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An Act To Authorize the Operation of Slot Machines on the Passamaquoddy Reservation

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

Sec. 1. 8 MRSA §1003, sub-§2, ¶M, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

M. Inform ~~commercial track operators~~ those applying for a license to operate slot machines that any slot machines licensed by the board must be compatible with the central site system of on-line monitoring used by the board;

Sec. 2. 8 MRSA §1011, as amended by PL 2005, c. 663, §6, is further amended to read:

§ 1011. License to operate

The board shall exercise authority over the licensing of all persons participating in the operation, distribution and maintenance of slot machines and slot machine facilities and over the registration of slot machines.

1. Operator license required. A person may not operate any slot machine in the State unless the person has been issued a license to operate slot machines by the board. A slot machine operator license authorizes a licensee to own or lease slot machines operated at a licensed gambling facility.

2. Eligible persons. The board may accept applications for a license to operate slot machines from the Passamaquoddy Tribe and any person who is licensed to operate a commercial track that satisfies the following criteria:

A. The commercial track is located at or within a 5-mile radius of the center of a commercial track that conducted harness racing with pari-mutuel wagering on more than 25 days during calendar year 2002; and

B. The operation of slot machines at the commercial track is approved by the voters of the municipality in which the commercial track to be licensed is located by referendum election held at any time after December 31, 2002 and before December 31, 2003.

3. Requirements for license; continued commercial track licensure. The board may not issue a license to operate slot machines to any person unless that person demonstrates compliance with the qualifications set forth in sections 1016 and 1019. A person who is granted a license to operate slot machines at a commercial track must maintain a license to operate a commercial track, without lapse, suspension or revocation for the duration of the slot machine operator's license.

4. Requirement for license; agreement with municipality where slot machines are located. A slot machine operator licensed to operate slot machines at a commercial track shall enter into an agreement with the municipality where the slot machine operator's slot machines are located that provides for revenue sharing or other compensation, including, but not limited to, a provision requiring the preparation, in conjunction with the municipality, of a security plan for the premises on which the slot machines are located. The revenue-sharing agreement must provide for a minimum payment to the municipality of 3% of the net slot machine income derived from the machines located in the municipality.

5. Renewal. Licenses to operate slot machines may be renewed upon application for renewal in accordance with this subchapter, subject to board rules.[PL 2003, c. 687, Pt. A, § 5 (NEW).]

Sec. 3. 8 MRSA §1012, first ¶, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

An application for renewal of a commercial track slot machine operator license must first be approved under this section by the municipal officers of the municipality in which the commercial track with slot machines is located or, if the commercial track is in an unincorporated place, the application must be approved by the county commissioners of the county in which the commercial track with slot machines is located.

Sec. 4. 8 MRSA §1012, sub-§1, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

1. Hearings. Municipal officers or county commissioners, as the case may be, may hold a public hearing for the consideration of a request for the renewal of a license to operate slot machines at a commercial track, except that, when an applicant has held a license for the prior 5 years and a complaint has not been filed with the board against the applicant within that time, the applicant may request a waiver of the hearing.

A. The board shall prepare and supply application forms for public hearings under this subsection.

B. Municipal officers or county commissioners, as the case may be, shall provide public notice of any hearing held under this section by causing, at the applicant's prepaid expense, a notice stating the name and place of the hearing to appear on at least 3 consecutive days before the date of the hearing in a daily newspaper having general circulation in the municipality where the premises of the commercial track with slot machines are located or one week before the date of the hearing in a weekly newspaper having general circulation in the municipality where the premises are located.

C. If municipal officers or county commissioners, as the case may be, fail to take final action on an application for a renewal of a slot machine operator license within 60 days of the filing of an application, the application is considered approved and ready for action by the board. For purposes of this paragraph, the date of filing of the application is the date the application is received by the municipal officers or county commissioners.

Sec. 5. 8 MRSA §1018, sub-§1, as amended by PL 2005, c. 663, §7, is further amended to read:

1. Fees. The application fee for a license and the annual fee for a registered slot machine under this chapter are as set out in this subsection.

A. The initial registration fee for a registered slot machine is \$100. The annual renewal fee is \$100 for each registered slot machine.

B. The initial application fee for a slot machine distributor license is \$200,000. The annual renewal fee is \$75,000.

C. The initial application fee for a commercial track slot machine operator license is \$200,000 and \$10,000 for a license to operate slot machines held by the Passamaquoddy Tribe. The annual renewal fee is \$75,000 for a commercial track slot machine operator license and \$3,000 for a license to operate slot machines held by the Passamaquoddy Tribe plus an amount, set by rules of the board, equal to the cost to the board of licensing slot machine operators and determined by dividing the costs of administering the slot machine operator licenses by the total number of slot machine operators licensed by the board.

D. The annual application fee for a license for a gambling services vendor is \$2,000.

E. The initial application fee for an employee license under section 1015 is \$250. The annual renewal fee is \$25.

In addition to the application fee for a license or annual fee for a registered slot machine, the board may charge a one-time application fee for a license or registration listed in paragraphs A to E in an amount equal to the projected cost of processing the application and performing any background investigations. If the actual cost exceeds the projected cost, an additional fee may be charged to meet the actual cost. If the projected cost exceeds the actual cost, the difference may be refunded to the applicant. All fees collected pursuant to this section must be deposited directly to the General Fund, except that \$25,000 of the annual renewal fee for a commercial track slot machine operator must be deposited to the Gross Slot Income Other Special Revenue Fund account within the Gambling Control Board to be transferred to the municipality in which the slot machines are operated, in accordance with subsection 2. All application and registration fees are nonrefundable and are due upon submission of the application.

