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An Act To Provide for the Licensing of a Casino Owned by the Maliseet Tribal Government on Tribal Lands in Aroostook County

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

Sec. 1. 7 MRSA §82, sub-§5, as amended by PL 2011, c. 358, §1, is further amended to read:

5. Rulemaking. The commissioner shall adopt rules to establish procedures for licensing and awarding dates for agricultural fairs and performance standards for evaluating agricultural fairs. The commissioner, in consultation with the executive director of the State Harness Racing Commission, shall adopt rules that require agricultural fairs that receive a distribution of slot machine revenue in accordance with Title 8, section 1036, ~~subsection~~ subsections 2, 2-A and 2-D to submit information regarding the use of that revenue sufficient for the executive director to submit the report required by Title 8, section 1037. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 7 MRSA §91, sub-§1, as amended by PL 2007, c. 539, Pt. G, §1 and affected by §15, is further amended to read:

1. Fund created. The Treasurer of State shall establish an account to be known as "the Agricultural Fair Support Fund" and shall credit to it all money received under Title 8, section 1036, subsection 2, paragraph D; Title 8, section 1036, subsection 2-A, paragraph G; and Title 8, section 1036, subsection 2-D, paragraph F. The fund is a dedicated, nonlapsing fund. All revenues deposited in the fund must be disbursed in accordance with this section, except that assessments and advances may be withdrawn in accordance with Title 8, section 267-A.

Sec. 3. 8 MRSA §272-B, sub-§1, ¶E, as enacted by PL 2007, c. 211, §1 and affected by §2, is amended to read:

E. The fund to supplement harness racing purses established under section 298 and receiving payment pursuant to section 1036, subsection 2, paragraph B; section 1036, subsection 2-A, paragraph H; and section 1036, subsection 2-D, paragraph G; and

Sec. 4. 8 MRSA §298, sub-§1, as amended by PL 2007, c. 539, Pt. G, §10 and affected by §15, is further amended to read:

1. Fund created. A fund is established to supplement harness racing purses to which the commission shall credit all payments received pursuant to section 1036, subsection 2, paragraph B; section 1036, subsection 2-A, paragraph H; and section 1036, subsection 2-D, paragraph G for distribution in accordance with this section. The fund is a dedicated, nonlapsing fund, and all revenues deposited in the fund remain in the fund and must be disbursed in accordance with this section, except that assessments and advances may be withdrawn in accordance with section 267-A. The commission shall distribute in accordance with this section amounts credited to the fund.

Sec. 5. 8 MRSA §1011, sub-§2-C is enacted to read:

2-C. Houlton Band of Maliseet Indians eligible for casino operator license.

Notwithstanding subsection 2-B, the board may accept an application for a casino operator license from the Houlton Band of Maliseet Indians to operate slot machines and table games at a casino on property of the Houlton Band of Maliseet Indians in the Town of Houlton in Aroostook County.

Sec. 6. 8 MRSA §1018, sub-§1, ¶C-1, as amended by PL 2011, c. 417, §4, is further amended to read:

C-1. The initial application fee for a casino operator license is \$225,000, except that the initial application fee for an applicant that is a commercial track that was licensed to operate slot machines as of January 1, 2011 is \$25,000. A casino licensed in accordance with section 1011, subsection 2-C is not required to pay the initial application fee until one calendar year after the casino opens for operation. The annual renewal fee is \$80,000 plus an amount, set by rules of the board, equal to the cost to the board of licensing casino operators and determined by dividing the costs of administering the casino operator licenses by the total number of casino operators licensed by the board. In addition, a casino operator shall pay an initial gaming table fee of \$100,000 for the privilege to operate each gaming table for a period of 20 years as long as the casino operator is licensed. Each gaming table is also subject to an annual gaming table renewal fee of \$1,000. The gaming table fees authorize the casino operator to conduct any authorized table game at the gaming table during the 20-year period. A casino licensed in accordance with section 1011, subsection 2-A, paragraph A is not required to pay the gaming table fees until after one calendar year of table game operation. Fees collected in accordance with this paragraph must be deposited to the Gambling Control Board administrative expenses Other Special Revenue Funds account, which is a nonlapsing dedicated account. [PL 2011, c. 417, § 4 (AMD).]

