

MAINE STATE LEGISLATURE

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**STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 478, L.D. 1438, Bill, "An Act to Allow for Expeditious Improvements to Commercial Tracks"

Amend the bill by striking out all of section 1 and inserting in its place the following:

Sec. 1. 8 MRSA §287, sub-§§2 and 5, as enacted by PL 1997, c. 528, §46, are amended to read:

2. Commercial meet account. The Treasurer of State shall deposit in a commercial meet account 72% of the revenue credited to the General Fund under this section that is attributable to amounts in excess of \$35,000,000. This account must be divided in the proportion that the contributions of regular and exotic wagers of pari-mutuel pools on live racing made or conducted at the commercial meets of each licensee during the calendar year bear to the total contributions of regular and exotic wagers to pari-mutuel pools on live racing made or conducted at the commercial meets of all licensees during that calendar year. Licensees sharing in this distribution shall use 1/2 of the funds received for the purpose of supplementing purse money. The other 1/2 of this distribution must be paid to the commercial licensees as reimbursement for improvements made to their racing facilities in the calendar year during which the funds are generated or, beginning January 1, 2000, during the prior year. To receive reimbursement, commercial licensees must submit plans for the improvements to the commission and receive approval from the commission prior to making the improvements, and the commission must verify that the approved improvements have been made.

5. Definition. For the purposes of this section, "improvements" means the amount paid out for new buildings or for

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2 permanent improvements made to improve the facilities utilized by
the licensee for conducting its racing meetings; or the amount
4 expended in restoring property or in improving the facility or
any part of the facility that results in the addition ~~or~~,
6 replacement or substantial enhancement or restoration of a fixed
asset or of a movable asset that is important to efficient
8 operation of the racing meetings. In general, the amounts
referred to as improvements include amounts paid that add to the
10 value, improve or substantially prolong the useful life of the
racetrack and moveable assets utilized by the licensee for
12 conducting its racing meetings. Amounts paid or incurred for
routine repairs and maintenance of property, interest expense or
14 lease payments in connection with the capital improvements are
not improvements within the meaning of this section. In order to
16 qualify as an improvement, a substantial enhancement or
restoration of an asset must cost at least \$2,000 and must be an
18 expenditure that would qualify for depreciation under the United
States Internal Revenue Code. A moveable asset may be considered
20 important to the efficient operation of a race meeting if the
asset will remain at the commercial track or at the offices of
22 the licensee throughout its use and if that asset is directly
associated with running races, accommodating patrons of the race
meet, conducting pari-mutuel wagering or paying purses.'

24
26 Further amend the bill by inserting at the end before the
summary the following:

28
30 **'FISCAL NOTE**

32 The Office of the Treasurer of State will incur some minor
additional costs when directed to make interim payments to a
34 commercial track or to reimburse the General Fund for certain
excess payments. These costs can be absorbed within the office's
36 existing budgeted resources.'

38 **SUMMARY**

40 This amendment clarifies the original bill by specifying
when a commercial track may request reimbursements for
42 improvements made during prior years. The amendment also
clarifies the definition of "improvements" to differentiate
44 between routine repairs and maintenance and substantial
enhancement to property and moveable assets.