

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1346

H.P. 915

House of Representatives, April 16, 2015

An Act To Establish a Comprehensive Gaming Policy

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

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative RUSSELL of Portland.
Cosponsored by Senator VALENTINO of York and
Representatives: KINNEY of Limington, MAREAN of Hollis.

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

2 **Sec. 1. 5 MRSA §12004-G, sub-§32-A** is enacted to read:

3 **32-A.**

4 Sport and Casino Site Location Legislative Per 8 MRSA §1005-A
5 Entertainment Commission Diem and Expenses

6 **Sec. 2. 8 MRSA §1001, sub-§6-A** is enacted to read:

7 **6-A. Commission.** "Commission" means the Casino Site Location Commission
8 created under section 1005-A.

9 **Sec. 3. 8 MRSA §1003, sub-§2, ¶B,** as enacted by PL 2003, c. 687, Pt. A, §5 and
10 affected by Pt. B, §11, is amended to read:

11 B. Hear and decide all license and registration applications under this chapter and
12 issues affecting the granting, suspension, revocation or renewal of licenses and
13 registrations, including but not limited to applications received by the board from a
14 person awarded the privilege by the commission to submit an application to operate a
15 casino;

16 **Sec. 4. 8 MRSA §1003, sub-§2, ¶B-1** is enacted to read:

17 B-1. Hear and decide issues affecting the granting, suspension, revocation or renewal
18 of licenses and registrations;

19 **Sec. 5. 8 MRSA §1005-A** is enacted to read:

20 **§1005-A. Casino Site Location Commission**

21 **1. Establishment.** The Casino Site Location Commission, established in Title 5,
22 section 12004-G, subsection 32-A, shall carry out the functions specified in this chapter
23 with regard to awarding the privilege to apply for a casino or slot machine facility license
24 through a competitive bid process. The commission is affiliated with the board as
25 specified in this chapter.

26 **2. Members.** The commission consists of 5 members appointed by the Governor.
27 All members must be members of the general public without affiliation to the gaming or
28 hospitality industry. At least 3 of the commission members must have training or
29 experience in at least one of the following fields: corporate finance, economics, law,
30 economic development or accounting. An elected official or candidate for elective office
31 may not serve as a commission member.

32 **3. Term of office.** Members of the commission serve 3-year terms, except that the
33 Governor shall initially appoint one member for a term of one year, 2 members for a term
34 of 2 years and 2 members for a term of 3 years. A vacancy is filled by appointment for
35 the remainder of the unexpired term of that member. Members whose terms expire serve

1 until their successors are appointed and confirmed. Members may serve no more than 2
2 full consecutive terms on the commission.

3 **4. Confirmation.** Appointees to the commission must be reviewed by the joint
4 standing committee of the Legislature having jurisdiction over gambling matters and are
5 subject to confirmation by the Senate.

6 **5. Chair.** The commission members shall elect one member to serve as chair for at
7 least a 2-year term.

8 **6. Quorum.** An action of the commission is not binding unless taken at a meeting at
9 which at least 3 of the 5 members are present.

10 **7. Conflict of interest.** In addition to the restrictions imposed pursuant to Title 5,
11 section 18, a commission member may not participate in any matter before the
12 commission in which the commission member has a personal bias or any other conflict of
13 interest as the commission determines, either on the commission's own motion or in
14 response to a written complaint. During a commission member's term of service and for
15 5 years after the end of that commission member's service, any person with a direct and
16 substantial interest in a gambling activity or gambling facility, including accommodations
17 and amenities associated with a gambling facility, may not employ or be represented by
18 the commission member or a member of the commission member's immediate family.
19 For the purposes of this subsection, "direct and substantial" means ownership or control
20 of more than 10% of the voting securities of a gambling facility, of an associated
21 accommodation or associated amenity of a gambling facility or of an entity in contract,
22 consort or cooperation with a gambling facility key executive.

23 **Sec. 6. 8 MRSA §1011, sub-§2-B,** as enacted by PL 2011, c. 699, §1, is repealed.

