

MAINE STATE LEGISLATURE

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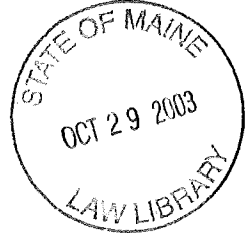
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ELECTIONS-2003
(NOV.)

**MAINE CITIZEN'S GUIDE TO THE
REFERENDUM ELECTION**

Tuesday, November 4, 2003



**In Accordance with
the June 23, 2003
Proclamations of the Governor
and the Act and Resolution Passed
by the 121st Legislature at the
First Regular Session and
the First Special Session**

**Dan A. Gwadosky
Secretary of State**

Appropriation 010-29A-4213-012

State of Maine
Office of the Secretary of State
Augusta, Maine 04333

Dear Fellow Citizen,

All eligible Maine residents may vote in the referendum election on November 4, 2003. The information in this booklet is intended to help you learn about the issues so that you can make your own, well-informed decisions about how to vote. Referendum elections are an important part of the heritage of public participation in Maine, so I hope you will help keep our democracy strong by voting.

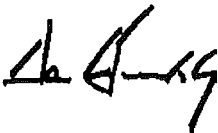
For information about how or where you vote, you may contact your local municipal clerk or call Maine's Division of Elections at 624-7650. Information is also available online at www.maine.gov/sos.

Now, enclosed in this booklet you will find:

- ◆ Each of the 6 referendum questions.
- ◆ The legislation each question represents.
- ◆ A summary of the intent and content of the legislation.
- ◆ An explanation of the significance of a "yes" or "no" vote.
- ◆ An analysis of the debt service on each bond issue.

The Department of the Secretary of State, the State Treasurer and the Attorney General have worked together to prepare this booklet for you. We hope you find it helpful and that you will vote in the November 4, 2003, referendum election.

Sincerely,



Dan A. Gwadosky
Secretary of State

STATE OF MAINE
Referendum Election, November 4, 2003
LISTING OF REFERENDUM QUESTIONS

Question 1: Citizen Initiative and Competing Measure

1A **Citizen Initiative**

Do you want the State to pay 55% of the cost of public education, which includes all special education costs, for the purpose of shifting costs from the property tax to state resources?

1B **Competing Measure**

Do you want to lower property taxes and avoid the need for a significant increase in state taxes by phasing in a 55% state contribution to the cost of public education and by providing expanded property tax relief?

1C **Against A and B**

Against both the Citizen Initiative and the Competing Measure.

Question 2: Citizen Initiative

Do you want to allow slot machines at certain commercial horse racing tracks if part of the proceeds are used to lower prescription drug costs for the elderly and disabled, and for scholarships to the state universities and technical colleges?

Question 3: Citizen Initiative

Do you want to allow a casino to be run by the Passamaquoddy Tribe and Penobscot Nation if part of the revenue is used for state education and municipal revenue sharing?

Question 4: Bond Issue

Do you favor a \$6,950,000 bond issue for the following purposes:

1. The sum of \$2,000,000 to construct and upgrade water pollution control facilities, providing the state match for \$10,000,000 in federal funds;
2. The sum of \$1,500,000 to provide grants to construct water pollution control facilities;
3. The sum of \$500,000 to clean up uncontrolled hazardous substance sites;
4. The sum of \$500,000 for the small community grant program to provide grants to rural communities to solve local pollution problems;
5. The sum of \$500,000 for the overboard discharge removal program to provide grants to municipalities and individuals to eliminate licensed overboard discharges to shellfish areas, great ponds and drainage areas of less than 10 square miles;
6. The sum of \$1,200,000 to support drinking water system improvements that address public health threats, providing the state match for \$4,140,000 in federal funds; and
7. The sum of \$750,000 to construct environmentally sound water sources that help avoid drought damage to crops?

Question 5: Bond Issue

Do you favor a \$19,000,000 bond issue to make repairs, upgrades and other facility improvements and enhance access for students with disabilities and upgrade classroom equipment at various campuses of the University of Maine System; the Maine Maritime Academy; and the Maine Community College System, which was formerly the Maine Technical College System, and to provide grants to construct and renovate public libraries and to improve community access to electronic resources?

Question 6: Bond Issue

Do you favor a \$63,450,000 bond issue for improvements to highways and bridges, airports, state-owned ferry vessels and ferry and port facilities and port and harbor structures; development of rail corridors and improvements to railroad structures and intermodal facilities; investment in the statewide public transportation fleet and public park and ride and service facilities; statewide trail and pedestrian improvements; and expansion of the statewide air-medical response system through construction of hospital helipads, building additional refueling facilities, upgrading navigational systems and acquiring training equipment to improve access to health care that makes the State eligible for \$217,000,000 in matching federal funds?

TREASURER'S STATEMENT

The State of Maine borrows money by issuing bonds. Bonds spread the payments for projects over their useful life so that all benefiting from the projects pay for them. Bonding is a multi-step process which can generally be described as follows: 1. The Legislature decides which projects it believes should be funded from bond proceeds (money acquired from the sale of bonds) and puts the projects out for voter approval as required by the State Constitution. 2. The voters, at a statewide election, approve or reject each proposed project. 3. The State Treasurer issues bonds to pay for those projects approved by the voters or otherwise authorized by the Constitution. A person or institution purchasing the bonds is, in effect, loaning the State of Maine money in return for interest payments during the term of the bond. 4. The Treasurer distributes the money acquired from the sale of bonds in accordance with the legislation authorizing bonds for approved projects. 5. The Treasurer pays interest twice yearly to bond purchasers until the maturity date when the Treasurer pays them principal as well.

The following is a summary of the bond debt of the State of Maine as of July 31, 2003.

Bonds Outstanding (Issued and Maturing Through 2013):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Highway fund	\$ 61,225,000	\$ 8,842,646	\$ 70,067,646
General fund	<u>\$285,765,000</u>	<u>\$46,511,468</u>	<u>\$332,276,468</u>
Total	\$346,990,000	\$55,354,114	\$402,344,114

Unissued Bonds

Authorized by Voters: \$262,882,031

Unissued Bonds Authorized

by the Constitution and Laws: \$ 99,000,000

Total Unissued Bonds: \$361,882,031

The Total Amount That Must Be
Paid in the Present Fiscal Year
for Debt Already Outstanding
(for FY 2004)

\$ 88,031,189.28

If the bonds submitted here are approved by voters and issued for the full statutory period authorized, an estimate of the total interest and principal that may reasonably be expected to be paid is \$112,755,750 representing \$89,400,000 in principal and \$23,355,750 in interest.



DALE McCORMICK
TREASURER OF STATE

Question 1A: Citizen Initiative

Do you want the State to pay 55% of the cost of public education, which includes all special education costs, for the purpose of shifting costs from the property tax to state resources?

STATE OF MAINE

“School Finance and Tax Reform Act of 2003”

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

Sec. 1. 20-A MRSA c. 606-C is enacted to read:

CHAPTER 606-C

SCHOOL FINANCE ACT OF 2003

§15681. Short title

This chapter may be known and cited as the “School Finance Act of 2003.”

§15682. Mandated legislative appropriations for kindergarten to grade 12 education

Notwithstanding any other provision of law, the Legislature each year shall provide at least 55% of the cost of the total allocation for kindergarten to grade 12 education from General Fund revenue sources.

For the purpose of this chapter, and until such time as the Legislature may implement an alternative school funding system, “total allocation” means the foundation allocation for a year, the debt service allocation for that year, the sum of all adjustments for that year and the total of the additional local appropriations for the prior year. In the event the Legislature implements an alternative school funding model that alters the meaning of the terms used in this Title or otherwise makes obsolete the system of allocations and local appropriations established by this Title, the term “total allocation” as it applies to the mandatory appropriation required by this section means the amount reasonably calculated as the equivalent of this definition.

§15683. Mandated legislative appropriations for special education

Notwithstanding any other provision of law, the Legislature shall provide 100% of the state and local cost of providing all special education services mandated under federal or state law, rule or regulation.

For the purposes of the mandatory appropriation required by this section, the commissioner shall identify and provide in the commissioner's recommendation pursuant to section 15605 the total costs to the individual school administrative units associated with providing all special education services mandated under federal or state law, rule or regulation for the school year concluding on the previous June 30th. In addition to any appropriations required by section 15607, the Legislature shall appropriate and ensure the accurate distribution of the total amount identified by the commissioner, adjusted by the actual state and federal reimbursements for the costs of special education services mandated by federal or state law, rule or regulation and previously provided to the individual school administrative units for that same school year.

§15684. Fund for the Efficient Delivery of Educational Services

The Fund for the Efficient Delivery of Educational Services, referred to in this section as the "fund," is established.

Two percent of the funds annually appropriated pursuant to this chapter must be dedicated to the fund and distributed from the fund to those school administrative units and municipalities that can demonstrate significant and sustainable savings in the cost of delivering educational services through changes in governance, administrative structure or adopted policy that result in the creation of consolidated school administrative units, broad-based purchasing alliances, enhanced regional delivery of educational services or collaborative school-municipal service delivery or service support systems.

§15685. Entitlement

The State's school administrative units and municipalities are entitled to the appropriations required by this chapter.

Sec. 2. 30-A MRSA §5681, sub-§3, as amended by PL 1999, c. 731, Pt. U, §2, is further amended to read:

3. Revenue-sharing funds. To strengthen the state-municipal fiscal relationship pursuant to the findings and objectives of subsection 1, there is established the Local Government Fund. To provide additional support for municipalities experiencing a higher-than-average property tax burden, there is established the Disproportionate Tax Burden Fund. To

assist those municipalities that collaborate with other municipalities, counties or state agencies to obtain savings in the cost of delivering local and regional governmental services there is established the Fund for the Efficient Delivery of Local and Regional Services.

Sec. 3. 30-A MRSA §5681, sub-§5-B is enacted to read:

5-B. Fund for the Efficient Delivery of Local and Regional Services. For the months beginning on or after July 1, 2004 and before the distributions required by subsections 4-A and 4-B, 2% of all receipts transferred each month pursuant to subsection 5 must be deposited in the Fund for the Efficient Delivery of Local and Regional Services, as established in subsection 3, and distributed to those municipalities that can demonstrate significant and sustainable savings in the cost of delivering local and regional governmental services through collaborative approaches to service delivery, enhanced regional delivery systems, the consolidation of administrative services, the creation of broad-based purchasing alliances or the execution of interlocal agreements.

Sec. 4. Legislative duties. In carrying out its duties under this Act, the Legislature and its joint standing committees shall act to provide substantial property tax relief statewide in a manner that is sustained over time, reduce unnecessary spending, provide tax reform, avoid adding to the overall tax burden of the citizens of this State and coordinate those efforts among the school administrative units, local and regional governments.

1. State tax revenue. As soon as possible, but no later than March 1, 2004, the joint standing committee of the Legislature having jurisdiction over taxation matters shall report out revenue-neutral legislation designed in accordance with the intentions of this Act to generate the additional revenue necessary to provide adequate funding for public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-C. The legislation may not defeat the intent of this Act by reducing, freezing, eliminating or otherwise restricting the state revenues, appropriations or reimbursements that historically have been provided to or shared with municipalities, including without limitation: state-municipal revenue sharing established in Title 30-A, chapter 223, subchapter 2; property tax homestead exemption reimbursement established in Title 36, chapter 105, subchapter 4-B; the County Jail Prisoner Support and Community Corrections Fund established in Title 34-A, section 1210-A; the tree growth tax reimbursement program established in Title 36, section 578; the general assistance reimbursement program established in Title 22, section 4311; and the Rural Road Initiative and Urban Compact Initiative established in Title 23, section 1803-B.

2. Fund for the Efficient Delivery of Educational Services. As soon as possible, but no later than March 1, 2004, the joint standing

committee of the Legislature having jurisdiction over education matters shall report out legislation designed in accordance with the intentions of this Act to govern the design, implementation, management and oversight of the Fund for the Efficient Delivery of Educational Services established in the Maine Revised Statutes, Title 20-A, section 15684.

3. Fund for the Efficient Delivery of Local and Regional Services. As soon as possible, but no later than March 1, 2004, the joint standing committee of the Legislature having jurisdiction over state and local government matters shall report out legislation designed in accordance with the intentions of this Act to govern the design, implementation, management and oversight of the Fund for the Efficient Delivery of Local and Regional Services established in the Maine Revised Statutes, Title 30-A, section 5681, subsection 3.

4. Tax burden management. As soon as possible, but no later than March 1, 2004, the joint standing committees of the Legislature having jurisdiction over taxation matters and appropriations and financial affairs shall jointly develop and report out legislation that consists of a comprehensive plan that integrates the efforts of state, county and local governments and schools to reduce unnecessary spending, identifies cost savings in the delivery of governmental services and otherwise addresses the issue of the overall tax burden in this State.

SUMMARY

This initiated bill requires the State to provide at least 55% of the total state and local cost of kindergarten to grade 12 public education, including 100% state support for special education services mandated by state or federal law.

Two percent of the annual state appropriation for education required by this initiated bill is dedicated to the Fund for the Efficient Delivery of Educational Services, which is dedicated to providing incentive-based resources to those school administrative units or municipalities that would effect certain system changes that provide significant and sustainable cost savings in the delivery of educational services.

The Fund for the Efficient Delivery of Local and Regional Services is established within the Local Government Fund, which is the fund from which state-municipal revenue sharing is distributed. This fund is capitalized by setting aside 2% of the sales and income tax revenue that would otherwise be distributed according to the revenue-sharing formula. This 2% is distributed to those municipalities that can demonstrate cost savings in the delivery of local and regional governmental services through collaboration with other local and regional governments and participating

state agencies. This initiated bill directs the Legislature to develop the necessary implementing legislation to fully implement the Fund for the Efficient Delivery of Educational Services and the Fund for the Efficient Delivery of Local and Regional Services.

This initiated bill also directs the Legislature to develop the necessary implementing legislation to provide for the necessary state revenue to meet the State's obligation to support public education without undermining existing municipal support systems such as municipal revenue sharing, the property tax homestead exemption and local road assistance, among others.

Finally, this initiated bill directs the Legislature to develop a comprehensive plan as soon as possible but no later than March 1, 2004 that integrates the efforts of state, county and local government and schools to reduce unnecessary spending, identifies cost savings in the delivery of governmental services and otherwise addresses the issue of the overall tax burden in this State.

