



128th MAINE LEGISLATURE

LD 1447

LR 232(01)

An Act To Recognize and Provide for the Right of the Houlton Band of Maliseet Indians To Operate Houlton Band Trust Land Exempt from Certain Gaming Laws

Preliminary Fiscal Impact Statement for Original Bill
Sponsor: Rep. Bear of Houlton Band of Maliseet Indians
Committee: Veterans and Legal Affairs
Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - General Fund
 Current biennium cost increase - Other Special Revenue Funds
 Current biennium revenue increase - General Fund
 Current biennium revenue increase - Other Special Revenue Funds

Fiscal Detail and Notes

This legislation authorizes the Gambling Control Board to accept an application for a casino license from the Houlton Band of Maliseet Indians. Issuance of a license is not contingent upon approval by means of a referendum of the State or any County. The facility would be taxed at the rate of 25% of net slot income and 15% of net table game income. Net slot and table game income retained by the Houlton Band of Maliseet Indians will be used by the tribal government for social programs that support the Houlton Band of Maliseet Indians.

Presented below is an estimate of the potential revenues that may be generated from the new facility and the subsequent use of those revenues. This fiscal note assumes a total of 350 slot machines and 10 table games, generating annual revenue for the State's General Fund and \$4,107,607 for various other funds. This fiscal statement assumes and incorporates revenue to Hollywood Casino. No impact on revenues generated by Oxford Casino is anticipated. The bill exempts the Houlton Band of Maliseet Indians from any license fees. These fees are usually used to support the operational costs of the Gambling Control Board (GCB). The GCB will require annual General Fund appropriations of \$629,702 starting in fiscal year 2018-19 for costs associated with 4 new inspector positions and two position upgrades and other related expenses.

Summary of Casino Revenue

Gross Slot Income (total value of money, tokens, credits and other value used to play a slot machine)
 Player Payback - Slot Income
 Net Slot Income
 Operator Share of Net Slot Income - 75%
 Share of Net Slot Income for Distribution - 25%

Net Table Game Income
 Operator Share of Net Table Game Income - 85%
 Share of Net Table Game Income for Distribution - 15%

State Revenues by Fund

General Fund

General Fund revenue from new Houlton Casino (5% of net slot income)

General Fund 3% revenue reduction from Bangor Casino

Total General Fund

Other Special Revenue Funds

University of Maine System Scholarship Fund

Maine Community College System

Penobscot Nation/Passamaquoddy Tribe/Aroostook Micmac

Town of Houlton

Aroostook County

Gambling Control Board - OSR

OTB Orgs, Charitable Gaming Operations, Veterans Organizations

Subtotal Other Special Revenue Funds Revenue

Other Special Revenue Funds 3% revenue reduction from Bangor Casino

Fund for a Healthy Maine 3% revenue reduction from Bangor Casino

Total Other Revenue

Total Revenue All Funds

Detail of Bangor Casino Revenue Reduction

General Fund Administration (3% Reduction in Gross Slot Machine Revenue)

General Fund (Other) (3% Reduction in Net Slot Machine and Net Table Game Revenue)

Subtotal - General Fund

Fund for a Healthy Maine

Other Special Revenue Funds

Harness Racing Commission

University of Maine Scholarship Fund

Maine Maritime Academy Scholarship Program

Maine Community College System Scholarships

Resident Municipalities

Gambling Control Board

Coordinated Veteran Assistance Fund

Subtotal - Other Special Revenue Funds

Other Revenue Total

Summary of Expenditure Impacts to the State

General Fund

-- Public Safety

Total Expenditures

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Annual

Estimate

\$194,818,750

\$174,752,419

\$20,066,331

\$15,049,748

\$5,016,583

\$3,584,300

\$3,046,655

\$537,645

**Annual
Estimate**

\$1,003,317
(205,428)
\$797,889

\$601,990
\$401,327
\$2,257,534
\$745,362
\$401,327
\$71,686
\$71,686
\$4,550,912
(322,020)
(121,285)

\$4,107,607

\$4,905,496

(132,732)
(72,696)
(205,428)
(121,285)

(254,699)
(23,286)
(971)
(12,129)
(17,502)
(8,060)
(5,373)
(322,020)

(443,305)

\$629,702

\$629,702