

MAINE STATE LEGISLATURE

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Date: 4/10/12

majority

L.D. 1897
(Filing No. H-919)

VETERANS AND LEGAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1400, L.D. 1897, Bill, "An Act To Establish a Competitive Bid Process for Future Casinos and Slot Machine Facilities"

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

'An Act Regarding the Issuance of Licenses by the Gambling Control Board and To Establish a Competitive Bidding Process for Future Operation of Slot Machines and Table Games in the State'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

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

2-B. Licenses for a slot machine facility or casino issued on or after September 1, 2012. Beginning September 1, 2012, the board may not accept any application for an initial license to operate a slot machine facility or casino or any other gambling facility for which the board has licensing authority where slot machines or table games may be operated. This subsection does not apply to a casino licensed for operation in the State as of September 1, 2012.

Sec. 2. 8 MRSA §1018, sub-§1-A is enacted to read:

1-A. Fees for slot machine and casino operator licenses on or after September 1, 2012. Notwithstanding subsection 1, paragraphs C and C-1, beginning September 1, 2012, an applicant for a slot machine operator license or a casino operator license must pay a \$250,000 nonrefundable privilege fee to be submitted with the application for the license and a minimum license fee, or cash bid if the license is part of a competitive bidding process established by law, of \$5,000,000. This subsection does not apply to a casino licensed for operation in the State as of September 1, 2012.

Sec. 3. Commission established to develop a competitive bidding process for the operation of additional casinos or slot machine facilities. Notwithstanding Joint Rule 353, the Commission To Develop a Competitive Bidding

COMMITTEE AMENDMENT

1 Process for the Operation of Additional Casinos or Slot Machine Facilities, known in this
2 section as "the commission," is established as follows.

3 **1. Membership.** The membership of the commission is as follows:

4 A. Two Senators who are not enrolled in the same political party and who serve on
5 the joint standing committee of the Legislature having jurisdiction over casino
6 matters appointed by the President of the Senate;

7 B. Two members of the House of Representatives who are not enrolled in the same
8 political party and who serve on the joint standing committee of the Legislature
9 having jurisdiction over casino matters appointed by the Speaker of the House;

10 C. One representative from each federally recognized Indian tribe in the State who
11 expresses interest in serving on the commission appointed by the President of the
12 Senate;

13 D. A representative of charitable nonprofit organizations, as described in the federal
14 Internal Revenue Code of 1986, Sections 501(c)(8) and 501(c)(10), in the State that
15 conduct beano or games of chance appointed by the Speaker of the House;

16 E. A representative of veterans' service organizations in the State that conduct beano
17 or games of chance appointed by the Speaker of the House;

18 F. A representative of the harness horse racing industry in the State appointed by the
19 President of the Senate;

20 G. An operator or representative of a commercial harness horse racing track in the
21 State that is not authorized to operate slot machines appointed by the Speaker of the
22 House;

23 H. An off-track betting facility operator licensed in the State appointed by the
24 President of the Senate;

25 I. An operator or representative of each casino licensed in the State appointed by the
26 Speaker of the House;

27 J. An economist or consultant with experience studying the gambling industry
28 appointed by the President of the Senate; and

29 K. Representatives from 2 groups who represent those who oppose the expansion of
30 gambling in the State, one from a statewide religious organization, appointed by the
31 Speaker of the House.

32 **2. Appointments; cochair.** Appointments to the commission must be made by
33 February 1, 2013. The first-named Senate member and the first-named House of
34 Representatives member are cochair of the commission.

35 **3. Commission duties.** The commission shall examine the impact of existing casinos
36 on local economies and the state economy overall and any impacts on other forms of
37 legal gambling conducted within the State. The commission shall examine the impact of
38 the establishment of casinos or similar facilities in the states of New Hampshire and
39 Massachusetts and neighboring provinces in Canada on the state economy and on the
40 revenue generated by existing casinos in the State. The commission shall also gather
41 information to determine the potential market for the establishment of new gambling
42 opportunities in the State. The commission shall consider the feasibility of the licensing

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1 of expanded gambling activities by persons or groups who are eligible for existing
2 licenses to conduct games of chance, beano, high-stakes beano, harness horse racing and
3 off-track betting, including but not limited to the operation of slot machines and table
4 games. The commission shall develop recommendations for a competitive bidding
5 process for the privilege to submit an application to the Department of Public Safety,
6 Gambling Control Board for the operation of a slot machine facility or a casino. The
7 recommendation for a competitive bidding process must include a minimum
8 nonrefundable application privilege fee of \$250,000 as provided in the Maine Revised
9 Statutes, Title 8, section 1018, subsection 1-A. The recommendation must also include a
10 minimum cash bid or license fee of \$5,000,000 in order to submit an application to the
11 Gambling Control Board for an initial license to operate a slot machine facility or a
12 casino.

13 **4. Meetings; compensation.** The commission shall hold no more than 6 meetings.
14 The commission may seek comment from members of the public to assist in the
15 development of the recommendations required by subsection 3. Legislative members are
16 entitled to receive the legislative per diem and reimbursement of necessary expenses for
17 their attendance at authorized meetings of the commission when the Legislature is not in
18 session.

19 **5. Report and legislation.** By February 15, 2014, the commission shall submit a
20 report based on its findings under subsection 3, including any recommendations for
21 legislation, to the joint standing committee of the Legislature having jurisdiction over
22 casino matters, which is authorized to report out a bill to the Second Regular Session of
23 the 126th Legislature.

24 **6. Staff.** The Department of Administrative and Financial Services shall provide
25 staff to the commission. The Office of Policy and Legal Analysis shall provide drafting
26 assistance to the commission.'

27 **SUMMARY**

28 This amendment replaces the bill. It prohibits the Department of Public Safety,
29 Gambling Control Board from accepting applications or issuing licenses to operate a slot
30 machine facility or a casino beginning September 1, 2012. It establishes the Commission
31 To Develop a Competitive Bidding Process for the Operation of Additional Casinos or
32 Slot Machine Facilities, which is made up of Legislators and stakeholders, to consider the
33 economic impacts of existing casinos and the development of new casinos and directs the
34 commission to develop recommendations for a competitive bidding process for slot
35 machine facilities and casinos that may be authorized in the future. It establishes a
36 nonrefundable application privilege fee of \$250,000 for any future slot machine facility
37 or casino operator license and sets a minimum license fee, or cash bid if a competitive
38 bidding process is established, of \$5,000,000.

39 **FISCAL NOTE REQUIRED**

40 (See attached)



125th MAINE LEGISLATURE

LD 1897

LR 2845(02)

An Act To Establish a Competitive Bid Process for Future Casinos and Slot Machine Facilities

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-919)

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

Legislative Cost/Study

Minor cost increase - General Fund

Minor cost increase - State Lottery Fund

Legislative Cost/Study

The estimated costs for the per diem and expenses of the legislative members serving on the Commission to Develop a Competitive Bidding Process for the Operation of Additional Casinos or Slot Machine Facilities in the State are projected to be \$560 in fiscal year 2012-13 and \$2,000 in fiscal year 2013-14. The Legislature's proposed budget includes \$10,000 in fiscal year 2012-13 for legislative studies. Whether this amount is sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature.

Fiscal Detail and Notes

Additional costs to the Department of Administrative and Financial Services associated with providing staff assistance to the commission can be absorbed within existing budgeted resources.