year beginning July 1, 2019 and for each fiscal year thereafter,
15 \$100,000;

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

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

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

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

28 F. Two percent of the net slot machine income must be forwarded by the board to the
29 University of Maine System Scholarship Fund created in Title 20-A, section 10909
30 and to the Board of Trustees of the Maine Maritime Academy to be applied by the
31 board of trustees to fund its scholarship program. The slot machine income under this
32 paragraph must be distributed as follows:

33 (1) The University of Maine System share is the total amount of the distribution
34 multiplied by the ratio of enrolled students in the system to the total number of
35 enrolled students both in the system and at the Maine Maritime Academy; and

36 (2) The Maine Maritime Academy share is the total amount of the distribution
37 multiplied by the ratio of enrolled students at the academy to the total number of
38 enrolled students both in the system and at the academy;

39 G. One percent of the net slot machine income must be forwarded by the board to the
40 Board of Trustees of the Maine Community College System to be applied by the

1 board of trustees to fund its scholarships program under Title 20-A, section 12716,
2 subsection 1;

3 H. Two percent of the net slot machine income must be forwarded by the board to
4 the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at
5 Maine's Commercial Tracks, established in section 299; however, the payment
6 required by this paragraph is terminated when all commercial tracks have obtained a
7 license to operate slot machines in accordance with this chapter, in which case that
8 2% must be credited to the General Fund as undedicated revenue;

9 I. Three percent of the net slot machine income must be forwarded by the board to
10 the Treasurer of State, who shall distribute that money at the municipal level
11 throughout the State to be used to reduce property taxes;

12 J. One percent of the net slot machine income must be forwarded by the board to the
13 Treasurer of State, who shall distribute the funds to the tribal governments of the
14 Penobscot Nation and the Passamaquoddy Tribe;

15 K. One percent of the net slot machine income must be forwarded by the board to the
16 Treasurer of State, who shall use the money to fund drug education initiatives
17 throughout the State;

18 L. One percent of the net slot machine income must be forwarded by the board to the
19 Treasurer of State, who shall distribute the funds to supplement programs at the
20 office of aging and disability services within the Department of Health and Human
21 Services; and

22 M. One percent of the net slot machine income must be forwarded directly to the
23 municipality in which the slot machines are located.

24 **Sec. 6. 8 MRSA §1036, sub-§2-E** is enacted to read:

25 **2-E. Distribution of table game income from casino licensed under section 1011,**
26 **subsection 2-C. A casino operator licensed under section 1011, subsection 2-C shall**
27 **collect and distribute 16% of the net table game income from table games operated by the**
28 **casino operator to the board for distribution by the board as follows:**

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

33 B. Three percent of the net table game income must be deposited to the Gambling
34 Control Board administrative expenses Other Special Revenue Funds account, which
35 is a nonlapsing dedicated account;

36 C. Two percent of the net table game income must be forwarded directly to the
37 municipality in which the table games are located; and

38 D. Two percent of the net table game income must be deposited into the Coordinated
39 Veterans Assistance Fund established in Title 37-B, section 514.

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SUMMARY

2 This initiated bill allows slot machines or a casino in York County. The initiated bill
3 authorizes the Department of Public Safety, Gambling Control Board to accept
4 applications for a license to operate slot machines or a casino from an entity that owned
5 in 2003 at least 51% of an entity licensed to operate a commercial track in Penobscot
6 County that conducted harness horse racing with pari-mutuel wagering on more than 25
7 days in 2002 if certain criteria are met. The operation of the slot machines or casino must
8 be approved by the voters or the municipal officers of the municipality in which the slot
9 machines or casino will be located. The slot machines must be located and operated in a
10 slot machine facility or the slot machines and table games must be located and operated
11 in a casino.

12 Current law provides that a casino operator license or slot machine operator license
13 may not be issued to operate any casino or slot machine facility within 100 miles of a
14 licensed casino or slot machine facility. This initiated bill exempts a slot machine
15 operator or a casino operator licensed under the provisions of this initiated bill from the
16 100-mile restriction.

17 This initiated bill raises the limit on the number of slot machines allowed to be
18 registered in the State from 3,000 to 4,500. The operation of the slot machines or casino
19 is subject to regulation by the Gambling Control Board. The applicant for a slot machine
20 operator license or casino operator license must pay the \$5,000,000 license fee set out in
21 the Maine Revised Statutes, Title 8, section 1018, subsection 1-A.

22 The slot machine or casino operator must collect and distribute 1% of gross slot
23 machine income to the Treasurer of State for deposit in the General Fund for the
24 administrative expenses of the Gambling Control Board.

25 The slot machine or casino operator must collect and distribute 39% of the net slot
26 machine income to the Gambling Control Board for distribution by the board as follows:

- 27 1. One percent must be deposited to the General Fund for administrative expenses of
28 the board except for a certain amount that must be transferred annually to the Gambling
29 Addiction Prevention and Treatment Fund;
- 30 2. Ten percent must be credited to a fund to supplement harness racing purses;
- 31 3. Three percent must be credited to the Sire Stakes Fund;
- 32 4. Three percent must be credited to the Agricultural Fair Support Fund;
- 33 5. Ten percent must be credited to the Department of Education to be used to
34 supplement and not to supplant funding for essential programs and services for
35 kindergarten to grade 12;
- 36 6. Two percent must be forwarded to the University of Maine System Scholarship
37 Fund and to the Board of Trustees of the Maine Maritime Academy to be applied by the
38 board of trustees to fund its scholarship program;

1 7. One percent must be forwarded to the Board of Trustees of the Maine Community
2 College System to be applied by the board of trustees to fund its scholarship program;

3 8. Two percent must be credited to the Fund to Encourage Racing at Maine's
4 Commercial Tracks;

5 9. Three percent must be forwarded to the Treasurer of State, who must distribute
6 that money at the municipal level throughout the State to be used to reduce property
7 taxes;

8 10. One percent must be distributed to the tribal governments of the Penobscot
9 Nation and the Passamaquoddy Tribe;

10 11. One percent must be forwarded to the Treasurer of State, who must use the
11 money to fund drug education initiatives throughout the State;

12 12. One percent must be distributed to supplement programs at the office of aging
13 and disability services within the Department of Health and Human Services; and

14 13. One percent must be forwarded to the municipality in which the slot machines
15 are located.

16 The casino operator must collect and distribute 16% of the net table game income to
17 the Gambling Control Board for distribution by the board as follows:

18 1. Nine percent must be credited to the Department of Education to be used to
19 supplement and not to supplant funding for essential programs and services for
20 kindergarten to grade 12;

21 2. Three percent must be deposited to the Gambling Control Board administrative
22 expenses Other Special Revenue Funds account;

23 3. Two percent must be forwarded to the municipality in which the table games are
24 located; and

25 4. Two percent must be deposited into the Coordinated Veterans Assistance Fund.