24 **Sec. 7. 8 MRSA §1011, sub-§2-C** is enacted to read:

25 **2-C. Persons eligible for casino operator license on or after January 1, 2015.**
26 Beginning January 1, 2015, the board may not accept an application for an initial license
27 to operate a casino, slot machine facility or any other gambling facility for which the
28 board has licensing authority, unless that application is submitted by a successful bidder
29 for the privilege to submit an application to the board chosen pursuant to section 1011-A.

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

31 **§1011-A. Privilege to submit a casino operator license application pursuant to**
32 **competitive bidding**

33 The commission shall develop a request for proposals designed to encourage
34 vigorous bidding for the purpose of awarding the privilege to submit an application to the
35 board for a casino operator license. The commission shall request bids for the privilege
36 to submit an application to the board for a resort-style casino in the southern region of the
37 State and for the privilege to submit an application to the board for a casino in the
38 northern region of the State. A request for proposals must instruct potential bidders to
39 propose the scope of the gambling facility and amenities to be offered in conjunction with

1 the facility and how the proposal will ensure that the proposed casino will provide the
2 State with socially responsible economic growth while operating as a successful business
3 for the operator, considering license fees, minimum capital investment requirements,
4 regulatory standards and required rates of revenue distribution.

5 **1. Consideration of bids for privilege to submit application to the board for a**
6 **casino operator license.** A bidder seeking consideration of award for the privilege to
7 submit an application to the board for a resort-style casino in the southern region of the
8 State shall comply with the requirements determined by the commission. For the
9 purposes of this section, the southern region of the State includes York County and
10 Cumberland County. The commission shall require that a proposal for the privilege to
11 submit an application to the board for the operation of a casino in the southern region
12 include a nonrefundable application fee of \$250,000 and an agreement to submit a
13 nonrefundable investigative fee of \$100,000 to the board if awarded the privilege to
14 submit an application for a casino. A proposal for the privilege to submit an application
15 to the board for the operation of a casino in the northern region of the State must include
16 a nonrefundable application fee of \$100,000 and an agreement to submit a nonrefundable
17 investigative fee of \$100,000 to the board if awarded the privilege to submit an
18 application for a casino. For the purposes of this section, the northern region of the State
19 includes Penobscot County, Washington County and Aroostook County. The
20 commission shall ensure that the request for proposal clearly identifies the deadline for
21 submission and all bid requirements.

22 **2. Request for proposal requirements; southern region.** When considering bids
23 received in response to a request for proposals prescribed in subsection 1 for the southern
24 region, the commission shall consider the following:

25 A. Business and market factors, including:

- 26 (1) The bidder's experience operating a commercial track in the southern region;
27 (2) How the bidder's proposal will sustain and enhance the sport of harness
28 racing in the State and the associated businesses that benefit from a robust
29 harness racing industry;
30 (3) The bidder's commitment and capacity to make an initial minimum capital
31 investment of \$250,000,000 for a resort-style casino facility. Land acquisition,
32 license fees and off-site improvements are not considered to be part of the
33 minimum capital investment;
34 (4) How the bidder's proposal will result in the highest potential benefit and the
35 highest prospective total revenues to the State from a bidder based upon
36 documented, expert financial analysis;
37 (5) The potential gross and net income to be generated by the bidder based upon
38 documented, expert market analysis;
39 (6) The extent to which the bidder's market plans suit the character of the region
40 and the local population in a way that encourages residents of the State to choose
41 to patronize the bidder's proposed facility as opposed to gambling facilities in
42 other states;

1 (7) The extent to which the bidder's proposed facility can reasonably be expected
2 to serve as a significant regional and national tourism destination;

3 (8) The potential created by the bidder's proposal to create commercial
4 development opportunities in the host location and surrounding communities
5 consistent with historic uses, regional character and local zoning and planning
6 requirements;

7 (9) The bidder's proposed capital investment in a gambling facility, proposed
8 amenities associated with the facility and the timing of capital investment
9 expenditures in terms of ensuring the facility is economically competitive in the
10 State and regionally;

11 (10) How the bidder's proposal can be expected to preserve existing jobs in the
12 State and the number of net new full-time and part-time jobs that can be expected
13 to be created by the operation of the proposed facility; and