State of Maine



WHEREAS, written petitions bearing the signatures of 96,151 electors of this State, which number is in excess of ten percent of the total vote cast in the last gubernatorial election preceding the filing of such petitions, as required by Article IV, Part Third, Section 18, of the Constitution of Maine, were addressed to the Legislature of the State of Maine and were filed in the office of the Secretary of State on or before the fiftieth day after the convening of the One Hundred and Twenty-first Legislature in the First Regular Session, requesting that the Legislature consider an act entitled "School Finance and Tax Reform Act of 2003"; and

WHEREAS, the Secretary of State duly certified the initiative petition to be valid and submitted the measure to the Legislature in accordance with the provisions of Article IV, Part Third, Section 18, of the Constitution of Maine; and

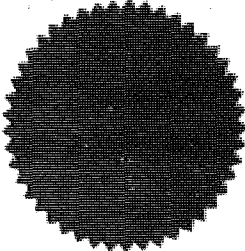
WHEREAS, the initiated act, known as Legislative Document 1372 was referred to the Joint Standing Committee on Taxation for public hearing held on April 15, 2003; and

WHEREAS, on June 13, 2003, the Maine House of Representatives voted to indefinitely postpone and on June 13, 2003, the Maine Senate voted to indefinitely postpone and thus the legislation failed enactment; and

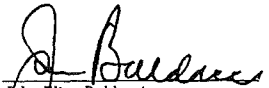
WHEREAS, Article IV, Part Third, Section 18, of the Maine Constitution provides that the Governor shall, by proclamation, order an initiated bill proposed to, but not enacted by, the Legislature without change to the people for referendum in November within 10 days following the recess of the Legislature to which the measure was proposed; and

WHEREAS, under the provisions of Article IV, Part Third, Section 18, an election must be held in November of the year in which the petition is filed by proclamation;

NOW THEREFORE, I, John Elias Baldacci, Governor of the State of Maine, acting under the provisions of Article IV, Part Third, Section 18 of the Constitution of Maine, do hereby proclaim that an election shall be called for Tuesday, November 4, 2003, so that "School Finance and Tax Reform Act of 2003" be submitted to the people of this State for a referendum vote.



IN TESTIMONY WHEREOF, I have caused the Great Seal of the State to be hereunto affixed. Given under my hand at Augusta this twenty-third day of June in the year Two Thousand and Three.


John Elias Baldacci
Governor


Dan A. Gwadosky
Secretary of State

Question 1B: Competing Measure

Do you want to lower property taxes and avoid the need for a significant increase in state taxes by phasing in a 55% state contribution to the cost of public education and by providing expanded property tax relief?

STATE OF MAINE

Chapter 1

Competing Measure Resolutions of 2003

Approved August 22, 2003

“RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Reduce the Cost of Local Government through Increased State Education Funding and Provide Property Tax Relief”

RESOLVED: That, pursuant to the Constitution of Maine, Article IV, Part Third, Section 18, subsection 2, the Legislature intends that the following be submitted to the electors of the State as a competing measure to Initiated Bill 3, Legislative Document 1372 of the 121st Legislature, “An Act To Enact the School Finance and Tax Reform Act of 2003.”

PART A

Sec. A-1. 20-A MRSA §15671, sub-§7, ¶B, as enacted by PL 2003, c. 504, Pt. A, §5, is amended to read:

B. The annual targets for the state share percentage are as follows.

- (1) For fiscal year 2005-06, the target is 49%.
- (2) For fiscal year 2006-07, the target is ~~49.25%~~ 50.5%.
- (3) For fiscal year 2007-08, the target is ~~49.50%~~ 52%.
- (4) For fiscal year 2008-09, the target is ~~49.75%~~ 53.5%.
- (5) For fiscal year 2009-10 and succeeding years, the target is ~~50%~~ 55%.

Sec. A-2. 20-A MRSA §15671-A is enacted to read:

§15671-A. Property tax contribution to public education

1. Definitions. For the purposes of this section, unless the context otherwise indicates, the following terms have the following meanings.

A. “Funding public education from kindergarten to grade 12” means the cost of funding essential programs and services as described in this chapter plus the total allocations for program cost, debt service costs and adjustments.

B. “Local cost share expectation” means the maximum amount of money needed for the purpose of funding public education from kindergarten to grade 12 that may be derived from property tax.

2. Local cost share expectation established. The local cost share expectation is established as follows.

A. This paragraph applies to the local cost share expectation. Notwithstanding any other provision of law, with respect to the assessment of any property taxes for property tax years beginning on or after April 1, 2005, this subsection establishes the local cost share expectation that may be assessed on the value of property for the purpose of funding public education from kindergarten to grade 12. The commissioner shall annually by February 1st notify each school administrative unit of its local cost share expectation. Each superintendent shall report to the municipal officers whenever a school administrative unit is notified of the local cost share expectation or a change made in the local cost share expectation resulting from an adjustment.

B. This paragraph applies to the calculation of the full-value education mill rate. For property tax years beginning on or after April 1, 2005, the commissioner shall calculate the full-value education mill rate that is required to raise the total of the local cost share expectation for funding public education from kindergarten to grade 12. The full-value education mill rate is derived by dividing the applicable tax year percentage of the projected cost of funding public education from kindergarten to grade 12 by the certified total state valuation for the year prior to the most recently certified total state valuation for all municipalities. The full-value education mill rate must decline over the period described in subparagraphs (1) to (5) and may not exceed 10.0 mills. The full-value education mill rate must be

applied according to section 15688, subsection 3, paragraph A to determine a municipality's local cost share expectation. Full-value education mill rates must be derived according to the following schedule:

(1) For the 2005 property tax year, the full-value education mill rate is the amount necessary to result in a 51% local share in fiscal year 2005-06;

(2) For the 2006 property tax year, the full-value education mill rate is the amount necessary to result in a 49.5% local share in fiscal year 2006-07;

(3) For the 2007 property tax year, the full-value education mill rate is the amount necessary to result in a 48% local share in fiscal year 2007-08;

(4) For the 2008 property tax year, the full-value education mill rate is the amount necessary to result in a 46.5% local share in fiscal year 2008-09; and

(5) For the 2009 property tax year and subsequent years, the full-value education mill rate is the amount necessary to result in a 45% local share in fiscal year 2009-10 and subsequent years.

Sec. A-3. 20-A MRSA §15684, sub-§3 is enacted to read:

3. Repeal. This section is repealed on July 1, 2005.

Sec. A-4. 20-A MRSA §15686, as enacted by PL 2003, c. 504, Pt. A, §6, is amended to read:

§15686. Transition adjustment

For each of the fiscal years described in section 15671, subsection 7, the commissioner shall establish a transition adjustment calculated to minimize the adverse fiscal impact directly related to that may be experienced by some municipalities as a result of the phase-in of this Act. The transition adjustment for a municipality must be directly related to the phase-in of essential programs and services and the local cost share expectation method of determining the local contribution to the cost of funding essential programs and services. The amount of this adjustment is established at \$10,000,000 for fiscal year 2005-06 and must decline with each successive fiscal year, ~~and the.~~ The adjustments must end no later than fiscal year 2009-10.

Sec. A-5. 20-A MRSA §15688 is enacted to read:

§15688. School administrative unit contribution to total cost of funding public education from kindergarten to grade 12

1. School administrative unit; total cost. For each school administrative unit, the commissioner shall annually determine the school administrative unit's total cost of education. A school administrative unit's total cost of education must include:

A. The school administrative unit's total cost of funding essential programs and services subject to the transition percentages described in section 15671, subsection 7, paragraph A;

B. The program cost allocation as used in chapter 606; and

C. The debt service allocation as used in chapter 606.

2. Member municipalities in school administrative districts or community school districts; total costs. For each municipality that is a member of a school administrative district or community school district, the commissioner shall annually determine each municipality's total cost of education. A municipality's total cost of education is the school administrative district's or community school district's total cost of funding times the percentage that the municipality's most recent calendar year average pupils is to the school administrative district's or community school district's most recent calendar year average pupils.

3. School administrative unit; contribution. For each school administrative unit, the commissioner shall annually determine the school administrative unit's contribution in accordance with the following.

A. The school administrative unit's contribution to the total cost of education is the lesser of:

(1) The total cost for each municipality as described in subsection 1 or 2; or

(2) The total of the full-value education mill rate derived in section 15671-A, subsection 2 multiplied by the certified state valuation for the year prior to the most recently certified state valuation for each municipality in the school administrative unit.

B. The school administrative unit's state contribution to the total cost of education is the total cost of education calculated pursuant

to subsection 1 less the school administrative unit's contribution calculated pursuant to paragraph A.

4. Effective date. This section takes effect July 1, 2005.

Sec. A-6. Basis for funding costs of education from kindergarten to grade 12. Notwithstanding any other provision of law, beginning in fiscal year 2005-06, funding of the costs of education from kindergarten to grade 12 must be based on the cost of providing essential programs and services as described in the Maine Revised Statutes, Title 20-A, chapter 606-B.

PART B

Sec. B-1. Analysis and report. By January 2, 2010, the Department of Education and the Department of Administrative and Financial Services, Bureau of Revenue Services shall jointly analyze the effectiveness of this resolution in lowering property taxes and in meeting the goals of funding public education. The Department of Education and the Bureau of Revenue Services shall submit a report by January 1, 2010 to the joint standing committee of the Legislature having jurisdiction over taxation matters containing their findings and recommendations. The joint standing committee of the Legislature having jurisdiction over taxation matters may report out legislation if necessary to the Second Regular Session of the 124th Legislature by March 1, 2010 to accomplish the tax reduction and education funding goals of this resolution.

PART C

Sec. C-1. 36 MRSA §683, sub-§1, as repealed and replaced by PL 2003, c. 20, Pt. BB, §1 and affected by §3, is repealed and the following enacted in its place:

1. Exemption amount. The estate up to the just value of \$7,000 of the homestead of a permanent resident of this State who has owned a homestead in this State for the preceding 12 months is exempt from taxation except for assessments for special benefits. In determining the local assessed value of the exemption, the assessor shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based as furnished in the assessor's annual return pursuant to section 383. If the title to a homestead is held by the applicant jointly or in common with others, the exemption may not exceed \$7,000 of the just value of the homestead, but may be apportioned among the owners who reside on the property to the extent of their respective interests. A municipality responsible for administering the homestead exemption has no obligation to create separate accounts for each partial interest in a homestead owned jointly or in common.

Sec. C-2. 36 MRSA §683, sub-§1-A, as enacted by PL 2003, c. 20, Pt. BB, §2 and affected by §3, is repealed.

Sec. C-3. 36 MRSA §6207, sub-§1, ¶A-1, as amended by PL 1997, c. 557, Pt. A, §3 and affected by Pt. G, §1, is further amended to read:

A-1. ~~Fifty percent~~ For application periods beginning before August 1, 2004, 50% of that portion of the benefit base that exceeds 4% but does not exceed 8% of income plus 100% of that portion of the benefit base that exceeds 8% of income to a maximum payment of \$1,000;

Sec. C-4. 36 MRSA §6207, sub-§1, ¶¶B to D are enacted to read:

B. For the application period beginning August 1, 2004, 52.5% of that portion of the benefit base that exceeds 4% but does not exceed 8% of income plus 100% of that portion of the benefit base that exceeds 8% of income to a maximum payment of \$1,250;

C. For the application period beginning August 1, 2005, 55% of that portion of the benefit base that exceeds 4% but does not exceed 8% of income plus 100% of that portion of the benefit base that exceeds 8% of income to a maximum payment of \$1,750; and

D. For the application period beginning on or after August 1, 2006, 60% of that portion of the benefit base that exceeds 4% but does not exceed 8% of income plus 100% of that portion of the benefit base that exceeds 8% of income to a maximum payment of \$2,000.

Sec. C-5. 36 MRSA §6207, sub-§2, as amended by PL 1997, c. 557, Pt. A, §3 and affected by Pt. G, §1, is repealed.

Sec. C-6. 36 MRSA §6207, sub-§2-A is enacted to read:

2-A. Income eligibility. Households are not eligible for a benefit if household income exceeds the following amounts:

A. For application periods beginning before August 1, 2004, \$29,900 for single-member households and \$46,300 for households with 2 or more members;

B. For the application period beginning on August 1, 2004, \$35,000 for single-member households and \$50,000 for households with 2 or more members;

C. For the application period beginning on August 1, 2005, \$40,000 for single-member households and \$60,000 for households with 2 or more members; and

D. For the application periods beginning on or after August 1, 2006, \$50,000 for single-member households and \$75,000 for households with 2 or more members.

Sec. C-7. 36 MRSA §6209, sub-§1, as amended by PL 1989, c. 508, §25, is further amended to read:

1. Household limitation adjustment. Beginning March 1, 1989, and annually thereafter, the State Tax Assessor shall determine the household income eligibility adjustment factor. That factor shall must be multiplied by the income limitations in section 6206, applicable for the year prior to that for which relief is requested. The result shall must be rounded to the nearest \$100 and ~~shall apply~~ applies to the year for which relief is requested corresponding to the year on which the annualized cost of living adjustments were based. Beginning March 1, 1991, the same procedure shall must be employed to adjust the income limitation in section 6207, subsection 2 2-A.

Sec. C-8. Application. Those portions of this Part that repeal and replace the Maine Revised Statutes, Title 36, section 683, subsection 1 and repeal subsection 1-A apply to property taxes based on the status of property on or after April 1, 2004.

Sec. C-9. Appropriations and allocations. The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF**

Homestead Property Tax Exemption Reimbursement 0886

Initiative: Appropriates funds to revert the tiered homestead property tax exemption back to a \$7,000 exemption regardless of property value beginning in fiscal year 2004-05.

General Fund	2003-04	2004-05
All Other	\$0	\$4,947,662
General Fund Total	\$0	\$4,947,662

Maine Residents Property Tax Program 0648

Initiative: Appropriates funds required due to the expansion of the Maine Residents Property Tax Program.

General Fund	2003-04	2004-05
All Other	\$0	\$9,950,000
General Fund Total	\$0	\$9,950,000

Revenue Services - Bureau of 0002

Initiative: Provides funds for one Tax Examiner position effective June 1, 2005 and other related costs associated with an increase in the number of applications for the Maine Residents Property Tax Program.

General Fund	2003-04	2004-05
Positions – Legislative Count	(0.000)	(1.000)
Personal Services	\$0	\$1,775
All Other	0	\$16,000
General Fund Total	\$0	\$17,775

**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF**

DEPARTMENT TOTALS	2003-04	2004-05
GENERAL FUND	\$0	\$14,915,437
DEPARTMENT TOTAL – ALL FUNDS	\$0	\$14,915,437

PART D

Sec. D-1. Intent of Legislature; competing measure. It is the intent of the Legislature that this Resolution be interpreted as a competing measure within the meaning of the Constitution of Maine, Article IV, Part Third, Section 18, Subsection 2 with Initiated Bill 3, Legislative Document 1372 of the 121st Legislature, "An Act To Enact the School Finance and Tax Reform Act of 2003." It is the further intent of the Legislature that this measure be subject to referendum as a competing measure with that bill.

Sec. D-2. Statutory referendum procedure; submission at statewide election; form of question; effective date. This Resolution must be submitted to the legal voters of the State of Maine at the next statewide election in the month of November following passage of this Resolution as a competing measure with Initiated Bill 3, Legislative Document 1372 of the 121st Legislature, "An Act To Enact the School Finance and Tax Reform Act of 2003." The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Resolution by voting on the following question:

"Do you want to lower property taxes and avoid the need for a significant increase in state taxes by phasing in a 55% state contribution to the cost of public education and by providing expanded property tax relief?"

The legal voters of each city, town and plantation shall vote by ballot on this question and the question established by the Secretary of State for Initiated Bill 3 and shall designate their choice by a cross or check mark placed in the corresponding square next to either the question relating to Initiated Bill 3, the question relating to the competing measure or an option of against both Initiated Bill 3 and the competing measure. The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if it appears that a majority of the legal votes are cast in favor of the Resolution, the Governor shall proclaim that fact without delay, and the Resolution takes effect in accordance with the Constitution of Maine, Article IV, Part Third, Section 19.

Intent and Content

This referendum requires the voters to choose among the following alternatives: (1A) to adopt a proposed law initiated by petition, (1B) to adopt a competing measure approved by the Legislature for submittal to the voters, or (1C) to reject both. A voter may vote for only one of these three options.

