

MAINE STATE LEGISLATURE

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STATE OF MAINE
Department of Public Safety
Gambling Control Board

87 State House Station
Augusta, Maine
04333-0087

PAUL R. LePAGE
GOVERNOR
JOHN E. MORRIS
COMMISSIONER

CUSHING SAMP
CHAIRMAN
PATRICK J. FLEMING
EXECUTIVE DIRECTOR

June 21, 2011

Governor Paul R. LePage
Office of the Governor
State House Station #1
Augusta, Maine 04333

Governor LePage,

Pursuant to 8 M.R.S.A. § 1003(2)(R), the Gambling Control Board is required to submit to you by March 15th of each year a report on slot machine revenues, credits disbursed by the slot machine operator(s), administrative expenses and the allocation of gross slot machine income for the preceding year. The tardiness of this years report is due to the fact that there was no Executive Director for the board at the time the report was due.

The Gambling Control Board adopted this report at their meeting on 06/21/2011.

On behalf of the Gambling Control Board, I am pleased to submit the attached report to you.

Sincerely,

Patrick J. Fleming
Executive Director

CC: Members of the Joint Standing Committee on Veterans and Legal Affairs



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Operations Update

The Gambling Control Board is responsible for the licensing, regulating and inspection of the corporations, people and machines that operate slot facilities in Maine. The Board also licenses the companies that sell associated equipment to the slot operator(s).

Bangor Historic Track (D/B/A Hollywood Slots Hotel and Raceway) opened their permanent facility at 500 Main St. in Bangor on July 1, 2008. This facility operates 1000 slot machines. This is approximately double the number that had been operated in the temporary facility from November 5, 2005 until June 30, 2008.

The Gambling Control Board is supported by 6.5 staff positions. These positions include an Executive Director, a State Police Detective, 2 civilian Inspectors, an internal auditor and an office assistant (1/2 time). There is also an identification specialist position in State Bureau of Identification funded by the Gambling Control Board due to the large number of fingerprint submissions that the licensing process generates

The licensing of the personnel at the facility and the people who own and run the companies doing business with Hollywood Slots of Bangor take up the majority of the State Police detective's time. The detective annually investigates at least 4 international companies and approximately 300 individuals that are associated with the Bangor facility. The interview sessions sometimes require out of state travel.

The two civilian inspectors perform inspections and surveillance on the floor of the facility. The inspectors are critical in maintaining a hands-on approach to our vigorous oversight at the facility. The inspectors also assist other law enforcement agencies that have need of information from the slot facility.



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The Auditor provides day-to-day review of the operator's financial reports and insures proper payment of revenue to the State of Maine. Financial information is electronically collected from the slot machines through a central site monitoring system operated by Scientific Games. This monitoring system operates 24 hours a day/ 7 days a week to ensure correct accounting of machine play.

Board Composition

Members of the Board in 2010 include: George McHale (Chairman), Cushing Samp, Harry Stickney, Joe Laliberte, and Matt Dyer.

The Board meets monthly in the Board Room located at Department of Public Safety Headquarters at Commerce Drive in Augusta.

Since 2007, the Gambling Control Board Room has been outfitted with an internet feed to allow for people to listen to the meetings live through the Gambling Control Board website. The Board also makes that room available for other state entities without cost.



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Administrative Expenses

<u>Gambling Control Board</u>	<u>Expenses FY 08</u>	<u>Expenses FY 09</u>	<u>Expenses FY10</u>
Part I: Personnel	\$ 596,854	\$457,758	\$438,550.80
Part II: All Other Expenses	<u>\$ 396,320</u>	<u>\$529,726</u>	<u>\$424,564.08</u>
Total Expenses	<u>\$ 993,174</u>	<u>\$987,484</u>	<u>\$863,114.88</u>

Revenue/Credits

Slot Machine Revenue 2010

During 2010, Hollywood Slots at Bangor was opened for 363 days (closed on Christmas and Easter).

The total amount wagered for 2010 at the Bangor Facility "Gross Slot Machine Income" as defined by 8 M.R.S.A. §1001(20), was \$698,376,584.17.

Credits Disbursed 2009

The amount of money or credits paid back to the players by Hollywood Slots Hotel and Raceway in 2010 was \$636,709,370.00. This was computed by subtracting the Net Slot Machine Income from the Gross Slot machine income for 2010.



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Allocation of Slot Income

Funds received from Hollywood Slots at Bangor were allocated in accordance with 8 M.R.S.A. §1036.

<i>%</i>	<i>Routing</i>	<i>Fund Title</i>	<i>Total 2007</i>	<i>Total 2008</i>	<i>Total 2009</i>	<i>Total 2010</i>
	<u>From Gross Slot Income</u>					
1%	To General Fund	Administrative Expenses of the Board	\$ 6,097,337.21	\$6,265,566.58	\$6,918,544.82	\$6,983,765.84
	<u>From Net Slot Income (39% of Net)</u>					
4%	To General Fund	Administrative Expenses of the Board, including gambling addiction services	\$ 1,110,105.65	\$1,327,494.45	\$1,643,355.09	\$2,187,337.78
10%	Treasurer of State	Fund to Supplement Harness Racing Purses	\$ 3,715,463.26	\$4,424,981.54	\$5,227,967.68	\$5,468,344.91
3%	Harness Racing Commission	Sire Stakes Fund	\$ 1,114,638.08	\$1,327,494.54	\$1,568,390.32	\$1,640,503.48
3%	Treasurer of State	Agricultural Fair Support Fund	\$ 1,114,638.08	\$1,327,494.54	\$1,568,390.32	\$1,640,503.48
10%	State Controller	Fund for Healthy Maine (prescription drugs)	\$ 3,700,352.15	\$4,424,981.54	\$5,227,967.68	\$5,468,344.91
2%	U Maine	U Maine Scholarship Fund	\$ 740,070.43	\$ 884,996.24	\$1,045,593.52	\$1,093,668.98



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1%	Community College	Maine Community College Scholarship Fund	\$ 370,035.22	\$ 442,498.19	\$ 522,796.75	\$546,834.48
4%	Harness Racing Commission	Fund to Encourage Racing at Maine's Commercial Track (Scarborough and Bangor)	\$ 1,486,185.30	\$1,769,992.64	\$2,091,187.08	\$2,187,337.91
1%	Harness Racing Commission	Fund to Stabilize Off-Track Betting Facilities	\$ 743,092.65	\$ 884,996.24	\$ 970,628.83	\$546,834.48
1%	City of Bangor	Host Community	\$ 370,035.22	\$ 442,498.19	\$ 522,796.75	\$546,834.48
		TOTAL (1% and 39%)	<u>\$ 20,587,643.88</u>	<u>\$23,522,994.69</u>	<u>\$27,307,618.84</u>	<u>\$28,310,310.73</u>