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Legislative Document

No. 1201

H.P. 838

House of Representatives, March 28, 2017

An Act To Authorize Tribal Gaming

Reference to the Committee on Veterans and Legal Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative COLLINGS of Portland.
Cosponsored by Senator JACKSON of Aroostook and
Representatives: BERRY of Bowdoinham, RYKERSON of Kittery, SYLVESTER of Portland,
TALBOT ROSS of Portland.

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

2 **Sec. 1. 8 MRSA §1011, sub-§2-C** is enacted to read:

3 **2-C. Licenses for the operation of slot machines and table games by federally**
4 **recognized Indian tribes.** Notwithstanding subsection 2-B, the board may accept
5 applications for a casino operator license from a federally recognized Indian tribe in the
6 State authorizing the tribe to operate slot machines and table games at one or more casino
7 facilities on land owned by the tribe.

8 **Sec. 2. 8 MRSA §1011, sub-§6** is enacted to read:

9 **6. Moratorium.** Beginning October 1, 2017, the board may not accept any
10 application for an initial license to operate a slot machine facility or casino or any other
11 gambling facility or approve the operation of additional slot machines or table games at a
12 casino licensed prior to October 1, 2017 unless each federally recognized Indian tribe in
13 the State has been issued a license under subsection 2-C.

14 **Sec. 3. 8 MRSA §1018, sub-§1-A,** as enacted by PL 2011, c. 699, §2, is amended
15 to read:

16 **1-A. Fees for slot machine and casino operator licenses on or after September 1,**
17 **2012.** Notwithstanding subsection 1, paragraphs C and C-1, beginning September 1,
18 2012, an applicant for a slot machine operator license or a casino operator license must
19 pay a \$250,000 nonrefundable privilege fee to be submitted with the application for the
20 license and a minimum license fee, or cash bid if the license is part of a competitive
21 bidding process established by law, of \$5,000,000. This subsection does not apply to a
22 casino licensed for operation in the State as of September 1, 2012 or casinos licensed to a
23 federally recognized Indian tribe under section 1011, subsection 2-C.

24 **Sec. 4. 8 MRSA §1019, sub-§6,** as amended by PL 2011, c. 417, §5, is further
25 amended to read:

26 **6. Proximity of licensed casinos and slot machine facilities.** A Except for a casino
27 operator license issued to a federally recognized Indian tribe licensed under section 1011,
28 subsection 2-C, a casino operator license or slot machine operator license may not be
29 issued under this chapter to operate any casino or slot machine facility located within 100
30 miles of a licensed casino or slot machine facility. This subsection does not prohibit a
31 commercial track that was licensed to operate slot machines on January 1, 2011 from
32 obtaining a casino operator license for the same facility where slot machines were
33 operated as of January 1, 2011.

34 **Sec. 5. 8 MRSA §1019, sub-§7,** as amended by PL 2011, c. 417, §6, is further
35 amended to read:

36 **7. Statewide and county referendum; municipal vote.** After January 1, 2011, any
37 proposed casino or slot machine facility may not be issued a license unless it has been
38 approved by a statewide referendum vote and a vote of the municipal officers or
39 municipality in which the casino or slot machine facility is to be located, except that a

1 commercial track licensed to operate slot machines on January 1, 2011 is only required,
2 as a condition to obtain a casino license, to receive approval to operate a casino by means
3 of a referendum of the voters of the county in which the commercial track is located.
4 This subsection does not apply to a casino facility operated by a federally recognized
5 Indian tribe under section 1011, subsection 2-C.

6 **Sec. 6. 8 MRSA §1020, sub-§3**, as amended by PL 2011, c. 585, §8, is further
7 amended to read:

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

12 A. Except for slot machines used for training and educational purposes at
13 postsecondary institutions as provided by section 1011, subsection 1-B, the total
14 number of slot machines registered in the State may not exceed 3,000 excluding slot
15 machines operated by a federally recognized Indian tribe in the State licensed
16 pursuant to section 1011, subsection 2-C; and

17 B. A Except for a federally recognized Indian tribe licensed under section 1011,
18 subsection 2-C, a slot machine operator may not operate more than 1,500 slot
19 machines at any one commercial track and a casino operator may not operate more
20 than 1,500 slot machines at a casino. A federally recognized Indian tribe may not
21 operate more than an aggregate total of 1,500 slot machines at casinos operated on
22 land owned by the tribe and licensed in accordance with section 1011, subsection
23 2-C.

