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Legislative Document

No. 1520

H.P. 1091

House of Representatives, May 8, 2013

**An Act To Allow the Passamaquoddy Tribe To Operate Slot
Machines in Washington County in Conjunction with High-stakes
Beano**

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SOCTOMAH of the Passamaquoddy Tribe.
Cosponsored by Senator TUTTLE of York and
Representatives: AYOTTE of Caswell, BEAVERS of South Berwick, BROOKS of
Winterport, CASSIDY of Lubec, CHAPMAN of Brooksville, DOAK of Columbia Falls,
GIFFORD of Lincoln, GRANT of Gardiner, HICKMAN of Winthrop, KUMIEGA of Deer
Isle, LONGSTAFF of Waterville, MAKER of Calais, MALABY of Hancock, MONAGHAN-
DERRIG of Cape Elizabeth, NADEAU of Winslow, RUSSELL of Portland, Senators:
DUTREMBLE of York, HASKELL of Cumberland, JACKSON of Aroostook, LACHOWICZ
of Kennebec, LANGLEY of Hancock, MAZUREK of Knox, PATRICK of Oxford,
SHERMAN of Aroostook.

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

2 **Sec. 1. 8 MRSA §1011, sub-§2-C** is enacted to read:

3 **2-C. Passamaquoddy Tribe eligible for license to operate slot machines.** The
4 board may accept an application from the Passamaquoddy Tribe for a license to operate
5 slot machines at a gaming facility in Washington County at which high-stakes beano is
6 conducted by the Passamaquoddy Tribe.

7 **Sec. 2. 8 MRSA §1019, sub-§7,** as amended by PL 2011, c. 417, §6, is further
8 amended to read:

9 **7. Statewide and county referendum; municipal vote.** After January 1, 2011, any
10 proposed casino or slot machine facility may not be issued a license unless it has been
11 approved by a statewide referendum vote and a vote of the municipal officers or
12 municipality in which the casino or slot machine facility is to be located, except that a
13 commercial track licensed to operate slot machines on January 1, 2011 is only required,
14 as a condition to obtain a casino license, to receive approval to operate a casino by means
15 of a referendum of the voters of the county in which the commercial track is located.
16 Notwithstanding this subsection, the Passamaquoddy Tribe is only required, as a
17 condition to obtain a license to operate slot machines at a gaming facility in Washington
18 County at which high-stakes beano is conducted, to receive approval to operate those slot
19 machines by means of a referendum of the voters of Washington County.

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

22 A. Except for slot machines used for training and educational purposes at
23 postsecondary institutions as provided by section 1011, subsection 1-B, the total
24 number of slot machines registered in the State may not exceed ~~3,000~~ 3,750; and

25 **Sec. 4. 8 MRSA §1035,** as amended by PL 2011, c. 585, §10, is further amended
26 to read:

27 **§1035. Location of slot machines**

28 Slot machines may be located only on the premises of a commercial track, the
29 premises of a casino, the premises of a gaming facility in Washington County at which
30 high-stakes beano is conducted by the Passamaquoddy Tribe or the premises of an
31 accredited postsecondary institution for the purposes of training and education under
32 section 1011, subsection 1-B. For the purposes of this section, "premises of a commercial
33 track" means property owned by the person who owns the property on which a
34 commercial track is located and that is either within 200 feet of the outside edge of the
35 racing oval or, if the commercial track was owned by a municipality when a license to
36 operate slot machines in association with that commercial track was issued, within 2,000
37 feet of the center of the racing oval.

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

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

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

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

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

21 (1) For the fiscal year beginning July 1, 2011, \$50,000;

22 (2) For the fiscal year beginning July 1, 2012, \$50,000; and

23 (3) For the fiscal year beginning July 1, 2013 and for each fiscal year thereafter,
24 \$100,000;

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

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

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

33 E. Ten percent of the net slot machine income must be forwarded by the board to the
34 State Controller and except as otherwise provided in this paragraph credited to the
35 Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a
36 separate account under Title 22, section 1511, subsection 11, with the use of funds in
37 the account restricted to the purposes described in Title 22, section 1511, subsection
38 6, paragraph E. For the fiscal years ending June 30, 2010, June 30, 2011 and June 30,
39 2012, the amount credited annually by the State Controller to the Fund for a Healthy
40 Maine under this paragraph may not exceed \$4,500,000 annually and any funds in
41 excess of \$4,500,000 annually during these fiscal years must be credited as General
42 Fund undedicated revenue, and, for the fiscal year ending June 30, 2013, the amount

1 credited by the State Controller to the Fund for a Healthy Maine under this paragraph
2 is \$0;

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

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

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

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

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

27 **Sec. 7. 8 MRSA §1036, sub-§2-A**, as amended by PL 2011, c. 625, §§3 and 4
28 and c. 657, Pt. W, §5, is further amended to read:

