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An Act To Provide Property Tax Relief by Expanding Gaming Opportunities

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

Whereas, this State has an interest in promoting economic recovery, tax relief and job creation as soon as possible through the development and regulation of gaming in order to preserve the quality of life for residents of this State; and

Whereas, this State has an interest in ensuring the financial stability and integrity of gaming operations in the State; and

Whereas, this State has a substantial interest in choosing gaming sites based on their potential for job growth and revenue generation, suitability for tourism and development opportunities; and

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

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

Sec. 1. 8 MRSA §1011, sub-§2-A, as amended by PL 2011, c. 417, §2, is further amended to read:

2-A. Persons eligible for casino operator license. The board may accept an application for a casino operator license to operate slot machines and table games at a casino from a commercial track licensed to operate a slot machine facility on January 1, 2011 for the same location where slot machines were operated on January 1, 2011 and any person if that person and casino satisfy the following criteria:

A. The casino is located on a parcel of land in Oxford County that is:

(1) No less than 50 acres in size; and

(2) Located not more than:

(a) Thirty miles from a Level I or Level II trauma center verified as such by the American College of Surgeons or successor organization;

(b) Fifteen miles from the main office of a county sheriff;

- (c) Twenty-five miles from the main office of a state police field troop;
- (d) Thirty miles from an interchange of the interstate highway system;
- (e) Ten miles from a fire station;
- (f) Ten miles from a facility at which harness racing was conducted pursuant to a license from the State Harness Racing Commission for the 2009 racing year; and
- (g) One-half mile from a state highway as defined in Title 23, section 1903, subsection 15.

For the purposes of this paragraph, distances are determined by measuring along the most commonly used roadway, as determined by the Department of Transportation;

B. The criteria adopted through rulemaking by the board regarding the licensing of the operation of slot machines and table games;

C. The operation of a casino is approved by the voters of the municipality in which the casino to be licensed is located in a referendum election or by a vote of the municipal officers in the municipality in which the casino is to be licensed and located held at any time after October 1, 2009 and on or before December 31, 2011;

D. The person owns a facility that is within 10 miles of the proposed casino at which harness racing was conducted pursuant to a license from the State Harness Racing Commission for the 2009 racing year; and

E. The slot machines and table games are located and operated in the casino.

Notwithstanding subsection 2-B, the board may accept an application for a casino operator license to operate slot machines and table games at a casino from a person who is licensed to operate a commercial track that is located within a 25-mile radius of the center of a commercial track that conducted harness racing with pari-mutuel wagering on more than 25 days during calendar year 2002 and at which the operation of a casino at the commercial track is approved by the voters of the municipality and county in which the commercial track to be licensed is located by referendum election held at any time after December 31, 2002. A person who is licensed to operate a commercial track and who is initially granted a casino operator license after January 1, 2013, except for an interim period after licensure that may not exceed 20 months, shall locate the slot machines and table games in a building adjacent to and that provides a prominent view of the racing oval with a hotel that includes at least 115 guest rooms.

Sec. 2. 8 MRSA §1011, sub-§4, as amended by PL 2005, c. 663, §6, is further amended to read:

4. Requirement for license; agreement with municipality where slot machines are located. A slot machine operator and a person who is licensed to operate a commercial track and who is initially granted a casino operator license after January 1, 2013 pursuant to subsection 2-A shall enter into an agreement with the municipality where the slot machine operator's or casino operator's slot machines are located that provides for revenue sharing or other compensation, including, but not limited to, a provision requiring the preparation, in conjunction with the municipality, of a security plan for the premises on which the slot machines are located. The revenue-sharing agreement must provide for a minimum payment to the municipality of 3% of the net slot machine income derived from the machines located in the municipality.

Sec. 3. 8 MRSA §1018, sub-§1-B is enacted to read:

1-B. Fee for initial casino operator license granted after January 1, 2013.

Notwithstanding subsection 1, paragraphs C and C-1 and subsection 1-A, a person who is licensed to operate a commercial track and who is initially granted a casino operator license after January 1, 2013 pursuant to section 1011, subsection 2-A shall pay an initial license fee of \$5,000,000 and make a prepayment of money that otherwise would be distributed pursuant to section 1036, subsection 2-D in the amount of \$50,000,000, which must be deposited in the General Fund. The person who is licensed to operate the commercial track shall retain the first \$10,000,000 each year that otherwise would be distributed pursuant to section 1036, subsection 2-D, paragraph I for 5 years.

