

MAINE STATE LEGISLATURE

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L.D. 1808

Date: 3/30/10

(Filing No. H 804)

Minority

LEGAL AND VETERANS AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to I.B. 5, L.D. 1808, Bill, "An Act To Allow a Casino in Oxford County"

Amend the bill by striking out the title and substituting the following:

'An Act To Authorize 3 Regional Casinos in Maine'

Amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 7 MRSA §91, sub-§1, as amended by PL 2007, c. 539, Pt. G, §1 and affected by §15, is further amended to read:

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 money received under Title 8, section 1036, ~~subsection 2, paragraph D.~~ The fund is a dedicated, nonlapsing fund. All revenues deposited in the fund must be disbursed in accordance with this section, except that assessments and advances may be withdrawn in accordance with Title 8, section 267-A.

Sec. 2. 8 MRSA §271, sub-§1, as amended by PL 2003, c. 687, Pt. B, §3 and affected by §11, 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

COMMITTEE AMENDMENT

1 cost of this publication. The commission shall provide necessary revisions of this booklet
2 to those persons renewing licenses at the time of renewal and shall include the cost of the
3 revisions, not to exceed \$10, in the renewal fee. The license must set forth the name of
4 the licensee, the place where the races or race meets are to be held and the specific race
5 dates and time of day or night during which racing may be conducted by the licensee. If
6 the commission determines that the location where a commercial track or tribal
7 commercial track is licensed to conduct races is unavailable, it may permit a licensee to
8 transfer its license to another location. The substitute location and the races conducted
9 there by the licensee must be conducted in accordance with this chapter. A license issued
10 pursuant to this subsection is not transferable or assignable. The District Court Judge, as
11 designated in Title 4, chapter 5, may revoke any license issued at any time for violation of
12 the commission's rules or licensing provisions upon notice and hearing. The license is
13 automatically revoked, subject to Title 5, chapter 375, upon a change in ownership, legal
14 or equitable, of 50% or more of the voting stock of the licensee; the licensee may not hold
15 a harness horse race or meet for public exhibition without a new license.

16 **Sec. 3. 8 MRSA §271, sub-§5**, as amended by PL 1995, c. 408, §3, is further
17 amended to read:

18 **5. Minimum number of race dates.** The commission may assign a commercial
19 licensee a minimum number of race dates for a period of up to 3 years. The specific
20 calendar dates for the minimum number of race dates and any additional race dates are
21 determined each year in accordance with subsection 1. For the purposes of this
22 subsection, "commercial licensee" means a licensee commercial track or a tribal
23 commercial track with an annual total of more than 25 race dates with pari-mutuel
24 wagering in the previous calendar year. For the purposes of this subsection, a tribal
25 commercial track initially licensed after January 1, 2010 is presumed eligible for a
26 minimum number of race dates.

27 **Sec. 4. 8 MRSA §271, sub-§9**, as reallocated by RR 1997, c. 1, §7, is amended to
28 read:

29 **9. Previous year's dates.** Beginning with licenses issued for calendar year 1996,
30 notwithstanding any other provision of this chapter, every commercial track or tribal
31 commercial track that is licensed for a specific calendar year must be assigned all of the
32 race dates that it requests for that year if it was operating as a commercial track or tribal
33 commercial track and conducted live racing on those dates during the immediately
34 preceding calendar year. For the purposes of this section, a race date is the same from
35 year to year if it is the closest calendar date that falls on the same day of the week.

36 **Sec. 5. 8 MRSA §275-A, sub-§12** is enacted to read:

37 **12. Tribal commercial track.** "Tribal commercial track" means a harness horse
38 racing track operated by an Indian tribe federally recognized as a tribe in the State as of
39 January 1, 2010 that:

40 A. Is located more than 90 miles from a commercial track that operates slot
41 machines but within 30 miles of the operating tribe's Indian reservation in
42 Washington County as described in Title 30, chapter 601; and

43 B. Conducts harness horse racing on more than 25 days each calendar year after
44 being granted a license to conduct harness horse racing.