Sec. 7. 8 MRSA §1018, sub-§1-A, as enacted by PL 2011, c. 699, §2, is amended to read:

1-A. Fees for slot machine and casino operator licenses on or after September 1, 2012. Notwithstanding subsection 1, paragraphs C and C-1, beginning September 1, 2012, an applicant for a slot machine operator license or a casino operator license must pay a \$250,000 nonrefundable privilege fee to be submitted with the application for the license and a minimum license fee, or cash bid if the license is part of a competitive bidding process established by law, of \$5,000,000. This subsection does not apply to a casino licensed for operation in the State as of September 1, 2012 or a license authorizing the operation of a casino by the Houlton Band of Maliseet Indians as provided by section 1011, subsection 2-C.

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

7. Statewide and county 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 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.

Notwithstanding this subsection, a casino operated by the Houlton Band of Maliseet Indians is 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 only Aroostook County.

Sec. 9. 8 MRSA §1020, sub-§3, as amended by PL 2011, c. 585, §8, is further amended to read:

3. Limits on total slot machines. The board shall determine the number of slot machines to be registered in the State. The board shall make this determination based upon the minimum net slot machine income, when distributed pursuant to section 1036, necessary to maintain the harness horse racing industry in this State, except that:

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~~3,350; and

~~B. A slot machine operator may not operate more than 1,500 slot machines at any one commercial track and a casino operator may not operate more than 1,500 slot machines at a casino licensed under section 1011, subsection 2-A or 2-B. A casino operator may not operate more than 350 slot machines at a casino licensed under section 1011, subsection 2-C.~~

Sec. 10. 8 MRSA §1036, sub-§2-A, as amended by PL 2013, c. 118, §2, is further amended to read:

2-A. Distribution from casino of slot machine income. A casino operator, except a casino operator licensed under section 1011, subsection 2-C, 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 and to the Board of Trustees of the Maine Maritime Academy to be applied by the board of trustees to fund its scholarship program. The slot machine income under this paragraph must be distributed as follows:

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

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

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;

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, a casino operated by the Houlton Band of Maliseet Indians 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 or the Houlton Band of Maliseet Indians.

Sec. 11. 8 MRSA §1036, sub-§§2-D and 2-E are enacted to read:

2-D. Distribution of slot machine income from casino operated by the Houlton Band of Maliseet Indians. A casino operator licensed in accordance with section 1011, subsection 2-C shall collect and distribute 35% 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 forwarded by the board to the University of Maine System Scholarship Fund created in Title 20-A, section 10909 and to the Board of Trustees of the Maine Maritime Academy to be applied by the board of trustees to fund its scholarship program. The slot machine income under this paragraph must be distributed as follows:

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

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

B. One 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;

C. Nine percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall distribute the funds equally and directly to each of the tribal governments of the Penobscot Nation, the Passamaquoddy Tribe and the Aroostook Band of Micmacs;

D. One 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;

E. Three percent of the net slot machine income must be forwarded directly to the Town of Houlton;

F. 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;

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 fund established in section 298 to supplement harness racing purses;

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

I. One and one-half percent of the net slot machine income must be forwarded directly to Aroostook County to pay for mitigation of costs resulting from gaming operations;

J. One and one-half percent of the net slot machine income must be forwarded directly to Washington County;

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 Coordinated Veterans Assistance Fund established in Title 37-B, section 514;

L. One percent of the net slot machine income must be forwarded directly to each of the following municipalities in Aroostook County: Presque Isle, Fort Kent, Fort Fairfield, Caribou, Mars Hill and Madawaska; and

M. One percent of the net slot machine income must be forwarded directly to each of the following municipalities in Washington County: Machias, Calais, Eastport, Jonesport, Lubec and Danforth.