Sec. 4. 8 MRSA §1019, sub-§6, as amended by PL 2011, c. 417, §5, is further amended to read:

6. Proximity of licensed casinos and slot machine facilities. A casino operator license or slot machine operator license may not be issued under this chapter to operate any casino or slot machine facility located within 100 miles of a licensed casino or slot machine facility. This subsection does not prohibit a commercial track that was licensed to operate slot machines on January 1, 2011 from obtaining a casino operator license for the same facility where slot machines were operated as of January 1, 2011. This subsection does not prohibit a commercial track that was licensed to accept any form of wagers prior to December 31, 2002 from obtaining a casino operator license for any commercial track where wagers on harness racing were taken prior to December 31, 2002 or at any replacement commercial track that, as defined in section 275-A, subsection 1, is considered the same commercial track as such a facility and that is not located nearer to any existing casino or slot machine facility than was the commercial track that it replaced.

Sec. 5. 8 MRSA §1019, sub-§7, as amended by PL 2011, c. 417, §6, is further amended to read:

7. Countywide referendum; municipal vote. After January 1, 2011, any proposed casino or slot machine facility may not be issued a license unless it has been approved by a statewide countywide referendum vote and a vote of the municipal officers or municipality in which the casino or slot machine facility is to be located, except that a commercial track licensed to operate slot machines on January 1, 2011 is only required, as a condition to obtain a casino license, to receive approval to operate a casino by means of a referendum of the voters of the county in which the commercial track is located.

Sec. 6. 8 MRSA §1020, sub-§3, ¶A, as amended by PL 2011, c. 585, §8, is further amended to read:

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

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

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

Sec. 8. 8 MRSA §1036, sub-§2-A, as amended by PL 2011, c. 625, §§3 and 4 and c. 657, Pt. W, §5, is further amended to read:

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

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

B. Four percent of the net slot machine income must be forwarded by the board to the University of Maine System Scholarship Fund created in Title 20-A, section 10909;

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

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

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

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

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

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

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

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

K. One percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Maine Milk Pool, Other Special Revenue Funds account within the Department of Agriculture, Conservation and Forestry to help fund dairy farm stabilization pursuant to Title 7, sections 3153-B and 3153-D. This paragraph is repealed July 1, 2013;

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

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

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

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

2-D. Distribution of net slot machine income from casino with commercial track initially licensed to operate slot machines after January 1, 2013. A casino operator that is a commercial track that was initially licensed to operate slot machines under section 1011, subsection 2-A after January 1, 2013 shall collect and distribute 39% of the net slot machine income from slot machines operated by the casino operator to the board for distribution by the board as follows:

A. One percent of the net slot machine income must be deposited to the General Fund for administrative expenses of the board in accordance with rules adopted by the board under section 1003, subsection 1, paragraph B, except that of the amount calculated pursuant to this paragraph, \$100,000 must be transferred annually to the Gambling Addiction Prevention and Treatment Fund established by Title 5, section 20006-B;

- B. Eight percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the fund established in section 298 to supplement harness racing purses;
- C. Two percent of the net slot machine income must be credited by the board to the Sire Stakes Fund created in section 281;
- D. Three percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund established in Title 7, section 91;
- E. Two percent of the net slot machine income must be forwarded directly to the municipality in which the slot machines are located;
- F. Three percent of the net slot machine income must be forwarded directly to the county in which the slot machines are located;
- G. One percent of the net slot machine income must be forwarded directly to the municipalities that abut the municipality in which the slot machines are located. The revenues must be paid in equal portions to each municipality in order to provide property tax relief to those municipalities;
- H. One percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Fund to Stabilize Off-track Betting Facilities established by section 300, as long as a facility has conducted off-track wagering operations for a minimum of 250 days during the preceding 12-month period in which the first payment to the fund is required; and
- I. Eighteen percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Property Tax Relief Fund established in Title 30-A, section 5831.

