

MAINE STATE LEGISLATURE

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S.M.C.
R. of S.

L.D. 1298

Date: 2/26/14

(Filing No. H-629)

Minority

VETERANS AND LEGAL AFFAIRS

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 925, L.D. 1298, Bill, "An Act To Authorize the Houlton Band of Maliseet Indians To Operate a Casino in Aroostook County"

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

Sec. 1. 7 MRSA §82, sub-§5, as amended by PL 2011, c. 358, §1, is further amended to read:

5. Rulemaking. The commissioner shall adopt rules to establish procedures for licensing and awarding dates for agricultural fairs and performance standards for evaluating agricultural fairs. The commissioner, in consultation with the executive director of the State Harness Racing Commission, shall adopt rules that require agricultural fairs that receive a distribution of slot machine revenue in accordance with Title 8, section 1036, ~~subsection~~ subsections 2, 2-A and 2-D to submit information regarding the use of that revenue sufficient for the executive director to submit the report required by Title 8, section 1037. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 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, subsection 2-A, paragraph G and subsection 2-D, paragraph G. 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deposited in the fund must be disbursed in accordance with this section, except that assessments and advances may be withdrawn in accordance with Title 8, section 267-A.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. 3. 7 MRSA §2910-B, first ¶, as enacted by PL 2011, c. 625, §1, is amended to read:

The commissioner shall administer the Dairy Improvement Fund established under Title 10, section 1023-P in accordance with this section and Title 10, section 1023-P. All

COMMITTEE AMENDMENT

R. of S.

COMMITTEE AMENDMENT "A" to H.P. 925, L.D. 1298

1 money received by the fund from any source, including revenue distributed under Title 8,
2 section 1036, subsection 2-A, paragraph M and subsection 2-D, paragraph L, must be
3 deposited with the Finance Authority of Maine and credited to the fund. Money credited
4 to the fund must be used to provide loans to assist dairy farmers in making capital
5 improvements to maintain and enhance the viability of their farms and to pay the
6 administrative costs of processing loan applications and servicing and administering the
7 fund and loans made from the fund. Repayment of these loans and interest on the loans
8 must be credited to the fund to be available for the same purposes.

9 **Sec. 4. 8 MRSA §272-B, sub-§1, ¶E**, as enacted by PL 2007, c. 211, §1 and
10 affected by §2, is amended to read:

11 E. The fund to supplement harness racing purses established under section 298 and
12 receiving payment pursuant to section 1036, subsection 2, paragraph B, subsection
13 2-A, paragraph H and subsection 2-D, paragraph H; and

14 **Sec. 5. 8 MRSA §298, sub-§1**, as amended by PL 2007, c. 539, Pt. G, §10 and
15 affected by §15, is further amended to read:

16 **1. Fund created.** A fund is established to supplement harness racing purses to
17 which the commission shall credit all payments received pursuant to section 1036,
18 subsection 2, paragraph B, subsection 2-A, paragraph H and subsection 2-D, paragraph H
19 for distribution in accordance with this section. The fund is a dedicated, nonlapsing fund,
20 and all revenues deposited in the fund remain in the fund and must be disbursed in
21 accordance with this section, except that assessments and advances may be withdrawn in
22 accordance with section 267-A. The commission shall distribute in accordance with this
23 section amounts credited to the fund.

24 **Sec. 6. 8 MRSA §1011, sub-§2-C** is enacted to read:

25 **2-C. Houlton Band of Maliseet Indians eligible for casino operator license.**
26 Notwithstanding subsection 2-B and only if the voters of Aroostook County at
27 referendum approve the operation of a casino pursuant to section 1019, subsection 7, the
28 board may accept an application for a casino operator license from the Houlton Band of
29 Maliseet Indians to operate slot machines and table games at a casino on the North Road
30 property of the Houlton Band of Maliseet Indians in the Town of Houlton in Aroostook
31 County.

32 **Sec. 7. 8 MRSA §1018, sub-§1-A**, as enacted by PL 2011, c. 699, §2, is amended
33 to read:

34 **1-A. Fees for slot machine and casino operator licenses on or after September 1,**
35 **2012.** Notwithstanding subsection 1, paragraphs C and C-1, beginning September 1,
36 2012, an applicant for a slot machine operator license or a casino operator license must
37 pay a \$250,000 nonrefundable privilege fee to be submitted with the application for the
38 license and a minimum license fee, or cash bid if the license is part of a competitive
39 bidding process established by law, of \$5,000,000. This subsection does not apply to a
40 casino licensed for operation in the State as of September 1, 2012 or a license authorizing
41 the operation of a casino by the Houlton Band of Maliseet Indians as provided by section
42 1011, subsection 2-C.

