



125th MAINE LEGISLATURE

LD 985

LR 2075(02)

An Act Regarding Establishing a Slot Machine Facility

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Veterans and Legal Affairs

Fiscal Note Required: Yes

Fiscal Note

Contingent future biennium cost increase - General Fund
 Contingent future biennium cost increase - Other Special Revenue Funds
 Contingent future biennium revenue increase - General Fund
 Contingent future biennium revenue increase - Other Special Revenue Funds

Referendum Costs

Month/Year	Election Type	Question	Length
Nov-11	General	Initiated Bill	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

Fiscal Detail and Notes

This initiated bill would allow the Gambling Control Board to accept applications for licenses to operate additional slot machine facilities in Maine. Current law allows for a total of 1500 slot machines to be operated in the state. The existing facility in Bangor has already been licensed to operate the entire 1500, effectively preventing the establishment of additional facilities. Although this proposed legislation would open the licensing opportunity to multiple facilities with up to 1500 slot machines per facility, specific limiting criteria in the proposed language would make it highly unlikely that more than one new facility would be possible.

Presented below is an estimate of the potential revenues that may be generated from one new slot machine facility and the subsequent distribution of those revenues. This fiscal note assumes one new facility would be established with 1,000 slot machines that would generate annual revenue of \$6,534,000 for the State's General Fund and \$20,908,800 for various other funds. The General Fund would also receive license fees of \$414,500 in the first year and \$188,250 for license renewals in subsequent years. Annual state costs associated with a Deputy Director, Inspectors, State Police Detective, Auditor II, contracts for monitoring services and other related expenses are estimated to be \$1,123,661. This analysis assumes no significant effect on revenue generated by the licensed racino facility in Bangor. If there is an appreciable reduction in racino revenue, there will be a reduction in the amounts distributed from that facility. The tax structure at the new facility would be 1% of gross slot machine income and 40% of net slot machine income.

<u>Summary of Casino Revenue</u>	Annual Estimate
Gross Slot Income (total value of money, tokens, credits, other value used to play a slot machine)	\$653,400,000
Player Payback - Slot Income	\$594,594,000
General Fund - 1% of Gross Slot Income	\$6,534,000
Net Slot Income	\$52,272,000
State Share of Net Income - 40%	\$20,908,800
Operator Share of Net Income - 60%	\$31,363,200

<u>State Revenues by Fund</u>	Annual Estimate
<u>General Fund</u>	
From Slot Machines	\$6,534,000
From Annual License Fees (1st year will be \$414,500)	<u>\$188,250</u>
Total General Fund Revenue	\$6,722,250

<u>Other Special Revenue Funds</u>	
Androscoggin River Minimum Water Quality Standards	\$1,568,160
Downtown Revitalization - Statewide	\$1,411,344
Downtown Revitalization - Host Municipality	\$156,816
Grants and Low-Interest Loans to Upgrade and Convert to Renewable Energy - Efficiency Maine	\$1,411,344
Grants and Low-Interest Loans to Upgrade and Convert to Renewable Energy - Host Municipality	\$156,816
Counties Other Than County in Which Host Municipality is Located	\$1,568,160
Maintenance, Repairs and Improvements to Ports and Fisheries	\$1,568,160
Support Collector Roads and East-West Highway	\$1,568,160
Capital Improvements to Rail Service	\$1,568,160
Capital Improvements to Support Rail Service to Bethel	\$1,045,440
Host Municipality	\$1,045,440
Municipality Closest to Host Municipality With Population of at Least 20,000	\$522,720
County in Which Host Municipality is Located	\$522,720
Capital Improvements to the University of Maine, Maine Community Colleges and/or Maine Maritime	\$522,720
Organizations Licensed Under MRSA Title 17, §332	\$522,720
Agricultural Fair Support Fund	\$522,720
Lewiston Auburn Economic Growth Council	\$522,720
Maine Scholars Program	\$522,720
Maine Office of Tourism	\$522,720
Maine State Grant Program	\$522,720

Home-Based Care for the Elderly	\$522,720
Maine Technology Institute	\$522,720
Organizations Licensed Under MRSA Title 17, §314	\$261,360
Fund to Supplement Harness Racing Purses	\$261,360
Host Municipality - Infrastructure Improvements	\$261,360
Each Humane Society Within the State	\$261,360
Riverfront Bike Path Connecting Lewiston/Auburn to Brunswick	\$261,360
Meals on Wheels	\$261,360
Cities of Lewiston and Auburn for Joint Expenses	\$261,360
Municipalities Adjacent to Host Municipality	\$261,360
Total Other Special Revenue Funds Revenue	<u>\$20,908,800</u>

Total Revenue All Funds	<u><u>\$27,631,050</u></u>
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Summary of Expenditure Impacts to the State

General Fund

- Public Safety	<u><u>\$1,123,661</u></u>
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