



131st MAINE LEGISLATURE

LD 504

LR 2013(03)

An Act Regarding Licensing Fees for Small Slot Machine Distributors

Fiscal Note for Bill as Engrossed with:

C "A" (S-96)

Committee: Veterans and Legal Affairs

Fiscal Note

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

Fiscal Detail and Notes

This bill creates a new license for small slot machine distributors that distribute fewer than 50 machines annually per casino location. The new license has an initial application fee of \$50,000 and an annual renewal fee of \$10,000. The license will potentially result in additional Other Special Revenue Funds revenue to the Gambling Control Unit (GCU) within the Department of Public Safety and will depend on the number of new small slot machine distributor licenses sold, the number of additional slot machines registered at the existing fee of \$100 each and the number of new employees registered at \$299 each. Any increase to General Fund revenue will come from an increase in the amount of money flowing through all slot machines, both old and new, after some new machines are added. Adding new machines may reduce revenue from existing machines by spreading gambling activity over more machines. Or existing machines may be reduced in number to allow for any new machines provided by new distributors. Under current statute, the two casinos in the State are each authorized to operate up to 1,500 slot machines. Of the 3,000 slot machines allowed, only 1,612 machines are currently in play, leaving a potential for 1,388 additional slot machines to be added. Notwithstanding the recent COVID pandemic, the number of slot machines has remained considerably below the maximum allowed by statute.

If the number of licenses increases substantially, the additional licensing, administrative and compliance activities associated with the new distributor licenses and slot machine registrations may increase the workload on the staff of the GCU. Any such increase is expected to be gradual and any additional staffing for the GCU may need to be addressed in future budgets.