



128th MAINE LEGISLATURE

LD 1447

LR 232(02)

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

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 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 \$4,188,607 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 Houlton Band of Maliseet Indians will be required to pay an initial application fee for a casino operator license of \$100,000 and an initial gaming table privilege fee of \$100,000 per table that together will generate \$1,100,000 in Other Special Revenue Funds. They will also be required to pay an initial registration fee of \$100 for each slot machine and \$100 for each table game, generating \$36,000 in Other Special Revenue Funds revenue. The annual renewal fees for the casino operator license of \$35,000, gaming table privilege renewal fee of \$1,000 per table, slot machine renewal fee of \$100 per machine and table game renewal fee of \$100 per table will generate an estimated \$81,000 annually in Other Special Revenue Funds revenue. The GCB will require annual General Fund appropriations of \$613,943 starting in fiscal year 2018-19 for costs associated with 5 inspector positions 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	\$797,889
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	\$152,686
Fund to Supplement Harness Racing Purses	\$35,843
Veterans Organizations	<u>\$35,843</u>
Subtotal Other Special Revenue Funds Revenue	\$4,631,912
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>\$4,188,607</u>
Total Revenue All Funds	<u>\$4,986,496</u>

	1st Year	Annual Estimate
Licensing and Application Revenues - Other Special Revenue		
Casino Operator - Initial Application Fee (one-time)	\$100,000	
Casino Operator - Annual Renewal Fee (annual)		\$35,000
Table Games - Initial Privilege Fee (one-time)	\$1,000,000	
Table Games - Annual Privilege Renewal fee (annual)		\$10,000
Slot Machine - Initial Registration Fee (one-time)	\$35,000	
Slot Machine - Annual Renewal Fee (annual)		\$35,000
Table Game - Initial Registration Fee (one-time)	\$1,000	
Table Game - Annual Renewal Fee (annual)		\$1,000
Total Licensing and Application Revenues	\$1,136,000	\$81,000

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>
Total Revenue Reduction - Bangor Casino	<u>(648,733)</u>

Summary of Expenditures by State (GCB)

General Fund	\$613,943
Other Special Revenue Funds	<u>\$81,000</u>
Total Expenditures	<u>\$694,943</u>