

# MAINE STATE LEGISLATURE

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# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 1060

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H.P. 789

House of Representatives, March 11, 2021

**An Act To Increase the State Revenue from Casino Net Income,  
Reallocate the State Distribution and Provide Tax Uniformity**

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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 BABBIDGE of Kennebunk.

Cosponsored by Representatives: DUNPHY of Old Town, HYMANSON of York, PERRY of Calais, RECKITT of South Portland, Senator: RAFFERTY of York.

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

2 **Sec. 1. 8 MRSA §1001, sub-§29-A**, as enacted by PL 2005, c. 663, §3, is amended  
3 to read:

4 **29-A. Net slot machine income.** "Net slot machine income" means money, tokens,  
5 credits or similar objects or things of value used to play a slot machine minus money,  
6 credits or prizes paid out to winners ~~and amounts paid pursuant to section 1036, subsection~~  
7 ~~4.~~

8 **Sec. 2. 8 MRSA §1036**, as amended by PL 2017, c. 284, Pt. C, §§1 and 2, is further  
9 amended to read:

10 **§1036. Allocation of funds**

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

16 **2. Distribution of net slot machine income from casino with commercial track.** A  
17 slot machine operator licensed under section 1011, subsection 2 or a casino operator that is  
18 a commercial track that was licensed to operate slot machines under section 1011,  
19 subsection 2 on January 1, 2011 shall collect and distribute ~~39%~~ 47% of the net slot  
20 machine income from slot machines operated by ~~the slot machine~~ that operator to the board  
21 for distribution by the board as follows:

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

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

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

29 (3) For the fiscal year beginning July 1, 2013 and for each fiscal year thereafter,  
30 \$100,000;

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

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

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

39 E. Ten percent of the net slot machine income must be forwarded by the board to the  
40 State Controller and except as otherwise provided in this paragraph credited to the Fund  
41 for a Healthy Maine established by Title 22, section 1511 and segregated into a separate

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

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

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

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

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

24 H. Four percent of the net slot machine income must be forwarded by the board to the  
25 Treasurer of State, who shall credit the money to the Fund to Encourage Racing at  
26 Maine's Commercial Tracks, established in section 299;

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

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

38 K. Five percent of the net slot machine income must be forwarded by the board to the  
39 Treasurer of State, who shall distribute the funds to the tribal governments of the  
40 federally recognized Indian tribes in the State in the proportions established by the  
41 Indian Casino Revenue Distribution Committee pursuant to section 1036-A. If a  
42 federally recognized Indian tribe owns or operates a licensed slot machine facility or  
43 casino in the State, the net slot machine income described in this paragraph must be  
44 deposited in the General Fund; and

1            L. Three percent of the net slot machine income must be deposited in the General  
2            Fund.

3            **2-A. Distribution from casino of slot machine income.** A casino operator licensed  
4            in accordance with section 1011, subsection 2-A, paragraph A shall collect and distribute  
5            ~~46%~~ 50% of the net slot machine income from slot machines operated by the casino  
6            operator to the board for distribution by the board as follows:

7            A. Twenty-five percent of the net slot machine income must be forwarded directly by  
8            the board to the Treasurer of State, who shall credit the money to the Department of  
9            Education, to be used for essential programs and services for kindergarten to grade 12  
10           under Title 20-A, chapter 606-B;

11           B. Four 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 and  
13           to the Board of Trustees of the Maine Maritime Academy to be applied by the board  
14           of trustees to fund its scholarship program. The slot machine income under this  
15           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 the~~  
27           ~~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 Fund  
30           for administrative expenses of the board, including gambling addiction counseling  
31           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 to  
39           supplement harness racing purses;

