



125th MAINE LEGISLATURE

LD 1203

LR 2103(02)

An Act To Amend the Laws Governing the Deadline and Conditions for Municipal Approval of a Second Racino and To Allow a Tribal Racino in Washington County

Fiscal Note for Bill as Amended by Committee Amendment " "**Committee: Veterans and Legal Affairs****Fiscal Note Required: Yes**

Fiscal Note

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

Fiscal Detail and Notes

The impact of this initiated bill is contingent on approval by the voters at a statewide referendum. It would allow the Gambling Control Board to accept applications from federally-recognized Indian tribes located in Maine to operate a slot machine facility in Maine if the tribe owns and operates a commercial race track. It also expands the allowable distance a commercial track eligible for slots can be from a pre-existing commercial track and extends the deadline for municipal approval of the facility. Current law allows a total of 1,500 slot machines to be operated in the state. The existing facility in Bangor has already been licensed to operate the entire 1,500, effectively preventing the establishment of additional facilities. This proposed legislation allows an additional 1,500 slot machines to be operated at each facility licensed by the Gambling Control Board.

Presented below is an estimate of the potential revenues that may be generated from additional slot machine facilities and the subsequent distribution of those revenues. This fiscal note assumes there would be two new facilities established with a total of 2,000 additional slot machines that would generate annual revenue of \$34,138,824 for the State's General Fund and \$19,701,336 for various other funds. The General Fund would also receive license fees of \$564,500 in the first year and \$213,250 for license renewals in subsequent years. Annual state costs associated with Inspectors, State Police Detectives, Auditor II, contracts for monitoring services and other related expenses are estimated to be \$1,897,471. 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 facilities would be consistent with the facility in Bangor, with 1% of gross slot machine income and 39% of net slot machine income going to the state.

	Annual Estimate
<u>Summary of Racino Revenue</u>	
Gross Slot Income (total value of money, tokens, credits, other value used to play a slot machine)	\$1,306,800,000
Player Payback - Slot Income	\$1,189,188,000
General Fund - 1% of Gross Slot Income	\$13,068,000
Net Slot Income	\$104,544,000
State Share of Net Income - 39%	\$40,772,160
Operator Share of Net Income - 61%	\$63,771,840

	Annual Estimate
<u>State Revenues by Fund</u>	
<u>General Fund</u>	
From Slot Machines ¹	\$34,138,824
From Annual License Fees (1st year will be \$564,500)	<u>\$213,250</u>
Total General Fund Revenue	\$34,352,074

<u>Other Special Revenue Funds</u>	
Purse Supplements	\$10,454,400
Sire Stakes Fund	\$3,136,320
Fund to Encourage Racing at Commercial Tracks ¹	(\$2,252,904)
Fund to Stabilize Off-Track Betting	\$1,045,440
Agricultural Fair Support Fund	\$3,136,320
University of Maine Scholarship Fund	\$2,090,880
Maine Community College System Scholarships	\$1,045,440
Resident Municipalities	<u>\$1,045,440</u>
Total Other Special Revenue Funds Revenue	\$19,701,336
 Total Revenue All Funds	 <u><u>\$54,053,410</u></u>

Summary of Expenditure Impacts to the State

<u>General Fund</u>	
- Public Safety	<u><u>\$1,897,471</u></u>

¹ Under current statute, 4% is credited as dedicated revenue to the Fund to Encourage Racing at Maine's Commercial Tracks. This 4% payment is terminated when all commercial tracks have obtained a license to operate slot machines. Although current law does not specify where this payment would then be credited, it is assumed it would be credited to the General Fund and is included above as General Fund Revenue from Slot Machines.