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FIRST REGULAR SESSION-2015

Legislative Document

No. 1280

H.P. 876

House of Representatives, April 9, 2015

An Act To Provide Income Tax Relief by Expanding Gaming Opportunities

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 PARRY of Arundel.
Cosponsored by Senator COLLINS of York and
Representatives: FREDETTE of Newport, MAREAN of Hollis, McCABE of Skowhegan,
TIMMONS of Cumberland, Senators: BAKER of Sagadahoc, DUTREMBLE of York, KATZ
of Kennebec, VALENTINO of York.

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

2 **Sec. 1. 5 MRSA §1518-B** is enacted to read:

3 **§1518-B. Income Tax Relief Fund**

4 **1. Established.** The Income Tax Relief Fund, referred to in this section as "the
5 fund," is established as a nonlapsing fund within the Department of Administrative and
6 Financial Services.

7 **2. Purpose.** The purpose of the fund is to provide income tax relief for the citizens
8 of this State.

9 **3. Funding.** The fund receives money pursuant to Title 8, section 1036, subsection
10 2-D, paragraph J. The fund may receive money from other sources.

11 **4. Allocations.** Allocations from the fund must be made to provide income tax relief
12 to the citizens of this State.

13 **Sec. 2. 8 MRSA §1011, sub-§4,** as amended by PL 2005, c. 663, §6, is further
14 amended to read:

15 **4. Requirement for license; agreement with municipality where slot machines**
16 **are located.** A slot machine operator or a person who is initially granted a casino
17 operator license after January 1, 2015 shall enter into an agreement with the municipality
18 where the slot machine operator's or casino operator's slot machines are located that
19 provides for revenue sharing or other compensation, including, but not limited to, a
20 provision requiring the preparation, in conjunction with the municipality, of a security
21 plan for the premises on which the slot machines are located. The revenue-sharing
22 agreement must provide for a minimum payment to the municipality of 3% of the net slot
23 machine income derived from the machines located in the municipality.

24 **Sec. 3. 8 MRSA §1018, sub-§1-B** is enacted to read:

25 **1-B. Fee for initial casino operator license granted after January 1, 2015.**
26 Notwithstanding subsection 1, paragraphs C and C-1 and subsection 1-A, a person who is
27 initially granted a casino operator license after January 1, 2015 shall pay an initial license
28 fee of \$5,000,000.

29 **Sec. 4. 8 MRSA §1019, sub-§6,** as amended by PL 2011, c. 417, §5, is repealed.

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

32 **7. Countywide referendum; municipal vote.** After January 1, 2011, any proposed
33 casino or slot machine facility may not be issued a license unless it has been approved by
34 a ~~statewide~~ countywide referendum vote and a vote of the municipal officers or
35 municipality in which the casino or slot machine facility is to be located, ~~except that a~~
36 ~~commercial track licensed to operate slot machines on January 1, 2011 is only required,~~

1 as a condition to obtain a casino license, to receive approval to operate a casino by means
2 of a referendum of the voters of the county in which the commercial track is located.

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

5 A. Except for slot machines used for training and educational purposes at
6 postsecondary institutions as provided by section 1011, subsection 1-B, the total
7 number of slot machines registered in the State may not exceed ~~3,000~~ 7,500; and

8 **Sec. 7. 8 MRSA §1036, sub-§2-D** is enacted to read:

9 **2-D. Distribution of net slot machine income and net table game income from**
10 **casino with a harness racing track initially licensed to operate slot machines after**
11 **January 1, 2015.** A casino operator with a harness racing track that was initially
12 licensed to operate slot machines and table games after January 1, 2015 shall collect and
13 distribute 46% of the net slot machine income from slot machines and 16% of net table
14 game income from table games operated by the casino operator to the board for
15 distribution by the board as follows:

16 A. Two and one-half percent of the sum received from the net slot machine income
17 and net table game income must be deposited to the General Fund for administrative
18 expenses of the board in accordance with rules adopted by the board under section
19 1003, subsection 1, paragraph B, except that of the amount calculated pursuant to this
20 paragraph, \$100,000 must be transferred annually to the Gambling Addiction
21 Prevention and Treatment Fund established by Title 5, section 20006-B;

22 B. Twenty percent of the sum received from the net slot machine income and net
23 table game income must be forwarded by the board to the Treasurer of State, who
24 shall credit the money to the fund established in section 298 to supplement harness
25 racing purses;

26 C. Five percent of the sum received from the net slot machine income and net table
27 game income must be credited by the board to the Sire Stakes Fund created in section
28 281;

29 D. Eight and one-half percent of the sum received from the net slot machine income
30 and net table game income must be forwarded by the board to the Treasurer of State,
31 who shall credit the money to the Agricultural Fair Support Fund established in Title
32 7, section 91;

33 E. Three percent of the sum received from the net slot machine income and net table
34 game income must be forwarded directly to the municipality in which the slot
35 machines and table games are located;

36 F. Five percent of the sum received from the net slot machine income and net table
37 game income must be forwarded directly to the county in which the slot machines
38 and table games are located;

39 G. Two percent of the sum received from the net slot machine income and net table
40 game income must be forwarded directly to the municipalities that abut the

1 municipality in which the slot machines and table games are located. The revenues
2 must be paid in equal portions to each municipality;

3 H. Two and one-half percent of the sum received from the net slot machine income
4 and net table game income must be forwarded by the board to the Treasurer of State,
5 who shall credit the money to the Fund to Stabilize Off-track Betting Facilities
6 established by section 300, as long as a facility has conducted off-track wagering
7 operations for a minimum of 250 days during the preceding 12-month period in
8 which the first payment to the fund is required;

9 I. One and one-half percent of the sum received from the net slot machine income
10 and net table game income must be forwarded by the board to the Treasurer of State,
11 who shall credit the money to the Coordinated Veterans Assistance Fund under Title
12 37-B, section 514; and

13 J. Fifty percent of the sum received from the net slot machine income and net table
14 game income must be forwarded by the board to the Treasurer of State, who shall
15 credit the money to the Income Tax Relief Fund established in Title 5, section
16 1518-B.