Sec. 6. 8 MRSA §1018, sub-§2, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

2. Term of license; renewal, renewal fees. All licenses issued by the board under this chapter are effective for one year, unless revoked or surrendered pursuant to subchapter 5. Upon proper application and payment of the required fees and taxes and in accordance with rules adopted by the board, the board may renew a license for an additional year if municipal approval has been obtained as provided in section 1012. The board shall transfer \$25,000 of the renewal fee for a commercial track slot machine operator license required by subsection 1, paragraph C to the municipality in which the slot machines are operated.

Sec. 7. 8 MRSA §1020, sub-§3, as amended by PL 2005, c. 663, §9, is further amended to read:

3. Limits on total slot machines. The board shall determine the number of slot machines to be registered in the State. The board shall make this determination based upon the minimum net slot machine income, when distributed pursuant to section 1036, necessary to maintain the harness horse racing industry in this State, except that:

- A. The total number of slot machines registered in the State may not exceed 1,500; and
- B. A slot machine operator may not operate more than 1,500 slot machines at ~~any one~~ commercial track; and
- C. The Passamaquoddy Tribe may not operate more than 100 slot machines. Those machines may be operated only on the Pleasant Point Reservation and Indian Township Reservation in Washington County and only on weekends that the tribe is licensed to and conducts high-stakes beano in accordance with Title 17, section 314-A.

Sec. 8. 8 MRSA §1036, sub-§2, as amended by PL 2007, c. 466, Pt. A, §29, is further amended to read:

2. Distribution from commercial track. A commercial track slot machine operator shall collect and distribute 39% of the net slot machine income from slot machines operated by the commercial track slot machine operator to the board for distribution by the board as follows:

- A. Three percent of the net slot machine income must be deposited to the General Fund for administrative expenses of the board, including gambling addiction counseling services, in accordance with rules adopted by the board;
- B. Ten percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the fund established in section 298 to supplement harness racing purses;
- C. Three percent of the net slot machine income must be credited by the board to the Sire Stakes Fund created in section 281;
- D. Three percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund established in Title 7, section 91;
- E. Ten percent of the net slot machine income must be forwarded by the board to the State Controller to be credited to the Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a separate account under Title 22, section 1511, subsection 11, with the use of funds in the account restricted to the purposes described in Title 22, section 1511, subsection 6, paragraph E;
- F. Two percent of the net slot machine income must be forwarded by the board to the University of Maine System Scholarship Fund created in Title 20-A, section 10909;

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

H. Four percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at Maine's Commercial Tracks, established in section 299; however, the payment required by this paragraph is terminated when all commercial tracks have obtained a license to operate slot machines in accordance with this chapter;

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

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

Sec. 9. 8 MRSA §1036, sub-§2-A is enacted to read:

2-A. Distribution from tribal gambling facility. The Passamaquoddy Tribe shall collect and distribute 14% of the net slot machine income from slot machines operated by the tribe to the board for distribution by the board as follows:

A. One percent of the net slot machine income must be deposited to the General Fund for administrative expenses of the board, including gambling addiction counseling services, in accordance with rules adopted by the board;

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

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

D. One percent of the net slot machine income must be forwarded by the board to the Department of Defense, Veterans and Emergency Management, Bureau of Maine Veterans' Services;

E. Two percent of the net slot machine income must be forwarded by the board to the Maine Technology Institute under Title 5, section 15302;

F. Two percent of the net slot machine income must be forwarded by the board to an economic development council in Washington County;

G. One percent of the net slot machine income must be forwarded by the board to homeless shelters;

H. Two percent of the net slot machine income must be forwarded by the board to other federally recognized Indian tribes in the State that are not licensed to operate slot machines; and

I. One percent of the net slot machine income must be forwarded by the board to an organization in the Bangor area that provides housing to families of chronically ill children in connection with the treatment of those children.

SUMMARY

This bill allows the Passamaquoddy Tribe to be licensed to operate not more than 100 slot machines on the Pleasant Point Reservation and Indian Township Reservation in Washington County in conjunction with high-stakes beano. The license would be subject to existing licensing requirements and oversight by the Gambling Control Board. The initial license fee for the slot machine license, based on the maximum of 100 machines, would be \$10,000 and the annual renewal fee is \$3,000. One percent of the gross slot machine revenue would be required to be deposited to the General Fund. Fourteen percent of the net slot machine revenue from slot machines operated by the Passamaquoddy Tribe would be distributed as follows:

1. One percent to the General Fund for administrative expenses of the board, including gambling addiction counseling services, in accordance with rules adopted by the board;
2. Two percent to the University of Maine System Scholarship Fund;
3. Two percent to the Maine Community College System to fund its scholarships program;
4. One percent to the Department of Defense, Veterans and Emergency Management, Bureau of Maine Veterans' Services;
5. Two percent to the Maine Technology Institute;
6. Two percent to an economic development council in Washington County;
7. One percent to homeless shelters;
8. Two percent to be forwarded to other federally recognized Indian tribes in the State that are not licensed to operate slot machines; and
9. One percent to the Ronald McDonald House in Bangor, an organization that provides housing to families of chronically ill children in connection with the treatment of those children.