



128th MAINE LEGISLATURE

LD 1201

LR 1992(02)

An Act To Authorize Tribal Gaming

Fiscal Note for Bill as Amended by Committee Amendment " "**Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Fiscal Note

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 bill authorizes the Gambling Control Board to accept an application for a casino license from a joint tribal entity comprised of the Passamaquoddy Tribe, the Penobscot Nation, the Aroostook Band of Micmacs and the Houlton Band of Maliseet Indians. The location of the facility cannot be located within 50 miles of an existing casino facility. The facility would be taxed at the rate of 25% of net slot income and 16% of net table game income. The bill also requires that when the Passamaquoddy Tribe and the Penobscot Nation begin receiving distributions from the new joint tribal entity casino, the distributions they currently receive from the Oxford Casino will instead go to the General Fund.

The bill exempts the applicant for a casino license from paying the \$250,000 one-time non-refundable privilege fee and from the \$5,000,000 minimum license fee required by MRSA Title 8, section 1018, subsection 1-A, but the applicant would be subject to an application fee of \$225,000, a slot machine registration fee of \$35,000, a table game initial privilege fee of \$800,000 and a table game registration fee of \$800. This would generate \$1,060,800 in the first year for the Gambling Control Board. Renewal fees for the casino operator, slot machines registration, table games registration and a table games privilege fee will generate an estimated \$123,800 annually thereafter. Annual state General Fund costs associated with 4 positions and other related expenses are estimated to be \$878,835

Presented below is an estimate of the potential revenues that may be generated from the new facility and the subsequent distribution of those revenues. This fiscal note assumes a total of 350 slot machines and 8 table games, generating annual revenue of \$5,475,373 for the State's General Fund. A reduction in revenue to Hollywood Casino and Oxford Casino is anticipated because of the increased competition for customers created by the new casino. That reduction's impact on the General Fund is not estimated at this time but would be partially offset by this bill's provision that the current distributions from Oxford Casino to the Passamaquoddy Tribe and the Penobscot Nation be diverted to the General Fund once the Passamaquoddy Tribe and the Penobscot Nation begin receiving revenue from the new casino. Overall, the authorization of a third casino which distributes 25% of net slot machine income and 16% of net table game income to the General Fund will result in significant additional revenue to the General Fund.

Summary of Casino Revenue

	Annual Estimate
Gross Slot Income (total value of money, tokens, credits and other value used to play a slot machine)	\$194,818,750
Player Payback - Slot Income	<u>\$174,752,419</u>
Net Slot Income	\$20,066,331
Operator Share of Net Slot Income - 75%	<u>\$15,049,748</u>
Share of Net Slot Income for Distribution - 25%	\$5,016,583
Net Table Game Income	\$2,867,440
Operator Share of Net Table Game Income - 84%	<u>\$2,408,650</u>
Share of Net Table Game Income for Distribution - 16%	\$458,790
Total General Fund Revenue Annually	<u><u>\$5,475,373</u></u>

	1st year Estimate
Casino Operator Initial Application Fee	\$225,000
Slot Machine Registration Fee \$100 x 350 machines	\$35,000
Table Games Initial Privilege Fee \$100,000 x 8 tables	\$800,000
Table Games Registration Fees \$100 x 8 tables	<u>\$800</u>
Total Other Special Revenue to Gambling Control Board - 1st year only	<u><u>\$1,060,800</u></u>

Casino Operator Renewal Fee	\$80,000
Slot Machine Renewal Fee \$100 x 350 machines	\$35,000
Table Games Annual Privilege Fee \$1000 x 8 tables	\$8,000
Table Games Renewal Fees \$100 x 8 tables	<u>\$800</u>
Total Other Special Revenue to Gambling Control Board - Annually after 1st year	<u><u>\$123,800</u></u>

Summary of Expenditure Impacts to the State

General Fund - Public Safety	<u>\$878,835</u>
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