1.A. CITIZEN INITIATIVE

AN ACT to Enact the School Finance and Tax Reform Act of 2003

This initiated legislation provides that the State shall pay at least 55% of the total costs of public education for kindergarten through grade 12, and 100% of the costs of special education services that are mandated by federal or state law. The proposal does not specify how the State would fund those costs. Instead, it directs the Legislature's taxation committee to report out legislation by March 1, 2004, to generate the additional revenue necessary to achieve these funding levels.

In addition, 2% of the funds appropriated by the Legislature under this Act would be deposited in a new fund, entitled the "Fund for the Efficient Delivery of Educational Services," for distribution to schools and municipalities that are able to demonstrate significant and sustainable savings in educational services costs through collaborative efforts, regionalization or consolidation.

Another fund, entitled the "Fund for the Efficient Delivery of Local and Regional Services," would be created using 2% of the tax revenue deposited in the municipal revenue sharing account and distributed to those municipalities that can demonstrate significant and sustainable cost savings in the delivery of governmental services through regional and collaborative efforts.

1.B. COMPETING MEASURE

RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Reduce the Cost of Local Government through Increased State Education Funding and Provide Property Tax Relief

This resolution, approved by the Legislature for submittal to the voters as a competing measure to the citizen initiative described previously, would increase the State's share of funding kindergarten to grade 12 public education from 50% to 55% over five years. It would establish the new essential programs and services model, adopted by the Legislature this spring, as the basis for calculating state and local shares of education funding. The Commissioner of Education would determine the

maximum dollar amount of the local cost share expectation, as well as the local mill rate that is required to raise the total amount.

This measure also would expand the Maine Residents Property Tax Program, commonly referred to as the “circuit breaker” program, by increasing the income eligibility limits over a 3-year period, as well as by increasing the amount of taxes that would be refundable as a percentage of household income.

In addition, the measure would restore the Maine Homestead Property Tax Exemption for up to the just value of \$7,000 for all homesteads owned by permanent residents of the state. This exemption had been eliminated by budget legislation enacted this spring.

The Department of Education and the Bureau of Revenue Services would be required by January 2, 2010 to analyze and report on the effectiveness of this resolution in lowering property taxes and in meeting the goals of funding public education. The Legislature’s taxation committee would report out new legislation, if necessary, by March 1, 2010, to accomplish those goals.

**1.C. AGAINST BOTH THE CITIZEN INITIATIVE AND THE
COMPETING MEASURE**

A vote for Option 1A is a vote to approve the citizen initiative.

A vote for Option 1B is a vote to approve the competing measure.

A vote for Option 1C is a vote to reject both the citizen initiative and the competing measure.

If either 1A or 1B receives more than 50 percent of the votes cast for Question 1, that option will be approved.

If neither 1A nor 1B receives a majority of the votes cast for Question 1, but one or both receives more than 33 percent of the votes, the one with the most votes will appear on the ballot by itself at the next statewide election.

If 1A and 1B each fails to receive more than 33 percent of the votes, then both options are rejected.

Question 2: Citizen Initiative

Do you want to allow slot machines at certain commercial horse racing tracks if part of the proceeds are used to lower prescription drug costs for the elderly and disabled, and for scholarships to the state universities and technical colleges?

STATE OF MAINE

“An Act to Allow Slot Machines at Commercial Horse Racing Tracks”

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

Sec. 1. 7 MRSA §76 is enacted to read:

§76. Agricultural Fair Support Fund

1. Fund created. The Treasurer of State shall establish an account to be known as the “Agricultural Fair Support Fund” and shall credit to it all the money received for that purpose under Title 8, section 923, subsection 1, paragraph A, subparagraph 4.

2. Disbursement. No later than January 31st of each year, all funds held as of the end of the previous calendar year in the Agricultural Fair Support Fund must be distributed by the Treasurer of State as follows:

A. Sixty percent of these funds must be distributed to all entities licensed as agricultural fairs by the department that during the previous year were licensed to and did accept pari-mutuel wagers on harness horse races. Each licensed entity must receive a proportionate distribution based upon the number of days in the preceding year each licensee raced during its regular fair meet. The funds must be used by the fairs to supplement purses; and

B. Forty percent of these funds must be divided among all entities licensed as agricultural fairs by the department. These funds must be distributed in the same proportion as funds distributed for premium reimbursement and may be used at the fairs’ discretion.

Sec. 2. 8 MRSA §263-C, sub-§4, as reallocated by PL 1999, c. 790, Pt. A, §8, is amended to read:

4. Duties. The executive director has the following duties:

A. Management of the work of the commission, including:

- (1) Rulemaking;
- (2) Processing appeals;
- (3) Licensing of tracks and off-track betting facilities; ~~and~~
- (4) Setting race dates; and
- (5) Registration of slot machines and licensing of slot machine operators and slot machine distributors; and

B. Management of the work of the department regarding harness racing ~~and~~, off-track betting and slot machine operations, including:

- (1) Supervision of all staff involved in harness racing ~~and~~, off-track betting and slot machine functions;
- (2) Management of the collection and distribution of revenues under this chapter;
- (3) Budget development and management;
- (4) Policy development with regard to harness racing ~~and~~, off-track betting and slot machines;
- (5) Management of participant licensing;
- (6) Enforcement of harness racing ~~and~~, off-track betting and slot machine statutes and rules;
- (7) Investigation of harness racing ~~and~~, off-track betting and slot machine violations;
- (8) Facilitating the development of positive working relationships in the harness racing industry and State Government; and
- (9) Making reports to the Governor and Legislature and recommendations to the commissioner regarding harness racing ~~and~~, off-track betting and slot machine operations and the need for changes in statutes and rules.

Sec. 3. 8 MRSA §271, sub-§1, as amended by PL 2001, c. 567, §3, is further amended to read:

1. Licensing. If the commission is satisfied that all of this chapter and rules prescribed by the commission have been substantially complied with

during the past year and will be fully complied with during the coming year by the person, association or corporation applying for a license; that the applicant, its members, directors, officers, shareholders, employees, creditors and associates are of good moral character; that the applicant is financially responsible; and that the award of racing dates to the applicant is appropriate under the criteria contained in subsection 2, it may issue a license for the holding of harness horse races or meets for public exhibition with pari-mutuel pools, which must expire on December 31st. The fee for a license is \$100 or \$10 per week, whichever is higher. The commission shall provide a booklet containing harness racing laws and rules and relevant portions of the Maine Administrative Procedure Act to every initial licensee and a fee not to exceed \$10 must be included in the license fee to cover the cost of this publication. The commission shall provide necessary revisions of this booklet to those persons renewing licenses at the time of renewal and shall include the cost of the revisions, not to exceed \$10, in the renewal fee. The license must set forth the name of the licensee, the place where the races or race meets are to be held and the specific race dates and time of day or night during which racing may be conducted by the licensee. If the commission determines that the location where a commercial track is licensed to conduct races is unavailable, it may permit a licensee to transfer its license to another location. The substitute location and the races conducted there by the licensee must be conducted in accordance with this chapter. ~~Any such license issued is not transferable or assignable.~~ The District Court Judge, as designated in Title 4, chapter 5, may revoke any license issued at any time for violation of the commission's rules or licensing provisions upon notice and hearing. ~~The license of any corporation is automatically revoked, subject to Title 5, chapter 375, upon the~~ A license issued under this section is transferable or assignable as long as the commission finds that the transferee or assignee satisfies all elements for the issuance of the license being transferred or assigned. A change in ownership, legal or equitable, of 50% or more of the voting stock of the a corporation and the corporation may not hold a harness horse race or meet for public exhibition without a new license licensed under this section constitutes a transfer of the license.

Sec. 4. 8 MRSA §§296 and 297 are enacted to read:

§296. Fund to supplement harness racing purses

1. Fund created. A fund is established to supplement harness racing purses to which the commission shall credit all payments received pursuant to section 923, subsection 1, paragraph A, subparagraph (2) for distribution in accordance with this section.

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 to operate slot machines under section 911, with each track receiving that amount of the money available for distribution determined by multiplying that amount times a fraction, the numerator of which is the total number of live race days conducted by the commercial track during the preceding time period and the denominator of which is the total number of race days conducted by all commercial tracks licensed to operate slot machines under section 911 during that time period. The payment in January must be adjusted so that for the prior 3 time periods each commercial track receives that fraction of the total money distributed over the full year from the fund established by this section, the amount determined by multiplying the total amount of money times a fraction, the numerator of which is the number of live race days conducted by the commercial track during the calendar year and the denominator of which is the total number of race days conducted by all commercial tracks licensed to operate slot machines under section 911 during that calendar year. The funds distributed pursuant to this section must be used to supplement harness racing purses.

3. Rules. The commission may adopt rules to enforce the obligation of licensees to use funds distributed under this section to supplement harness racing purses and to require licensees to account for funds.

§297. Working capital advance

The commission is authorized to establish an advance to the commission from any licensee under section 911 in an amount of up to \$250,000 to fund any necessary start-up costs associated with the implementation of a system of slot machines in the State pursuant to chapter 30. Funds advanced for this purpose must be credited against the licensee's obligation to pay the first \$250,000 to the commission under section 923.

Sec. 5. 8 MRSA c. 30 is enacted to read:

CHAPTER 30

SLOT MACHINES

SUBCHAPTER 1

GENERAL PROVISIONS

§901. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Associated equipment. “Associated equipment” means any proprietary device, machine or part used in the manufacture or maintenance of a slot machine, including, but not limited to, integrated circuit chips, printed wire assemblies, printed wire boards, printing mechanisms, video display monitors and metering devices.

2. Commission. “Commission” means the State Harness Racing Commission within the Department of Agriculture, Food and Rural Resources.

3. Director. “Director” means the executive director of the commission.

4. Drug abuser. “Drug abuser” has the same meaning as set forth in Title 5, section 20003, subsection 10.

5. Drug addict. “Drug addict” has the same meaning as set forth in Title 5, section 20003, subsection 11.

6. Drug-dependent person. “Drug-dependent person” has the same meaning as set forth in Title 5, section 20003, subsection 12.

7. Distribute. “Distribute” means to sell, lease, license, place or otherwise make available for use in the State.

8. Fugitive from justice. “Fugitive from justice” has the same meaning as set forth in Title 15, section 201, subsection 4.

9. Gross slot income. “Gross slot income” means money or credits inserted into a slot machine minus money or credits or prizes paid out to winners.

10. Licensee. “Licensee” means a person licensed by the commission to operate a slot machine in accordance with section 911.

11. Operate. “Operate” means to offer for public use.

12. Pari-mutuel facility. “Pari-mutuel facility” means a location at which a person is licensed under chapter 11 to accept pari-mutuel wagers on horse races.

13. Person. “Person” means an individual, corporation, association, partnership, trust or other business organization.

14. Slot machine. “Slot machine” means any mechanical, electrical or electronic device, contrivance or machine or other device, contrivance or machine that, upon insertion of a coin, token, credit or similar object or

thing of value, is available to play or operate, the play or operation of which by the element of chance may deliver or entitle the person playing or operating the device, contrivance or machine to receive cash, tokens or credits to be exchanged for cash, merchandise or anything of value, whether the payoff is made automatically from the device, contrivance or machine or in any other manner, and includes progressive electronic gaming devices with a payoff that increases as the electronic gaming device is played.

15. Slot machine distributor. “Slot machine distributor” means a person who is licensed under this chapter to distribute slot machines and associated equipment for use in the State.

16. Uniform location agreement. “Uniform location agreement” means a written agreement between a licensee and a slot machine distributor that governs the terms and conditions of the placement of slot machines on the premises of the licensee.

§902. License required

1. Operation of slot machines. A person may operate a slot machine in this State if the person is licensed to do so by the commission under section 911, but not otherwise.

2. Distribution of slot machines. A person may distribute a slot machine and associated equipment for use in this State if the person is licensed to do so by the commission under section 913, but not otherwise.

3. Slot machines. A person may not operate or distribute a slot machine in this State unless the machine is registered with the commission under section 912.

4. Ownership of slot machines. A person may not place or operate a slot machine for use in this State if the slot machine is owned by any person other than a slot machine distributor licensed under section 913.

§903. Administration and enforcement

The commission shall enforce and administer the provisions of this chapter.

§904. Powers and duties of the commission

1. Powers. The commission may:

A. Regulate, supervise and exercise general control over the ownership, operation and distribution of slot machines;

- B. Adopt rules necessary to administer and enforce this chapter;
- C. Investigate any alleged violations of this chapter or rules adopted under this chapter and investigate the direct or indirect ownership or control of any licensee or slot machine distributor;
- D. In any investigation conducted under this chapter, issue subpoenas to compel the attendance of witnesses and the production of evidence relevant to any fact at issue;
- E. Enter the offices, facilities or other places of business of a licensee or slot machine distributor to determine compliance with this chapter and rules adopted under this chapter;
- F. Require a licensee to file an annual financial report with the commission, including a balance sheet and profit and loss statement, a list of all persons having any beneficial interest in the licensee, and such other information as the commission may require, all in such form as the commission may establish by rule;
- G. Keep accurate and complete records of its proceedings and to certify the records as may be appropriate;
- H. Take any other action as may be reasonable or appropriate to enforce this chapter and the rules adopted under this chapter;
- I. Approve or disapprove terms and conditions of uniform location agreements; and
- J. Subject to any applicable laws relating to public contracts, enter into a contract for the performance of the commission's duties under this chapter. A contract awarded or entered into by the commission may not be assigned by the holder of the contract except by specific approval of the commission.

2. Duties. The commission shall:

- A. Investigate or cause to be investigated all complaints made to the commission regarding ownership, distribution or operation of slot machines and all violations of this chapter or the rules adopted under this chapter;
- B. Adopt rules to prevent undesirable conduct relating to the ownership, distribution and operation of slot machines, including, but not limited to, the following:

(1) The practice of any fraud or deception upon a player of a slot machine;

(2) The presence of a slot machine in or at premises that may be unsafe due to fire hazard or other such conditions;

(3) The use of obscene advertising;

(4) The infiltration of organized crime into the ownership, distribution or operation of slot machines; and

(5) The presence of disorderly persons in a location where slot machines are in use;

C. Disable any slot machine following a determination that:

(1) A person has illegally tampered with the slot machine;

(2) The funds from the slot machine have not been distributed, deposited or allocated in accordance with section 923; or

(3) The slot machine does not meet the registration requirements of this chapter or rules adopted under this chapter;

D. Collect funds due to the State under section 923;

E. Certify monthly to the Commissioner of Agriculture, Food and Rural Resources a full and complete statement of all slot machine revenue, credits disbursed by licensees, administrative expenses and the allocation of gross slot income for the preceding month;

F. Submit by January 15th an annual report to the Governor and the joint standing committee of the Legislature having jurisdiction over legal affairs of slot machine revenue, credits disbursed by licensees, administrative expenses and the allocation of gross slot income for the preceding year; and

G. Prepare and submit to the Department of Agriculture, Food and Rural Resources a budget for the administration of this chapter.

SUBCHAPTER 2

LICENSING

§911. License to operate

1. Eligible persons. The commission may issue a license to operate slot machines to any person who is licensed to operate a commercial track, as defined in section 275-A, that satisfies the following criteria:

A. The commercial track is located at or within a 5-mile radius of the center of a commercial track that conducted harness racing with pari-mutuel wagering on more than 25 days during calendar year 2002; and

B. The operation of slot machines at the commercial track is approved by the voters of the municipality in which the commercial track to be licensed is located by referendum election held at any time after December 31, 2002 and before December 31, 2003.