R. of S.

1 **Sec. 8. 8 MRSA §1019, sub-§7**, as amended by PL 2011, c. 417, §6, is further
2 amended to read:

3 **7. Statewide and county referendum; municipal vote.** After January 1, 2011, any
4 proposed casino or slot machine facility may not be issued a license unless it has been
5 approved by a statewide referendum vote and a vote of the municipal officers or
6 municipality in which the casino or slot machine facility is to be located, except that a
7 commercial track licensed to operate slot machines on January 1, 2011 is only required,
8 as a condition to obtain a casino license, to receive approval to operate a casino by means
9 of a referendum of the voters of the county in which the commercial track is located.
10 Notwithstanding this subsection, a casino operated by the Houlton Band of Maliseet
11 Indians is required, as a condition to obtain a casino operator license, to receive approval
12 to operate a casino by means of a referendum only of the voters of Aroostook County.

13 **Sec. 9. 8 MRSA §1020, sub-§3, ¶A**, as amended by PL 2011, c. 585, §8, is
14 further amended to read:

15 A. Except for slot machines used for training and educational purposes at
16 postsecondary institutions as provided by section 1011, subsection 1-B, the total
17 number of slot machines registered in the State may not exceed ~~3,000~~ 3,750; and

18 **Sec. 10. 8 MRSA §1036, sub-§2-A**, as amended by PL 2013, c. 118, §2, is
19 further amended to read:

20 **2-A. Distribution from casino of slot machine income.** A casino operator, except
21 a casino operator licensed under section 1011, subsection 2-C, shall collect and distribute
22 46% of the net slot machine income from slot machines operated by the casino operator
23 to the board for distribution by the board as follows:

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

28 B. Four percent of the net slot machine income must be forwarded by the board to
29 the University of Maine System Scholarship Fund created in Title 20-A, section
30 10909 and to the Board of Trustees of the Maine Maritime Academy to be applied by
31 the board of trustees to fund its scholarship program. The slot machine income under
32 this paragraph must be distributed as follows:

33 (1) The University of Maine System share is the total amount of the distribution
34 multiplied by the ratio of enrolled students in the system to the total number of
35 enrolled students both in the system and at the Maine Maritime Academy; and

36 (2) The Maine Maritime Academy share is the total amount of the distribution
37 multiplied by the ratio of enrolled students at the academy to the total number of
38 enrolled students both in the system and at the academy;

39 C. Three percent of the net slot machine income must be forwarded by the board to
40 the Board of Trustees of the Maine Community College System to be applied by the
41 board of trustees to fund its scholarships program under Title 20-A, section 12716,
42 subsection 1;

H. of S.

COMMITTEE AMENDMENT "A" to H.P. 925, L.D. 1298

- 1 D. Four percent of the net slot machine income must be forwarded by the board to
- 2 the Treasurer of State, who shall distribute the funds to the tribal governments of the
- 3 Penobscot Nation and the Passamaquoddy Tribe;
- 4 E. Three percent of the net slot machine income must be deposited to the General
- 5 Fund for administrative expenses of the board, including gambling addiction
- 6 counseling services, in accordance with rules adopted by the board;
- 7 F. Two percent of the net slot machine income must be forwarded directly to the
- 8 municipality in which the casino is located;
- 9 G. One percent of the net slot machine income must be forwarded by the board to the
- 10 Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund
- 11 established in Title 7, section 91;
- 12 H. One percent of the net slot machine income must be forwarded by the board to the
- 13 Treasurer of State, who shall credit the money to the fund established in section 298
- 14 to supplement harness racing purses;
- 15 I. One percent of the net slot machine income must be credited by the board to the
- 16 Sire Stakes Fund created in section 281;
- 17 J. One percent of the net slot machine income must be forwarded directly to the
- 18 county in which the casino is located to pay for mitigation of costs resulting from
- 19 gaming operations;
- 20 L. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
- 21 forwarded by the board to the Treasurer of State, who shall credit the money to the
- 22 Maine Milk Pool, Other Special Revenue Funds account within the Department of
- 23 Agriculture, Conservation and Forestry to help fund dairy farm stabilization pursuant
- 24 to Title 7, sections 3153-B and 3153-D; and
- 25 M. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
- 26 forwarded by the board to the Treasurer of State, who shall credit the money to the
- 27 Dairy Improvement Fund established under Title 10, section 1023-P.