1 For purposes of this subsection, distance in miles is determined by measuring the distance
2 from the center of the tribal commercial track along the most commonly used roadway as
3 determined by the Department of Transportation.

4 **Sec. 6. 8 MRSA §275-C, sub-§2**, as enacted by PL 1997, c. 390, §1, is amended
5 to read:

6 **2. Payments to agricultural fairs conducting live racing.** A commercial track or
7 tribal commercial track located within a 35-mile radius of an agricultural fair track may
8 not present a simulcast on a day when the commercial track or tribal commercial track is
9 not conducting live racing and the agricultural fair track is conducting live racing unless
10 the commercial track or tribal commercial track pays the agricultural fair track 2% of the
11 wagers made at the commercial track or tribal commercial track at the time live racing is
12 being conducted at the agricultural fair track and 1% of the wagers on the other races
13 conducted on a day when live racing is being conducted at the agricultural fair track.

14 **Sec. 7. 8 MRSA §275-D, sub-§3**, as amended by PL 2003, c. 401, §12, is further
15 amended to read:

16 **3. Notice to commercial tracks or tribal commercial tracks; objections.** An
17 applicant shall send written notice of its application for an off-track betting license to any
18 commercial racetrack or tribal commercial track in whose market area the facility will be
19 located and shall present proof to the commission that it has provided the notice. The
20 notice must include all information contained in the application except information
21 described in subsection 2, paragraph Q. A commercial racetrack or tribal commercial
22 track shall notify the commission within 30 days of receiving notice if the ~~racetrack~~
23 commercial track or tribal commercial track objects to the location of the facility based
24 on adverse impact to the commercial ~~track~~ racetrack or tribal commercial track. The
25 commission shall suspend consideration of the application for the 30-day objection
26 period. If the commission receives an objection from a racetrack in whose market area
27 the facility would be located within the 30-day period, the commission shall reject the
28 application. If the commission does not receive an objection within that period, the
29 commission may proceed to consider the application. For purposes of this subsection, the
30 market area is determined by measuring a distance of 50 miles from the center of the
31 racetrack along the most commonly used roadway adjacent to the racetrack, as
32 determined by the Department of Transportation, drawing a circle around the center of
33 the racetrack using that 50-mile measurement.

34 **Sec. 8. 8 MRSA §275-D, sub-§6, ¶D**, as enacted by PL 1993, c. 388, §8, is
35 amended to read:

36 D. No commercial racetrack, tribal commercial track or off-track betting facility in
37 whose market area the facility would be located has filed a written objection to the
38 facility within the time period prescribed in subsections 3 and 4.

39 **Sec. 9. 8 MRSA §275-N**, as amended by PL 2003, c. 401, §14, is further amended
40 to read:

41 **§275-N. Limitations on off-track betting facilities**

42 The commission may not allow interstate simulcasting or license any off-track betting
43 facility for any calendar year unless during the preceding 2 calendar years there were at

1 least 150 race dates on which live racing actually was conducted at ~~the~~ a commercial
2 ~~tracks~~ track or tribal commercial track. Interstate simulcasting always must be allowed at
3 any commercial track or tribal commercial track that conducted at least 136 race dates
4 during the immediately preceding 2 calendar years or at an existing commercial track as
5 defined in section 275-A, subsection 1, paragraph B or tribal commercial track at which
6 at least 35 race dates were conducted during the preceding 2 years if the interstate
7 simulcasting at the commercial track or tribal commercial track is conducted during the
8 regular meeting. For the purposes of this section, any race date that the commission
9 determines was canceled due to a natural or other disaster must be counted as a race date.
10 For the purposes of this section and for the purpose of meeting the requirements of
11 section 275-A, subsection 1, any race date that is canceled at a commercial ~~race~~ track due
12 to the inability to meet the requirements of section 275-A, subsection 9-A because of a
13 horse shortage, as verified by the state steward, is counted as a race date.

14 **Sec. 10. 8 MRSA §286, sub-§2**, as enacted by PL 1997, c. 528, §46, is amended
15 to read:

16 **2. Off-track betting facility intrastate simulcasting.** The distribution of the
17 commission on simulcasting of races originating at a racetrack in the State by an off-track
18 betting facility is calculated as percentages of the handle and distributed as follows.