14 (11) Other factors, properly disclosed in the commission's request for proposals
15 that the commission determines to be relevant to business and market factors;

16 B. Economic development factors, including:

17 (1) The bidder's workforce development plan and the extent to which it will
18 maximize use of the State's existing labor force;

19 (2) The impact on economic development, existing and planned, in the region of
20 the proposed facility; and

21 (3) Other factors, properly disclosed in the commission's request for proposals
22 that the commission determines to be relevant to economic development;

23 C. Site location factors, including:

24 (1) The adequacy of transportation infrastructure surrounding the proposed
25 location of the gambling facility;

26 (2) The need for additional public infrastructure expenditures at or immediately
27 surrounding the proposed location of the gambling facility;

28 (3) Any negative impact of the proposed location of the gambling facility on the
29 municipality in which the facility is located, including but not limited to traffic
30 congestion, road safety conditions and increased safety concerns for pedestrian
31 traffic;

32 (4) The bidder's proposals for mitigating negative impacts identified under this
33 paragraph; and

34 (5) Other factors, properly disclosed in the commission's request for proposals
35 that the commission determines to be relevant to site location factors; and

36 D. Factors other than those listed in paragraphs A to C, including:

37 (1) The bidder's plan to identify, address and minimize the potential for and
38 existence of negative consequences associated with gambling and the operation
39 of the bidder's proposed facility, including but not limited to a financial

1 commitment to efforts to address problem gambling prevention, intervention,
2 treatment and research; and

3 (2) The effects, both positive and negative, that can be reasonably anticipated to
4 be experienced by the municipality in which the facility is located and the
5 communities in the region.

6 **3. Request for proposal requirements; northern region casino.** When
7 considering bids received in response to a request for proposals prescribed in subsection 1
8 for the northern region, the commission shall consider the following:

9 A. Business and market factors, including:

10 (1) The bidder's commitment and capacity to make an initial minimum capital
11 investment of \$25,000,000 for a resort-style casino facility. Land acquisition,
12 license fees and off-site improvements are not considered to be part of the
13 minimum capital investment;

14 (2) The potential gross and net income to be generated by the bidder based upon
15 documented, expert market analysis;

16 (3) The extent to which the bidder's market plans suit the character of the region
17 and the local population in a way that encourages residents of the State to choose
18 to patronize the bidder's proposed facility as opposed to gaming facilities in other
19 states or provinces;

20 (4) The extent to which the bidder's proposed facility can reasonably be expected
21 to serve as a regional recreational gambling destination;

22 (5) The bidder's proposed capital investment in a gambling facility, proposed
23 amenities associated with the facility and the timing of capital investment
24 expenditures in terms of ensuring the facility is profitable; and

25 (6) Other factors, properly disclosed in the commission's request for proposals
26 that the commission determines to be relevant to business and market factors;

27 B. Economic development factors, including:

28 (1) The bidder's workforce development plan and the extent to which it will
29 maximize use of the region's existing labor force;

30 (2) The impact on economic development, existing and planned, in the region of
31 the proposed facility; and

32 (3) Other factors, properly disclosed in the commission's request for proposals
33 that the commission determines to be relevant to economic development;

34 C. Site location factors, including:

35 (1) The adequacy of transportation routes leading to the proposed location of the
36 gambling facility;

37 (2) Any negative impact of the proposed location of the gambling facility on the
38 municipality in which the facility is located, including but not limited to traffic
39 congestion, road safety conditions and increased safety concerns for pedestrian
40 traffic;

1 (3) Either the proximity of the proposed location of the gambling facility to
2 major transportation routes and the Canadian border, which could maximize
3 patronage from cross-border traffic, or whether the facility will be located where
4 gaming is conducted by a federally recognized Indian tribe regardless of whether
5 that facility will be within 30 miles of a casino that was licensed prior to January
6 1, 2015;

7 (4) The bidder's proposals for mitigating negative impacts identified under this
8 paragraph; and

9 (5) Other factors, properly disclosed in the commission's request for proposals
10 that the commission determines to be relevant to site location factors; and

