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Legislative Document

No. 1144

H.P. 833

House of Representatives, March 7, 2019

An Act To Authorize Tribal Gaming

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 COLLINGS of Portland.
Cosponsored by Senator CARPENTER of Aroostook and
Representatives: COREY of Windham, DOORE of Augusta, HICKMAN of Winthrop,
NEWELL of the Passamaquoddy Tribe, PERRY of Calais, RYKERSON of Kittery, TALBOT
ROSS of Portland, Senator: MOORE of Washington.

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

2 **Sec. 1. 8 MRSA §1001, sub-§25-A** is enacted to read:

3 **25-A. Joint tribal entity.** "Joint tribal entity" means a legal entity formed for the
4 purpose of operating slot machines and table games at a casino, the entire ownership of
5 which is held equally, either jointly or in common, by the Passamaquoddy Tribe, the
6 Penobscot Nation, the Aroostook Band of Micmacs and the Houlton Band of Maliseet
7 Indians.

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

9 **2-C. Licenses for the operation of slot machines and table games by a joint**
10 **tribal entity.** Notwithstanding subsection 2-B, the board may accept an application for a
11 casino operator license from a joint tribal entity authorizing the joint tribal entity to
12 operate slot machines and table games at one casino owned by the joint tribal entity.

13 **Sec. 3. 8 MRSA §1011, sub-§4-A** is enacted to read:

14 **4-A. Joint tribal entity license; change in ownership.** Notwithstanding section
15 1001, subsection 25-A, a casino operator license issued to a joint tribal entity does not
16 become invalid or ineligible for renewal if the composition of the joint tribal entity
17 changes, as long as:

18 A. The change in composition happens no sooner than 6 months after initial
19 licensure;

20 B. The joint tribal entity consists of no fewer than 2 federally recognized Indian
21 tribes after the composition change; and

22 C. The remaining tribes comprise the entire ownership and that ownership is held
23 equally, either jointly or in common.

24 **Sec. 4. 8 MRSA §1018, sub-§1-A**, as enacted by PL 2011, c. 699, §2, is amended
25 to read:

26 **1-A. Fees for slot machine and casino operator licenses on or after September 1,**
27 **2012.** Notwithstanding subsection 1, paragraphs C and C-1, beginning September 1,
28 2012, an applicant for a slot machine operator license or a casino operator license must
29 pay a \$250,000 nonrefundable privilege fee to be submitted with the application for the
30 license and a minimum license fee, or cash bid if the license is part of a competitive
31 bidding process established by law, of \$5,000,000. This subsection does not apply to a
32 casino licensed for operation in the State as of September 1, 2012 or a casino licensed to a
33 joint tribal entity under section 1011, subsection 2-C.

34 **Sec. 5. 8 MRSA §1019, sub-§6**, as amended by PL 2011, c. 417, §5, is further
35 amended to read:

36 **6. Proximity of licensed casinos and slot machine facilities.** A Except for a casino
37 operator license issued to a joint tribal entity under section 1011, subsection 2-C, a casino

1 operator license or slot machine operator license may not be issued under this chapter to
2 operate any casino or slot machine facility located within 100 miles of a licensed casino
3 or slot machine facility. A casino operator license issued to a joint tribal entity may not
4 be issued for a casino located within 50 miles of an existing licensed casino or slot
5 machine facility. This subsection does not prohibit a commercial track that was licensed
6 to operate slot machines on January 1, 2011 from obtaining a casino operator license for
7 the same facility where slot machines were operated as of January 1, 2011.

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

10 **7. Statewide and county referendum; municipal vote.** After January 1, 2011, ~~any~~
11 a proposed casino or slot machine facility, other than a casino to be operated by a joint
12 tribal entity, may not be issued a license unless it has been approved by a statewide
13 referendum vote and a vote of the municipal officers or municipality in which the casino
14 or slot machine facility is to be located, except that a commercial track licensed to operate
15 slot machines on January 1, 2011 is only required, as a condition to obtain a casino
16 license, to receive approval to operate a casino by means of a referendum of the voters of
17 the county in which the commercial track is located.

18 A. A license may not be issued to a joint tribal entity that has applied for a casino
19 operator license under section 1011, subsection 2-C unless one of the following
20 conditions is met:

21 (1) The land on which the casino will be located is land that on January 1, 2019
22 was owned by the Passamaquoddy Tribe, the Penobscot Nation, the Aroostook
23 Band of Micmacs or the Houlton Band of Maliseet Indians or is land held in trust
24 by the United States or by any other person or entity for the Passamaquoddy
25 Tribe, the Penobscot Nation, the Aroostook Band of Micmacs or the Houlton
26 Band of Maliseet Indians;

27 (2) The land on which the casino will be located is located in the unorganized
28 territory; or

29 (3) The land on which the casino will be located is within a municipality and that
30 municipality approves of the operation of the casino in that municipality. A
31 municipality may provide its approval either by vote of its legislative body or in a
32 referendum of the voters of the municipality.

