



127th MAINE LEGISLATURE

LD 620

LR 689(01)

An Act To Allow Veterans' Organizations To Own and Operate Slot Machines

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Picchiotti of Fairfield

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

- Contingent future biennium cost increase - General Fund
- Contingent future biennium cost increase - Other Special Revenue Funds
- Contingent current biennium revenue increase - General Fund
- Contingent current biennium revenue increase - Other Special Revenue Funds

Fiscal Detail and Notes

This legislation allows the Gambling Control Board to accept applications for slot machine operator licenses, beginning January 1, 2016, from eligible charitable nonprofit organizations and eligible off-track betting facilities. Documentation of approval of the voters of the municipality must be submitted with the application. The Gambling Control Board may license up to 100 slot machines during the first year, with 250 total slot machines allowed beginning January 1, 2017.

Presented below is an estimate of the potential revenues that may be generated from new slot machine facilities and the subsequent distribution of those revenues. This fiscal note assumes 50 veterans' organizations and 1 off-track betting facility would be licensed with a total of 250 slot machines, generating annual revenue of \$126,706 for the State's General Fund and \$555,720 for various other funds. The Gambling Control Board, Other Special Revenue Funds account would also receive license fees of \$61,000 in the first year and \$42,850 for license renewals in subsequent years. Annual state costs associated with an inspector, an auditor and other related expenses are estimated to be \$177,692. This bill will require annual General Fund appropriations of \$9,346 and Other Special Revenue Funds allocations of \$168,346 to the Department of Public Safety to cover these annual state costs.

	Annual Estimate
Summary of Slot Machine Facility Revenue	
Gross Slot Income (total value of money, tokens, credits, other value used to play a slot machine)	\$10,104,000
Player Payback - Slot Income	\$8,285,280
Net Slot Income	\$1,818,720
Share of Net Income for Distribution	\$639,576
- 30% charitable organizations	\$357,696
- 45% off-track betting facilities	\$281,880
Operator Share of Net Income	\$1,179,144
- 70% charitable organizations	\$834,624
- 55% off-track betting facilities	\$344,520

	Annual Estimate
State Revenues by Fund	
General Fund - Slot Machines	<u>\$126,706</u>
Total General Fund Revenue	<u>\$126,706</u>
Gambling Control Board - Slot Machines	\$125,496
Gambling Control Board - License Fees (\$61,000 the 1st year)	<u>\$42,850</u>
Subtotal	\$168,346
Gambling Addiction Prevention and Treatment Fund	\$30,110
Municipalities	\$150,552
Coordinated Veterans' Assistance Fund	<u>\$206,712</u>
Total Other Special Revenue Funds Revenue	<u>\$555,720</u>
 Total Revenue All Funds	 <u>\$682,426</u>
 Summary of Expenditure Impacts to the State	
General Fund	
- Public Safety	\$9,346
Other Special Revenue Funds	
- Public Safety	<u>\$168,346</u>
Total Expenditures	<u>\$177,692</u>