



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1111

H.P. 780

House of Representatives, March 19, 2013

**An Act To Allow Maine's Harness Racing Industry To Compete
with Casino Gaming**

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GIFFORD of Lincoln.
Cosponsored by Senator COLLINS of York and
Representatives: CRAY of Palmyra, LONG of Sherman, STANLEY of Medway.

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

2 **Sec. 1. 8 MRSA §1011, sub-§2**, as amended by IB 2009, c. 2, §29, is further
3 amended to read:

4 **2. Persons eligible for slot machine operator license.** The board may accept
5 applications for a license to operate slot machines from any person who is licensed to
6 operate a commercial track that satisfies the following criteria:

7 A. The commercial track is located at or within a ~~5-mile~~ 2-mile radius of the center
8 of a commercial track that conducted harness racing with pari-mutuel wagering on
9 more than 25 days during calendar year 2002; and

10 B. The operation of slot machines at the commercial track is approved by the voters
11 of the municipality in which the commercial track to be licensed is located by
12 referendum election held at any time after December 31, 2002 ~~and before December~~
13 31, 2003, as long as the slot machines are located in a building adjacent to the racing
14 oval that provides a prominent view of the racing oval.

15 **Sec. 2. 8 MRSA §1019, sub-§6**, as amended by PL 2011, c. 417, §5, is further
16 amended to read:

17 **6. Proximity of licensed casinos and slot machine facilities.** A casino operator
18 license or slot machine operator license may not be issued under this chapter to operate
19 any casino or slot machine facility located within 100 miles of a licensed casino or slot
20 machine facility. This subsection ~~does, subsection 7 and section 1011, subsection 2 do~~
21 not prohibit a commercial track that was licensed to operate slot machines on January 1,
22 2011 from obtaining a casino operator license for the same facility where slot machines
23 were operated as of January 1, 2011 or a commercial track that was licensed to accept any
24 form of wagers prior to December 31, 2002 from obtaining a slot machine operator
25 license or a commercial track that replaces an existing commercial track and that is not
26 located nearer to an existing casino or slot machine facility than the commercial track that
27 the new commercial track replaced.

28 **Sec. 3. 8 MRSA §1019, sub-§7**, as amended by PL 2011, c. 417, §6, is further
29 amended to read:

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

37 **Sec. 4. 8 MRSA §1020, sub-§3, ¶A**, as amended by PL 2011, c. 585, §8, is
38 further amended to read:

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

4 **Sec. 5. 8 MRSA §1036, sub-§1**, as amended by PL 2011, c. 417, §7, is further
5 amended to read:

6 **1. Distribution for administrative expenses of board.** A slot machine operator
7 licensed under section 1011, subsection 2 or a casino operator that is a commercial track
8 ~~that was licensed to operate slot machines under section 1011, subsection 2 on January 1,~~
9 ~~2011~~ shall collect and distribute 1% of gross slot machine income to the Treasurer of
10 State for deposit in the General Fund for the administrative expenses of the board.

11 **Sec. 6. 8 MRSA §1036, sub-§2**, as amended by PL 2011, c. 657, Pt. E, §1, is
12 further amended to read:

13 **2. Distribution of net slot machine income from casino with commercial track.**
14 A slot machine operator licensed under section 1011, subsection 2 or a casino operator
15 that is a commercial track that was licensed to operate slot machines under section 1011,
16 subsection 2 ~~on January 1, 2011~~ shall collect and distribute 39% of the net slot machine
17 income from slot machines operated by the slot machine operator to the board for
18 distribution by the board as follows:

19 A. Three percent of the net slot machine income must be deposited to the General
20 Fund for administrative expenses of the board in accordance with rules adopted by
21 the board, except that of the amount calculated pursuant to this paragraph, the
22 following amounts must be transferred annually to the Gambling Addiction
23 Prevention and Treatment Fund established by Title 5, section 20006-B:

- 24 (1) For the fiscal year beginning July 1, 2011, \$50,000;
25 (2) For the fiscal year beginning July 1, 2012, \$50,000; and
26 (3) For the fiscal year beginning July 1, 2013 and for each fiscal year thereafter,
27 \$100,000;

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

31 C. Three percent of the net slot machine income must be credited by the board to the
32 Sire Stakes Fund created in section 281;

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

36 E. Ten percent of the net slot machine income must be forwarded by the board to the
37 State Controller and except as otherwise provided in this paragraph credited to the
38 Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a
39 separate account under Title 22, section 1511, subsection 11, with the use of funds in
40 the account restricted to the purposes described in Title 22, section 1511, subsection

1 6, paragraph E. For the fiscal years ending June 30, 2010, June 30, 2011 and June 30,
2 2012, the amount credited annually by the State Controller to the Fund for a Healthy
3 Maine under this paragraph may not exceed \$4,500,000 annually and any funds in
4 excess of \$4,500,000 annually during these fiscal years must be credited as General
5 Fund undedicated revenue, and, for the fiscal year ending June 30, 2013, the amount
6 credited by the State Controller to the Fund for a Healthy Maine under this paragraph
7 is \$0;

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

10 G. One percent of the net slot machine income must be forwarded by the board to the
11 board of trustees of the Maine Community College System to be applied by the board
12 of trustees to fund its scholarships program under Title 20-A, section 12716,
13 subsection 1;

14 H. Four percent of the net slot machine income must be forwarded by the board to
15 the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at
16 Maine's Commercial Tracks, established in section 299; however, the payment
17 required by this paragraph is terminated when all commercial tracks have obtained a
18 license to operate slot machines in accordance with this chapter, in which case, that
19 4% of the net slot machine income must be credited to the General Fund as
20 undedicated revenue;

21 I. Two percent of the net slot machine income must be forwarded by the board to the
22 Treasurer of State, who shall credit the money to the Fund to Stabilize Off-track
23 Betting Facilities established by section 300, as long as a facility has conducted off-
24 track wagering operations for a minimum of 250 days during the preceding 12-month
25 period in which the first payment to the fund is required. After 48 months of
26 receiving an allocation of the net slot machine income from a licensed operator, the
27 percent of net slot machine income forwarded to the Fund to Stabilize Off-track
28 Betting Facilities is reduced to 1% with the remaining 1% to be forwarded to the
29 State in accordance with subsection 1; and

30 J. One percent of the net slot machine income must be forwarded directly to the
31 municipality in which the slot machines are located.

32 **SUMMARY**

33 This bill amends the eligibility requirements for slot machine operator licensing for a
34 commercial track located within a 3-mile radius of a commercial track that supports track
35 and harness racing. The bill eliminates the deadline for local approval of the operation of
36 slot machines at a commercial track facility that is currently without slot machines and
37 requires approved slot machines to be located in a building adjacent to the harness racing
38 oval. It increases the amount of slot machines allowed in the State from 3,000 to 4,500
39 and subjects the slot machines to the existing racino taxes and regulatory system.