19 A. On exotic wagers:

- 20 (1) The state share is 2.248% for an off-track betting facility located in the same
21 municipality as a commercial track or tribal commercial track and 2.578% for all
22 other facilities;
- 23 (2) The Sire Stakes Fund share is 1.551%;
- 24 (3) The Stipend Fund share is 1.169%;
- 25 (4) The Harness Racing Promotional Fund share is 0.25%;
- 26 (5) The horsemen's purse share is 7.871%;
- 27 (6) The track share is 7.922%; and
- 28 (7) The off-track betting facility share is 4.659%.

29 B. On regular wagers:

- 30 (1) The state share is 0.493% for an off-track betting facility located in the same
31 municipality as a commercial track or tribal commercial track and 0.823% for all
32 other facilities;
- 33 (2) The Sire Stakes Fund share is 0.072%;
- 34 (3) The Stipend Fund share is 1.186%;
- 35 (4) The Harness Racing Promotional Fund share is 0.25%;
- 36 (5) The horsemen's purse share is 5.062%;
- 37 (6) The track share is 7.899%; and

1 (7) The off-track betting facility share is 2.718%.

2 **Sec. 11. 8 MRSA §287, sub-§5**, as amended by PL 1999, c. 622, §1, is further
3 amended to read:

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

23 **Sec. 12. 8 MRSA §287, sub-§7**, as amended by PL 2007, c. 539, Pt. G, §9 and
24 affected by §15, is further amended to read:

25 **7. Interim payments to commercial track or tribal commercial track.** If during
26 the course of any calendar year the commission finds that wagers placed at facilities
27 licensed under this chapter for the year are likely to exceed \$35,000,000, it may, if
28 reasonably necessary for improvements to be effected expeditiously, direct the Treasurer
29 of State to make interim payments to a commercial track or tribal commercial track in
30 amounts as the commission finds the commercial track or tribal commercial track is
31 likely to be entitled to receive under this section. If a commercial track or tribal
32 commercial track receives interim payments under this subsection that exceed the total
33 amount the commercial track or tribal commercial track is entitled to receive for the
34 calendar year, the Treasurer of State shall reimburse the operating account for this excess
35 by retaining money otherwise due to that commercial track or tribal commercial track
36 pursuant to section 295.

37 **Sec. 13. 8 MRSA §298, sub-§1**, as amended by PL 2007, c. 539, Pt. G, §10 and
38 affected by §15, is further amended to read:

39 **1. Fund created.** A fund is established to supplement harness racing purses to
40 which the commission shall credit all payments received pursuant to section 1036;
41 ~~subsection 2, paragraph B~~ for distribution in accordance with this section. The fund is a
42 dedicated, nonlapsing fund, and all revenues deposited in the fund remain in the fund and
43 must be disbursed in accordance with this section, except that assessments and advances

1 may be withdrawn in accordance with section 267-A. The commission shall distribute in
2 accordance with this section amounts credited to the fund.

3 **Sec. 14. 8 MRSA §299, sub-§2**, as enacted by PL 2003, c. 687, Pt. A, §4 and
4 affected by Pt. B, §11, is amended to read:

5 **2. Distribution.** On May 30th, September 30th and January 30th, all amounts
6 credited to the fund established by this section as of the last day of the preceding month
7 and not distributed before that day must be distributed to each commercial track,
8 including each tribal commercial track, licensed under section 271, with each track
9 receiving that amount of the money available for distribution determined by multiplying
10 that amount times a fraction, the numerator of which is the total number of live race days
11 conducted by the commercial track or tribal commercial track during the preceding time
12 period and the denominator of which is the total number of race days conducted by all
13 commercial tracks and tribal commercial tracks licensed under section 271 during that
14 time period. The payment in January must be adjusted so that for the prior 3 time periods
15 each commercial track or tribal commercial track receives that fraction of the total money
16 distributed over the full year from the fund established by this section, the amount
17 determined by multiplying the total amount of money times a fraction, the numerator of
18 which is the number of live race days conducted by the commercial track or tribal
19 commercial track during the calendar year and the denominator of which is the total
20 number of race days conducted by all commercial tracks and tribal commercial tracks
21 licensed under section 271 during that calendar year.'

