

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1077

H.P. 755

House of Representatives, March 16, 2017

**An Act To Reduce the Annual License Fee for High-stakes Beano
and To Allow the Passamaquoddy Tribe To Operate 50 Slot
Machines in the Tribe's High-stakes Beano Facility**

(EMERGENCY)

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 DANA of the Passamaquoddy Tribe.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** passage of this legislation is necessary to ensure the continued operation
4 of high-stakes beano gaming by the Passamaquoddy Tribe; and

5 **Whereas,** many jobs and the operation of an elderly assisted living center depend
6 upon high-stakes beano gaming; and

7 **Whereas,** this legislation needs to take effect before next year's license fee to
8 operate high-stakes beano games becomes due; and

9 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
10 the meaning of the Constitution of Maine and require the following legislation as
11 immediately necessary for the preservation of the public peace, health and safety; now,
12 therefore,

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

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

15 **2-C. Passamaquoddy Tribe eligible for license to operate slot machines.** The
16 board may accept an application from the Passamaquoddy Tribe for a license to operate
17 50 slot machines at a gaming facility in Washington County at which high-stakes beano is
18 conducted by the Passamaquoddy Tribe.

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

21 **7. Statewide and county referendum; municipal vote.** After January 1, 2011, any
22 proposed casino or slot machine facility may not be issued a license unless it has been
23 approved by a statewide referendum vote and a vote of the municipal officers or
24 municipality in which the casino or slot machine facility is to be located, except that a
25 commercial track licensed to operate slot machines on January 1, 2011 is only required,
26 as a condition to obtain a casino license, to receive approval to operate a casino by means
27 of a referendum of the voters of the county in which the commercial track is located.
28 Notwithstanding this subsection, the Passamaquoddy Tribe may obtain a license to
29 operate slot machines at a gaming facility in Washington County at which high-stakes
30 beano is conducted.

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

33 A. Except for slot machines used for training and educational purposes at
34 postsecondary institutions as provided by section 1011, subsection 1-B, the total
35 number of slot machines registered in the State may not exceed ~~3,000~~ 3,050; and

36 **Sec. 4. 8 MRSA §1035,** as amended by PL 2011, c. 585, §10, is further amended
37 to read:

1 **§1035. Location of slot machines**

2 Slot machines may be located only on the premises of a commercial track, the
3 premises of a casino, the premises of a gaming facility in Washington County at which
4 high-stakes beano is conducted by the Passamaquoddy Tribe or the premises of an
5 accredited postsecondary institution for the purposes of training and education under
6 section 1011, subsection 1-B. For the purposes of this section, "premises of a commercial
7 track" means property owned by the person who owns the property on which a
8 commercial track is located and that is either within 200 feet of the outside edge of the
9 racing oval or, if the commercial track was owned by a municipality when a license to
10 operate slot machines in association with that commercial track was issued, within 2,000
11 feet of the center of the racing oval.

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

14 **1. Distribution for administrative expenses of board.** A slot machine operator
15 licensed under section 1011, subsection 2 or 2-C or a casino operator that is a commercial
16 track that was licensed to operate slot machines under section 1011, subsection 2 on
17 January 1, 2011 shall collect and distribute 1% of gross slot machine income to the
18 Treasurer of State for deposit in the General Fund for the administrative expenses of the
19 board.

20 **Sec. 6. 8 MRSA §1036, sub-§2**, as amended by PL 2015, c. 493, §4, is further
21 amended to read:

22 **2. Distribution of net slot machine income from casino with commercial track**
23 **and from slot machines operated in conjunction with beano.** A slot machine operator
24 licensed under section 1011, subsection 2 or 2-C or a casino operator that is a commercial
25 track that was licensed to operate slot machines under section 1011, subsection 2 on
26 January 1, 2011 shall collect and distribute 39% of the net slot machine income from slot
27 machines operated by the slot machine operator to the board for distribution by the board
28 as follows:

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

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

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

36 (3) For the fiscal year beginning July 1, 2013 and for each fiscal year thereafter,
37 \$100,000;