2. Requirements for license. The person applying for a license under subsection 1 must satisfy the qualifications set forth in section 914.

3. Operation of machines. A licensee may operate a slot machine on any day during the calendar year at the location where the commercial track is licensed to accept pari-mutuel wagers on horse races, without restriction on hours of operation.

4. Placement of slot machines. A licensee shall prohibit persons under 21 years of age from any area in which a slot machine is located except that persons 18 to 20 years of age may be present if directly employed by the licensee or a slot machine distributor.

5. Uniform location agreement. Each slot machine is subject to a uniform location agreement between the slot machine distributor and the licensee. A copy of the agreement must be submitted to the commission. The uniform location agreement is the complete and sole agreement between the licensee and the slot machine distributor regarding slot machines. No other agreement between the licensee and the slot machine distributor is legally binding.

6. Disclosure of other contracts and agreements. A licensee must disclose to the director any and all contracts or agreements the licensee establishes with a slot machine distributor.

7. Restriction against proliferation. A license may not be issued under subsection 1 to any commercial track located within 100 miles of any existing licensee.

§912. Registration of slot machines

1. Registration required. A slot machine may not be operated or distributed in this State unless the slot machine is registered by the commission, the operator is licensed by the commission under section 911 and the distributor of the slot machine is licensed under section 913.

2. Requirements for registration. To be registered, a slot machine:

A. May not have any means of manipulation that affect the random probabilities of winning a game;

B. Must have one or more mechanisms that accept coin or cash in the form of bills and that are designed to prevent a person from obtaining credits or cash without paying;

C. Must be designed to suspend operation until reset if a person attempts, by physical or other tampering, to obtain credits or cash without paying;

D. Must have nonresettable meters housed in a readily accessible locked slot machine area that keep a permanent record of all cash inserted into the slot machine, credits or cash awarded by the slot machine, credits played for games and credits distributed by tickets issued by the slot machine; and

E. Must have accounting software that keeps an electronic record of information that includes, but is not limited to, total cash inserted into the slot machine; total cash awarded, total credits played for games and total credits distributed by tickets made by the slot machine; and the payback percentage of each game.

3. Examination of prototypes. The commission shall examine prototypes of slot machines and associated equipment of slot machine distributors seeking registration as required in this chapter. The commission shall require the slot machine distributor seeking examination and approval of the slot machine or associated equipment to pay the anticipated cost of the examination before the examination occurs. After the examination occurs, the commission shall refund overpayments or charge and collect amounts sufficient to reimburse the commission for underpayments of actual cost. The commission may contract for the examinations of slot machines and associated equipment as required by this section.

4. Unregistered slot machine subject to confiscation. Any slot machine that is not registered as required by this section is contraband and a public nuisance and is subject to confiscation by any law enforcement officer.

§913. Licensing of slot machine distributors

1. License required. A person may not distribute any slot machine in the State unless the person is licensed under this section.

2. Requirements for license. The commission may issue a license to distribute slot machines to an applicant that meets the qualifications set out in section 914.

§914. Qualifications for license

1. Minimum qualifications. A person must satisfy the following qualifications to be a licensee under section 911 or a slot machine distributor under section 913.

A. The person must be of good moral character.

B. The person has not been convicted of a crime punishable by one year or more of imprisonment in any jurisdiction, unless at least 10 years have passed since satisfactory completion of the sentence or probation imposed by the court for the crime.

C. The person has not been convicted of a violation of this chapter or Title 17, chapter 14.

D. The person is not a fugitive from justice, a drug abuser, a drug addict, a drug-dependent person, an illegal alien or a person who was dishonorably discharged from the military forces within 10 years prior to the date of application.

E. The person has completed the application form and complied with the requirements of section 915.

F. The person has sufficient financial assets to meet any financial obligations imposed by this chapter.

G. The person has not knowingly made a false statement of material fact in applying for a license under this chapter.

H. The person has sufficient knowledge and experience in the operation of commercial tracks and slot machines to effectively operate the commercial track and slot machines to which the license application relates in accordance with this chapter and the rules and standards adopted under this chapter.

2. Background investigation; additional qualifications. Before a license is granted under this chapter, the commission shall conduct a thorough background investigation of the applicant to ensure satisfaction of the qualifications set forth in this chapter and such additional qualifications as the commission may establish by rules adopted under section 904. The applicant shall provide information on a form as required by the director.

§915. Applications

1. Form. An application for a license required under this chapter must be on the form provided by the director. The application must contain, but is not limited to, the following information regarding the individual applicant and each officer, director, partner or owner of any legal or beneficial interest in a person applying for a license:

A. Full name;

B. Full current address and addresses for the prior 5 years;

C. A record of previous issuances of, refusals to issue and revocations of a license under this chapter; and

D. All information the commission determines is necessary or appropriate to determine whether the applicant satisfies the minimum qualifications specified in section 914, subsection 1.

2. Signature as certification. The applicant, by affixing the applicant's signature to the application, certifies the following:

A. That the statements made in the application and any documents made a part of the application are true and correct;

B. That the applicant understands that the information provided pursuant to subsection 1, paragraph D is used by the commission, along with other information, in judging good moral character and that this information may be cause for refusal to issue a license; and

C. That the applicant understands that knowingly making a false statement in the application or in a document made a part of the application is grounds for refusal to issue a license or for revocation or suspension of a license.

3. Consent to review records. At the request of the commission, the applicant shall take whatever action is necessary to permit the director to examine all accounts and records in the applicant's possession, under the applicant's control or under the control of 3rd parties but accessible by consent of the applicant, and must authorize all 3rd parties in possession or in control of those accounts or records to allow the director or a designee to examine the accounts and records as the director determines necessary, to ascertain:

A. Whether the information supplied on the application or any documents made a part of the application is true and correct;

B. Whether each of the requirements of this section has been met; or

C. Whether the applicant meets the requirements for licensure under this chapter and under rules adopted under this chapter.

The consent to review records includes the applicant taking whatever action is necessary to permit the commission or its designee to have access to confidential records held by banks, courts, law enforcement agencies and the military for purposes stated in this subsection.

4. Existing license. Commercial tracks with a license to operate under chapter 11 in force as of the effective date of this chapter that satisfy the eligibility requirements of section 911 must be automatically considered a licensee under section 911 and are not required to submit an application for a license under section 911.

§916. Fees; term of license or registration; transferability

1. Fees. The annual fee for a license or registration issued under this chapter is as follows:

A. Registration of a slot machine under section 912 is \$10;

B. A license for a slot machine distributor under section 913 is \$1,000; and

C. A license for an operator of a slot machine under section 911 is \$1,000.

In addition to the annual license or registration fee, the director may charge a one-time application fee for a license or registration listed in paragraph A, B or C in an amount equal to the actual cost of processing the application and performing any background investigations. All fees collected pursuant to this section must be deposited directly to the General Fund.

2. Term of license and registration. All licenses and registrations issued by the director under this chapter are effective for 10 years and are automatically renewable at the conclusion of the term for an additional term of 10 years, unless revoked pursuant to section 917.

3. Transferable. A license issued under this chapter is transferable or assignable as long as the director finds that the transferee or assignee satisfies all requirements for the issuance of the license transferred or assigned.

§917. Actions relating to licenses and registrations

1. Suspension or revocation of license; refusal to renew. The commission may refuse to renew a license or registration or revoke a license or registration after a hearing in accordance with the Maine Administrative Procedure Act for just cause, including any of the following:

A. The person made or caused to be made a false statement of material fact in obtaining a license or registration under this chapter or in connection with service rendered within the scope of the license or registration issued;

B. The person or the person's agent violated any provision of this chapter or any rule adopted under this chapter; or

C. The holder of a license or registration under this chapter becomes ineligible to hold that license or registration.

The commission may not suspend a license or registration unless the director determines that probable cause exists for the suspension. The commission shall immediately notify the licensee or registration holder in writing of the suspension and the date the suspension is to take effect. If the licensee or registration holder wishes to have a hearing, the licensee or registration holder must petition the Superior Court in writing within 20 days of the date of the suspension and the Superior Court shall conduct a hearing expeditiously. If a hearing is requested, the license or registration remains in effect pending the outcome of the hearing. Suspension, nonrenewal or revocation of a license or registration is subject to appeal as administrative action under the Maine Administrative Procedure Act.

2. Ineligibility period following refusal to issue or renew license or revocation of license. A person may not apply to the commission for any license under section 911 or 913 less than 2 years after the commission refused to issue or renew a license under section 911 or 913 or less than one year after the revocation of a license issued to the person under section 911 or 913.

SUBCHAPTER 3

SLOT MACHINE OPERATION; ALLOCATION OF FUNDS

§921. Limits on slot machine use

1. Age of player. A licensee may not permit a person under 21 years of age to play a slot machine.

2. Time and money limits not required. A licensee is not required to impose a limit on the amount of time or money spent by an individual playing the slot machines on the licensee's premises. A licensee has no civil or criminal liability for the amount of time or money spent by an individual playing slot machines on the licensee's premises.

§922. Payment of credits by licensee

A licensee shall redeem credits for players who earn credits on a slot machine located on the premises of that licensee in accordance with rules adopted by the commission.

§923. Allocation of funds

1. Distribution from commercial track. A licensee shall collect and distribute gross slot income from slot machines operated by the licensee as follows.

A. Twenty-five percent of total gross slot income must be sent to the commission for distribution by the commission as follows:

(1) One percent of total gross slot income must be retained for administrative expenses of the commission. An amount not to exceed \$250,000 may be expended by the commission for addiction counseling services in accordance with rules adopted by the commission;

(2) Seven percent of total gross slot income must be used by the commission to supplement harness racing purses and must be disbursed for that purpose at the times and in the manner prescribed in section 296;

(3) One percent of total gross slot income must be credited by the commission to the Sire Stakes Fund created in section 281;

(4) Three percent of the total gross slot income must be forwarded by the commission to the Treasurer of State, who shall credit the

money to the Agricultural Fair Support Fund established in Title 7, section 76;

(5) Ten percent of the total gross slot income must be forwarded by the commission to the State Controller to be credited to the Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a separate account under Title 22, section 1511, subsection 9, with use of funds in the account restricted to the purposes described in Title 22, section 1511, subsection 6, paragraph E;

(6) Two percent of the total gross slot income must be forwarded by the commission to the Finance Authority of Maine for application to the University of Maine System Scholarship Fund created in Title 20-A, section 11631; and

(7) One percent of the total gross slot income must be forwarded by the commission to the board of trustees of the Maine Technical College System to be applied by the board to fund its scholarships program under Title 20-A, section 12716, subsection 1.

B. The balance of the gross slot income must be retained by the licensee from which the licensee is required to pay the slot machine distributor and all other expenses associated with the operation of the slot machines.

2. Failure to deposit funds. A licensee who willfully refuses to comply with this section commits a Class D crime. The license of that person may be revoked by the commission and the slot machines operated by that licensee may be disabled and may be confiscated by the director.

3. Late payments. The commission may adopt rules establishing the dates on which payments required by this section are due. All payments not remitted when due must be paid together with interest on the unpaid balance at a rate of 1.5% per month.

SUBCHAPTER 4

ENFORCEMENT AND PENALTIES

§931. Reports; records

1. Reports; records. The commission may require from any licensee under section 911, a slot machine distributor licensed under section 913 or holder of a registration under section 912 whatever records and reports the director considers necessary for the administration and enforcement of this chapter.

2. Location. A holder of a license or registration under this chapter shall maintain all records required by this chapter or by rules adopted under this chapter at the primary business office within this State of the license holder or on the premises where the slot machine is operated. In the case of a slot machine distributor, the records must be maintained at the primary business office of the slot machine distributor. The primary business office must be designated by the license holder in the license application. All records must be open to inspection and audit by the commission or its designee and a license holder may not refuse the commission or its designee the right to inspect or audit the records. Refusal to permit inspection or audit of the records constitutes grounds for revocation of the license or registration.

§932. Access to premises, equipment and records

A person holding a license or registration under this chapter shall permit the director to inspect any equipment, prizes, records or items and materials used or to be used in the operation of any slot machine owned, distributed or operated by that person. A person holding a license or registration under this chapter shall consent in writing to the examination of all the licensee's books and records related to operations licensed under this chapter and shall authorize all 3rd parties in possession or in control of those books and records to allow the director or the director's designee to examine such books and records as the director determines necessary.

§933. Contempt

If a witness refuses to obey a subpoena issued by the commission to give any evidence to proper inquiry by the commission, the commission may petition the Superior Court in the county where the refusal occurred to find the witness in contempt. The commission shall cause to be served on the witness an order requiring that witness to appear before the Superior Court to show cause why that witness should not be adjudged in contempt. The court shall, in a summary manner, hear the evidence and, if the evidence warrants the court to do so, punish the witness in the same manner and to the same extent as for contempt before the Superior Court or with reference to the process of the Superior Court.

§934. Violations

1. Violations by licensees. The commission shall adopt by rule under section 904 a schedule of fines and other disciplinary actions against licensees and slot machine distributors for violation of the provisions of this chapter and rules adopted under this chapter.

2. Class C crimes by any person. A person commits a Class C crime if that person:

A. Tamper with a slot machine with intent to interfere with the proper operation of that slot machine;

B. Manipulates or intends to manipulate the outcome, payback or operation of a slot machine by physical tampering or any other means;
or

C. Operates or distributes a slot machine in this State without a license.

§935. Fines and suspensions

To enforce the provisions of this chapter and any rules adopted under this chapter, the commission is authorized to establish a schedule of fines for each violation of this chapter or each violation of the rules. The commission is authorized to levy a fine, after notice and hearing, for each violation of this chapter or each violation of the rules.

The commission is authorized to establish a schedule of suspensions of licenses and may levy suspensions for each violation of this chapter or the rules adopted pursuant to this chapter.

Any person aggrieved by any fine or suspension imposed by the commission may seek judicial review pursuant to the Maine Administrative Procedure Act.

§936. Rules

Rules adopted pursuant to this chapter are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

§937. Applicability of Title 17, chapter 14

Except as expressly provided in this chapter, the provisions of Title 17, chapter 14 do not apply to the ownership, distribution or operation of slot machines in the State.

Sec. 6. 22 MRSA §1511, sub-§9 is enacted to read:

9. Restricted accounts. The State Controller is authorized to establish separate accounts within the fund in order to segregate money received by the fund from any source, whether public or private, that requires as a condition of the contribution to the fund that the use of the money contributed be restricted to one or more of the purposes specified in

subsection 6. Money credited to a restricted account established under this subsection may be applied only to the purposes to which the account is restricted.

Sec. 7. 25 MRSA §3902, sub-§4 is enacted to read:

4. Notice of violation of slot machine law. A liquor enforcement officer who notices a violation of any provision of Title 8, chapter 30 shall promptly notify the State Harness Racing Commission of the violation.

SUMMARY

This initiated bill allows the operation of slot machines by certain persons who are licensed to operate a commercial track. A person under 21 years of age is prohibited from playing a slot machine.

The initiated bill provides for regulation of the operation of slot machines by the State Harness Racing Commission and the Executive Director of the State Harness Racing Commission within the Department of Agriculture, Food and Rural Resources.