11 D. Factors other than those listed in paragraphs A to C, including:

12 (1) How the proposed facility will provide the greatest benefit to one or all
13 federally recognized Indian tribes in the State, particularly by proposing
14 operation and ownership by one or more federally recognized Indian tribes in the
15 State;

16 (2) The bidder's plan to identify, address and minimize the potential for and
17 existence of negative consequences associated with gambling and the operation
18 of the bidder's proposed facility, including but not limited to a financial
19 commitment to efforts to address problem gambling prevention, intervention,
20 treatment and research; and

21 (3) The effects, both positive and negative, that can be reasonably anticipated to
22 be experienced by the municipality in which the facility is located and the
23 communities in the region.

24 **Sec. 9. 8 MRSA §1018, sub-§1, ¶C**, as enacted by PL 2003, c. 687, Pt. A, §5 and
25 affected by Pt. B, §11, is amended to read:

26 C. The initial application fee for a slot machine operator license is \$200,000. The
27 annual renewal fee is \$75,000 plus an amount, set by rules of the board, equal to the
28 cost to the board of licensing slot machine operators and determined by dividing the
29 costs of administering the slot machine operator licenses by the total number of slot
30 machine operators licensed by the board. This paragraph applies to slot machine
31 operator licenses issued before January 1, 2015.

32 **Sec. 10. 8 MRSA §1018, sub-§1, ¶C-1**, as amended by PL 2011, c. 417, §4, is
33 further amended to read:

34 C-1. The initial application fee for a casino operator license is \$225,000, except that
35 the initial application fee for an applicant that is a commercial track that was licensed
36 to operate slot machines as of January 1, 2011 is \$25,000. The annual renewal fee is
37 \$80,000 plus an amount, set by rules of the board, equal to the cost to the board of
38 licensing casino operators and determined by dividing the costs of administering the
39 casino operator licenses by the total number of casino operators licensed by the
40 board. In addition, a casino operator shall pay an initial gaming table fee of \$100,000
41 for the privilege to operate each gaming table for a period of 20 years as long as the
42 casino operator is licensed. Each gaming table is also subject to an annual gaming

1 table renewal fee of \$1,000. The gaming table fees authorize the casino operator to
2 conduct any authorized table game at the gaming table during the 20-year period. A
3 casino licensed in accordance with section 1011, subsection 2-A, paragraph A is not
4 required to pay the gaming table fees until after one calendar year of table game
5 operation. Fees collected in accordance with this paragraph must be deposited to the
6 Gambling Control Board administrative expenses Other Special Revenue Funds
7 account, which is a nonlapsing dedicated account. This paragraph applies to casino
8 operator licenses issued before January 1, 2015.

9 **Sec. 11. 8 MRSA §1018, sub-§1, ¶¶C-2, C-3 and C-4** are enacted to read:

10 C-2. The fee for a casino operator license in the southern region of the State, as
11 described in section 1011-A, subsection 1, issued subsequent to the award, by
12 competitive bidding in accordance with section 1011-A, of the privilege to submit an
13 application, is \$5,000,000. The renewal fee, due prior to the end of the 5-year license
14 term, is \$250,000. The license and renewal fees are separate from the nonrefundable
15 application fee and investigative deposit required pursuant to section 1011-A,
16 subsection 1.

17 C-3. The fee for a casino operator license in the northern region of the State, as
18 described in section 1011-A, subsection 1, issued subsequent to the award, by
19 competitive bidding in accordance with section 1011-A, of the privilege to submit an
20 application, is \$1,000,000. The renewal fee, due prior to the end of the 5-year license
21 term, is \$100,000. The license and renewal fees are separate from the nonrefundable
22 application fee and investigative deposit required pursuant to section 1011-A,
23 subsection 1.

24 C-4. The annual registration fee for a slot machine and a table game operated at a
25 casino licensed on or after January 1, 2015 is \$100.

26 **Sec. 12. 8 MRSA §1018, sub-§1-A**, as enacted by PL 2011, c. 699, §2, is
27 repealed.