2-E. Distribution of table game income from casino operated by the Houlton Band of Maliseet Indians. A casino operator licensed in accordance with section 1011, subsection 2-C 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. Four 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 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. Two percent of the net table game income must be deposited to the Gambling Control Board administrative expenses Other Special Revenue Funds account, which is a nonlapsing dedicated account;

C. Four 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 Coordinated Veterans Assistance Fund established in Title 37-B, section 514;

D. Three percent of the net table game income must be forwarded directly to Aroostook County; and

E. Three percent of the net table game income must be forwarded directly to Washington County.

Sec. 12. 8 MRSA §1037, first ¶, as enacted by PL 2011, c. 358, §6 and amended by c. 657, Pt. W, §6, is further amended to read:

Beginning February 15, 2012, the executive director of the State Harness Racing Commission, in consultation with the Commissioner of Agriculture, Conservation and Forestry, annually shall submit a report to the joint standing committees of the Legislature having jurisdiction over slot machines, harness racing, agricultural fairs and appropriations and financial affairs regarding the use of slot machine revenue deposited in funds under section 1036, subsection 2, paragraphs B, C, D, H and I; section 1036, subsection 2-A, paragraphs G, H and I; and section 1036, subsection 2-D, paragraphs F, G and H. The executive director and the commissioner shall obtain the information as described in this section. The report required by this section must be completed using budgeted resources. The executive director may not distribute

funds listed under section 1036, subsection 2, subsection 2-A and subsection 2-D, as applicable, to harness racing tracks, off-track betting facilities, agricultural fairs or the Sire Stakes Fund under section 281 until the information required to submit the report required by this section is provided.

Sec. 13. 8 MRSA §1037, sub-§1, as enacted by PL 2011, c. 358, §6, is amended to read:

1. Commercial tracks. A report required by this section must include the following information from commercial tracks licensed in accordance with chapter 11 that receive a distribution of slot machine revenue under section 1036, subsection 2, paragraph B, D or H; section 1036, subsection 2-A, paragraph G, H or I; or section 1036, subsection 2-D, paragraph F, G or H:

- A. The total amount wagered on live harness races;
- B. The total amount wagered on intrastate simulcast races;
- C. The total amount wagered on interstate simulcast races;
- D. The number of harness races originated in the State and made available for simulcast outside of the State;
- E. The amount of the harness racing handle from wagers at the commercial track kept by that commercial track and the distribution of the handle to the State and industry recipients under section 286;
- F. The amount received from the handle distribution from wagers at other tracks and off-track betting facilities under section 286;
- G. The amount of revenue received in accordance with section 1036, subsection 2, paragraphs B, D and H; section 1036, subsection 2-A, paragraphs G, H and I; and section 1036, subsection 2-D, paragraphs F, G and H;
- H. The number of full-time and part-time employees at the commercial track;
- I. The amount, if any, spent on capital improvements to the commercial track and related facilities and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year;
- J. Operating costs for the commercial track;
- K. Profit and loss or depreciation figures for the commercial track; and
- L. Administrative costs to comply with reporting requirements and contributions to the State Harness Racing Commission's operating account described in section 267-A.

Sec. 14. 8 MRSA §1037, sub-§2, ¶E, as enacted by PL 2011, c. 358, §6 and amended by c. 657, Pt. W, §6, is further amended to read:

E. The amounts, reported separately, of revenue received in accordance with section 1036, subsection 2, paragraphs B and D; section 1036, subsection 2-A, paragraphs G and H; and section 1036, subsection 2-D, paragraphs F and G, in accordance with the Stipend Fund under Title 7, section 86 and from any other source in accordance with rules adopted under section 263-A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the Commissioner of Agriculture, Conservation and Forestry or the State Harness Racing Commission; and

Sec. 15. 8 MRSA §1037, sub-§3, ¶B, as enacted by PL 2011, c. 358, §6 and amended by c. 657, Pt. W, §6, is further amended to read:

B. The amounts, reported separately, received from slot machine revenue in accordance with section 1036, subsection 2, paragraph D; section 1036, subsection 2-A, paragraph G; and section 1036, subsection 2-D, paragraph F, in accordance with the Stipend Fund under Title 7, section 86 and from any other source in accordance with rules adopted under section 263-A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the Commissioner of Agriculture, Conservation and Forestry or the State Harness Racing Commission; and