Gross income from slot machines, which is income after payback to players, is divided as follows: 75% is retained by the person licensed to operate the slot machines; 10% must be sent to the State Controller to be credited directly to the Fund for a Healthy Maine with its use restricted to providing financial assistance with prescription drugs for adults who are elderly or disabled; 7% must be sent to the State Harness Racing Commission to be used to supplement harness racing purses; 3% must be forwarded to the Treasurer of State who shall credit the money to the Agricultural Fair Support Fund; 2% must be forwarded to the Finance Authority of Maine for application to its University of Maine System Scholarship Fund; 1% must be sent to the commission for application to administrative expenses, including expenditures by the commission for addiction counseling services; 1% must be sent to the board of trustees of the Maine Technical College System for application to its scholarship program and 1% must be sent to the commission for application to its Sire Stakes Fund.

State of Maine



WHEREAS, written petitions bearing the signatures of 56,581 electors of this State, which number is in excess of ten percent of the total vote cast in the last gubernatorial election preceding the filing of such petitions, as required by Article IV, Part Third, Section 18, of the Constitution of Maine, were addressed to the Legislature of the State of Maine and were filed in the office of the Secretary of State on or before the fiftieth day after the convening of the One Hundred and Twenty-first Legislature in the First Regular Session, requesting that the Legislature consider an act entitled "An Act to Allow Slot Machines at Commercial Horse Racing Tracks"; and

WHEREAS, the Secretary of State duly certified the initiative petition to be valid and submitted the measure to the Legislature in accordance with the provisions of Article IV, Part Third, Section 18, of the Constitution of Maine; and

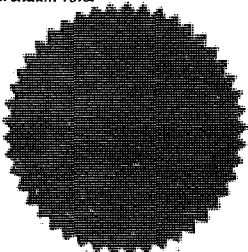
WHEREAS, the initiated act, known as Legislative Document 1371 was referred to the Joint Standing Committee on Legal and Veterans Affairs for public hearing held on April 11, 2003; and

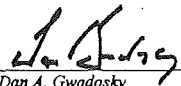
WHEREAS, on May 9, 2003, the Maine House of Representatives accepted the Majority Ought Not to Pass Report and on May 12, 2003, the Maine Senate accepted the Majority Ought Not to Pass Report and thus the legislation failed enactment; and

WHEREAS, Article IV, Part Third, Section 18, of the Maine Constitution provides that the Governor shall, by proclamation, order an initiated bill proposed to, but not enacted by, the Legislature without change to the people for referendum in November within 10 days following the recess of the Legislature to which the measure was proposed; and

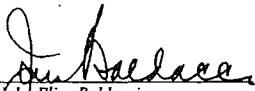
WHEREAS, under the provisions of Article IV, Part Third, Section 18, an election must be held in November of the year in which the petition is filed by proclamation;

NOW THEREFORE, I, John Elias Baldacci, Governor of the State of Maine, acting under the provisions of Article IV, Part Third, Section 18 of the Constitution of Maine, do hereby proclaim that an election shall be called for Tuesday, November 4, 2003, so that "An Act to Allow Slot Machines at Commercial Horse Racing Tracks" be submitted to the people of this State for a referendum vote.




Dan A. Gwadosky
Secretary of State

IN TESTIMONY WHEREOF, I have caused the Great Seal of the State to be hereunto affixed. Given under my hand at Augusta this twenty-third day of June in the year Two Thousand and Three.


John Elias Baldacci
Governor

Intent and Content

This Act authorizes the Maine Harness Racing Commission to license certain persons or entities to operate slot machines at commercial racetracks. To qualify for a slot machine license, a person or entity must meet certain eligibility criteria and be licensed to operate a commercial track. The commercial track must have conducted harness racing with pari-mutuel wagering on more than 25 days during 2002, or be located within a 5-mile radius of a commercial track that has met this requirement. Additionally, the commercial track must have received local approval for the operation of slot machines in a municipal referendum election held between December 31, 2002 and December 31, 2003. Currently, only the commercial tracks at Bangor Raceway and Scarborough Downs meet the minimum race days requirement. This Act also amends the harness racing statutes to allow commercial track licenses to be transferred or assigned with Commission approval.

Any person or entity that has a valid commercial track license as of the effective date of this Act and otherwise meets the eligibility criteria would be deemed licensed to operate slot machines without the need to file an application. Licenses for slot machines would be valid for 10 years and would be automatically renewable for an additional 10-year term.

Once licensed, the person or entity would be allowed to operate slot machines at the commercial track on any calendar day, without restriction on the hours of operation. No one under the age of 21 would be allowed to play. The Act authorizes the Harness Racing Commission to adopt rules, to issue licenses to operate and to distribute slot machines, to suspend or revoke licenses under certain conditions, and to investigate complaints and alleged violations of the Act. Under the Act, tampering with slot machines and operating or distributing such machines without a license would be a class C crime.

The licensed operator would pay 25% of the "gross slot income" to the Harness Racing Commission. "Gross slot income" means the amount wagered, minus the amount paid out. The Commission would distribute this 25% according to the following formula:

10% to the Fund for a Healthy Maine, to be used for the specific purpose of assisting elderly and disabled adults to obtain prescription drugs;

7% to supplement harness racing purses through a new fund administered by the Commission;

3% to be deposited in the new Agricultural Fair Support Fund established by this Act, of which 60% would be distributed to supplement the purses by those agricultural fairs that were licensed to and did accept pari-mutuel wagers on harness races, while 40% would be divided among all agricultural fairs licensed by the Department of Agriculture;

2% to the University of Maine System Scholarship Fund administered by the Finance Authority of Maine for need-based scholarships to Maine residents attending the University of Maine;

1% to the Maine Technical College System (now called the Maine Community College System) to fund its need-based scholarship program;

1% to the Sire Stakes Fund administered by the Commission; and

1% to cover the Commission's administrative expenses, of which up to \$250,000 may be spent for addiction counseling services in accordance with rules to be adopted by the Commission.

If approved, this Act would take effect 30 days after proclamation of the vote.

A "YES" vote is in favor of the initiative and approves the legislation.

A "NO" vote is in opposition to the initiative and disapproves the legislation.

Question 3: Citizen Initiative

Do you want to allow a casino to be run by the Passamaquoddy Tribe and Penobscot Nation if part of the revenue is used for state education and municipal revenue sharing?

STATE OF MAINE

“The Maine Tribal Gaming Act”

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

Sec. 1. 30 MRSA c. 601 is amended by repealing the chapter headnote and enacting the following in its place:

CHAPTER 601

MAINE INDIAN CLAIMS SETTLEMENT

SUBCHAPTER 1

IMPLEMENTATION OF MAINE INDIAN CLAIMS SETTLEMENT

Sec. 2. 30 MRSA §6212, sub-§6, as enacted by PL 1993, c. 600, Pt. A, §24 and affected by §25, is amended to read:

6. **Funding.** The commission may receive and accept, from any source, allocations, appropriations, loans, grants and contributions of money or other things of value to be held, used or applied to carry out this ~~chapter~~ subchapter, subject to the conditions upon which the loans, grants and contributions may be made, including, but not limited to, appropriations, allocations, loans, grants or gifts from a private source, federal agency or governmental subdivision of the State or its agencies. Notwithstanding Title 5, chapter 149, upon receipt of a written request from the commission, the State Controller shall pay the commission’s full state allotment for each fiscal year to meet the estimated annual disbursement requirements of the commission.

Sec. 3. 30 MRSA c. 601, sub-c. 2 is enacted to read:

SUBCHAPTER 2

GAMING CONDUCTED BY PASSAMAQUODDY TRIBE AND PENOBSCOT NATION

§6301. Short title

This subchapter may be known and cited as “The Maine Tribal Gaming Act.”

§6302. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. **Bazaar game.** “Bazaar game” means a game, sport, amusement, diversion, scheme, plan, project, contest, undertaking or enterprise in which chance, fortune, luck or lot is the predominating factor or element in the winning or awarding of a prize but does not include a lottery or any game, sport, amusement, diversion, scheme, plan, project, contest or undertaking in which the skill, accomplishment, art or adroitness of the operator or participant is the primary factor in the winning or awarding of a prize.

2. **Connecticut Compact.** “Connecticut Compact” means the tribal-state gaming compact between the State of Connecticut and the Mashantucket Pequot Tribe, promulgated by the United States Secretary of the Interior under IGRA as the Mashantucket Pequot Gaming Procedures, 56 Code of Federal Regulations 24996, May 31, 1991, as supplemented and amended to the date of enactment of this subchapter, including the appendices thereto.

3. **Enterprise.** “Enterprise” means an individual, trust, corporation, partnership or other legal entity of any kind other than a tribal gaming operator or other tribal enterprise wholly owned by the Tribes; provided, however, that with respect to any corporation, “enterprise” includes each other corporation or other legal entity that, directly or indirectly, controls a majority of the voting interests in that corporation; and further provided, that, with respect to any partnership, trust or other form of unincorporated business organization, “enterprise” includes each corporation or other legal entity that, directly or indirectly, controls a majority of the voting interests in that organization.

4. **Gaming.** “Gaming” means any game of chance or other gaming or wagering activity, including, but not limited to, those activities specifically identified in section 6303.

5. Gaming employee. “Gaming employee” means any natural person employed in the operation or management of gaming facilities, whether employed by a tribal gaming operator or by an enterprise providing on-site services to the tribal gaming operator within a gaming facility.

6. Gaming equipment. “Gaming equipment” means a machine or device that is specifically designed or manufactured for use in the operation of any gaming activity.

7. Gaming facility. “Gaming facility” means a room or rooms in which gaming is conducted on the site.

8. Gaming operation. “Gaming operation” means an enterprise operated by the tribal gaming operator on the site for the conduct of gaming in a gaming facility.

9. Gaming school. “Gaming school” means an enterprise organized to provide specialized training to gaming employees for the conduct of gaming other than a program operated by the tribal gaming operator.

10. Gaming services. “Gaming services” means the provision of goods or services to a tribal gaming operator directly in connection with the operation of gaming in a gaming facility, including maintenance or security services for the gaming facility, junket services, gaming schools, laboratory testing of gaming equipment including video facsimile machines and lottery tickets and the manufacture, distribution, maintenance or repair of gaming equipment, but not including professional or financial services provided by persons licensed or registered under the laws of the State, the Federal Government or other states of the United States.

11. IGRA. “IGRA” or “Indian Gaming Regulatory Act” means Public Law 100-497, as amended, 25 United States Code, Section 2701 et seq.

12. Junket services. “Junket services” means any arrangement to facilitate the attendance at a gaming facility of patrons selected by reason of their propensity to gamble by providing to such patrons any consideration including cash or rebates or reduced charges for goods or services such as transportation, lodging, food, beverage or entertainment. “Junket services” does not include enterprises that function solely to provide common transportation to a gaming facility for the public without limitation to selected patrons.

13. Lottery. “Lottery” means any gaming for which tickets are sold, the winning ticket or tickets being secretly predetermined or ultimately

selected in a chance drawing, in which the holders of winning tickets receive money or something of value.

14. Maine Implementing Act. “Maine Implementing Act” means An Act to Implement the Maine Indian Claims Settlement.

15. Passamaquoddy Tribe. “Passamaquoddy Tribe” means the Passamaquoddy Indian Tribe, a federally recognized Indian tribe with reservations at Indian Township and Pleasant Point, represented by the Joint Tribal Council of the Passamaquoddy Tribe.

16. Penobscot Nation. “Penobscot Nation” means the Penobscot Indian Nation, a federally recognized Indian tribe with a reservation at Indian Island within the State, represented by the Penobscot Nation Chief and Council.

17. Principal. “Principal” means with respect to an enterprise:

A. Each of its officers and directors;

B. Each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer or general manager;

C. Each of its general partners if the enterprise is a general or limited partnership;

D. Each of its managing members if the enterprise is a limited liability company;

E. Each of its shareholders who owns more than 10% of the shares of the enterprise if the enterprise is a corporation;

F. Each of its owners or partners if the enterprise is an unincorporated business other than a limited partnership or a limited liability company; and

G. Each person, other than a banking institution, pension fund, commercial finance company, equipment leasing company, investment bank, qualified institutional buyer as defined in Rule 144A of the United States Securities and Exchange Commission, insurance company, regulated investment company, other financial institution, state of the United States, political subdivision of a state of the United States and agency, authority or instrumentality of a state or political subdivision, that has provided financing for the enterprise constituting more than 10% of the total financing of the enterprise provided that a person who purchases indebtedness of an enterprise through a

nationally recognized securities exchange or bond trading system is not considered a principal.

18. Site. “Site” means one or more contiguous parcels of land selected by the Tribes and owned or leased by the Tribes or a tribal gaming operator within a single city, town or plantation of the State or within 2 or more contiguous cities, towns or plantations of the State provided that the legislative body of each such city, town or plantation has approved such parcel or parcels for the conduct of all gaming operations permitted under this subchapter. The site may not be reservation lands of either of the Tribes, may not be Indian lands within the meaning of 25 United States Code, Section 2703, may not be Indian country within the meaning of the Johnson Act, 15 United States Code, Section 1175 and may not be Passamaquoddy Indian territory or Penobscot Indian territory within the meaning of the Maine Implementing Act in section 6203. Regulation of gaming at the site must be conducted by the state gaming agency and the tribal gaming agency under this subchapter and the rules pursuant to this subchapter.

19. State. “State” means the State of Maine and its authorized officials, agents and representatives.

20. State gaming agency. “State gaming agency” means the Department of Public Safety.

21. State law enforcement agency. “State law enforcement agency” means the Maine State Police.

22. Tribal gaming agency. “Tribal gaming agency” means a gaming commission or such other agency formed jointly by the governments of the Tribes as the Tribes may from time to time jointly designate by written notice to the State as the single tribal agency responsible for regulatory oversight of gaming on the part of the Tribes as authorized by this subchapter. A person employed in, or in connection with, the management, supervision or conduct of any gaming activity may not be a member or employee of the tribal gaming agency.

23. Tribal gaming operator. “Tribal gaming operator” means a corporation, partnership, limited partnership, limited liability company or other entity established by the Tribes for the purpose of developing, owning or operating a gaming facility or gaming facilities or a gaming operation or gaming operations, all of the equity and voting securities of which are owned beneficially, directly or indirectly, 50% by the Passamaquoddy Tribe and 50% by the Penobscot Nation; provided that neither a tribal gaming operator nor a Tribe may be prohibited from including in the consideration for any extension of credit or service, including without limitation any credit or service relating to a gaming

facility or a gaming operation, a return based on the revenues, earnings or other measure of financial performance of the tribal gaming operator or a gaming operation or other activity of the tribal gaming operator; and provided that neither of the Tribes nor any other 3rd party is liable or responsible for any act or omission of a tribal gaming operator except as specifically provided by a contract to which such Tribe or 3rd party is a signatory or otherwise as provided by law without regard to this subchapter.

24. Tribe. “Tribe” means each of the Passamaquoddy Tribe and the Penobscot Nation and their respective authorized officials, agents and representatives.

25. Video facsimile. “Video facsimile” means any mechanical, electrical or other device, contrivance or machine that, upon insertion of a coin, currency, token or similar object or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which includes, but is not limited to, the playing of a facsimile of a game of chance or skill, and that may deliver or entitle the person playing or operating the machine to receive cash or tokens to be exchanged for cash or to receive any merchandise or thing of value, whether the payoff is made automatically from the machine or in any other manner whatsoever.

