

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

Date: (Filing No. S-)

VETERANS AND LEGAL AFFAIRS

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
126TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 20, L.D. 31, Bill, “An Act To Increase Gaming Opportunities for Charitable Fraternal and Veterans' Organizations”

Amend the bill by striking out the title and substituting the following:

'An Act To Increase Gaming Opportunities for Off-track Betting Facilities, Charitable Nonprofit Organizations and Veterans' Organizations'

Amend the bill by inserting after the enacting clause the following:

'Sec. 1. 5 MRSA §20006-B, sub-§1, as amended by PL 2011, c. 657, Pt. AA, §24, is further amended to read:

1. Fund established. The Gambling Addiction Prevention and Treatment Fund, referred to in this section as "the fund," is established for the purpose of supporting gambling addiction analysis, prevention and treatment to be administered by the department. The fund is a dedicated, nonlapsing fund into which payments are received in accordance with Title 8, section 1036, ~~subsection~~ subsections 2, 2-D and 2-E.'

Amend the bill by striking out all of sections 2 and 3 and inserting the following:

'Sec. 2. 8 MRSA §1001, sub-§13-B is enacted to read:

13-B. Eligible organization. "Eligible organization" means an organization that:

A. Is a charitable nonprofit organization that, as of October 1, 2013, has been conducting gaming under Title 17, chapter 13-A or 62 for at least 2 consecutive years and has owned or leased for a minimum of 2 consecutive years the premises that serve as the primary location of the organization's administrative operations, which are located in a municipality in which the voters have approved in a referendum election the operation of slot machines by a charitable nonprofit organization; or

B. Is an off-track betting facility licensed under section 275-D and was in operation as of January 1, 2013.

Sec. 3. 8 MRSA §1011, sub-§2-C is enacted to read:

COMMITTEE AMENDMENT

1 **2-C. Organizations eligible for slot machine operator license.** Beginning January
2 1, 2015, the board may accept an application for a license to operate slot machines from
3 an eligible organization. The application process is governed by this subsection.

4 A. The eligible organization shall submit an application demonstrating that it is a
5 licensed off-track betting facility or charitable nonprofit organization eligible for a
6 license to operate slot machines. A refundable administrative deposit of \$5,000 must
7 accompany the application. The eligible organization must:

8 (1) If the eligible organization is a charitable nonprofit organization, demonstrate
9 that a majority of the revenue, after deductions for reasonable expenses,
10 generated from gaming conducted under Title 17, chapter 13-A or 62 has been
11 used for the charitable purpose of the eligible organization;

12 (2) If the eligible organization is a charitable nonprofit organization, demonstrate
13 that the premises on which the slot machines will be operated have been owned
14 or leased for at least 2 consecutive years and serve as the primary location of the
15 organization's administrative operations and are located in a municipality in
16 which the voters have approved in a referendum election the operation of slot
17 machines by a charitable nonprofit organization;

18 (3) Demonstrate that it has at least \$2,000 in cash reserved in a segregated
19 account for each slot machine the eligible organization intends to operate if
20 issued a license; and

21 (4) Meet other criteria established by the board pursuant to rule regarding the
22 licensing and operation of slot machines, including, but not limited to, a
23 requirement that the eligible organization identify and submit to the board a list
24 of the charitable purposes for which the revenue from the operation of the slot
25 machines will be used if the operator is a charitable nonprofit organization.

26 B. The board may not issue a license to an eligible organization unless that eligible
27 organization demonstrates compliance with the qualifications and requirements of
28 sections 1016 and 1019 and demonstrates that there is no other electronic video
29 machine or similar machine, as defined by Title 17, section 1831, on the premises
30 where the slot machines will be operated. As used in this paragraph, "electronic
31 video machine or similar machine" does not include a machine that dispenses
32 preprinted lucky seven or similar sealed tickets that the eligible organization is
33 licensed to sell under Title 17, chapter 62.

34 C. If at any time the number of applications received by the board exceeds the
35 number of slot machine licenses that may be granted pursuant to section 1020,
36 subsection 3, paragraph E, the board may use a lottery system, as developed by rule,
37 to determine the order in which the applications will be considered.

38 D. Prior to January 1, 2015, an eligible organization that seeks to obtain a license to
39 operate slot machines may file a declaration of intent with the board, accompanied by
40 a \$250 fee. The declaration of intent must include the following:

41 (1) The name and address of the eligible organization and, for a charitable
42 nonprofit organization, the name of the organization's treasurer and at least one

1 official on the governing board of the eligible organization who will submit the
2 application to the board;

3 (2) The deed, rental agreement or lease agreement for the premises where the
4 eligible organization intends to operate the slot machine;

5 (3) State and federal tax returns of the eligible organization for the immediately
6 prior 2 calendar years; and

7 (4) For a charitable nonprofit organization, copies of disposition of funds reports
8 from the operation of games of chance or beano conducted by the eligible
9 organization for the immediately prior 2 calendar years.