22 Amend the bill in section 2 in subsection 5-A in the first and 2nd lines (page 1, lines
23 9 and 10 in L.D.) by striking out the following: "in Oxford County, other than a
24 commercial track," and inserting the following: 'licensed in accordance with this chapter'

25 Amend the bill by inserting after section 16 the following:

26 '**Sec. 17. 8 MRSA §1001, sub-§43-C** is enacted to read:

27 **43-C. Tribal commercial track.** "Tribal commercial track" has the same meaning
28 as in section 275-A, subsection 12.'

29 Amend the bill by striking out all of section 29 and inserting the following:

30 '**Sec. 29. 8 MRSA §1011**, as amended by PL 2005, c. 663, §6, is further amended
31 to read:

32 **§1011. License to operate**

33 The board shall exercise authority over the licensing of all persons participating in the
34 operation, distribution and maintenance of slot machines and table games and slot
35 machine facilities and casinos and over the registration of slot machines and table games.

36 **1. Operator license required for slot machine facility.** A person may not operate
37 any slot machine in a slot machine facility in the State unless the person has been issued a
38 license to operate slot machines by the board. A slot machine operator license authorizes
39 a licensee to own or lease slot machines operated at a licensed gambling facility.

40 **1-A. Operator license required for casino.** A person may not operate both slot
41 machines and table games in the State unless the person has been issued a casino operator

1 license by the board. A casino operator license authorizes a licensee to own or lease slot
2 machines and table games operated at a casino.

3 **2. Persons eligible for slot machine operator license.** The board may accept
4 applications for a license to operate slot machines from any person who is licensed to
5 operate a commercial track that satisfies the following criteria:

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

9 B. The operation of slot machines at the commercial track is approved by the voters
10 of the municipality in which the commercial track to be licensed is located by
11 referendum election held at any time after December 31, 2002 and before December
12 31, 2003.

13 **2-A. Persons eligible for casino operator license.** The board may accept an
14 application for a casino operator license to operate slot machines and table games at a
15 casino from any person that satisfies the following criteria:

16 A. The applicant is:

17 (1) Not a commercial track that was licensed to operate slot machines on January
18 1, 2010 or a tribal commercial track and the casino will be located on a parcel of
19 land in Oxford County that is no less than 50 acres in size and is located not more
20 than:

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

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

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

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

26 (e) Ten miles from a fire station;

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

30 (g) One-half mile from a state highway as defined in Title 23, section 1903,
31 subsection 15;

32 (2) The operator of a commercial track that was licensed to operate slot
33 machines on January 1, 2010; or

34 (3) A tribal commercial track located in Washington County within 30 miles of
35 reservation land of a federally recognized Indian tribe in the State as long as that
36 land was reservation land as of January 1, 2010; and

37 B. The applicant satisfies the following:

1 (1) Compliance with the criteria adopted through rulemaking by the board
2 regarding the licensing of the operation of slot machines and table games;

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

8 (3) Except for the operator of a commercial track that was licensed to operate
9 slot machines on January 1, 2010 or a tribal commercial track, the person owns a
10 facility that is within 10 miles of the proposed casino at which harness racing was
11 conducted pursuant to a license from the State Harness Racing Commission for
12 the 2009 racing year; and

13 (4) The slot machines and table games are located and operated in the casino.

14 For the purposes of this subsection, distances are determined by measuring along the
15 most commonly used roadway, as determined by the Department of Transportation.