§6303. Authorized gaming operations

1. Authorized games. The Tribes may jointly, through one or more tribal gaming operators, as the Tribes may elect, conduct, on one site and subject to this subchapter and notwithstanding any other provision of the laws of the State, any and all forms of gaming and wagering, including without limitation any and all of the following:

A. Card games, table games and other games of chance, including without limitation blackjack, poker, dice, roulette, baccarat, money-wheels and bingo;

B. Any bazaar game, but only if conducted solely for merchandise prizes;

C. Any lottery game; and

D. Video facsimiles, including without limitation video facsimiles of any card game, table game or other game of chance, including without limitation those described in paragraph A.

2. Prohibition on attendance of minors. A person under the minimum age for purchase of alcoholic beverages under the laws of the

State may not be admitted into any gaming facility other than facilities limited to the play of bazaar games or be permitted to place any wager, directly or indirectly, other than on bazaar games; except that minors may receive lottery tickets or chances as gifts and minors may be employed in the gaming facilities if they are licensed in accordance with section 6305 and are not employed in the service of intoxicating liquors and their employment is in all respects in conformity with the laws and rules of the State.

3. Compliance with reporting requirements. The tribal gaming operator shall comply with all applicable reporting and withholding requirements of the Internal Revenue Service relating to all forms of gaming conducted at the site, shall maintain accurate records of all such reports and returns and shall implement policies and procedures adequate to ensure compliance with such obligations in its gaming operations.

4. No other operator of gaming operations. The rights and privileges granted under this subchapter are reserved to the Tribes and, as applicable, the tribal gaming agency and tribal gaming operator. No other person, including without limitation any creditor of either of the Tribes, the tribal gaming agency or the tribal gaming operator, may conduct any gaming operation on the site. This subsection may not be interpreted to restrict any nongaming activities on the site.

5. No gaming facility on Indian lands. Gaming may not be conducted on Indian lands within the meaning of 25 United States Code, Section 2703. In the event that the land on which a gaming facility is located becomes Indian land, the authority to conduct gaming at that gaming facility as provided in subsection 1 terminates.

6. Expiration of authority. Unless extended, the authority granted under this subchapter to conduct gaming operations terminates on the 20th anniversary of the date of legislative approval of the rules proposed by the state gaming agency under section 6308.

§6304. Law enforcement matters

1. State criminal jurisdiction. The State has jurisdiction to enforce all criminal laws of the State that are consistent with this subchapter on the site, including enforcement within the gaming facilities. Title 17, chapter 14 and Title 17-A, chapter 39 do not apply to gaming conducted pursuant to this subchapter.

2. Powers of state law enforcement officers. Officers of the state law enforcement agency must be accorded free access to any gaming facilities for the purpose of maintaining public order and public safety and enforcing applicable criminal laws of the State as permitted under this

section; and personnel employed by the tribal gaming operator shall for such purposes provide officers of the state law enforcement agency access to locked and secure areas of the gaming facilities in accordance with the standards of management and operation adopted pursuant to section 6307. The state law enforcement agency may station one or more officers at the site to coordinate law enforcement within the site generally.

§6305. Licensing of gaming employees

1. Requirements for employee licensing. A person may not commence or continue employment as a gaming employee unless that person is the holder of a valid current gaming employee license issued by the state gaming agency in accordance with rules adopted by the state gaming agency pursuant to section 6308.

2. License denial. The state gaming agency may deny a gaming employee license to an applicant who:

A. Has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or increase the danger of unfair or illegal practices, methods and activities in the conduct of the gaming activities permitted under this subchapter; provided that the State may not apply standards for approval of licenses pursuant to this section more rigorously than those actually applied in the approval of employee licenses in gaming enterprises operated or regulated exclusively by the State; or

B. Has failed to provide any information reasonably required to investigate the application for a gaming employee license or to reveal any fact material to such application or has furnished any information that is untrue or misleading in connection with such application.

3. Revocation or suspension of license. The state gaming agency or the state law enforcement agency may investigate any person who holds a gaming employee license at any time and the state gaming agency may suspend or revoke any gaming employee license issued pursuant to this subchapter if new information concerning facts arising either prior to or since the issuance of the original license or any license renewal comes to the attention of the state gaming agency, which information would justify denial of such original license or any license renewal pursuant to subsection 2. A license may not be revoked or suspended except after notice and hearing as generally required for similar administrative actions under the Maine Administrative Procedure Act.

4. Appeal of license decisions. A decision of the state gaming agency to deny, suspend or revoke a license pursuant to this section, following any administrative review or appeal that may be permitted by the state gaming agency in accordance with procedures that it may establish, constitutes final agency action subject to judicial review in the manner provided by the laws of the State for judicial review of administrative actions affecting similar rights.

5. Investigation of nongaming employees. The state law enforcement agency may investigate misconduct of employees of the tribal gaming operator or any other entity who are not gaming employees but who are employed in ancillary facilities located within the same building as any gaming facility; and such employees must be dismissed from such employment upon notification by the state law enforcement agency that their conduct in the course of their employment in such ancillary facilities poses a threat to the effective regulation of gaming or creates or enhances the dangers of unfair or illegal practices, methods and activities in the conduct of gaming, subject to the same rights of appeal as are provided in the Maine Administrative Procedure Act.

§6306. Registration of gaming services enterprises

1. Requirement for registration. An enterprise may not provide gaming services or gaming equipment to the tribal gaming operator unless it is the holder of a valid current gaming services registration issued by the state gaming agency in accordance with rules adopted by the state gaming agency pursuant to section 6308.

2. Denial of registration. The state gaming agency may deny a gaming services registration to any applicant upon its determination that the applicant or any principal identified with such applicant:

A. Is a person or entity whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or increase the danger of unfair or illegal practices, methods and activities in the conduct of the gaming activities permitted under this subchapter; provided that the State may not apply standards for approval of registrations pursuant to this section more rigorously than those actually applied in the approval of similar licenses in gaming enterprises operated or regulated exclusively by the State; or

B. Has failed to provide any information reasonably required to investigate the application for a gaming services registration or to reveal any fact material to such application or has furnished any information that is untrue or misleading in connection with such application.

3. Revocation or suspension of registration. The state gaming agency or the state law enforcement agency may investigate any enterprise or principal of such enterprise that holds a gaming services registration license at any time and the state gaming agency may suspend or revoke any gaming services registration issued pursuant to this subchapter if new information concerning facts arising either prior to or since the issuance of the original registration or any registration renewal comes to the attention of the state gaming agency, which information would justify denial of such original registration or any registration renewal pursuant to subsection 2; provided that a registration may not be revoked or suspended except after such notice and hearing as is generally required for similar administrative actions under the administrative procedures applicable to agencies of the State; and provided that the enterprise is entitled to any payment due for services provided or goods delivered prior to the effective date of suspension or revocation of its registration.

4. Appeal of registration decisions. A decision of the state gaming agency to deny, suspend or revoke a registration pursuant to this section, following any administrative review or appeal that may be permitted by the state gaming agency in accordance with procedures that it may establish, constitutes final agency action subject to judicial review in the manner provided by the Maine Administrative Procedure Act.

5. Investigation of nongaming enterprises. Any enterprise that provides goods or services to the tribal gaming operator other than gaming services or gaming equipment in a total amount exceeding the sum of \$50,000 in a single calendar year and any labor organization seeking to represent employees of the tribal gaming operator must be identified by the tribal gaming operator to the state gaming agency and shall agree to cooperate with the state gaming agency and the state law enforcement agency in any investigation considered necessary by either agency relative to the fitness of the enterprise or labor organization to engage in business with a gaming operation or relative to the conduct of the enterprise or labor organization in connection with that activity. The state gaming agency may bar an enterprise from providing goods or services to the tribal gaming operator or a labor organization from receiving dues from licensed employees of the tribal gaming operator or may bar the principal of a labor organization from representing the employees upon a determination that the enterprise or labor organization or a principal of such labor organization is a person or entity whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the dangers of unfair or illegal practices, methods and activities in the conduct of gaming; provided that the enterprise or labor organization may appeal a determination in the manner provided pursuant to the Maine Administrative Procedure Act.

§6307. Standards of operation and management

The tribal gaming agency shall adopt standards of operation and management to govern all gaming operations by the tribal gaming operator. The standards must protect the public interest in the integrity of the gaming operations and must reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming. The initial standards of operation and management must be substantially identical to those currently in effect pursuant to the Connecticut Compact and must be subject to the approval of the state gaming agency. The tribal gaming agency shall notify the state gaming agency of any revision of the standards of operation and management and either shall certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations and reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming or shall request the approval of the state gaming agency for the revised standards, which approval must be deemed granted unless disapproved within 60 days of submission of the revised standards. The state gaming agency shall approve the revised standards upon request unless it finds that those revised standards would have a materially adverse impact on the public interest in the integrity of the gaming operations and shall disapprove only such portions of any proposed revised standards that are determined to have a materially adverse impact on the public interest and shall specify the reasons for the disapproval. Any disapproval of revised standards by the state gaming agency is subject to review in the manner provided by the Maine Administrative Procedure Act.

§6308. Rules

Not later than 90 days after the effective date of this subchapter, the state gaming agency shall propose rules providing for the licensing of gaming employees, the registration of gaming services enterprises and, to the extent that the scope of the standards of operation and management adopted by the tribal gaming agency pursuant to section 6307 fail to cover aspects of the operation of the gaming facility that are the subject of the Connecticut Compact, such other aspects. It is intended that such rules be substantially in the form and substance of the corresponding provisions of the Connecticut Compact. Rules proposed by the state gaming agency pursuant to this section are major substantive rules pursuant to Title 5, chapter 375, subchapter 2-A.

§6309. State assessment for costs of oversight

1. Imposition of assessment for state regulatory expenditures.
The State shall make annually an assessment sufficient to compensate the State for the reasonable and necessary costs of regulating gaming

operations and conducting law enforcement investigations pursuant to this subchapter. Such assessment must include any costs of fringe benefits for personnel.

2. Procedure for assessments. On or before August 1st, annually, starting with the first such date following the commencement of gaming operations under this subchapter, the State shall render to the tribal gaming agency a statement of the total cost of regulation and law enforcement for the preceding fiscal year ending June 30th, together with proposed assessments for the forthcoming fiscal year based on the preceding fiscal year cost, except that in the first year of the effective date of this subchapter the assessment must be prospective and based upon a pro rata allocation of costs if this subchapter becomes operative in the course of a fiscal year and must be established following consultation with the tribal gaming agency. On September 1st annually, the State, after receiving any objections to the proposed assessments and making such changes or adjustments as may be indicated, shall provide a written notice that assesses the tribal gaming operator for the costs of regulation and law enforcement. Annually, the tribal gaming operator shall pay 1/3 of the assessment within 20 days of the receipt of the written notice and shall pay the remaining 2/3 of the assessment in 2 equal payments on January 1st and April 1st. Such payments must be deposited with the State Treasurer. The money deposited must be credited to the General Fund and must be accounted for as the State considers appropriate.

3. Procedure for appeal of assessments. If the Tribes are aggrieved because of any assessment levied pursuant to this subchapter, either or both of the Tribes or the tribal gaming operator may, not later than one month from the time provided for the payment of such assessment, appeal an assessment to the Superior Court for Kennebec County.

4. Adjustment of excess assessments. In the event that the total assessment paid by the tribal gaming operator during any fiscal year of the State exceeds the reasonable and necessary costs of regulating gaming operations and conducting law enforcement investigations pursuant to this subchapter during that fiscal year, the State shall adjust the assessment for the succeeding fiscal year in the amount necessary to offset such excess assessment. If the Tribes are aggrieved because of any failure by the State to make such an adjustment, any claim for such an adjustment must be presented in the appeal of the assessment as provided in subsection 3.

§6310. Enforcement

1. Tribal gaming agency. The tribal gaming agency shall employ nonuniformed inspectors who are present in all gaming facilities during all hours of operation and who are under the supervision of personnel accountable solely to the tribal gaming agency and not to any management

employees of the tribal gaming operator. Such inspectors must have unfettered access to all areas of the gaming facilities at all times, and personnel employed by the tribal gaming operator shall for such purposes provide such inspectors access to locked and secure areas of the gaming facilities in accordance with the standards of management and operation adopted pursuant to section 6307. Such inspectors shall report to the tribal gaming agency regarding any failure by the tribal gaming operator to comply with this subchapter. Inspectors assigned by the tribal gaming agency shall also receive consumer complaints within the gaming facilities and shall assist in seeking voluntary resolution of such complaints. The tribal gaming agency may investigate any report of a failure to comply with this subchapter or the applicable regulations of the tribal gaming agency and may require the tribal gaming operator to correct such failure upon such terms and conditions as the tribal gaming agency may determine necessary. Inspectors employed by the tribal gaming agency for the purposes set forth in this section shall obtain gaming employee licenses pursuant to section 6305. The tribal gaming operator shall prepare a plan for the protection of public safety and the physical security of patrons in its gaming facilities, following consultation and agreement with the state law enforcement agency, the security department of the tribal gaming operator and the state gaming agency. The tribal gaming agency shall provide the state gaming agency with copies of its floor plans and surveillance systems for its gaming facilities and confer with the state gaming agency regarding the adequacy of such plans and systems.

2. State supervision. The state gaming agency may review the gaming operations in order to determine whether such operations are conducted in compliance with this subchapter, and for that purpose personnel employed by the state gaming agency must have access to all areas of the gaming facilities without prior notice for the purpose of audits of the tribal gaming operator, and personnel employed by the tribal gaming operator shall provide for such purposes such state personnel access to locked and secure areas of the gaming facilities in accordance with the standards of management and operation adopted pursuant to section 6307. Such state personnel shall report to the state gaming agency regarding any failure by the tribal gaming operator to comply with any of the provisions of this subchapter. The tribal gaming operator shall provide the state law enforcement agency and state gaming agency with access to reasonable office space for the use of their personnel for the purposes of such review activities. Personnel employed by the state gaming agency may attend the regular count conducted by the tribal gaming operator in accordance with the standards of operation and management adopted pursuant to section 6307. Personnel employed by the state gaming agency may not interfere with the conduct of the gaming operations at the site except as may be required to perform such review functions. Auditors employed by the state gaming agency must have unfettered access during ordinary hours of operation to inspect and copy all records, including computer log tapes, of

the tribal gaming agency and the tribal gaming operator; provided that all records of the tribal gaming operator and the tribal gaming agency must be considered confidential and proprietary financial information belonging to the Tribes and must be protected by the State from public disclosure without the express written consent of the Tribes. The state gaming agency may conduct such investigations and may employ subpoena powers with which it may be vested under the laws of the State as it considers appropriate to investigate violations of this subchapter with respect to the tribal gaming operator. The tribal gaming agency shall require that all security incidents and patron complaints reported by or to the security department of the tribal gaming operator or to the tribal gaming agency be reported on a daily basis to the state gaming agency. The tribal gaming operator shall cause its gaming operations to be subjected to an annual audit by an independent certified public accountant in accordance with procedures adopted by the independent auditor following consultation with the state gaming agency. Such audit must include any additional procedures required by the state gaming agency not otherwise required by the independent auditor, which additional procedures must be performed at the sole expense of the state gaming agency. The state gaming agency must be provided with an opportunity to review the audit findings with the independent auditor prior to issuance of the audit report and must receive copies of the audit report, engagement letter, management's representation letter, lawyer's contingency letter and such other workpapers as the state gaming agency considers necessary.