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

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

4 L. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be forwarded  
5 by the board to the Treasurer of State, who shall credit the money to the Maine Milk  
6 Pool, Other Special Revenue Funds account within the Department of Agriculture,  
7 Conservation and Forestry to help fund dairy farm stabilization pursuant to Title 7,  
8 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 N. Five percent of the net slot machine income must be forwarded by the board to the  
13 Treasurer of State, who shall distribute the funds to the tribal governments of the  
14 federally recognized Indian tribes in the State in the proportions established by the  
15 Indian Casino Revenue Distribution Committee pursuant to section 1036-A. If a  
16 federally recognized Indian tribe owns or operates a licensed slot machine facility or  
17 casino in the State, the net slot machine income described in this paragraph must be  
18 deposited in the General Fund; and

19 O. Three percent of the net slot machine income must be deposited in the General  
20 Fund.

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

25 **2-B. Distribution from casino of table game income.** A casino operator licensed in  
26 accordance with section 1011, subsection 2-A, paragraph A shall collect and distribute ~~46%~~  
27 50% of the net table game income from table games operated by the casino operator to the  
28 board for distribution by the board as follows:

29 A. Ten percent of the net table game income must be forwarded directly by the board  
30 to the Treasurer of State, who shall credit the money to the Department of Education,  
31 to be used for essential programs and services for kindergarten to grade 12 under Title  
32 20-A, chapter 606-B;

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

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

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

41 E. Five percent of the net table game income must be forwarded by the board to the  
42 Treasurer of State, who shall distribute the funds to the tribal governments of the  
43 federally recognized Indian tribes in the State in the proportions established by the

1 Indian Casino Revenue Distribution Committee pursuant to section 1036-A. If a  
2 federally recognized Indian tribe owns or operates a licensed slot machine facility or  
3 casino in the State, the net table game income described in this paragraph must be  
4 deposited in the General Fund; and

5 F. Twenty-nine percent of the net slot machine income must be deposited in the  
6 General Fund.

7 **2-C. Distribution of table game income from casino with a commercial track.** A  
8 casino operator that is a commercial track and was licensed to operate slot machines on  
9 January 1, 2011 shall collect and distribute ~~16%~~ 50% of the net table game income from  
10 table games operated by the casino operator to the board for distribution by the board as  
11 follows:

12 A. Nine percent of the net table game income must be deposited to the General Fund  
13 for administrative expenses of the board, including gambling addiction counseling  
14 services, in accordance with rules adopted by the board;

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

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

20 D. Two percent of the net table game income must be deposited into the Coordinated  
21 Veterans Assistance Fund established in Title 37-B, section 514-;

22 E. Five percent of the net table game income must be forwarded by the board to the  
23 Treasurer of State, who shall distribute the funds to the tribal governments of the  
24 federally recognized Indian tribes in the State in the proportions established by the  
25 Indian Casino Revenue Distribution Committee pursuant to section 1036-A. If a  
26 federally recognized Indian tribe owns or operates a licensed slot machine facility or  
27 casino in the State, the net table game income described in this paragraph must be  
28 deposited in the General Fund; and

29 F. Twenty-nine percent of the net slot machine income must be deposited in the  
30 General Fund.

31 **3. Failure to deposit funds.** A slot machine operator or casino operator who  
32 knowingly or intentionally fails to comply with this section commits a Class C crime. In  
33 addition to any other sanction available by law, the license of the operator may be revoked  
34 by the board and the slot machines or table games operated by that slot machine operator  
35 or casino operator may be disabled, and the slot machines or table games, slot machines' or  
36 table games' proceeds and associated equipment may be confiscated by the board and are  
37 subject to forfeiture under Title 17-A, section 959 or 960.

38 **4. Late payments.** The board may adopt rules establishing the dates on which  
39 payments required by this section are due. All payments not remitted when due must be  
40 paid together with interest on the unpaid balance at a rate of 1.5% per month.