16 **3. Requirements for license; continued commercial track licensure.** The board
17 may not issue a license to operate a slot machines machine facility or a casino to any
18 person unless that person demonstrates compliance with the qualifications set forth in
19 sections 1016 and 1019. ~~A person who is granted a license to operate slot machines must~~
20 ~~maintain a license to operate a commercial track, without lapse, suspension or revocation~~
21 ~~for the duration of the slot machine operator's license.~~ To maintain eligibility for a slot
22 machine operator license or a casino operator license, a licensed commercial track or a
23 licensed tribal commercial track must at all times maintain a license to operate a
24 commercial track issued under section 271, without lapse, suspension or revocation.

25 **4. Requirement for license; agreement with municipality where slot machines**
26 **are located.** A slot machine operator shall enter into an agreement with the municipality
27 where the slot machine operator's slot machines are located that provides for revenue
28 sharing or other compensation, including, but not limited to, a provision requiring the
29 preparation, in conjunction with the municipality, of a security plan for the premises on
30 which the slot machines are located. The revenue-sharing agreement must provide for a
31 minimum payment to the municipality of 3% of the net slot machine income derived from
32 the machines located in the municipality.

33 **5. Renewal.** Licenses to operate slot machines machine facilities or a casino may be
34 renewed upon application for renewal in accordance with this subchapter, subject to
35 board rules.'

36 Amend the bill by striking out all of sections 34 to 37 and inserting the following:

37 '**Sec. 34. 8 MRSA §1018, sub-§1**, as amended by PL 2005, c. 663, §7, is further
38 amended to read:

39 **1. Fees.** The application fee for a license and the annual fee for a registered slot
40 machine or table game under this chapter are as set out in this subsection.

41 A. The initial registration fee for a registered slot machine is \$100. The annual
42 renewal fee is \$100 for each registered slot machine.

1 A-1. The initial registration fee for a registered table game is \$100. The annual
2 renewal fee is \$100 for each registered table game.

3 B. The initial application fee for a slot machine distributor license is \$200,000. The
4 annual renewal fee is \$75,000.

5 B-1. The initial application fee for a table game distributor license is \$5,000. The
6 annual renewal fee is \$1,000.

7 C. The initial application fee for a slot machine operator license is \$200,000. The
8 annual renewal fee is \$75,000 plus an amount, set by rules of the board, equal to the
9 cost to the board of licensing slot machine operators and determined by dividing the
10 costs of administering the slot machine operator licenses by the total number of slot
11 machine operators licensed by the board.

12 D. The annual application fee for a license for a gambling services vendor is
13 \$2,000.

14 E. The initial application fee for an employee license under section 1015 is \$250.
15 The annual renewal fee is \$25.

16 F. The initial application fee for a casino operator license for an applicant that is not
17 a commercial track that was licensed to operate slot machines on January 1, 2010 or a
18 tribal commercial track is \$225,000. An applicant that is a commercial track that
19 prior to January 1, 2010 paid an initial application fee to operate a slot machine
20 facility is not required to pay an initial application fee for a casino operator license.
21 The annual renewal fee for a casino operator license for a licensee that is not a tribal
22 commercial track is \$80,000 plus an amount, set by rules of the board, equal to the
23 cost to the board of licensing casino operators and determined by dividing the costs
24 of administering the casino operator licenses by the total number of casino operators
25 licensed by the board.

26 G. The initial application fee for a casino operator license for a tribal commercial
27 track is \$75,000. The annual renewal fee for a casino operator license for a licensee
28 that is a tribal commercial track is \$24,000.

29 In addition to the application fee for a license or annual fee for a registered slot machine
30 or table game, the board may charge a one-time application fee for a license or
31 registration listed in paragraphs A to E in an amount equal to the projected cost of
32 processing the application and performing any background investigations. If the actual
33 cost exceeds the projected cost, an additional fee may be charged to meet the actual cost.
34 If the projected cost exceeds the actual cost, the difference may be refunded to the
35 applicant. All fees collected pursuant to this section must be deposited directly to the
36 General Fund, except that \$25,000 of the annual renewal fee for a slot machine operator
37 or casino operator must be deposited to the Gross Slot Income Other Special Revenue
38 Fund account within the Gambling Control Board to be transferred to the municipality in
39 which the slot ~~machines~~ are machine facility or casino is operated, in accordance with
40 subsection 2. All application and registration fees are nonrefundable and are due upon
41 submission of the application.