3. Enforcement authority of state gaming agency. If the state gaming agency determines that the tribal gaming operator is not in compliance with the provisions of this subchapter, the state gaming agency shall deliver a notice of noncompliance to the tribal gaming agency and the tribal gaming operator setting forth the nature of such noncompliance and the action required to remedy such noncompliance before commencing any enforcement action.

4. Civil penalties. Subject to such regulations as may be prescribed by the state gaming agency, the state gaming agency may levy and collect appropriate civil penalties, not to exceed \$25,000 per violation, against the tribal gaming operator or any gaming services enterprise subject to section 6306, subsection 1 for any violation of this subchapter or standard of operation adopted under this subchapter. A penalty may not be levied under this subsection except upon a written complaint delivered by the state gaming agency to the tribal gaming operator and, if applicable, the affected gaming services enterprise, with a copy in each case to the tribal gaming agency, stating in common and concise language the alleged acts or omissions that provide the basis for such penalty and the specific statutory provisions alleged to have been violated. The state gaming agency shall, by rule, provide an opportunity for appeal and hearing before the state gaming agency of any penalty levied by the state gaming agency

under this subsection. A decision of the state gaming agency to levy a civil penalty under this subsection, following any such review, constitutes final agency action subject to judicial review in the manner provided by the Maine Administrative Procedure Act.

§6311. Application of state regulatory standards

1. Health and safety standards. Each gaming facility is subject to the laws and regulations of the State relating to public facilities with regard to building, sanitary and health standards and fire safety and to the laws and rules of the State relating to water discharges by public facilities.

2. Regulation of alcoholic beverages. Service of alcoholic beverages within a gaming facility is subject to the laws and regulations of the State applicable to the sale or distribution of alcoholic beverages. The tribal gaming operator is entitled to a hotel permit for the sale of liquor for gaming facilities that are contained in the same building as a hotel, or a cafe permit for the sale of liquor for gaming facilities that are not contained in the same building as a hotel, or such equivalent permits or licenses as may from time to time be available to similar enterprises operated pursuant to the laws of the State, and the price of an alcoholic beverage sold to a gaming customer in partial consideration for amounts wagered need not be billed by separate charge to the individual customer; provided that the price of each alcoholic beverage determined sold to a gaming customer in partial consideration for amounts wagered may be no less than the price required for such sales pursuant to the laws of the State and must be separately accounted for by the tribal gaming operator. Any tax due under the laws of the State for the retail sale of such beverages must be paid with respect to such sales, and daily and monthly records must be maintained with respect to such sales and be available for inspection by the state gaming agency and by the Department of Public Safety, Bureau of Liquor Enforcement.

3. Traffic standards. The tribal gaming operator shall provide access from gaming facilities located on the site onto public highways of the State adequate to meet standards of the Department of Transportation or shall enter into agreements with the Department of Transportation for the provision of such access by the State, including provisions for compensation by the tribal gaming operator of the costs incurred by the State in constructing such improvements to the public highways, including traffic control signals, as may be necessary. The State shall cooperate with the Tribes in providing at the expense of the tribal gaming operator such signs as are reasonable and appropriate in order to permit members of the traveling public to locate the site from the major road approaches.

§6312. State taxation and revenue sharing

1. Property taxes. In accordance with section 6208, subsection 2, all real or personal property owned by the Tribes or the tribal gaming operator in connection with gaming operations and other activities at the site are subject to levy and collection of real and personal property taxes by any taxing authorities, including municipalities having jurisdiction over the site.

2. State corporation taxes. In accordance with section 6208, subsection 3, so long as the Tribes are exempt from the payment of federal income taxes on business corporations, they are not subject to taxation under the laws of the State applicable to business corporations. The tribal gaming operator is subject to state corporation taxes in accordance with its particular form of organization. With respect to gaming operations and other activities at the site, the Tribes and the tribal gaming operator, as applicable, are subject to all sales and use taxes, including liquor and tobacco taxes, of general application within the State.

3. Video facsimile revenues. So long as no change in state law occurs to tax or exact any fee on the gaming operations or other activities at the site except as provided in subsections 1 and 2, the tribal gaming operator shall pay to the State an annual fee equal to 25% of the gross revenues of video facsimiles operated by the tribal gaming operator, such fee to be deemed for all purposes of state law a valid business expense. Provided, however, if a like facility or gaming device is authorized by the State, and subject to a tax more favorable than the tax contemplated herein, the annual fee payable to the State shall be adjusted to the equivalent. For purposes of this subsection, the term "gross revenues" means the total sum wagered less amounts paid out as prizes. Such fee is payable on or before the 15th day of each month. On each such day other than July 15th, the fee is 25% of the gross revenues of the tribal gaming operator from the operation of video facsimiles during the portion of the fiscal year of the State concluding on the last day of the preceding calendar month. On July 15th of each year, the fee is 25% of the gross revenues of the tribal gaming operator from the operation of video facsimiles during the preceding fiscal year of the State. In either case, the cumulative amount of such fee paid by the tribal gaming operator prior to such date with respect to the operation of video facsimiles during the applicable fiscal year of the State must be deducted from the fee due on the 15th day of each month. The tribal gaming operator shall provide the State with detailed reporting of the gross revenues of video facsimile devices and the determination of the fee under this subsection, which is subject to audit by the State in accordance with this subchapter. In the event that the Tribes or the tribal gaming operator is subject to taxation of the State referred to in subsection 2, except for sales and use, liquor and tobacco taxes, they are entitled to a credit against such taxes for each year in an amount equal to the fee paid under this subsection

with respect to such year; provided that such credit does not apply with respect to property taxes described in subsection 1.

4. Use of revenue. The amounts paid to the State pursuant to subsection 3 must be deposited by the State Treasurer and allocated as follows:

A. A portion of amounts paid to the State pursuant to subsection 3 must be allocated by the State in each year to pay for mitigation of costs resulting from gaming operations conducted pursuant to this subchapter; and

B. Of the amounts paid to the State pursuant to subsection 3 that are not allocated pursuant to paragraph A:

(1) Fifty percent must be allocated each year to supplement, not supplant, the statutorily required deposits to be made to the Local Government Fund established under Title 30-A, section 5681 to be used for residential property tax relief;

(2) Forty percent must be allocated in each year to supplement, not supplant, the state appropriation for the program cost portion of general purpose aid to local schools;

(3) Five percent must be allocated in each year to the Maine State Grant Program, Title 20-A, chapter 419-A; and

(4) Five percent must be allocated to and distributed by the Finance Authority of Maine each year to private nonprofit organizations that have the principal purpose of providing scholarships to and otherwise enhancing the postsecondary educational opportunities of students in this State enrolled in eligible programs in institutions of higher education in this State. Allocations must be administered and made by the Finance Authority of Maine annually on or before March 1st of each year. Any unexpended funds allocated for this purpose do not lapse and must be carried forward for continued use of the program in future years.

The Department of Administrative and Financial Services, Bureau of Revenue Services shall issue an annual report to the Legislature, on or before February 1st, which must include a detailed statement of the aggregate gross revenues paid to the State pursuant to subsection 3 and the allocations made by the State pursuant to subsection 4.

§6313. Johnson Act exemption

Pursuant to the provisions of 15 United States Code, Section 1172 governing the transportation of gambling devices in interstate and foreign commerce, the State exempts from that statute the transportation of any gambling device used or intended for use at, and transported to or from, a gaming facility operated under this subchapter.

§6314. Interpretation

This subchapter must be liberally construed in favor of gaming by and on behalf of the Tribes. Without limitation of the foregoing, the grant under this subchapter of authority to the Tribes and the tribal gaming operator to conduct gaming operations at the site and the other provisions of this subchapter may not be interpreted to decrease or derogate from the authority of the Tribes under existing law to conduct any activity permitted to be conducted by them, whether on their respective reservations or elsewhere.

Sec. 4. Effective date. This Act does not take effect with respect to the Passamaquoddy Tribe unless, within 60 days after the adjournment of the Legislature if the Legislature enacts this Act, or within 90 days of the Governor's proclamation of the result of the vote if this Act is approved by the voters, the Secretary of State receives written certification by the Joint Tribal Council of the Passamaquoddy Tribe that the Tribe has agreed to the provisions of this Act pursuant to 25 United States Code, Section 1725(e), copies of which must be submitted by the Secretary of State to the Secretary of the Senate, the Clerk of the House of Representatives and the Revisor of Statutes.

This Act does not take effect with respect to the Penobscot Nation unless, within 60 days after the adjournment of the Legislature if the Legislature enacts this Act, or within 90 days of the Governor's proclamation of the result of the vote if this Act is approved by the voters, the Secretary of State receives written certification by the Chief and Council of the Penobscot Nation that the Tribe has agreed to the provisions of this Act pursuant to 25 United States Code, Section 1725(e), copies of which must be submitted by the Secretary of State to the Secretary of the Senate, the Clerk of the House of Representatives and the Revisor of Statutes.

In the event that one of the Passamaquoddy Tribe or the Penobscot Nation, but not both, fails to provide written certification of its agreement to the provisions of this Act within the time provided in this section, this Act is effective to permit the Tribe not so failing to conduct gaming in accordance with the provisions of this Act; and in such event this Act continues to permit the Tribe not so failing to have and exercise all of the

rights and privileges, and to bear all of the obligations, allocated to the other Tribe under this Act.

In no event may this Act become effective until 90 days after the adjournment of the Legislature, as required by the Constitution of Maine, Article IV, Part Third, Section 16.

SUMMARY

This initiated bill allows the Passamaquoddy Tribe and the Penobscot Nation to conduct gaming and wagering at a single site. The legislative body of a municipality in which the site is located must approve the site for the conduct of gaming and wagering. The authority granted to the Passamaquoddy Tribe and the Penobscot Nation to conduct gaming and wagering at a single site terminates in 20 years, unless extended, and may not be amended or repealed without the consent of the Passamaquoddy Tribe and the Penobscot Nation. The gaming and wagering authorized by this initiated bill is regulated by the Department of Public Safety and a tribal gaming agency formed jointly by the governments of the Passamaquoddy Tribe and the Penobscot Nation.

The tribal gaming operator must pay to the State an annual fee equal to 25% of the gross revenues of video facsimiles operated by the tribal gaming operator. After an allowance for costs resulting from gaming and wagering operations, the annual fee paid to the State must be used for the following purposes:

1. Fifty percent must be deposited in the Local Government Fund established in the Maine Revised Statutes, Title 30-A, section 5681 and distributed in accordance with the provisions of that section for revenue sharing with municipalities, with the intent of providing local property tax relief;

2. Forty percent must be allocated for the program cost portion of general purpose aid to local schools;

3. Five percent must be allocated to the Maine State Grant Program established in Title 20-A, chapter 419-A for grants for students who are pursuing higher education; and

4. Five percent must be allocated to the Finance Authority of Maine to distribute to private, nonprofit organizations that have the principal purpose of providing scholarships to and otherwise enhancing the postsecondary educational opportunities of students in this State enrolled in eligible programs in institutions of higher education in this State.

State of Maine



WHEREAS, written petitions bearing the signatures of 51,665 electors of this State, which number is in excess of ten percent of the total vote cast in the last gubernatorial election preceding the filing of such petitions, as required by Article IV, Part Third, Section 18, of the Constitution of Maine, were addressed to the Legislature of the State of Maine and were filed in the office of the Secretary of State on or before the fiftieth day after the convening of the One Hundred and Twenty-first Legislature in the First Regular Session, requesting that the Legislature consider an act entitled "The Maine Tribal Gaming Act"; and

WHEREAS, the Secretary of State duly certified the initiative petition to be valid and submitted the measure to the Legislature in accordance with the provisions of Article IV, Part Third, Section 18, of the Constitution of Maine; and

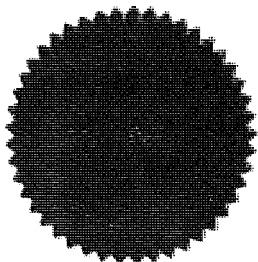
WHEREAS, the initiated act, known as Legislative Document 1370 was referred to the Joint Standing Committee on Judiciary for public hearing held on April 11, 2003; and

WHEREAS, on May 29, 2003, the Maine House of Representatives accepted the Majority Ought Not to Pass Report and on May 30, 2003, the Maine Senate accepted the Majority Ought Not to Pass Report and thus the legislation failed enactment; and

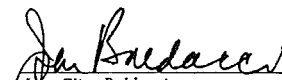
WHEREAS, Article IV, Part Third, Section 18, of the Maine Constitution provides that the Governor shall, by proclamation, order an initiated bill proposed to, but not enacted by, the Legislature without change to the people for referendum in November within 10 days following the recess of the Legislature to which the measure was proposed; and


WHEREAS, under the provisions of Article IV, Part Third, Section 18, an election must be held in November of the year in which the petition is filed by proclamation;

NOW THEREFORE, I, John Elias Baldacci, Governor of the State of Maine, acting under the provisions of Article IV, Part Third, Section 18 of the Constitution of Maine, do hereby proclaim that an election shall be called for Tuesday, November 4, 2003, so that "The Maine Tribal Gaming Act" be submitted to the people of this State for a referendum vote.



IN TESTIMONY WHEREOF, I have caused the Great Seal of the State to be hereunto affixed. Given under my hand at Augusta this twenty-third day of June in the year Two Thousand and Three.


John Elias Baldacci
Governor


Dan A. Gwadosky
Secretary of State

Intent and Content

This proposed statute would amend the Maine Indian Land Claims Settlement Act to authorize the Passamaquoddy Indian Tribe and the Penobscot Indian Nation to operate a gambling casino in Maine. The proposed statute grants this authority for 20 years and, unlike other statutes, may not be amended or repealed without the consent of the tribes.

The casino must be located on non-tribal land or territory. The site would be selected by the tribes and would be subject to approval of the local municipal government.

The tribes would be permitted to conduct any and all forms of gaming and wagering at this site, including but not limited to card games and table games, such as blackjack, poker, dice, roulette and baccarat; money-wheels; bingo; bazaar games conducted for merchandise prizes; lottery games; and video facsimile machines. Video facsimile machines may include mechanical slot machines as well as electronic devices used to play any game of chance or skill on a video screen. Individuals under the age of 21 would be allowed to play only those games that depend primarily on luck rather than skill to win and for which the prize is some type of merchandise rather than cash, and would be admitted only to those facilities where such games are played.

The proposed statute contains numerous complex provisions regarding regulatory standards, enforcement, taxation and revenue. Some of these provisions are described below.

A tribal gaming agency established by the tribes would be responsible for regulatory oversight of gaming at the facility and would set the standards for operation and management of the site. The Department of Public Safety would have limited authority to review those standards and to adopt rules governing the licensing of gaming employees and the registration of gaming enterprises, but the proposed statute requires those rules and standards to be substantially the same as those currently in effect in Connecticut. The language of the proposed statute grants enforcement authority to state law enforcement officials to enforce criminal laws of the State that do not conflict with this proposed statute. The proposed statute states that the gaming facilities at the site would be subject to state laws and regulations relating to building, sanitary and health standards for public facilities, fire safety and water discharge laws, and traffic standards. The proposed statute does not expressly provide that other environmental laws would be applicable.