28 If a recipient of net slot machine income in paragraph D, H or I owns or receives funds
29 from a slot machine facility or casino, other than the casino in Oxford County, a casino
30 operated by the Houlton Band of Maliseet Indians or the slot machine facility in Bangor,
31 then the recipient may not receive funds under this subsection, and those funds must be
32 retained by the Oxford County casino operator or the Houlton Band of Maliseet Indians.

33 **Sec. 11. 8 MRSA §1036, sub-§§2-D and 2-E** are enacted to read:

34 **2-D. Distribution of slot machine income from casino operated by the Houlton**
35 **Band of Maliseet Indians.** A casino operator licensed in accordance with section 1011,
36 subsection 2-C shall collect and distribute 35% of the net slot machine income from slot
37 machines operated by the casino operator to the board for distribution by the board as
38 follows:

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

COMMITTEE AMENDMENT

1 B. Three percent of the net slot machine income must be forwarded by the board to
2 the University of Maine System Scholarship Fund created in Title 20-A, section
3 10909 and to the Board of Trustees of the Maine Maritime Academy to be applied by
4 the board of trustees to fund its scholarship program. The slot machine income under
5 this paragraph must be distributed as follows:

6 (1) The University of Maine System share is the total amount of the distribution
7 multiplied by the ratio of enrolled students in the system to the total number of
8 enrolled students both in the system and at the Maine Maritime Academy; and

9 (2) The Maine Maritime Academy share is the total amount of the distribution
10 multiplied by the ratio of enrolled students at the academy to the total number of
11 enrolled students both in the system and at the academy;

12 C. Two percent of the net slot machine income must be forwarded by the board to
13 the Board of Trustees of the Maine Community College System to be applied by the
14 board of trustees to fund its scholarships program under Title 20-A, section 12716,
15 subsection 1;

16 D. Nine percent of the net slot machine income must be forwarded by the board to
17 the Treasurer of State, who shall distribute the funds equally and directly to each of
18 the tribal governments of the Penobscot Nation, the Passamaquoddy Tribe and the
19 Aroostook Band of Micmacs;

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

23 F. Three percent of the net slot machine income must be forwarded directly to the
24 Town of Houlton;

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

28 H. 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 fund established in section 298
30 to supplement harness racing purses;

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

33 J. Two percent of the net slot machine income must be forwarded directly to
34 Aroostook County to pay for mitigation of costs resulting from gaming operations;

35 K. One half of 1% of the net slot machine income must be forwarded by the board to
36 the Treasurer of State, who shall credit the money to the Maine Milk Pool, Other
37 Special Revenue Funds account within the Department of Agriculture, Conservation
38 and Forestry to help fund dairy farm stabilization pursuant to Title 7, sections 3153-B
39 and 3153-D;

40 L. One half of 1% of the net slot machine income must be forwarded by the board to
41 the Treasurer of State, who shall credit the money to the Dairy Improvement Fund
42 established under Title 10, section 1023-P; and

A. of S.

1 M. One percent of the net slot machine income must be forwarded by the board to
2 the Treasurer of State, who shall credit the money to the Coordinated Veterans
3 Assistance Fund established in Title 37-B, section 514.

4 2-E. Distribution of table game income from casino operated by the Houlton
5 Band of Maliseet Indians. A casino operator licensed in accordance with section 1011,
6 subsection 2-C shall collect and distribute 10% of the net table game income from table
7 games operated by the casino operator to the board for distribution by the board as
8 follows:

9 A. Two percent of the net table game income must be forwarded by the board to the
10 Treasurer of State, who shall credit the money to the Department of Education, to be
11 used to supplement and not to supplant funding for essential programs and services
12 for kindergarten to grade 12 under Title 20-A, chapter 606-B;

13 B. Two percent of the net table game income must be deposited to the Gambling
14 Control Board administrative expenses Other Special Revenue Funds account, which
15 is a nonlapsing dedicated account;

16 C. Two percent of the net table game income must be forwarded by the board to the
17 Treasurer of State, who shall credit the money to the Coordinated Veterans
18 Assistance Fund established in Title 37-B, section 514; and

