

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

SECOND REGULAR SESSION-2012

Legislative Document

No. 1897

H.P. 1400

House of Representatives, March 22, 2012

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

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative BEAULIEU of Auburn.
Cosponsored by Senator FARNHAM of Penobscot.

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

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

3 **2-B. Licenses for a slot machine facility or casino issued after September 1,**
4 **2012.** After September 1, 2012, the board may not accept any application for an initial
5 license to operate a slot machine facility or casino, or any other gambling facility for
6 which the board has licensing authority where slot machines or table games may be
7 operated, unless the applicant has been selected by a process of competitive bidding as
8 prescribed in section 1011-A.

9 **Sec. 2. 8 MRSA §1011-A** is enacted to read:

10 **§1011-A. Privilege to submit application for a license to operate subject to**
11 **competitive bid**

12 After September 1, 2012, a person is eligible to submit an application to the board for
13 a license to operate a slot machine facility, casino or other gambling facility under the
14 licensing authority of the board where slot machines or table games will be operated if
15 that person has been determined the successful bidder for the privilege to operate such a
16 facility in accordance with the minimum standards prescribed by this section. Upon
17 notification from the board of the enactment of legislation authorizing the board to issue a
18 license for the operation of a slot machine facility, casino or gambling facility, the
19 Commissioner of Administrative and Financial Services is authorized to award the right
20 to submit an application to the board using the competitive bid process as prescribed by
21 Title 5, chapter 155 and further prescribed by this section. Notwithstanding Title 5,
22 section 1825-B, subsection 2, the commissioner is prohibited from waiving the
23 competitive bidding requirement.

24 **1. Privilege fee.** The nonrefundable privilege fee for the right to submit an
25 application to the board is \$250,000, which must be deposited into the Gross Slot Income
26 Other Special Revenue Funds Account within the board.

27 **2. Minimum cash bid.** The minimum cash bid for the right to submit an application
28 to the board is \$5,000,000. The minimum cash bid includes any initial application fee
29 that is required for an operator license under section 1018. An amount equal to the initial
30 application fee required under section 1018 must be deposited into the Gross Slot Income
31 Other Special Revenue Funds Account within the board.

32 **3. Additional requirements.** In addition to the minimum cash bid under subsection
33 2, a proposal for the right to submit an application to the board must include a proposal to
34 share a portion of the net income from the operation of slot machines and table games
35 with the General Fund. The proposal must also include a commitment to establish a site
36 for the gambling facility in a location that provides for hotel accommodations with a
37 minimum of 150 rooms, conference facilities to accommodate a minimum of 300 persons
38 and an entertainment venue with a minimum seating capacity of 500 persons. A proposal
39 must include a business plan for the gambling facility and additional accommodations
40 that includes an analysis of the economic effect of the gambling facility and additional

1 accommodation on the state economy and the local economy of the gambling facility's
2 location.

3 **4. Successful bidder.** The privilege to submit an application to the board must be
4 awarded to the bidder whose proposal provides the greatest economic benefit to the
5 General Fund of the State and the local economy where the gambling facility is to be
6 located.

7 **5. Rules.** The Commissioner of Administrative and Financial Services is authorized
8 to adopt rules to facilitate the competitive bid process for the privilege to submit an
9 application to the board under this section. Rules adopted in accordance with this
10 subsection are major substantive rules as prescribed by Title 5, chapter 375, subchapter
11 2-A.

12 **6. Limitation.** This section may not be construed to authorize the Commissioner of
13 Administrative and Financial Services to issue a request for proposals to bid on the
14 privilege to submit an application to the board to operate a slot machine facility, casino or
15 other gambling facility where slot machines or table games will be operated without
16 notification from the board that legislation has been enacted authorizing a license to
17 operate a casino, slot machine facility or other gambling facility where slot machines or
18 table games will be operated.

19 **Sec. 3. Report.** By March 15, 2013, the Commissioner of Administrative and
20 Financial Services shall report to the joint standing committee of the Legislature having
21 jurisdiction over casino matters. The report must include a draft of a request for
22 proposals that would be issued based on the parameters established by this Act if a
23 license for a slot machine facility, casino or other gambling facility under the licensing
24 authority of the Department of Public Safety, Gambling Control Board became available.
25 The report must also include a description of the process that would be followed in
26 considering bids received for the privilege to submit an application for a slot machine
27 facility, casino or other gambling facility under the licensing authority of the Gambling
28 Control Board.

29 SUMMARY

30 This bill provides that, after September 1, 2012, the Department of Public Safety,
31 Gambling Control Board may not accept an application for an initial license to operate a
32 slot machine facility, casino or any other gambling facility for which the board has
33 licensing authority where slot machines or table games may be operated unless the
34 applicant has been selected by a process of competitive bidding. Upon notification from
35 the board of the enactment of legislation authorizing the board to issue a license for the
36 operation of a slot machine facility, casino or gambling facility, the Commissioner of
37 Administrative and Financial Services is authorized to award the right to submit an
38 application to the board using a competitive bid process that includes a number of
39 requirements specified in the bill. By March 15, 2013, the commissioner is required to
40 report to the joint standing committee of the Legislature having jurisdiction over casino
41 matters a draft of a request for proposals that would be issued based on the parameters

1 established by the bill if a license for a slot machine facility, casino or other gambling
2 facility under the licensing authority of the board became available.