The business entity set up by the tribes to operate the casino would make an annual payment to the State of 25% of the revenue from any video facsimile machines in operation at the facility. Revenue is defined as the total amount wagered on those machines less the amount paid out on those wagers. The proposed statute does not provide for a minimum number of video facsimile machines at the facility, nor does it provide for a minimum amount that the state would receive in revenues. The facility would be subject to real and personal property tax, and the tribes and the business entity operating the casino would be subject to sales and use taxes, liquor taxes and tobacco taxes. The proposed statute implies that the tribes are not subject to state income tax. Under existing law, however, the tribes' business enterprises are treated as business corporations and subject to income tax. To the extent that the tribes or business entity operating the casino are subject to income tax, this proposed statute provides that they are entitled to a credit against such tax in an amount equal to any video facsimile revenue that is paid to the State.

The State is entitled to assess the tribal gaming operator annually to cover the "reasonable and necessary" costs of regulation and law enforcement investigations under the Act. Other costs resulting from gaming operations at the site would have to be paid out of any video facsimile revenue received by the State. The proposed statute provides that any revenues remaining after covering those costs would be allocated as follows: 50% to municipal revenue sharing, with the stated intent to provide local property tax relief; 40% to general purpose aid to local schools; 5% to the Maine State Grant Program for grants to Maine residents pursuing higher education; and 5% to the Finance Authority of Maine for distribution to nonprofit organizations whose principal purpose is to provide scholarships or otherwise enhance higher education opportunities for Maine students.

If approved, this Act would take effect with respect to each tribe only after each tribe certifies that it has agreed to the provisions of the Act within 90 days after the Governor's proclamation of the vote.

A "YES" vote is in favor of the initiative and approves the legislation.

A "NO" vote is in opposition to the initiative and disapproves the legislation.

Question 4: Bond Issue

Do you favor a \$6,950,000 bond for the following purposes:

1. The sum of \$2,000,000 to construct and upgrade water pollution control facilities, providing the state match for \$10,000,000 in federal funds;
2. The sum of \$1,500,000 to provide grants to construct water pollution control facilities;
3. The sum of \$500,000 to clean up uncontrolled hazardous substance sites;
4. The sum of \$500,000 for the small community grant program to provide grants to rural communities to solve local pollution problems;
5. The sum of \$500,000 for the overboard discharge removal program to provide grants to municipalities and individuals to eliminate licensed overboard discharges to shellfish areas, great ponds and drainage areas of less than 10 square miles;
6. The sum of \$1,200,000 to support drinking water system improvements that address public health threats, providing the state match for \$4,140,000 in federal funds; and
7. The sum of \$750,000 to construct environmentally sound water sources that help avoid drought damage to crops?

Question 5: Bond Issue

Do you favor a \$19,000,000 bond issue to make repairs, upgrades and other facility improvements and enhance access for students with disabilities and upgrade classroom equipment at various campuses of the University of Maine System; the Maine Maritime Academy; and the Maine Community College System, which was formerly the Maine Technical College System, and to provide grants to construct and renovate public libraries and to improve community access to electronic resources?

Question 6: Bond Issue

Do you favor a \$63,450,000 bond issue for improvements to highways and bridges, airports, state-owned ferry vessels and ferry and port facilities and port and harbor structures; development of rail corridors and improvements to railroad structures and intermodal facilities; investment in the statewide public transportation fleet and public park and ride and service facilities; statewide trail and pedestrian improvements; and expansion of the statewide air-medical response system through construction of hospital helipads, building additional refueling facilities, upgrading navigational systems and acquiring training equipment to improve access to health care that makes the State eligible for \$217,000,000 in matching federal funds?

The bond issues denoted in Questions 4, 5 and 6 are contained within one single Legislative Act, as printed below. However, each bond issue will be listed on the ballot as individual questions to be accepted or rejected separately. Question 4 is described in Part B of the legislation, Question 5 is described in Part C, and Question 6 is described in Part A.

STATE OF MAINE

Chapter 33

Private & Special Laws of 2003

Approved August 26, 2003

“An Act To Authorize Bond Issues for Ratification by the Voters at the November 2003 Election”

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

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

PART A

Sec. A-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$63,450,000 to raise funds to match available federal funds for the purposes described in section 6 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. A-2. Records of bonds issued kept by Treasurer of State.

The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. A-3. Sale; how negotiated; proceeds appropriated.

The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the debt service account established for the retirement of these bonds.

Sec. A-4. Interest and debt retirement.

The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. A-5. Disbursement of bond proceeds.

The proceeds of the bonds must be expended as set out in this Part under the direction and supervision of the Department of Transportation and the Department of Public Safety.

Sec. A-6. Allocations from Highway Fund and General Fund bond issues.

The proceeds of the sale of the bonds authorized under this Part must be expended as designated in the following schedule.

TRANSPORTATION, DEPARTMENT OF

Highway Fund

Highway and Bridge Improvements	\$13,000,000
Highway Fund Total	<u>\$13,000,000</u>

General Fund

Airport Improvements	\$ 3,600,000
Highway and Bridge Improvements	29,000,000
Port and Ferry Improvements	4,550,000
Rail Improvements	7,850,000
Trail Improvements	1,250,000
Transit and Park and Ride Improvements	1,200,000
General Fund Total	<u>\$47,450,000</u>

PUBLIC SAFETY, DEPARTMENT OF

General Fund

Provides funds to expand the air-medical response system throughout Maine \$3,000,000

Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 of this Part do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

Sec. A-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund or Highway Fund debt service.

Sec. A-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. A-10. Referendum for ratification; submission at statewide election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held on the Tuesday following the first Monday of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

“Do you favor a \$63,450,000 bond issue for improvements to highways and bridges, airports, state-owned ferry vessels and ferry and port facilities and port and harbor structures; development of rail corridors and improvements to railroad structures and intermodal facilities; investment in the statewide public transportation fleet and public park and ride and service facilities; statewide trail and pedestrian improvements; and expansion of the statewide air-medical response system through construction of hospital helipads, building additional refueling facilities, upgrading navigational systems and acquiring training equipment to improve access to health care that makes the State eligible for \$217,000,000 in matching federal funds?”

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

PART B

Sec. B-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$6,950,000 for the purposes described in section 6 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. B-2. Records of bonds issued kept by Treasurer of State. The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. B-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the debt service account established for the retirement of these bonds.

Sec. B-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. B-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in this Part under the direction and supervision of the Department of Environmental Protection, the

Department of Agriculture, Food and Rural Resources and the Department of Human Services.

Sec. B-6. Allocations from General Fund bond issue. The proceeds of the sale of the bonds authorized by this Part must be expended as designated in the following schedule.

ENVIRONMENTAL PROTECTION, DEPARTMENT OF

Loans to construct and upgrade water pollution control facilities matched by \$10,000,000 in federal funds	\$2,000,000
Grants to construct water pollution control facilities	\$1,500,000
Funds to clean up uncontrolled hazardous substance sites	\$500,000
Fund the small community grant program, which provides grants to rural communities to solve local pollution problems	\$500,000
Fund the overboard discharge removal program, which provides grants to municipalities and individuals to eliminate licensed overboard discharges to shellfish areas, great ponds, and drainage areas of less than 10 square miles	\$500,000

HUMAN SERVICES, DEPARTMENT OF

Grants and loans for public drinking water system improvements matched by \$4,140,000 in federal funds	\$1,200,000
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AGRICULTURE, FOOD AND RURAL RESOURCES, DEPARTMENT OF

Construction of environmentally sound water sources that help avoid drought damage to crops	\$750,000
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TOTAL ALLOCATIONS	<hr/> \$6,950,000
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Sec. B-7. Contingent upon ratification of bond issue. Sections 1 to 6 of this Part do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

Sec. B-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

Sec. B-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. B-10. Referendum for ratification; submission at statewide election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held on the Tuesday following the first Monday of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

“Do you favor a \$6,950,000 bond issue for the following purposes:

- (1) The sum of \$2,000,000 to construct and upgrade water pollution control facilities, providing the state match for \$10,000,000 in federal funds;
- (2) The sum of \$1,500,000 to provide grants to construct water pollution control facilities;
- (3) The sum of \$500,000 to clean up uncontrolled hazardous substance sites;
- (4) The sum of \$500,000 for the small community grant program to provide grants to rural communities to solve local pollution problems;
- (5) The sum of \$500,000 for the overboard discharge removal program to provide grants to municipalities and individuals to eliminate licensed overboard discharges to

shellfish areas, great ponds and drainage areas of less than 10 square miles;

(6) The sum of \$1,200,000 to support drinking water system improvements that address public health threats, providing the state match for \$4,140,000 in federal funds; and

(7) The sum of \$750,000 to construct environmentally sound water sources that help avoid drought damage to crops?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

PART C

Sec. C-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$19,000,000 for the purposes described in section 6 of this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. C-2. Records of bonds issued kept by Treasurer of State. The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. C-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants

drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the debt service account established for the retirement of these bonds.

Sec. C-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. C-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in this Part under the direction and supervision of the University of Maine System; the Maine Community College System, which was formerly the Maine Technical College System; the Maine Maritime Academy; and the Maine State Library.

Sec. C-6. Allocations from General Fund bond issue. The proceeds of the sale of the bonds authorized by this Part must be expended as designated in the following schedule.

UNIVERSITY OF MAINE SYSTEM

Upgrade health and safety features in laboratory buildings at various campuses of the University of Maine System	\$2,500,000
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UNIVERSITY OF MAINE SYSTEM

Improve and expand the facilities and classrooms at the University of Maine Lewiston-Auburn campus	\$2,000,000
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MAINE COMMUNITY COLLEGE SYSTEM

Make repairs, upgrades and other facility improvements, enhance access to facilities for students with disabilities and update classroom equipment at all community college campuses	\$12,000,000
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MAINE MARITIME ACADEMY

Repair and replace classroom and other facilities at the Maine Maritime Academy	\$1,000,000
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MAINE STATE LIBRARY

Grants to construct and renovate public libraries and to improve community access to electronic resources	\$1,500,000
TOTAL ALLOCATIONS	<u>\$19,000,000</u>

Sec. C-7. Contingent upon ratification of bond issue. Sections 1 to 6 of this Part do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

Sec. C-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

Sec. C-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. C-10. Referendum for ratification; submission at statewide election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held on the Tuesday following the first Monday of November following passage of this Act. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

“Do you favor a \$19,000,000 bond issue to make repairs, upgrades and other facility improvements and enhance access for students with disabilities and upgrade classroom equipment at various campuses of the University of Maine System; the Maine Maritime Academy; and the Maine Community College System, which was formerly the Maine Technical College System, and to provide grants to construct and renovate public libraries and to improve community access to electronic resources?”

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed

within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

Intent and Content

QUESTION 4: Bond Issue

This Act would authorize the State to issue bonds in an amount not to exceed \$6,950,000 to raise funds for a variety of environmental purposes, as indicated in paragraphs #1 through 7 of the ballot question. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

The Department of Environmental Protection would expend \$5,000,000 of the bond proceeds as follows:

\$2,000,000 would go into an existing State Revolving Loan Program to be matched by \$10,000,000 in federal funds, and distributed as loans to municipalities to construct and upgrade wastewater treatment facilities;

\$1,500,000 would be distributed in the form of grants to subsidize construction of water pollution control facilities in communities with lower median household incomes;

\$500,000 would be allocated to the clean up of uncontrolled hazardous substance sites;

\$500,000 would fund the Small Communities Grant program, to help municipalities, quasi-municipal entities and unorganized townships replace wastewater discharge systems that are affecting public water systems or shellfish areas or otherwise causing a public nuisance; and

\$500,000 would provide grants to municipalities and individuals, to subsidize the removal of licensed overboard wastewater discharges into shellfish areas, great ponds, and drainage areas of less than 10 square miles. The percentage of grant support offered to individual homeowners would be based on income level.

The Department of Human Services would expend \$1,200,000 of the bond proceeds in grants and loans to eligible public water systems, through the state's Safe Drinking Water Act Revolving Loan Fund, for system improvements. These funds would be matched by \$4,140,000 in federal funds.

The Department of Agriculture, Food and Rural Resources would expend the remaining \$750,000 of the bond proceeds in grants to subsidize the development of environmentally sound water supplies for crop irrigation.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A "YES" vote approves authorization of a \$6,950,000 bond issue to finance all of the above activities.

A "NO" vote disapproves the bond issue in its entirety.

Total estimated life time cost is \$8,765,688 representing \$6,950,000 in principal and \$1,815,688 in interest (assuming interest at 4.75% over 10 years).

QUESTION 5: Bond Issue

This Act would authorize the State to issue bonds in an amount not to exceed \$19,000,000 to raise funds for a variety of improvements and repairs to educational facilities and libraries. The bonds would run for a period not to exceed 10 years from the date of issue and would be backed by the full faith and credit of the State.

The University of Maine System would expend proceeds from sale of the bonds in the amount of \$2,500,000 to upgrade health and safety features in laboratory buildings at various campuses, plus another \$2,000,000 to improve and expand the facilities and classrooms at the University of Maine Lewiston-Auburn campus.

The Maine Community College System would expend \$12,000,000 of the bond proceeds to make repairs, upgrades and other facility improvements, to enhance access to facilities for students with disabilities, and to update classroom equipment at all the community college campuses.

The Maine Maritime Academy would expend \$1,000,000 in proceeds from the sale of the bonds to repair and replace classrooms and other facilities.

The Maine State Library would expend \$1,500,000 of the bond proceeds in grants to construct and renovate public libraries and to improve community access to electronic resources.

If approved, this bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A "YES" vote approves authorization of a \$19,000,000 bond issue to finance all of the above activities.

A "NO" vote disapproves the bond issue in its entirety.

Total estimated life time cost is \$23,963,750 representing \$19,000,000 in principal and \$4,963,750 in interest (assuming interest at 4.75% over 10 years).

QUESTION 6: Bond Issue

This Act would authorize the State to issue bonds in an amount not to exceed \$63,450,000 to raise funds for a variety of transportation related projects. The bonds would run for a period not longer than 10 years from the date of issue and would be backed by the full faith and credit of the State.

The Department of Transportation would expend proceeds of the sale of the bonds totaling \$60,450,000 as follows:

\$42,000,000 on highway and bridge improvements, including \$4,000,000 toward replacing the Waldo-Hancock Bridge across the Penobscot River;

\$7,850,000 on rail improvements;

\$4,550,000 on port and ferry improvements;

\$3,600,000 on airport improvements;

\$1,250,000 on pedestrian and bicycle trail improvements; and

\$1,200,000 on transit and park and ride improvements.

The Department of Public Safety would expend the remaining bond proceeds, in the amount of \$3,000,000 to expand the air-medical response system throughout the state.

The above projects would be matched by about \$217,000,000 in federal funds.

If approved, the bond authorization would take effect 30 days after the Governor's proclamation of the vote.

A statement of the Treasurer describing the financial considerations of this bond issue is published together with this statement.

A "YES" vote approves authorization of a \$63,450,000 bond issue to finance all of the above activities.

A "NO" vote disapproves the bond issue in its entirety.

Total estimated life time cost is \$80,026,313 representing \$63,450,000 in principal and \$16,576,313 in interest (assuming interest at 4.75% over 10 years).