19 D. Four percent of the net table game income must be forwarded directly to
20 Aroostook County.

21 **Sec. 12. 8 MRSA §1037, first ¶**, as enacted by PL 2011, c. 358, §6 and amended
22 by c. 657, Pt. W, §6, is further amended to read:

23 Beginning February 15, 2012, the executive director of the State Harness Racing
24 Commission, in consultation with the Commissioner of Agriculture, Conservation and
25 Forestry, annually shall submit a report to the joint standing committees of the
26 Legislature having jurisdiction over slot machines, harness racing, agricultural fairs and
27 appropriations and financial affairs regarding the use of slot machine revenue deposited
28 in funds under section 1036, subsection 2, paragraphs B, C, D, H and I, subsection 2-A,
29 paragraphs G, H and I and subsection 2-D, paragraphs G, H and I. The executive director
30 and the commissioner shall obtain the information as described in this section. The report
31 required by this section must be completed using budgeted resources. The executive
32 director may not distribute funds listed under section 1036, subsection 2, subsection 2-A
33 and subsection 2-D, as applicable, to harness racing tracks, off-track betting facilities,
34 agricultural fairs or the Sire Stakes Fund under section 281 until the information required
35 to submit the report required by this section is provided.

36 **Sec. 13. 8 MRSA §1037, sub-§1**, as enacted by PL 2011, c. 358, §6, is amended
37 to read:

38 **1. Commercial tracks.** A report required by this section must include the following
39 information from commercial tracks licensed in accordance with chapter 11 that receive a
40 distribution of slot machine revenue under section 1036, subsection 2, paragraph B, D or
41 H, subsection 2-A, paragraph G, H or I or subsection 2-D, paragraph G, H or I:

42 A. The total amount wagered on live harness races;

A. 4. 8.

COMMITTEE AMENDMENT "A" to H.P. 925, L.D. 1298

- 1 B. The total amount wagered on intrastate simulcast races;
- 2 C. The total amount wagered on interstate simulcast races;
- 3 D. The number of harness races originated in the State and made available for
- 4 simulcast outside of the State;
- 5 E. The amount of the harness racing handle from wagers at the commercial track
- 6 kept by that commercial track and the distribution of the handle to the State and
- 7 industry recipients under section 286;
- 8 F. The amount received from the handle distribution from wagers at other tracks and
- 9 off-track betting facilities under section 286;
- 10 G. The amount of revenue received in accordance with section 1036, subsection 2,
- 11 paragraphs B, D and H, subsection 2-A, paragraphs G, H and I and subsection 2-D,
- 12 paragraphs G, H and I;
- 13 H. The number of full-time and part-time employees at the commercial track;
- 14 I. The amount, if any, spent on capital improvements to the commercial track and
- 15 related facilities and a description of those improvements. The first report must
- 16 include the amount spent since November 2005, shown by year. Subsequent annual
- 17 reports must include the amount spent on capital improvements the immediately
- 18 preceding calendar year;
- 19 J. Operating costs for the commercial track;
- 20 K. Profit and loss or depreciation figures for the commercial track; and
- 21 L. Administrative costs to comply with reporting requirements and contributions to
- 22 the State Harness Racing Commission's operating account described in section
- 23 267-A.

24 **Sec. 14. 8 MRSA §1037, sub-§2, ¶E,** as enacted by PL 2011, c. 358, §6 and
25 amended by c. 657, Pt. W, §6, is further amended to read:

- 26 E. The amounts, reported separately, of revenue received in accordance with section
- 27 1036, subsection 2, paragraphs B and D, subsection 2-A, paragraphs G and H and
- 28 subsection 2-D, paragraphs G and H, in accordance with the Stipend Fund under Title
- 29 7, section 86 and from any other source in accordance with rules adopted under
- 30 section 263-A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the
- 31 Commissioner of Agriculture, Conservation and Forestry or the State Harness Racing
- 32 Commission; and

33 **Sec. 15. 8 MRSA §1037, sub-§3, ¶B,** as enacted by PL 2011, c. 358, §6 and
34 amended by c. 657, Pt. W, §6, is further amended to read:

- 35 B. The amounts, reported separately, received from slot machine revenue in
- 36 accordance with section 1036, subsection 2, paragraph D, subsection 2-A, paragraph
- 37 G and subsection 2-D, paragraph G, in accordance with the Stipend Fund under Title
- 38 7, section 86 and from any other source in accordance with rules adopted under
- 39 section 263-A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the
- 40 Commissioner of Agriculture, Conservation and Forestry or the State Harness Racing
- 41 Commission; and

COMMITTEE AMENDMENT

7. 4. 3.