17 **Sec. 8. Issuance of casino operator license.** Notwithstanding the Maine
18 Revised Statutes, Title 8, chapter 31, subchapter 2, or any other provision of law, the
19 Department of Public Safety, Gambling Control Board shall issue a casino operator
20 license according to the provisions of this section to the person who is the best-value
21 bidder selected by the Independent Facility Location Commission, established in
22 subsection 1, in accordance with this section. The board may not issue a license pursuant
23 to this section until the contract requirements described in subsection 8 are met.

24 **1. Commission established.** The Independent Facility Location Commission,
25 referred to in this section as "the commission," is established as an independent
26 commission.

27 **2. Duties.** The commission shall evaluate and award a casino operator's license to
28 the best-value bidder pursuant to this section.

29 **3. Members.** The commission is made up of 7 members, appointed by the Governor
30 and confirmed by the Senate. The members shall appoint a chair at the commission's first
31 meeting. A member of the commission must have experience in public accounting,
32 finance, land use, large-scale development or a field requiring expertise in fiscal matters.

33 A member of the commission may not:

34 A. Have a direct or indirect legal, equitable or beneficial ownership interest in, or
35 any ability to influence, manage or otherwise control, any gaming interest applying
36 for licensure, presently licensed, otherwise authorized or eligible to participate in
37 gaming in the State, including lotteries, racing, charitable and nonprofit bingo or
38 beano and games of chance, high-stakes bingo or beano and a commercial casino;

39 B. Have membership in, or an affiliation with, a federally recognized Indian tribe
40 eligible to conduct bingo or beano and games of chance under Title 17, chapter 13-A
41 or 62;

- 1 C. Be an elected official of state or local government;
- 2 D. Have a legal, equitable or beneficial interest in a slot machine or table game
- 3 distributor, gambling services vendor or a provider of any independent professional
- 4 services, including legal, accounting or consulting, to a slot machine facility or casino
- 5 operator licensed in the State; or
- 6 E. Hold a direct or indirect interest in, represent or be employed by a person or
- 7 organization submitting a bid.

8 **4. Solicit bids.** In accordance with the process for a competitive bid outlined in Title
9 5, chapter 155, subchapter 1-A, the commission shall solicit bids for the operation of a
10 casino to be located in Cumberland County or York County.

11 **5. Submission deadline; application fee.** A bid submitted pursuant to this section
12 must be:

- 13 A. Submitted no later than 120 days after the effective date of this section;
- 14 B. Accompanied by a nonrefundable application fee of \$250,000, which must be
- 15 credited to an Other Special Revenue Funds account within the division of purchases
- 16 within the Department of Administrative and Financial Services to be used to defray
- 17 the costs of managing the application process and funding the commission; and
- 18 C. Accompanied by a nonrefundable investigative fee of \$100,000, which must be
- 19 credited to an Other Special Revenue Funds account within the division of purchases
- 20 within the Department of Administrative and Financial Services to be used to defray
- 21 the costs of any investigation required by the Department of Public Safety.

22 **6. Information provided by bidders.** A bid submitted pursuant to this section must
23 include the building plans and site designs for the proposed casino and information
24 regarding:

- 25 A. The bidder's financial capacity and access to capital for use in maintaining the
- 26 proposed casino;
- 27 B. How the proposed location of the proposed casino would benefit the State;
- 28 C. The bidder's knowledge and experience in tourism, hospitality and development
- 29 in this State;
- 30 D. The impact that the bidder's overall proposal will have on the economy,
- 31 employment and revenues of the host municipality, abutting municipalities, the host
- 32 county and the State; and
- 33 E. The bidder's willingness to construct a destination resort gaming facility with
- 34 harness racing, slot machines and table games.

35 A bidder must include with the information submitted pursuant to this subsection a
36 statement that the bidder has not been found to have violated any state or federal law or
37 rule governing gaming and attesting to the good moral character of the bidder and any
38 principal officer of the bidder.

- 1 3. Five percent to the Sire Stakes Fund;
- 2 4. Eight and one-half percent to the Agricultural Fair Support Fund;
- 3 5. Three percent to the municipality in which the slot machines and table games are
- 4 located;
- 5 6. Five percent to the county in which the slot machines and table games are located;
- 6 7. Two percent to the municipalities that abut the municipality in which the slot
- 7 machines and table games are located;
- 8 8. Two and one-half percent to the Fund to Stabilize Off-track Betting Facilities;
- 9 9. One and one-half percent to the Coordinated Veterans Assistance Fund; and
- 10 10. Fifty percent to the Income Tax Relief Fund.