29 **2-A. Distribution from casino of slot machine income.** A casino operator shall
30 collect and distribute 46% of the net slot machine income from slot machines operated by
31 the casino operator to the board for distribution by the board as follows:

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

36 B. Four percent of the net slot machine income must be forwarded by the board to
37 the University of Maine System Scholarship Fund created in Title 20-A, section
38 10909;

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

- 1 D. Four percent of the net slot machine income must be forwarded by the board to
2 the Treasurer of State, who shall distribute the funds to the tribal governments of the
3 Penobscot Nation and the Passamaquoddy Tribe;
- 4 E. Three percent of the net slot machine income must be deposited to the General
5 Fund for administrative expenses of the board, including gambling addiction
6 counseling services, in accordance with rules adopted by the board;
- 7 F. Two percent of the net slot machine income must be forwarded directly to the
8 municipality in which the casino is located;
- 9 G. One percent of the net slot machine income must be forwarded by the board to the
10 Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund
11 established in Title 7, section 91;
- 12 H. One percent of the net slot machine income must be forwarded by the board to the
13 Treasurer of State, who shall credit the money to the fund established in section 298
14 to supplement harness racing purses;
- 15 I. One percent of the net slot machine income must be credited by the board to the
16 Sire Stakes Fund created in section 281;
- 17 J. One percent of the net slot machine income must be forwarded directly to the
18 county in which the casino is located to pay for mitigation of costs resulting from
19 gaming operations;
- 20 K. One percent of the net slot machine income must be forwarded by the board to the
21 Treasurer of State, who shall credit the money to the Maine Milk Pool, Other Special
22 Revenue Funds account within the Department of Agriculture, Conservation and
23 Forestry to help fund dairy farm stabilization pursuant to Title 7, sections 3153-B and
24 3153-D. This paragraph is repealed July 1, 2013;
- 25 L. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
26 forwarded by the board to the Treasurer of State, who shall credit the money to the
27 Maine Milk Pool, Other Special Revenue Funds account within the Department of
28 Agriculture, Conservation and Forestry to help fund dairy farm stabilization pursuant
29 to Title 7, sections 3153-B and 3153-D; and
- 30 M. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
31 forwarded by the board to the Treasurer of State, who shall credit the money to the
32 Dairy Improvement Fund established under Title 10, section 1023-P.

33 If a recipient of net slot machine income in paragraph ~~D~~, H or I owns or receives funds
34 from a slot machine facility or casino, other than the casino in Oxford County, a slot
35 machine facility operated by the Passamaquoddy Tribe or the slot machine facility in
36 Bangor, then the recipient may not receive funds under this subsection, and those funds
37 must be retained by the Oxford County casino operator.

38 **Sec. 8. 17 MRSA §314-A, sub-§3-A**, as enacted by PL 2003, c. 452, Pt. I, §5 and
39 affected by Pt. X, §2, is amended to read:

40 **3-A. Exceptions.** Notwithstanding subsection 3, an organization licensed under this
41 section may operate high-stakes beano or high-stakes bingo games on New Year's Eve

1 and New Year's Day. Notwithstanding subsections 3 and 3-B, the Passamaquoddy Tribe
2 may operate high-stakes beano or high-stakes bingo games on days as determined by the
3 Passamaquoddy Tribe.

4 **Sec. 9. Referendum; effective date.** This Act must be submitted to the legal
5 voters of Washington County at a statewide election held in the month of November
6 following passage of this Act. The Washington County commissioners are authorized to
7 expend such funds as necessary to implement the referendum.

8 The county commissioners shall cause the preparation of the required ballots, on
9 which they shall state the subject matter of this Act in the following question:

10 "Do you favor the operation of slot machines by the Passamaquoddy
11 Tribe at a gaming facility located in this county at which high-stakes
12 beano is conducted?"

13 The voters shall indicate by a cross or check mark placed against the word "Yes" or
14 "No" their opinion of the same.

15 This Act takes effect immediately upon its acceptance by a majority of the legal
16 voters voting at the election.

17 The result of the vote must be declared by the Washington County commissioners
18 and due certificate must be filed by the commissioners with the Secretary of State.

19 **SUMMARY**

20 This bill authorizes the Department of Public Safety, Gambling Control Board to
21 accept an application from the Passamaquoddy Tribe to operate slot machines at a
22 gaming facility in Washington County at which high-stakes beano is conducted by the
23 Passamaquoddy Tribe. The bill raises the limit on the number of slot machines allowed
24 in the State by 750 to accommodate the slot machines that may be operated by the
25 Passamaquoddy Tribe. Slot machines operated by the Passamaquoddy Tribe would be
26 subject to the oversight of the Gambling Control Board and subject to the same laws and
27 rules as other slot machines operated in this State. The bill also amends the laws
28 governing high-stakes beano to allow the Passamaquoddy Tribe to operate high-stakes
29 beano on days as determined by the Passamaquoddy Tribe. The provisions of the bill are
30 subject to approval by the voters of Washington County.