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H.P. 1171

House of Representatives, December 30, 2013

An Act To Streamline Gaming Laws

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 23, 2013. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McCABE of Skowhegan.

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

2 **PART A**

3 **Sec. A-1. 8 MRSA §1011, sub-§4**, as amended by PL 2005, c. 663, §6, is further
4 amended to read:

5 **4. Requirement for license; agreement with municipality where slot machines**
6 **are located.** A slot machine operator or a person who is initially granted a casino
7 operator license after January 1, 2014 shall enter into an agreement with the municipality
8 where the slot machine operator's or casino operator's slot machines are located that
9 provides for revenue sharing or other compensation, including, but not limited to, a
10 provision requiring the preparation, in conjunction with the municipality, of a security
11 plan for the premises on which the slot machines are located. The revenue-sharing
12 agreement must provide for a minimum payment to the municipality of 3% of the net slot
13 machine income derived from the machines located in the municipality.

14 **Sec. A-2. 8 MRSA §1018, sub-§1-B** is enacted to read:

15 **1-B. Fee for initial casino operator license granted after January 1, 2014.**
16 Notwithstanding subsection 1, paragraphs C and C-1 and subsection 1-A, a person who is
17 initially granted a casino operator license after January 1, 2014 shall pay an initial license
18 fee of \$5,000,000.

19 **Sec. A-3. 8 MRSA §1019, sub-§6**, as amended by PL 2011, c. 417, §5, is
20 repealed.

21 **Sec. A-4. 8 MRSA §1019, sub-§7**, as amended by PL 2011, c. 417, §6, is further
22 amended to read:

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

30 **Sec. A-5. 8 MRSA §1020, sub-§3, ¶A**, as amended by PL 2011, c. 585, §8, is
31 further amended to read:

32 A. Except for slot machines used for training and educational purposes at
33 postsecondary institutions as provided by section 1011, subsection 1-B, the total
34 number of slot machines registered in the State may not exceed ~~3,000~~ 5,000; and

35 **Sec. A-6. 8 MRSA §1036, sub-§1**, as amended by PL 2011, c. 417, §7, is further
36 amended to read:

1 **1. Distribution for administrative expenses of board.** A slot machine operator
2 licensed under section 1011, subsection 2 or a casino operator that is a commercial track
3 ~~that was licensed to operate slot machines under section 1011, subsection 2 on January 1,~~
4 2014 shall collect and distribute 1% of gross slot machine income to the Treasurer of
5 State for deposit in the General Fund for the administrative expenses of the board.

6 **Sec. A-7. 8 MRSA §1036, sub-§2-A,** as amended by PL 2013, c. 118, §2, is
7 further amended to read:

8 **2-A. Distribution from casino of slot machine income.** A casino operator shall
9 collect and distribute 46% of the net slot machine income from slot machines operated by
10 the casino operator to the board for distribution by the board as follows:

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

15 B. Four percent of the net slot machine income must be forwarded by the board to
16 the University of Maine System Scholarship Fund created in Title 20-A, section
17 10909 and to the Board of Trustees of the Maine Maritime Academy to be applied by
18 the board of trustees to fund its scholarship program. The slot machine income under
19 this paragraph must be distributed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

21 **Sec. A-8. 8 MRSA §1036, sub-§2-D** is enacted to read:

22 **2-D. Distribution of net slot machine income and net table game income from**
23 **casino with commercial track initially licensed to operate slot machines after**
24 **January 1, 2014.** A casino operator that is a commercial track that was initially licensed
25 to operate slot machines and table games after January 1, 2014 shall collect and distribute
26 39% of the net slot machine income from slot machines and 16% of net table game
27 income from table games operated by the casino operator to the board for distribution by
28 the board as follows:

29 A. Two and one-half percent of the sum received from the net slot machine income
30 and net table game income must be deposited to the General Fund for administrative
31 expenses of the board in accordance with rules adopted by the board under section
32 1003, subsection 1, paragraph B, except that of the amount calculated pursuant to this
33 paragraph, \$100,000 must be transferred annually to the Gambling Addiction
34 Prevention and Treatment Fund established by Title 5, section 20006-B;

35 B. Twenty percent of the sum received from the net slot machine income and net
36 table game income must be forwarded by the board to the Treasurer of State, who
37 shall credit the money to the fund established in section 298 to supplement harness
38 racing purses;

39 C. Five percent of the sum received from the net slot machine income and net table
40 game income must be credited by the board to the Sire Stakes Fund created in section
41 281;