Sec. 16. 8 MRSA §1037, sub-§4, as enacted by PL 2011, c. 358, §6, is amended to read:

4. Breeders and owners within the Maine Standardbred program. A report required by this section must include the following information from horse breeders and owners within the Maine Standardbred program established pursuant to section 281 who receive a distribution under section 1036, subsection 2, paragraph C; section 1036, subsection 2-A, paragraph I; and section 1036, subsection 2-D, paragraph H:

A. The number of mares bred by each Maine Standardbred stallion as reported to the State Harness Racing Commission;

B. An assessment of whether the number of Maine Standardbred horses in the State is sufficient to grow and sustain harness racing in the State;

C. The number of yearling horses eligible and nominated to participate in sire stakes racing;

D. The amount received from slot machine revenue in accordance with section 1036, subsection 2, paragraph C; section 1036, subsection 2-A, paragraph I; and section 1036, subsection 2-D, paragraph H;

E. The total number of qualifying dashes for sire stakes races and the average purse for each dash sorted by the age of the horse and the average purse for each sire stakes final dash sorted by the age of the horse; and

F. An accounting of the Sire Stakes Fund, including the total amount of the fund at the beginning and end of the racing season and, reported separately, expenditures used to supplement purses, pay breeder promotional contracts, pay advertising costs, make payments to a statewide horsemen association, pay administrative costs and make contributions to the operating account described in section 267-A.

Sec. 17. 8 MRSA §1037, sub-§6, as enacted by PL 2011, c. 358, §6, is amended to read:

6. Other recipients. The Fund for a Healthy Maine's program providing prescription drugs for adults who are elderly or disabled, the University of Maine System and the Maine Community College System shall submit reports that include the amount of slot machine revenue received under section 1036, ~~subsections~~subsections 2, 2-A and 2-D and how that revenue was used to meet the statutory requirements ~~cited in section 1036, subsection 2, paragraphs E, F and G, respectively~~of those distributions.

Sec. 18. 8 MRSA §1054, sub-§8, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

8. Failure to deposit funds. Violates section 1036,~~subsection 2~~; or

Sec. 19. 20-A MRSA §15671, sub-§5-A, as amended by PL 2013, c. 581, §6, is further amended to read:

5-A. Funds from casino slot machines or table games. Revenues received by the department from casino slot machines or casino table games pursuant to Title 8, section 1036, subsection 2-A, paragraph A ~~or~~; Title 8, section 1036, subsection 2-B, paragraph A; Title 8, section 1036; or Title 8, section 1036, subsection 2-E, paragraph A must be distributed until the end of fiscal year 2014-15 as general purpose aid for local schools, and each school administrative unit shall make its own determination as to how to allocate these resources. Beginning in fiscal year 2015-16, \$4,000,000 in revenues must be distributed by the department to provide start-up funds for approved public preschool programs for children 4 years of age in accordance with chapter 203, subchapter 3. Neither the Governor nor the Legislature may divert the revenues payable to the department to any other fund or for any other use. Any proposal to enact or amend a law to allow distribution of the revenues paid to the department from casino slot machines or casino table games for another purpose must be submitted to the Legislative Council and to the joint standing committee of the Legislature having jurisdiction over education matters at least 30 days prior to any vote or public hearing on the proposal.

SUMMARY

This bill authorizes the Department of Public Safety, Gambling Control Board to issue a casino license to the Houlton Band of Maliseet Indians. A casino licensed under this bill would be located on tribal land in the Town of Houlton and would be limited to 350 slot machines at the facility. The casino would be required to distribute 35% of net slot machine income and 16% of net table game income to scholarships at secondary educational institutions in the State, federally recognized Indian tribes in the State, gambling addiction services, agricultural fairs, harness racing purses, the casino host county and municipality, Washington County and multiple municipalities in both Aroostook and Washington counties, the Coordinated Veterans Assistance Fund and other funds. Approval for the casino is contingent on a referendum vote in Aroostook County. The bill also provides that the initial application fee of \$225,000 is not due until the casino has been in operation for one calendar year. The bill also amends existing law that requires entities receiving slot machine revenue to report on how those funds are spent.