42 **Sec. 35. 8 MRSA §1019, sub-§6**, as enacted by PL 2003, c. 687, Pt. A, §5 and
43 affected by Pt. B, §11, is amended to read:

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6. Proximity of licensed casinos and slot machine facilities. A slot machine operator license may not be issued under this chapter at any commercial track located within 100 miles of a licensed slot machine facility or a casino. A casino operator license may not be issued to any person at a location within 100 miles of another casino, except that a tribal commercial track may operate a casino within 90 miles of another casino or a slot machine facility. This subsection does not prohibit renewal of a slot machine operator license issued prior to January 1, 2010 for the same facility where slot machines were operated as of January 1, 2010.

Sec. 36. 8 MRSA §1019, sub-§7 is enacted to read:

7. Referendum and municipal vote. After August 1, 2011, any proposed casino or slot machine facility may not be issued a license unless it has been approved by a statewide referendum vote and a vote of the municipal officers or municipality in which the casino or slot machine facility is to be located.

Sec. 37. 8 MRSA §1020, sub-§3, as amended by PL 2005, c. 663, §9, is further amended to read:

3. Limits on total slot machines. The board shall determine the number of slot machines to be registered in the State. The board shall make this determination based upon the minimum net slot machine income, when distributed pursuant to section 1036, necessary to maintain the harness horse racing industry in this State, except that:

A. The total number of slot machines registered in the State may not exceed ~~4,500~~ 3,500; and

B. A slot machine operator may not operate more than 1,500 slot machines at any one commercial track; ~~and a casino operator that is not a tribal commercial track may not operate more than 1,500 slot machines at a casino; and~~

C. A casino operator that is a tribal commercial track may not operate more than 500 slot machines at a casino.'

Amend the bill by striking out all of sections 45 and 46 and inserting the following:

'Sec. 45. 8 MRSA §1036, sub-§2-A is enacted to read:

2-A. Distribution of slot machine income from casino that is a commercial track. A casino operator that is a commercial track licensed to operate slot machines on January 1, 2010 or a tribal commercial track shall collect and distribute, except as modified by paragraph A, 49% of the net slot machine income from slot machines operated by the casino operator to the board for distribution by the board as follows:

A. Thirteen percent of the net slot machine income must be deposited to the General Fund for administrative expenses of the board, including gambling addiction counseling services, in accordance with rules adopted by the board, except that when another casino that is authorized to operate up to 1,500 slot machines has commenced operations, that amount is reduced to 10% of net slot machine income;

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

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

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

6 E. Ten percent of the net slot machine income must be forwarded by the board to the
7 State Controller to be credited to the Fund for a Healthy Maine established by Title
8 22, section 1511 and segregated into a separate account under Title 22, section 1511,
9 subsection 11, with the use of funds in the account restricted to the purposes
10 described in Title 22, section 1511, subsection 6, paragraph E. For the fiscal years
11 ending June 30, 2010, June 30, 2011 and June 30, 2012, the amount credited annually
12 by the State Controller to the Fund for a Healthy Maine under this paragraph may not
13 exceed \$4,500,000 annually and any funds in excess of \$4,500,000 annually during
14 these fiscal years must be credited as General Fund undedicated revenue;

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

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

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

27 I. Two percent of the net slot machine income must be forwarded by the board to the
28 Treasurer of State, who shall credit the money to the Fund to Stabilize Off-track
29 Betting Facilities established by section 300, as long as a facility has conducted off-
30 track wagering operations for a minimum of 250 days during the preceding 12-month
31 period in which the first payment to the fund is required. After 48 months of
32 receiving an allocation of the net slot machine income from a licensed operator, the
33 percent of net slot machine income forwarded to the Fund to Stabilize Off-track
34 Betting Facilities is reduced to 1% with the remaining 1% to be forwarded to the
35 General Fund; and

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

38 **Sec. 46. 8 MRSA §1036, sub-§2-B** is enacted to read:

39 **2-B. Distribution of slot machine income from casino.** A casino operator that is
40 not a commercial track that was licensed to operate slot machines on January 1, 2010 or a
41 tribal commercial track shall collect and distribute 46% of the net slot machine income
42 from slot machines operated by the casino operator to the board for distribution by the
43 board as follows:

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

5 B. Four percent of the net slot machine income must be forwarded by the board to
6 the University of Maine System Scholarship Fund created in Title 20-A, section
7 10909;

8 C. Three percent of the net slot machine income must be forwarded by the board to
9 the board of trustees of the Maine Community College System to be applied by the
10 board of trustees to fund its scholarships program under Title 20-A, section 12716,
11 subsection 1;

12 D. Four percent of the net slot machine income must be forwarded by the board to
13 the Treasurer of State, who shall distribute the funds to the tribal governments of the
14 Penobscot Nation and the Passamaquoddy Tribe, except that if a tribal government
15 owns or receives funds from a slot machine facility or casino, the tribal government
16 may not receive funds under this paragraph. Instead those funds must be distributed
17 as follows:

18 (1) Half of the funds must be deposited to the General Fund; and

19 (2) Half of the funds must be forwarded by the board to the Treasurer of State,
20 who shall distribute the funds to the tribal governments of any federally
21 recognized Indian tribe in the State that is not receiving funds from a slot
22 machine facility or casino that is not a tribal commercial track;

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

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

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

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

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

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

39 K. One percent of the net slot machine income must be forwarded by the board to the
40 Treasurer of State, who shall credit the money to the Department of Agriculture,
41 Food and Rural Resources to fund dairy farm stabilization pursuant to Title 7, section
42 3153-B.

COMMITTEE AMENDMENT

1 Under this amendment the casino at a tribal commercial track would be authorized to
2 operate up to 500 slot machines. Other casinos are authorized to operate up to 1,500 slot
3 machines. The total number of slot machines authorized to be operated in the State is
4 3,500 under this amendment. There are no limits on the number of table games. The
5 amendment establishes an initial fee for a casino at a tribal commercial track at \$75,000
6 with an annual renewal fee of \$24,000. An initial application fee of \$225,000 is required
7 for a casino in Oxford County. A casino that is a commercial track that was authorized to
8 operate slot machines as of January 1, 2010 would not be subject to an initial application
9 fee for a casino but would be required to pay the same \$80,000 annual renewal fee as
10 proposed in the initiated bill for the Oxford casino.

11 **FISCAL NOTE REQUIRED**

12 **(See attached)**



124th MAINE LEGISLATURE

LD 1808

LR 2625(02)

An Act To Allow a Casino in Oxford County

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Legal and Veterans Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund
 Contingent future biennium cost increase - General Fund
 Contingent future biennium cost increase - Other Special Revenue Funds
 Contingent future biennium revenue increase - General Fund
 Contingent future biennium revenue increase - Other Special Revenue Funds

Referendum Costs

Month/Year	Election Type	Question	Length
Nov-10	General	Initiated Bill	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

Fiscal Detail and Notes

The impact of this bill as amended is contingent on approval by the voters as a competing measure to the initiated bill at the referendum in November of 2010. The bill proposes to authorize a tribal commercial track and casino in Washington County, a casino in Oxford County and table games at the existing racino in Bangor. It also changes the current tax structure from 1% of gross slot machine income and 39% of net slot machine income to 46% of net slot machine income and 16% of net table game income. If approved by statewide vote, this legislation is also contingent on subsequent approval of the voters of the local governmental bodies where the casinos are proposed. Presented below is an estimate of the potential revenues that may be generated from all three facilities and the subsequent distribution of those revenues.

This estimate assumes the Bangor facility would continue to operate its existing 1,000 slot machines and would install 54 table games, the Oxford County facility would operate 1,000 slot machines and 54 table games and the Washington County facility would operate 500 slot machines and 54 table games.

