



130th MAINE LEGISLATURE

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Legislative Document

No. 1060

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**

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 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.