10 This paragraph is repealed January 1, 2015.'

11 Amend the bill by striking out all of sections 5 and 6 and inserting the following:

12 '**Sec. 5. 8 MRSA §1016, sub-§1, ¶D**, as amended by PL 2013, c. 212, §15, is
13 further amended to read:

14 D. In the case of a person who is not an eligible organization that is a charitable
15 nonprofit organization applying to be a slot machine operator or casino operator, the
16 person has sufficient knowledge and experience in the business of operating slot
17 machines or casinos to effectively operate the slot machine facilities or casino to
18 which the license application relates in accordance with this chapter and the rules and
19 standards adopted under this chapter; and

20 **Sec. 6. 8 MRSA §1016, sub-§3**, as amended by PL 2013, c. 212, §21, is further
21 amended to read:

22 **3. Applicant other than individual.** If the person, other than an eligible
23 organization that is a charitable nonprofit organization, required to meet the qualifications
24 and suitability requirements specified in subsections 1, 1-A and 2 is a business
25 organization, the key executives, directors, officers, partners, shareholders, creditors,
26 owners and associates of the person must meet the suitability requirements specified in
27 subsection 2. For an eligible organization that is a charitable nonprofit organization
28 required to meet the qualifications and suitability requirements specified in subsections 1,
29 1-A and 2, at least 2 officers of the governing board of the eligible organization, of whom
30 one is the treasurer, must meet the suitability requirements specified in subsection 2.'

31 Amend the bill in section 7 in subsection 1-A in the 3rd line (page 3, line 20 in L.D.)
32 by inserting after the following: "organization" the following: 'that is a charitable
33 nonprofit organization'

34 Amend the bill in section 11 in subsection 9 in the 5th line (page 5, line 24 in L.D.)
35 by striking out the following: "subsection 2-D" and inserting the following: 'subsections
36 2-D and 2-E'

37 Amend the bill in section 11 in subsection 9 in the last line (page 5, line 26 in L.D.)
38 by striking out the following: "subsection 2-D" and inserting the following: 'subsections
39 2-D and 2-E'

40 Amend the bill by striking out all of section 12 and inserting the following:

1 **Sec. 12. 8 MRSA §1020, sub-§2, ¶G**, as amended by PL 2013, c. 212, §24, is
2 further amended to read:

3 G. Must have a minimum average daily aggregate payback percentage of 89%
4 computed for all slot machines operated at each slot machine facility or casino on a
5 quarterly basis. A slot machine operated by an eligible organization must have a
6 minimum average daily aggregate payback percentage of 80% computed for all slot
7 machines operated on the premises of each eligible organization on a quarterly basis;
8 and'

9 Amend the bill in section 13 in subsection 3 by striking out all of paragraphs C and D
10 (page 6, lines 7 to 12 in L.D.) and inserting the following:

11 'C. An eligible organization that is an off-track betting facility may operate up to 50
12 slot machines;

13 D. An eligible organization that is a charitable nonprofit organization licensed in
14 accordance with this chapter may not operate more than 5 slot machines on the
15 licensed premises of that eligible organization; and

16 E. Until January 1, 2015, the total number of slot machines operated by all eligible
17 organizations licensed in accordance with this chapter may not exceed 100.
18 Beginning January 1, 2015, the total number of slot machines operated by all eligible
19 organizations licensed in accordance with this chapter may not exceed 250.'

20 Amend the bill in section 14 in §1031-A in subsection 2 in the first line (page 6, line
21 20 in L.D.) by striking out the following: "When" and inserting the following: 'Except for
22 slot machines operated by an off-track betting facility, when'

23 Amend the bill in section 16 in subsection 2-D in the first line in the headnote (page
24 7, line 4 in L.D.) by striking out the following: "eligible" and inserting the following:
25 'charitable nonprofit'

26 Amend the bill in section 16 in subsection 2-D in the 2nd line (page 7, line 5 in L.D.)
27 by inserting after the following: "organization" the following: 'that is a charitable
28 nonprofit organization'

29 Amend the bill by adding after section 16 the following:

30 **Sec. 17. 8 MRSA §1036, sub-§2-E** is enacted to read:

31 **2-E. Distribution of slot machine income from off-track betting facilities.** An
32 eligible organization that is an off-track betting facility shall collect and distribute 45% of
33 net slot machine income from slot machines operated by the eligible organization to the
34 board for distribution by the board as follows:

35 A. One percent of the net slot machine income must be deposited to the Gambling
36 Control Board administrative expenses Other Special Revenue Funds account, which
37 is a nonlapsing dedicated account;

38 B. Five percent of the net slot machine income must be deposited to the General
39 Fund;

40 C. One percent of the net slot machine income must be credited to the Gambling
41 Addiction Prevention and Treatment Fund established by Title 5, section 20006-B;

1 D. Five percent of the net slot machine income must be forwarded directly to the
2 municipality where the slot machines are located; and

3 E. Thirty-three percent of the net slot machine income must be deposited into the
4 Coordinated Veterans Assistance Fund established in Title 37-B, section 514.'

5 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
6 section number to read consecutively.

7 **SUMMARY**

8 This amendment, which is the minority report of the committee, adds off-track
9 betting facilities in operation as of January 1, 2013 to the definition of "eligible
10 organization." Under the bill, an eligible organization is authorized to operate up to 5 slot
11 machines. The amendment provides that an eligible organization that is a charitable
12 nonprofit organization may operate up to 5 slot machines and that an eligible organization
13 that is an off-track betting facility may operate as many as 50 slot machines. The
14 amendment also requires a distribution of 45% of net revenues from slot machines
15 operated by an off-track betting facility, which includes 33% to be deposited into the
16 Coordinated Veterans Assistance Fund. The amendment also includes technical changes
17 to the bill to reflect changes made by Public Law 2013, chapter 212.

18 **FISCAL NOTE REQUIRED**

19 **(See attached)**