38 B. Ten percent of the net slot machine income must be forwarded by the board to the
39 Treasurer of State, who shall credit the money to the fund established in section 298
40 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 and except as otherwise provided in this paragraph credited to the
8 Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a
9 separate account under Title 22, section 1511, subsection 11, with the use of funds in
10 the account restricted to the purposes described in Title 22, section 1511, subsection
11 6, paragraph E. For the fiscal years ending June 30, 2010, June 30, 2011 and June 30,
12 2012, the amount credited annually by the State Controller to the Fund for a Healthy
13 Maine under this paragraph may not exceed \$4,500,000 annually and any funds in
14 excess of \$4,500,000 annually during these fiscal years must be credited as General
15 Fund undedicated revenue, and, for the fiscal year ending June 30, 2013, the amount
16 credited by the State Controller to the Fund for a Healthy Maine under this paragraph
17 is \$0;
- 18 F. Two percent of the net slot machine income must be forwarded by the board to the
19 University of Maine System Scholarship Fund created in Title 20-A, section 10909
20 and to the Board of Trustees of the Maine Maritime Academy to be applied by the
21 board of trustees to fund its scholarship program. The slot machine income under
22 this paragraph must be distributed as follows:
- 23 (1) The University of Maine System share is the total amount of the distribution
24 multiplied by the ratio of enrolled students in the system to the total number of
25 enrolled students both in the system and at the Maine Maritime Academy; and
- 26 (2) The Maine Maritime Academy share is the total amount of the distribution
27 multiplied by the ratio of enrolled students at the academy to the total number of
28 enrolled students both in the system and at the academy;
- 29 G. One percent of the net slot machine income must be forwarded by the board to the
30 board of trustees of the Maine Community College System to be applied by the board
31 of trustees to fund its scholarships program under Title 20-A, section 12716,
32 subsection 1;
- 33 H. Four percent of the net slot machine income must be forwarded by the board to
34 the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at
35 Maine's Commercial Tracks, established in section 299;
- 36 I. Two percent of the net slot machine income must be forwarded by the board to the
37 Treasurer of State, who shall credit the money to the Fund to Stabilize Off-track
38 Betting Facilities established by section 300, as long as a facility has conducted off-
39 track wagering operations for a minimum of 250 days during the preceding 12-month
40 period in which the first payment to the fund is required. After 48 months of
41 receiving an allocation of the net slot machine income from a licensed operator, the
42 percent of net slot machine income forwarded to the Fund to Stabilize Off-track
43 Betting Facilities is reduced to 1% with the remaining 1% to be forwarded to the
44 State in accordance with subsection 1; and

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

3 **Sec. 7. 8 MRSA §1036, sub-§2-A**, as amended by PL 2013, c. 118, §2, is further
4 amended to read:

5 **2-A. Distribution from casino of slot machine income.** A casino operator shall
6 collect and distribute 46% of the net slot machine income from slot machines operated by
7 the casino operator to the board for distribution by the board as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 **Sec. 8. 17 MRSA §314-A, sub-§4**, as amended by PL 2015, c. 24, §1 and
20 affected by §2, is further amended to read:

21 **4. Term of license; fees.** A license issued under this section is valid for a period of
22 one year. The annual license fee for a high-stakes beano license is ~~\$50,000, except that~~
23 ~~the annual license fee due in 2008 to 2016 is~~ \$25,000. License fees may be paid in
24 advance in quarterly installments. All license fees must be paid to the Treasurer of State
25 to be credited to the General Fund.

26 **Emergency clause.** In view of the emergency cited in the preamble, this
27 legislation takes effect when approved.

28 SUMMARY

29 This bill authorizes the Department of Public Safety, Gambling Control Board to
30 accept an application from the Passamaquoddy Tribe to operate 50 slot machines at a
31 gaming facility in Washington County at which high-stakes beano is conducted by the
32 Passamaquoddy Tribe. The bill raises the limit on the number of slot machines allowed in
33 the State by 50 to accommodate the slot machines that may be operated by the
34 Passamaquoddy Tribe. Slot machines operated by the Passamaquoddy Tribe would be
35 subject to the oversight of the Gambling Control Board and subject to the same laws and
36 rules as other slot machines operated in this State.

37 It also reduces the annual license fee for high-stakes beano from \$50,000 to \$25,000
38 and allows the Passamaquoddy Tribe to operate 50 slot machines in the tribe's high-stakes
39 beano facility.