The total estimated annual increase in General Fund revenue is \$9,475,136, which includes \$8,329,536 from gaming activities and \$1,145,600 from license fees. The estimated annual increase in Other Special Revenue Funds revenue is \$35,598,682. Annual state costs associated with Inspectors, State Police Detectives, an Identification Specialist, an Auditor II, contracts for monitoring services and related costs are estimated to be \$2,523,571. The timing of these impacts will depend on the timing of the local votes and the amount of time needed for construction and opening the new facilities.

	Annual Estimate
<u>Summary of Bangor Casino Revenue - Increases over March 2010 Forecast</u>	
Gross Slot Income (total value of money, tokens, credits, other value used to play a slot machine)	\$0
Player Payback - Slot Income	\$0
Gross Table Game Income (total value of money, tokens, credits, other value used to play a table game)	\$209,462,565
Player Payback -Table Game Income (assumed at 91.55% of gross income)	\$191,762,978
Net Slot Income (gross slot income - player payback)	\$0
Net Table Game Income (gross table game income - player payback)	\$17,699,587
State Share of Net Income (46% of net slot income and 16% of net table game income)	\$9,544,041
Operator Share of Net Income (54% of net slot income and 84% of net table game income)	\$15,581,945

	Annual Estimate
<u>Summary of Tribal Casino Revenue</u>	
Gross Slot Income (total value of money, tokens, credits, other value used to play a slot machine)	\$326,700,000
Player Payback - Slot Income (assumed at 91.55% of gross income)	\$299,093,850
Gross Table Game Income (total value of money, tokens, credits, other value used to play a table game)	\$92,146,154
Player Payback -Table Game Income (assumed at 91.55% of gross income)	\$84,359,804
Net Slot Income (gross slot income - player payback)	\$27,606,150
Net Table Game Income (gross table game income - player payback)	\$7,786,350
State Share of Net Income (46% of net slot income and 16% of net table game income)	\$13,921,287
Operator Share of Net Income (54% of net slot income and 84% of net table game income)	\$21,471,213

	Annual Estimate
<u>Summary of Oxford Casino Revenue</u>	
Gross Slot Income (total value of money, tokens, credits, other value used to play a slot machine)	\$653,400,000
Player Payback - Slot Income (assumed at 91.55% of gross income)	\$598,187,700
Gross Table Game Income (total value of money, tokens, credits, other value used to play a table game)	\$184,292,308
Player Payback -Table Game Income (assumed at 91.55% of gross income)	\$168,719,608
Net Slot Income (gross slot income - player payback)	\$55,212,300
Net Table Game Income (gross table game income - player payback)	\$15,572,700
State Share of Net Income (46% of net slot income and 16% of net table game income)	\$27,889,290
Operator Share of Net Income (54% of net slot income and 84% of net table game income)	\$42,895,710

<u>State Revenues by Fund</u>	Annual Estimate
<u>General Fund</u>	
From Gaming*	\$8,329,536
From Annual License Fees	<u>\$1,145,600</u>
Total General Fund Revenue	\$9,475,136
 <u>Other Special Revenue Funds</u>	
K-12 Essential Programs and Services	\$15,360,345
Maine's Penobscot and Passamaquoddy Indian Tribes	\$1,104,246
University of Maine System Scholarship Fund	\$3,087,544
Agricultural Fair Support Fund	\$1,870,702
Municipality in which casino is located	\$1,855,227
Maine Community College System Scholarship Programs	\$2,095,896
Fund to Supplement Harness Racing Purses	\$4,921,900
Sire Stakes Fund	\$1,870,702
Fund to Encourage Racing at Commercial Tracks	\$1,732,620
Fund to Stabilize Off-Track Betting	\$439,527
County in which casino is located	\$707,850
Maine Dairy Farm Stabilization Fund	<u>\$552,123</u>
Total Other Special Revenue Funds Revenue	<u>\$35,598,682</u>
 Total Revenue All Funds	 <u><u>\$45,073,818</u></u>
 <u>Summary of Expenditure Impacts to the State</u>	
<u>General Fund</u>	
- Public Safety	<u><u>\$2,523,571</u></u>

*General Fund gaming revenue of \$8,329,536 was reduced by \$7,426,400 by elimination of 1% of gross slot income at the Bangor facility.