1 **Sec. 16. 8 MRSA §1037, sub-§4**, as enacted by PL 2011, c. 358, §6, is amended
2 to read:

3 **4. Breeders and owners within the Maine Standardbred program.** A report
4 required by this section must include the following information from horse breeders and
5 owners within the Maine Standardbred program established pursuant to section 281 who
6 receive a distribution under section 1036, subsection 2, paragraph C, subsection 2-A,
7 paragraph I and subsection 2-D, paragraph I:

8 A. The number of mares bred by each Maine Standardbred stallion as reported to the
9 State Harness Racing Commission;

10 B. An assessment of whether the number of Maine Standardbred horses in the State
11 is sufficient to grow and sustain harness racing in the State;

12 C. The number of yearling horses eligible and nominated to participate in sire stakes
13 racing;

14 D. The amount received from slot machine revenue in accordance with section 1036,
15 subsection 2, paragraph C, subsection 2-A, paragraph I and subsection 2-D,
16 paragraph I;

17 E. The total number of qualifying dashes for sire stakes races and the average purse
18 for each dash sorted by the age of the horse and the average purse for each sire stakes
19 final dash sorted by the age of the horse; and

20 F. An accounting of the Sire Stakes Fund, including the total amount of the fund at
21 the beginning and end of the racing season and, reported separately, expenditures
22 used to supplement purses, pay breeder promotional contracts, pay advertising costs,
23 make payments to a statewide horsemen association, pay administrative costs and
24 make contributions to the operating account described in section 267-A.

25 **Sec. 17. 8 MRSA §1037, sub-§6**, as enacted by PL 2011, c. 358, §6, is amended
26 to read:

27 **6. Other recipients.** The Fund for a Healthy Maine's program providing
28 prescription drugs for adults who are elderly or disabled, the University of Maine System
29 and the Maine Community College System shall submit reports that include the amount
30 of slot machine revenue received under section 1036, ~~subsection~~ subsections 2, 2-A and
31 2-D and how that revenue was used to meet the statutory requirements ~~cited in section~~
32 1036, subsection 2, paragraphs E, F and G, respectively of those distributions.

33 **Sec. 18. 8 MRSA §1054, sub-§8**, as enacted by PL 2003, c. 687, Pt. A, §5 and
34 affected by Pt. B, §11, is amended to read:

35 **8. Failure to deposit funds.** Violates section 1036, ~~subsection 2~~; or

36 **Sec. 19. 10 MRSA §1023-P, first ¶**, as enacted by PL 2011, c. 625, §5 and
37 amended by c. 657, Pt. W, §6, is further amended to read:

38 The Dairy Improvement Fund, referred to in this section as "the fund," is created.
39 The fund must be deposited with and maintained by the authority. The Commissioner of
40 Agriculture, Conservation and Forestry shall administer the fund in accordance with Title
41 7, section 2910-B and this section. All money received by the authority in accordance

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with Title 7, section 2910-B and Title 8, section 1036, subsection 2-A, paragraph M and subsection 2-D, paragraph L must be credited to the fund. Money credited to the fund must be used to provide loans to assist dairy farmers in making capital improvements to maintain and enhance the viability of their farms and to pay the administrative costs of processing loan applications and servicing and administering the fund and loans made from the fund.

Sec. 20. 20-A MRSA §15671, sub-§5-A, as enacted by PL 2013, c. 368, Pt. C, §5, is amended to read:

5-A. Funds from casino slot machines or table games. Revenues received by the department from casino slot machines or casino table games pursuant to Title 8, section 1036, subsection 2-A, paragraph A or, Title 8, section 1036, subsection 2-B, paragraph A, Title 8, section 1036, subsection 2-D, paragraph A or Title 8, section 1036, subsection 2-E, paragraph A must be distributed as general purpose aid for local schools, and each school administrative unit shall make its own determination as to how to allocate these resources. Neither the Governor nor the Legislature may divert the revenues payable to the department to any other fund or for any other use. Any proposal to enact or amend a law to allow distribution of the revenues paid to the department from casino slot machines or casino table games for another purpose must be submitted to the Legislative Council and to the joint standing committee of the Legislature having jurisdiction over education matters at least 30 days prior to any vote or public hearing on the proposal.