24 **Sec. 7. 8 MRSA §1036, sub-§2-A**, as amended by PL 2013, c. 118, §2, is further
25 amended to read:

26 **2-A. Distribution from casino of slot machine income.** A casino operator licensed
27 under section 1011, subsection 2-A shall collect and distribute 46% of the net slot
28 machine income from slot machines operated by the casino operator to the board for
29 distribution by the board as follows:

30 A. Twenty-five percent of the net slot machine income must be forwarded directly
31 by the board to the Treasurer of State, who shall credit the money to the Department
32 of Education, to be used to supplement and not to supplant funding for essential
33 programs and services for kindergarten to grade 12 under Title 20-A, chapter 606-B;

34 B. Four percent of the net slot machine income must be forwarded by the board to
35 the University of Maine System Scholarship Fund created in Title 20-A, section
36 10909 and to the Board of Trustees of the Maine Maritime Academy to be applied by
37 the board of trustees to fund its scholarship program. The slot machine income under
38 this paragraph must be distributed as follows:

39 (1) The University of Maine System share is the total amount of the distribution
40 multiplied by the ratio of enrolled students in the system to the total number of
41 enrolled students both in the system and at the Maine Maritime Academy; and

1 (2) The Maine Maritime Academy share is the total amount of the distribution
2 multiplied by the ratio of enrolled students at the academy to the total number of
3 enrolled students both in the system and at the academy;

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

8 D. Four percent of the net slot machine income must be forwarded by the board to
9 the Treasurer of State, who shall distribute the funds to the tribal governments of the
10 Penobscot Nation and the Passamaquoddy Tribe;

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

14 F. Two percent of the net slot machine income must be forwarded directly to the
15 municipality in which the casino is located;

16 G. One percent of the net slot machine income must be forwarded by the board to the
17 Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund
18 established in Title 7, section 91;

19 H. One percent of the net slot machine income must be forwarded by the board to the
20 Treasurer of State, who shall credit the money to the fund established in section 298
21 to supplement harness racing purses;

22 I. One percent of the net slot machine income must be credited by the board to the
23 Sire Stakes Fund created in section 281;

24 J. One percent of the net slot machine income must be forwarded directly to the
25 county in which the casino is located to pay for mitigation of costs resulting from
26 gaming operations;

27 L. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
28 forwarded by the board to the Treasurer of State, who shall credit the money to the
29 Maine Milk Pool, Other Special Revenue Funds account within the Department of
30 Agriculture, Conservation and Forestry to help fund dairy farm stabilization pursuant
31 to Title 7, sections 3153-B and 3153-D; and

32 M. Beginning July 1, 2013, 1/2 of 1% of the net slot machine income must be
33 forwarded by the board to the Treasurer of State, who shall credit the money to the
34 Dairy Improvement Fund established under Title 10, section 1023-P.

35 If a recipient of net slot machine income in paragraph D, H or I owns or receives funds
36 from a slot machine facility or casino, other than the casino in Oxford County or the slot
37 machine facility in Bangor, then the recipient may not receive funds under this
38 subsection, and those funds must be retained by the Oxford County casino operator.

39 **Sec. 8. 8 MRSA §1036, sub-§§2-D and 2-E** are enacted to read:

40 **2-D. Distribution of slot machine income from a casino operated by a federally**
41 **recognized Indian tribe.** A casino operator that is a federally recognized Indian tribe

1 licensed under section 1011, subsection 2-C shall collect and distribute 25% of net slot
2 machine income from slot machines operated by the federally recognized Indian tribe for
3 deposit to the General Fund.

4 **2-E. Distribution of table game income from a casino operated by a federally**
5 **recognized Indian tribe.** A casino operator that is a federally recognized Indian tribe
6 licensed under section 1011, subsection 2-C shall collect and distribute 16% of net table
7 game income from table games operated by the federally recognized Indian tribe for
8 deposit to the General Fund.

9 **SUMMARY**

10 This bill authorizes the Department of Public Safety, Gambling Control Board to
11 accept applications for a casino operator license from federally recognized Indian tribes
12 in the State. A license issued to a federally recognized Indian tribe would authorize
13 operation of table games and up to an aggregate total of 1,500 slot machines at multiple
14 facilities on land owned by the tribe. The bill provides that casinos operated by federally
15 recognized Indian tribes are exempt from the requirement that a newly licensed casino
16 may not be within 100 miles of an existing casino or slot machine facility. It also
17 provides that the Gambling Control Board may not license a new casino, slot machine
18 facility or other gambling facility or authorize expansion of existing casinos until all
19 federally recognized Indian tribes have been licensed to operate a casino. The bill
20 establishes a distribution rate of 25% of net slot machine income and 16% of net table
21 game income for casinos operated by federally recognized Indian tribes. The slot
22 machine income and table game income is deposited to the General Fund.