28 **Sec. 13. 8 MRSA §1018, sub-§2**, as enacted by PL 2003, c. 687, Pt. A, §5 and
29 affected by Pt. B, §11, is amended to read:

30 **2. Term of license issued before January 1, 2015; renewal, renewal fees.** ~~All~~
31 Except for slot machine operator licenses and casino operator licenses issued on or after
32 January 1, 2015, licenses issued by the board under this chapter are effective for one year,
33 unless revoked or surrendered pursuant to subchapter 5. Upon proper application and
34 payment of the required fees and taxes and in accordance with rules adopted by the board,
35 the board may renew a license for an additional year if municipal approval has been
36 obtained as provided in section 1012. The board shall transfer \$25,000 of the renewal fee
37 required by subsection 1, paragraph C to the municipality in which the slot machines are
38 operated.

39 **Sec. 14. 8 MRSA §1018, sub-§2-A** is enacted to read:

1 **2-A. Term of license issued on or after January 1, 2015.** A casino operator
2 license issued by the board pursuant to section 1011, subsection 2-C is effective for 5
3 years unless revoked or surrendered pursuant to subchapter 5.

4 **Sec. 15. 8 MRSA §1019, sub-§7**, as amended by PL 2011, c. 417, §6, is repealed.

5 **Sec. 16. 8 MRSA §1036, sub-§1**, as amended by PL 2011, c. 417, §7, is further
6 amended to read:

7 **1. Distribution for administrative expenses of board.** ~~A~~ Except as provided by
8 section 1036-A, a slot machine operator licensed under section 1011, subsection 2 or a
9 casino operator that is a commercial track that was licensed to operate slot machines
10 under section 1011, subsection 2 on January 1, 2011 shall collect and distribute 1% of
11 gross slot machine income to the Treasurer of State for deposit in the General Fund for
12 the administrative expenses of the board.

13 **Sec. 17. 8 MRSA §1036, sub-§2**, as amended by PL 2013, c. 118, §1, is further
14 amended to read:

15 **2. Distribution of net slot machine income from casino with commercial track.**
16 ~~A~~ Except as provided by section 1036-A, a slot machine operator licensed under section
17 1011, subsection 2 or a casino operator that is a commercial track that was licensed to
18 operate slot machines under section 1011, subsection 2 on January 1, 2011 shall collect
19 and distribute 39% of the net slot machine income from slot machines operated by the
20 slot machine operator to the board for distribution by the board as follows:

21 A. Three percent of the net slot machine income must be deposited to the General
22 Fund for administrative expenses of the board in accordance with rules adopted by
23 the board, except that of the amount calculated pursuant to this paragraph, the
24 following amounts must be transferred annually to the Gambling Addiction
25 Prevention and Treatment Fund established by Title 5, section 20006-B:

26 (1) For the fiscal year beginning July 1, 2011, \$50,000;

27 (2) For the fiscal year beginning July 1, 2012, \$50,000; and

28 (3) For the fiscal year beginning July 1, 2013 and for each fiscal year thereafter,
29 \$100,000;

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

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

35 D. Three percent 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 Agricultural Fair Support
37 Fund established in Title 7, section 91;

38 E. Ten percent of the net slot machine income must be forwarded by the board to the
39 State Controller and except as otherwise provided in this paragraph credited to the

1 Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a
2 separate account under Title 22, section 1511, subsection 11, with the use of funds in
3 the account restricted to the purposes described in Title 22, section 1511, subsection
4 6, paragraph E. For the fiscal years ending June 30, 2010, June 30, 2011 and June 30,
5 2012, the amount credited annually by the State Controller to the Fund for a Healthy
6 Maine under this paragraph may not exceed \$4,500,000 annually and any funds in
7 excess of \$4,500,000 annually during these fiscal years must be credited as General
8 Fund undedicated revenue, and, for the fiscal year ending June 30, 2013, the amount
9 credited by the State Controller to the Fund for a Healthy Maine under this paragraph
10 is \$0;

11 F. Two percent of the net slot machine income must be forwarded by the board to the
12 University of Maine System Scholarship Fund created in Title 20-A, section 10909
13 and to the Board of Trustees of the Maine Maritime Academy to be applied by the
14 board of trustees to fund its scholarship program. The slot machine income under
15 this paragraph must be distributed as follows:

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

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

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

26 H. Four percent of the net slot machine income must be forwarded by the board to
27 the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at
28 Maine's Commercial Tracks, established in section 299; however, the payment
29 required by this paragraph is terminated when all commercial tracks have obtained a
30 license to operate slot machines in accordance with this chapter, in which case, that
31 4% of the net slot machine income must be credited to the General Fund as
32 undedicated revenue;

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

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

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

3 **2-A. Distribution from casino of slot machine income.** ~~A~~ Except as provided by
4 section 1036-A, a casino operator shall collect and distribute 46% of the net slot machine
5 income from slot machines operated by the casino operator to the board for distribution
6 by the board as follows:

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

11 B. Four percent of the net slot machine income must be forwarded by the board to
12 the University of Maine System Scholarship Fund created in Title 20-A, section
13 10909 and to the Board of Trustees of the Maine Maritime Academy to be applied by
14 the board of trustees to fund its scholarship program. The slot machine income under
15 this paragraph must be distributed as follows:

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

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

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

26 D. Four percent of the net slot machine income must be forwarded by the board to
27 the Treasurer of State, who shall distribute the funds to the tribal governments of the
28 Penobscot Nation and the Passamaquoddy Tribe;

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

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

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

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

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

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

4 L. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
5 forwarded by the board to the Treasurer of State, who shall credit the money to the
6 Maine Milk Pool, Other Special Revenue Funds account within the Department of
7 Agriculture, Conservation and Forestry to help fund dairy farm stabilization pursuant
8 to Title 7, sections 3153-B and 3153-D; and

9 M. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
10 forwarded by the board to the Treasurer of State, who shall credit the money to the
11 Dairy Improvement Fund established under Title 10, section 1023-P.

12 If a recipient of net slot machine income in paragraph D, H or I owns or receives funds
13 from a slot machine facility or casino, other than the casino in Oxford County or the slot
14 machine facility in Bangor, then the recipient may not receive funds under this
15 subsection, and those funds must be retained by the Oxford County casino operator.

16 **Sec. 19. 8 MRSA §1036, sub-§2-B**, as amended by PL 2011, c. 417, §9, is
17 further amended to read:

18 **2-B. Distribution from casino of table game income.** A Except as provided by
19 section 1036-A, a casino operator licensed in accordance with section 1011, subsection
20 2-A, paragraph A shall collect and distribute 16% of the net table game income from
21 table games operated by the casino operator to the board for distribution by the board as
22 follows:

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

27 B. Three percent of the net table game income must be deposited to the Gambling
28 Control Board administrative expenses Other Special Revenue Funds account, which
29 is a nonlapsing dedicated account;

30 C. Two percent of the net table game income must be forwarded directly to the
31 municipality in which the table games are located; and

32 D. One percent of the net table game income must be forwarded directly to the
33 county in which the table games are located to pay for mitigation of costs resulting
34 from gaming operations.

35 **Sec. 20. 8 MRSA §1036, sub-§2-C**, as amended by PL 2013, c. 128, §1, is
36 further amended to read:

37 **2-C. Distribution of table game income from casino with a commercial track.** A
38 Except as provided by section 1036-A, a casino operator that is a commercial track and
39 was licensed to operate slot machines on January 1, 2011 shall collect and distribute 16%
40 of the net table game income from table games operated by the casino operator to the
41 board for distribution by the board as follows:

- 1 A. Nine percent of the net table game income must be deposited to the General Fund
2 for administrative expenses of the board, including gambling addiction counseling
3 services, in accordance with rules adopted by the board;
- 4 B. Three percent of the net table game income must be deposited to the Gambling
5 Control Board administrative expenses Other Special Revenue Funds account, which
6 is a nonlapsing dedicated account;
- 7 C. Two percent of the net table game income must be forwarded directly to the
8 municipality in which the table games are located; and
- 9 D. Two percent of net table game income must be deposited into the Coordinated
10 Veterans Assistance Fund established in Title 37-B, section 514.