2-E. Distribution of table game income from casino with a commercial track initially licensed to operate table games after January 1, 2013. A casino operator that is a commercial track that was initially licensed to operate table games under section 1011, subsection 2-A after January 1, 2013 shall collect and distribute 16% of the net table game income from table games operated by the casino operator to the board for distribution by the board as follows:

- A. Ten percent of the net table game income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Property Tax Relief Fund established in Title 30-A, section 5831;
- B. Two percent of the net table game income must be deposited to the General Fund for administrative expenses of the board, including gambling addiction counseling services, in accordance with rules adopted by the board under section 1003, subsection 1, paragraph B;
- C. Two percent of the net table game income must be forwarded directly to the municipality in which the table games are located;

D. One percent of the net table game income must be forwarded directly to the municipalities that abut the municipality in which the table games are located. The revenues must be paid in equal portions to each municipality in order to provide property tax relief to those municipalities; and

E. One percent of the net table game income must be forwarded directly to the county in which the table games are located.

Sec. 10. 30-A MRSA c. 223, sub-c. 9 is enacted to read:

SUBCHAPTER 9

PROPERTY TAX RELIEF

§ 5831. Property Tax Relief Fund

1. Established. The Property Tax Relief Fund, referred to in this section as "the fund," is established as a nonlapsing fund within the Department of Administrative and Financial Services.

2. Purpose. The purpose of the fund is to provide property tax relief for the citizens of this State.

3. Funding. The fund receives money pursuant to Title 8, section 1036, subsection 2-D, paragraph I and subsection 2-E, paragraph A. The fund may receive money from other sources.

4. Allocations. Allocations from the fund must be made to provide property tax relief and may include, but are not limited to, allocations to state-municipal revenue sharing, the Disproportionate Tax Burden Fund established in section 5681, subsection 3 and the Maine Residents Property Tax Program established in Title 36, chapter 907.

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

SUMMARY

This bill allows the Gambling Control Board to accept an application for a casino operator license to operate slot machines and table games at a casino from a person who is licensed to operate a commercial track that conducted harness racing with pari-mutuel wagering on more than 25 days during calendar year 2002 and at which the operation of a casino at the commercial track is approved by the voters of the municipality and county in which the commercial track to be licensed is located by referendum election held at any time after December 31, 2002. Except for an interim period after licensure, the casino must be located in a building adjacent to and that provides a prominent view of the racing oval with a hotel that includes at least 115 guest rooms. The casino operator must enter into an agreement with the municipality where the slot machines are located that provides for revenue sharing or other compensation of at least 3% of the net slot machine income. The fee for this license is \$5,000,000 and the licensee must make a prepayment of money that otherwise would be required to be distributed from slot machine revenue in the amount of \$50,000,000, which must be deposited in the General Fund. The limit on the number of slot machines that may be registered in the State is raised from 3,000 to 4,500.

The bill establishes the Property Tax Relief Fund. Allocations from the fund must be made to provide property tax relief and may include, but are not limited to, allocations to state-municipal revenue sharing, the Disproportionate Tax Burden Fund and the Maine Residents Property Tax Program, also known as the Circuit Breaker Program.

The casino operator must distribute 1% of gross slot machine income to the General Fund for the administrative expenses of the Gambling Control Board. The casino operator must distribute 39% of net slot machine income as follows:

1. One percent for the administrative expenses of the Gambling Control Board and for the Gambling Addiction Prevention and Treatment Fund;
2. Eight percent to supplement harness racing purses;
3. Two percent to the Sire Stakes Fund;
4. Three percent to the Agricultural Fair Support Fund;
5. Two percent to the municipality in which the slot machines are located;
6. Three percent to the county in which the slot machines are located;
7. One percent to the municipalities that abut the municipality in which the slot machines are located;
8. One percent to the Fund to Stabilize Off-track Betting Facilities; and
9. Eighteen percent to the Property Tax Relief Fund.

The casino operator must distribute 16% of net table game income as follows:

1. Ten percent to the Property Tax Relief Fund;
2. Two percent for the administrative expenses of the Gambling Control Board and for gambling addiction counseling services;
3. Two percent to the municipality in which the table games are located;
4. One percent to the municipalities that abut the municipality in which the table games are located;
and
5. One percent to the county in which the table games are located.