41 **Sec. 3. 8 MRS §1036-A** is enacted to read:

42 **§1036-A. Indian Casino Revenue Distribution Committee**

1 **1. Committee established; membership.** The Indian Casino Revenue Distribution  
2 Committee, referred to in this section as "the committee," is established. The committee  
3 consists of the following 17 members:

4 A. One member to be appointed by the Penobscot Nation, one member to be appointed  
5 by the Passamaquoddy Tribe, one member to be appointed by the Houlton Band of  
6 Maliseet Indians and one member to be appointed by the Aroostook Band of Micmacs.  
7 Members appointed under this paragraph serve for a term of 3 years and may be  
8 reappointed. In the event of a vacancy under this paragraph, the appointing authority  
9 may fill the vacancy for the unexpired term; and

10 B. The 13 members of the Maine Indian Tribal-State Commission established under  
11 Title 30, section 6212, each member of whom serves during that member's term,  
12 including any term of reappointment, on the Maine Indian Tribal-State Commission.

13 **2. Chair.** The chair of the Maine Indian Tribal-State Commission shall serve as the  
14 chair of the committee.

15 **3. Quorum.** A quorum of the committee consists of 9 members.

16 **4. Duties.** By January 1, 2023, and annually thereafter, the committee shall determine  
17 and report to the Treasurer of State and the joint standing committee of the Legislature  
18 having jurisdiction over slot machines matters the proportion of the net slot machine  
19 income and net table game income collected under section 1036, subsection 2, paragraph  
20 K; subsection 2-A, paragraph N; subsection 2-B, paragraph E; and subsection 2-C,  
21 paragraph E that must be distributed by the Treasurer of State to the tribal government of  
22 each federally recognized Indian tribe in the State.

23 **5. Contingent repeal.** This section is repealed if a federally recognized Indian tribe  
24 owns or operates a licensed slot machine facility or casino in the State. The committee  
25 shall provide notice to the Secretary of the Senate, the Clerk of the House of  
26 Representatives and the Office of the Revisor of Statutes when this condition has been met.

27 **Sec. 4. Effective date.** The sections of this Act that amend the Maine Revised  
28 Statutes, Title 8, section 1001, subsection 29-A and section 1036 take effect January 1,  
29 2023.

## 30 SUMMARY

31 This bill makes the following changes, effective January 1, 2023, to the laws governing  
32 the allocation of revenue from slot machines and table games operated by licensed casinos  
33 in the State.

34 1. It repeals the provision of law requiring that 1% of gross slot machine income from  
35 the Bangor casino be deposited in the General Fund for the administrative expenses of the  
36 Department of Public Safety, Gambling Control Board.

37 2. It repeals the provision of law requiring that 4% of net slot machine income from  
38 the Oxford County casino be distributed to the tribal governments of the Penobscot Nation  
39 and the Passamaquoddy Tribe.

40 3. It requires each licensed casino to collect 5% of net slot machine income and 5% of  
41 net table game income for distribution to the tribal governments of the federally recognized  
42 Indian tribes in the State in the proportions annually established by the Indian Casino



1 Revenue Distribution Committee established in the bill. If a federally recognized Indian  
2 tribe owns or operates a licensed slot machine facility or casino in the State, this 5% of net  
3 slot machine income and 5% of net table game income must be deposited in the General  
4 Fund instead of being distributed to tribal governments.

5 4. It requires each licensed casino to collect a specific percentage of net slot machine  
6 income and of net table game income for deposit in the General Fund so that a total of 50%  
7 of net slot machine income and of net table game income is collected by the casino and  
8 distributed to the funds, programs and governmental entities identified in the Maine  
9 Revised Statutes, Title 36, section 1036 or shared with the host municipality under a  
10 revenue-sharing agreement required by section 1011, subsection 4.

11 The bill also creates the Indian Casino Revenue Distribution Committee, which is a  
12 17-member committee composed of the 13 members of the Maine Indian Tribal-State  
13 Commission as well as one member appointed by the Penobscot Nation, one member  
14 appointed by the Passamaquoddy Tribe, one member appointed by the Houlton Band of  
15 Maliseet Indians and one member appointed by the Aroostook Band of Micmacs. This  
16 committee must, beginning January 1, 2023 submit an annual report to the Treasurer of  
17 State and the joint standing committee of the Legislature having jurisdiction over slot  
18 machines matters setting forth the proportion of net slot machine income and net table game  
19 income that should be distributed to each of the federally recognized Indian tribes in the  
20 State in the subsequent year.