



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 a Casino on 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 voters of Aroostook County. The facility would be taxed at the rate of 25% of net slot income and 15% of net table game income. Net slot machine and table game income retained by the Houlton Band of Maliseet Indians will be used by the tribal government for social and economic 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 distribution of those revenues. This fiscal note assumes a total of 350 slot machines and 10 table games, generating annual revenue of \$797,889 for the State's General Fund and \$4,107,607 for various other funds. This fiscal statement assumes and incorporates a 3% reduction in 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.

	Annual Estimate
Summary of Casino Revenue	
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	\$3,584,300
Operator Share of Net Table Game Income - 85%	<u>\$3,046,655</u>
Share of Net Table Game Income for Distribution - 15%	\$537,645

	Annual Estimate
State Revenues by Fund	
General Fund	
General Fund revenue from new Houlton Casino (5% of net slot income)	\$1,003,317
General Fund 3% revenue reduction from Bangor Casino	<u>(205,428)</u>
Total General Fund	<u>\$797,889</u>
Other Special Revenue Funds	
University of Maine System Scholarship Fund	\$601,990
Maine Community College System	\$401,327
Penobscot Nation/Passamaquoddy Tribe/Aroostook Micmac	\$2,257,534
Town of Houlton	\$745,362
Aroostook County	\$401,327
Gambling Control Board - OSR	\$71,686
OTB Orgs, Charitable Gaming Operations, Veterans Organizations	<u>\$71,686</u>
Subtotal Other Special Revenue Funds Revenue	\$4,550,912
Other Special Revenue Funds 3% revenue reduction from Bangor Casino	(322,020)
Fund for a Healthy Maine 3% revenue reduction from Bangor Casino	<u>(121,285)</u>
Total Other Revenue	<u>\$4,107,607</u>
Total Revenue All Funds	<u>\$4,905,496</u>
Detail of Bangor Casino Revenue Reduction	
General Fund Administration (3% Reduction in Gross Slot Machine Revenue)	(132,732)
General Fund (Other) (3% Reduction in Net Slot Machine and Net Table Game Revenue)	<u>(72,696)</u>
Subtotal - General Fund	<u>(205,428)</u>
Fund for a Healthy Maine	<u>(121,285)</u>
Other Special Revenue Funds	
Harness Racing Commission	(254,699)
University of Maine Scholarship Fund	(23,286)
Maine Maritime Academy Scholarship Program	(971)
Maine Community College System Scholarships	(12,129)
Resident Municipalities	(17,502)
Gambling Control Board	(8,060)
Coordinated Veteran Assistance Fund	<u>(5,373)</u>
Subtotal - Other Special Revenue Funds	<u>(322,020)</u>
Other Revenue Total	<u>(443,305)</u>
Summary of Expenditure Impacts to the State	
General Fund	
-- Public Safety	\$629,702
Total Expenditures	<u>\$629,702</u>