11 **Sec. 21. 8 MRSA §1036-A** is enacted to read:

12 **§1036-A. Distributions of slot machine and table game revenue upon operation of a**
13 **casino or slot machine facility licensed after January 1, 2015**

14 The board may not make distributions as provided by section 1036, subsections 1, 2,
15 2-A, 2-B and 2-C after the commencement of operations of a casino, slot machine facility
16 or other gambling facility subject to licensure by the board initially licensed after January
17 1, 2015. Slot machine and table game revenues collected by a casino operator or slot
18 machine facility operator in accordance with section 1036, subsections 1, 2, 2-A, 2-B and
19 2-C must be held by the board until a distribution of slot machine and table game revenue
20 is established by the Legislature that provides for a distribution of slot machine and table
21 game revenue that applies, in the same manner, to each casino, slot machine facility or
22 gambling facility licensed in accordance with this chapter.

23 **Sec. 22. Joint Standing Committee on Veterans and Legal Affairs**
24 **authorized to submit legislation.** The Joint Standing Committee on Veterans and
25 Legal Affairs is authorized to submit a bill establishing a manner of distribution of slot
26 machine and table game revenue that will apply to each casino, slot machine facility or
27 gambling facility operated in this State to the Second Regular Session of the 127th
28 Legislature.

29 **SUMMARY**

30 This bill authorizes the Department of Public Safety, Gambling Control Board to
31 issue 2 casino licenses, one in the southern region of the State, which includes York
32 County and Cumberland County, and one in the northern region of the State, which
33 includes Penobscot County, Washington County and Aroostook County. In order to be
34 eligible to apply for a casino license, an applicant must be awarded the privilege to
35 submit an application pursuant to a competitive bidding process. The competitive
36 bidding process is administered by a site location commission established by this bill.
37 The Casino Site Location Commission consists of 5 members appointed by the Governor
38 subject to review by the joint standing committee of the Legislature having jurisdiction
39 over casino gaming and confirmation by the Senate. The bill provides that commission
40 members may not have a conflict of interest and are prohibited from representing or being

1 employed by gambling interests during their term on the commission and for 5 years after
2 their term ends.

3 Under the bill, a successful bidder for a casino in the southern region of the State
4 must propose a capital investment of at least \$250,000,000 exclusive of license fees, land
5 acquisition and off-site improvements. The initial fee for a southern region casino is
6 \$5,000,000 for a 5-year license term in addition to a \$250,000 application fee and
7 \$100,000 investigative fee. The renewal fee for a southern region casino is \$250,000.

8 A successful bidder for a casino in the northern region of the State must propose a
9 minimum capital investment of \$25,000,000 exclusive of license fees, land acquisition
10 and off-site improvements. The initial fee for a northern region casino is \$1,000,000 for a
11 5-year license term in addition to a \$100,000 application fee and a \$100,000 investigative
12 fee. The renewal fee for a northern region casino is \$100,000.

13 The bill provides factors that the commission is directed to consider when reviewing
14 bids for the privilege to submit an application to operate a casino. Examples of those
15 factors include: how the proposal from a bidder will result in the highest potential benefit
16 to the State based on documented, expert market analyses, the potential of the proposed
17 facility to serve as a tourism destination and how the proposal will preserve existing jobs
18 and preserve new full-time jobs in the State. For a casino bid in the southern region, the
19 commission must consider the bidder's experience operating a commercial harness racing
20 track and how the casino will benefit the harness racing industry and associated
21 businesses. For the casino bid in the northern region, the commission is directed to
22 consider how the proposal will provide the greatest benefit to one or all of the federally
23 recognized Indian tribes in the State, particularly by proposing operation and ownership
24 by one or more of the tribes. With regard to the location of a northern region casino, the
25 commission is directed to consider either the proposed facility's proximity to the
26 Canadian border and major transportation routes or whether it will be located where
27 gaming is currently conducted by a federally recognized Indian tribe regardless of
28 whether that facility will be within 30 miles of a casino licensed prior to January 1, 2015.

29 Finally, the bill provides that the required revenue distributions from casinos licensed
30 before January 1, 2015 be held by the Gambling Control Board until a uniform
31 distribution structure of slot machine and table game revenue is enacted by the
32 Legislature.