33 **Sec. 7. 8 MRSA §1020, sub-§3, ¶A**, as amended by PL 2011, c. 585, §8, is
34 further amended to read:

35 A. Except for slot machines used for training and educational purposes at
36 postsecondary institutions as provided by section 1011, subsection 1-B, the total
37 number of slot machines registered in the State may not exceed ~~3,000~~ 4,500; and

38 **Sec. 8. 8 MRSA §1036, sub-§2-A**, as amended by PL 2017, c. 284, Pt. C, §1, is
39 further amended to read:

40 **2-A. Distribution from casino of slot machine income.** A casino operator licensed
41 under section 1011, subsection 2-A shall collect and distribute 46% of the net slot

1 machine income from slot machines operated by the casino operator to the board for
2 distribution by the board as follows:

3 A. Twenty-five percent of the net slot machine income must be forwarded directly
4 by the board to the Treasurer of State, who shall credit the money to the Department
5 of Education, to be used for essential programs and services for kindergarten to grade
6 12 under Title 20-A, chapter 606-B;

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

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

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

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

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

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

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

30 G. One 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 Agricultural Fair Support Fund
32 established in Title 7, section 91;

33 H. One 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 established in section 298
35 to supplement harness racing purses;

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

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

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

6 M. 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 Dairy Improvement Fund established under Title 10, section 1023-P.

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

14 **Sec. 9. 8 MRSA §1036, sub-§§2-D and 2-E** are enacted to read:

15 **2-D. Distribution of slot machine income from a casino operated by a joint**
16 **tribal entity.** A casino operator that is a joint tribal entity licensed under section 1011,
17 subsection 2-C shall collect and forward 25% of net slot machine income from slot
18 machines operated by the joint tribal entity to the Treasurer of State, who shall credit the
19 money to the Department of Education, to be used for essential programs and services for
20 kindergarten to grade 12 under Title 20-A, chapter 606-B.

21 **2-E. Distribution of table game income from a casino operated by a joint tribal**
22 **entity.** A casino operator that is a joint tribal entity licensed under section 1011,
23 subsection 2-C shall collect and forward 16% of net table game income from table games
24 operated by the joint tribal entity for deposit to the General Fund.

25 **SUMMARY**

26 This bill authorizes the Department of Public Safety, Gambling Control Board to
27 accept an application for a casino operator license from a joint tribal entity authorizing
28 the joint tribal entity to operate table games and slot machines at one casino owned by the
29 joint tribal entity. It increases by 1,500 the number of slot machines that may be
30 registered in the State. "Joint tribal entity" is defined as a legal entity formed for the
31 purpose of operating slot machines and table games at one casino, the entire ownership of
32 which is held equally, either jointly or in common, by the Passamaquoddy Tribe, the
33 Penobscot Nation, the Aroostook Band of Micmacs and the Houlton Band of Maliseet
34 Indians.

35 The bill provides the following in regard to the casino.

36 1. It specifies that, as a condition of a joint tribal entity's receiving a license, a casino
37 must be located:

38 A. On land that on January 1, 2019 was owned by the Passamaquoddy Tribe, the
39 Penobscot Nation, the Aroostook Band of Micmacs or the Houlton Band of Maliseet
40 Indians or land held in trust by the United States or by any other person or entity for

1 the Passamaquoddy Tribe, the Penobscot Nation, the Aroostook Band of Micmacs or
2 the Houlton Band of Maliseet Indians;

3 B. On land located in the unorganized territory; or

4 C. On land in a municipality and that municipality approves of the operation of the
5 casino in that municipality, either by vote of its legislative body or in a referendum of
6 the voters of the municipality.

7 2. It exempts a casino licensed to a joint tribal entity from the provision in current
8 law that prohibits a new casino or slot machine facility from being located within 100
9 miles of an existing casino or slot machine facility. It provides that a casino licensed to a
10 joint tribal entity may not be located within 50 miles of an existing facility.

11 3. It provides that a change in the composition of a joint tribal entity does not
12 invalidate a casino license issued to the entity as long as the change occurs no sooner than
13 6 months after the license is issued and the entity still consists of at least 2 federally
14 recognized Indian tribes in the State who own equal shares of the entity in its entirety.

15 4. It changes the provision in current law that states that distributions of net slot
16 machine revenue from the casino located in Oxford County to the Penobscot Nation and
17 the Passamaquoddy Tribe revert to the operator if one or both tribes operate or receive
18 distributions from a newly licensed casino. It provides that the distribution of that slot
19 machine revenue would instead be deposited into the General Fund if either the
20 Penobscot Nation or the Passamaquoddy Tribe operated or received distributions from a
21 newly licensed casino.

22 5. It establishes a distribution rate of 25% of net slot machine income and 16% of net
23 table game income for a casino operator that is a joint tribal entity. The slot machine
24 income is used to fund education for kindergarten to grade 12 and the table game income
25 is deposited to the General Fund.