Sec. 21. Referendum; effective date. This Act must be submitted to the legal voters of Aroostook County at a countywide election held following passage of this Act. The municipal officers of Aroostook County shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a countywide election, to vote on the acceptance or rejection of this Act by voting on the following question:

"Do you favor the operation of slot machines and table games by the Houlton Band of Maliseet Indians at a gaming facility located on U.S. Route 1, North Road in the Town of Houlton?"

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.

This Act takes effect immediately upon its acceptance by a majority of the legal voters voting in the election.

The result of the vote must be declared by the Aroostook County commissioners and due certificate must be filed by the commissioners with the Secretary of State.

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

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SUMMARY

This amendment, which is the minority report of the committee, replaces the bill. The amendment, like the bill, authorizes the Gambling Control Board within the Department of Public Safety to license the Houlton Band of Maliseet Indians to operate a casino in Aroostook County. Unlike the bill, which exempts the authorization from approval via referendum, the amendment provides that the license is contingent upon approval by the voters of Aroostook County. The amendment also provides language that exempts the casino from being subject to competitive bidding. The amendment provides for a distribution of 35% of the net slot machine revenue and 10% of the table game revenue from the casino.

FISCAL NOTE REQUIRED

(See attached)



126th MAINE LEGISLATURE

LD 1298

LR 1068(02)

An Act To Authorize the Houlton Band of Maliseet Indians To Operate a Casino in Aroostook County

Fiscal Note for Bill as Amended by Committee Amendment "A(H-629)"

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

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

Fiscal Detail and Notes

This legislation allows the Gambling Control Board to accept an application for a casino operator license from the Houlton band of Maliseet Indians. Issuance of a license is contingent upon approval by means of a referendum of the voters of Aroostook County. This facility would be taxed at the rate of 35% of net slot income and 10% of net table game income.

Presented below is an estimate of the potential revenues that may be generated from the new facility and the subsequent distribution of those revenues. This fiscal note assumes a total of 500 slot machines and 10 table games, generating annual revenue of \$206,776 for the State's General Fund and \$7,753,268 for various other funds. The Gambling Control Board, Other Special Revenue Funds account would also receive license fees of \$688,000 in the first year and \$285,000 for license renewals in subsequent years. Annual state costs associated with 5 inspectors, an auditor and other related expenses are estimated to be \$481,478.

This legislation could have a significant impact on revenues generated by the Hollywood and Oxford Casinos. An assessment of the impact has not been done at this time.

	Annual Estimate
Summary of Casino Revenue	
Gross Slot Income (total value of money, tokens, credits, other value used to play a slot machine)	\$200,750,000
Player Payback - Slot Income	\$180,072,750
Net Slot Income	\$20,677,250
Share of Net Slot Income for Distribution - 35%	\$7,237,038
Operator Share of Net Slot Income - 65%	\$18,609,525
 Net Table Game Income	 \$4,380,000

C.A. (H-629)

Share of Net Table Game Income for Distribution - 10%	\$438,000
Operator Share of Net Table Game Income - 90%	\$3,942,000

	Annual Estimate
State Revenues by Fund	
General Fund	<u>\$206,773</u>
Total General Fund Revenue	\$206,773
Gambling Control Board - Table Games	\$87,600
Gambling Control Board - License Fees (\$688,000 the 1st year)	<u>\$285,000</u>
Subtotal	\$372,600
Education	\$2,155,325
Penobscot Nation, Passamaquoddy Tribe and Mi'kmaq	\$1,860,953
University of Maine and Maine Maritime Academy Scholarship Funds	\$620,318
Maine Community College System - Scholarship Fund	\$413,545
Purse Supplements	\$206,773
Sire Stakes Fund	\$206,773
Agricultural Fair Support Fund	\$206,773
County	\$588,745
Coordinated Veterans Assistance Fund	\$294,373
Town of Houlton	\$620,318
Maine Milk Pool	\$103,386
Dairy Improvement Fund	<u>\$103,386</u>
Total Other Special Revenue Funds Revenue	<u>\$7,753,268</u>
 Total Revenue All Funds	 <u>\$7,960,041</u>
 Summary of Expenditure Impacts to the State	
General Fund	
- Public Safety	\$108,878
Other Special Revenue Funds	
- Public Safety	<u>\$372,600</u>
 Total Expenditures	 <u>\$481,478</u>