- 1 D. Eight and one-half percent of the sum received from the net slot machine income
2 and net table game income must be forwarded by the board to the Treasurer of State,
3 who shall credit the money to the Agricultural Fair Support Fund established in Title
4 7, section 91;
- 5 E. Five percent of the sum received from the net slot machine income and net table
6 game income must be forwarded directly to the municipality in which the slot
7 machines and table games are located;
- 8 F. Seven and one-half percent of the sum received from the net slot machine income
9 and net table game income must be forwarded directly to the county in which the slot
10 machines and table games are located;
- 11 G. Two and one-half percent of the sum received from the net slot machine income
12 and net table game income must be forwarded directly to the municipalities that abut
13 the municipality in which the slot machines and table games are located. The
14 revenues must be paid in equal portions to each municipality in order to provide
15 property tax relief to those municipalities;
- 16 H. Two and one-half percent of the sum received from the net slot machine income
17 and net table game income must be forwarded by the board to the Treasurer of State,
18 who shall credit the money to the Fund to Stabilize Off-track Betting Facilities
19 established by section 300, as long as a facility has conducted off-track wagering
20 operations for a minimum of 250 days during the preceding 12-month period in
21 which the first payment to the fund is required;
- 22 I. One and one-half percent of the sum received from the net slot machine income
23 and net table game income must be forwarded by the board to the Treasurer of State,
24 who shall credit the money to a nonprofit fraternal organization fund established by
25 rule;
- 26 J. One and one-half percent of the sum received from the net slot machine income
27 and net table game income must be forwarded by the board to the Treasurer of State,
28 who shall credit the money to the Coordinated Veterans Assistance Fund under Title
29 37-B, section 514;
- 30 K. Two and one-half percent of the sum received from the net slot machine income
31 and net table game income must be forwarded by the board directly, in equal
32 amounts, to the governing bodies of the federally recognized Indian tribes in the
33 State;
- 34 L. Twenty and one-half percent of the sum received from the net slot machine
35 income and net table game income must be forwarded by the board to the Treasurer
36 of State, who shall credit the money to the Department of Education for the purpose
37 of funding kindergarten to grade 12 education; and
- 38 M. Twenty and one-half percent of the sum received from the net slot machine
39 income and net table game income must be forwarded by the board to the Treasurer
40 of State, who shall credit the money to the Local Government Fund under Title 30-A,
41 chapter 223 for the purpose of revenue sharing with the municipalities of the State.

1 **PART B**

2 **Sec. B-1. Issuance of casino operator license.** Notwithstanding the Maine
3 Revised Statutes, Title 8, chapter 31, subchapter 2, or any other provision of law to the
4 contrary, the Department of Public Safety, Gambling Control Board shall issue a casino
5 operator license to the best-value bidder selected by the Commissioner of Administrative
6 and Financial Services, referred to in this Part as "the commissioner," in accordance with
7 this section.

8 **1. Solicit bids.** In accordance with the process for a competitive bid outlined in Title
9 5, chapter 155, subchapter 1-A, the commissioner shall solicit bids for the operation of a
10 new casino to be located in the southern part of the State.

11 **2. Submission deadline; application fee.** A bid submitted pursuant to this section
12 must be:

13 A. Submitted no later than July 30, 2014; and

14 B. Accompanied by a nonrefundable application fee of \$250,000, which must be
15 credited to an Other Special Revenue Funds account within the division of purchases
16 within the Department of Administrative and Financial Services to be used to defray
17 the costs of managing the application process.

18 **3. Information provided by bidders.** A bid submitted pursuant to this section must
19 include the building plans and site designs for the proposed casino and information
20 regarding:

21 A. The bidder's financial capacity and access to capital for use in maintaining the
22 proposed casino;

23 B. How the proposed location of the proposed casino would benefit the State;

24 C. The bidder's knowledge of the gaming industry or a related field;

25 D. The bidder's knowledge of the hospitality industry or a related field;

26 E. The bidder's knowledge of and experience in operating a commercial harness
27 racing track;

28 F. The impact that the bidder's overall proposal will have on the economy,
29 employment and revenues of the host municipality, abutting municipalities, the host
30 county and the State; and

31 G. The bidder's willingness to construct a destination resort gaming facility with
32 harness racing, slot machines and table games.

33 A bidder must include with the information submitted pursuant to this subsection a
34 statement that the bidder has not been found to have violated any state or federal law or
35 rule governing gaming and attesting to the good moral character of the bidder and any
36 principal officer of the bidder.

37 **4. Award of bid.** The commissioner shall review the bids submitted pursuant to this
38 section, consider the information provided pursuant to subsection 3 and shall award the
39 contract to the best-value bidder.

- 1 11. Two and one-half percent to the federally recognized Indian tribes in the State;
- 2 12. Twenty and one-half percent to the Department of Education for the purpose of
- 3 funding kindergarten to grade 12 education; and
- 4 13. Twenty and one-half percent to the Local Government Fund under the Maine
- 5 Revised Statutes, Title 30-A, chapter 223 for the purpose of revenue sharing with the
- 6 municipalities of the State.