



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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Legislative Document

No. 227

H.P. 153

House of Representatives, February 1, 2011

### An Act Relating to the Establishment of Casinos

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

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

Presented by Representative VALENTINO of Saco.  
Cosponsored by Representative HOGAN of Old Orchard Beach and  
Representatives: DION of Portland, LONGSTAFF of Waterville, MAZUREK of Rockland,  
PILON of Saco, RUSSELL of Portland, Senator: BARTLETT of Cumberland.

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

2 **Sec. 1. 8 MRSA §1001, sub-§5-C** is enacted to read:

3 **5-C. Casino.** "Casino" means a facility that offers entertainment to the public in the  
4 form of various types of gambling activities, including, but not limited to, slot machines,  
5 card games, roulette and other games of chance on which patrons wager something of  
6 value with the hope of winning something of value in return.

7 **Sec. 2. 8 MRSA §1001, sub-§5-D** is enacted to read:

8 **5-D. Casino operator.** "Casino operator" means an entity or entities contracted by  
9 the State as an agent of the State for the purpose of operating a casino.

10 **Sec. 3. 8 MRSA §1001, sub-§29-C** is enacted to read:

11 **29-C. Net table game revenue.** "Net table game revenue" means money, tokens,  
12 credits or similar objects or things of value used to play a table game minus money,  
13 credits or prizes paid out to winners.

14 **Sec. 4. 8 MRSA §1001, sub-§43-C** is enacted to read:

15 **43-C. Table game.** "Table game" means a card game, dice game or other game of  
16 chance, including, but not limited to, blackjack, poker, dice, craps, roulette, baccarat,  
17 money wheels, wheel of fortune or any electronic facsimile of such a game located in a  
18 casino. Table games are governed under this chapter and excluded from the definition of  
19 "game of chance" in Title 17, section 1831, subsection 5.

20 **Sec. 5. 8 MRSA §1002, sub-§2,** as enacted by PL 2003, c. 687, Pt. A, §5 and  
21 affected by Pt. B, §11, is repealed and the following enacted in its place:

22 **2. Members.** The board consists of 7 members appointed by the Governor.

23 **A.** Two of the board members must have training or experience in at least one of the  
24 following fields:

25 (1) The gambling industry; and

26 (2) The harness racing industry.

27 **B.** Training or experience in the following fields must be represented to the greatest  
28 extent possible:

29 (1) Substance abuse and gambling addiction services;

30 (2) Computer science or electronic monitoring and oversight of gambling;

31 (3) Corporate finance or accounting;

32 (4) Nonprofit gaming by veterans service organizations; and

33 (5) Law enforcement.

1 A member may not simultaneously serve on the board and any other board or commission  
2 established by the State.

3 **Sec. 6. 8 MRSA §1003, sub-§1, ¶A**, as amended by IB 2009, c. 2, §18, is further  
4 amended to read:

5 A. Regulate, supervise and exercise general control over casinos and the ownership  
6 and operation of slot machines and table games, the distribution of slot machines and  
7 table games and slot machine facilities and casinos;

8 **Sec. 7. 8 MRSA §1003, sub-§2, ¶H**, as enacted by PL 2003, c. 687, Pt. A, §5  
9 and affected by Pt. B, §11, is amended to read:

10 H. Pursuant to subchapter 5, cause the department to investigate all complaints made  
11 to the board regarding casinos and ownership, distribution or operation of slot  
12 machines and all violations of this chapter or rules adopted under this chapter;

13 **Sec. 8. 8 MRSA §1003, sub-§2, ¶I**, as amended by IB 2009, c. 2, §19, is further  
14 amended to read:

15 I. Adopt rules to prevent undesirable conduct relating to the casinos and ownership,  
16 distribution and operation of slot machines and table games and slot machine  
17 facilities and casinos, including, but not limited to, the following:

18 (1) The practice of any fraud or deception upon a casino patron, a player of a slot  
19 machine or table game or a licensee;

20 (2) The presence or location of a slot machine ~~or~~ table game or gambling  
21 activity in or at premises that may be unsafe due to fire hazard or other public  
22 safety conditions;

23 (3) The infiltration of organized crime into the ownership, distribution or  
24 operation of slot machines or table games and slot machine facilities or casinos;  
25 and

26 (4) The presence of disorderly persons ~~in a location where~~ at casinos and slot  
27 ~~machines are in use~~ machine facilities;

28 **Sec. 9. 8 MRSA §1003, sub-§2, ¶J**, as enacted by PL 2003, c. 687, Pt. A, §5 and  
29 affected by Pt. B, §11, is amended to read:

30 J. Maintain a central site system of monitoring in real time ~~at~~ both slot machines  
31 licensed in accordance with this chapter using an on-line inquiry and the operation of  
32 other gambling activities at casinos using on-site monitoring;

33 **Sec. 10. 8 MRSA §1003, sub-§2, ¶L**, as enacted by PL 2003, c. 687, Pt. A, §5  
34 and affected by Pt. B, §11, is amended to read:

35 L. Ensure that the slot machine operator or casino operator does not have access to  
36 any system that is capable of programming slot machines;

37 **Sec. 11. 8 MRSA §1003, sub-§2, ¶O**, as enacted by PL 2003, c. 687, Pt. A, §5  
38 and affected by Pt. B, §11, is amended to read:

1 O. Cause the central site monitoring system to disable a slot machine operated at a  
2 slot machine facility and cause the department to seize the proceeds of that slot  
3 machine if the funds from that slot machine have not been distributed, deposited or  
4 allocated in accordance with section 1036;

5 **Sec. 12. 8 MRSA §1003, sub-§2, ¶Q**, as amended by IB 2009, c. 2, §20, is  
6 further amended to read:

7 Q. Certify monthly to the department a full and complete statement of all gambling  
8 revenue from casinos, slot machine and table game revenue, credits disbursed by  
9 licensees, administrative expenses and the allocation of slot machine and table game  
10 income for the preceding month;

11 **Sec. 13. 8 MRSA §1003, sub-§2, ¶R**, as amended by IB 2009, c. 2, §21, is  
12 further amended to read:

13 R. Submit by March 15th an annual report to the Governor and the joint standing  
14 committee of the Legislature having jurisdiction over gambling affairs on casino  
15 revenue, slot machine and table game revenue, credits disbursed by slot machine  
16 operators and table game operators, administrative expenses and the allocation of slot  
17 machine and table game income for the preceding year;

18 **Sec. 14. 8 MRSA §1003, sub-§3, ¶G**, as amended by IB 2009, c. 2, §23, is  
19 further amended to read:

20 G. Minimum procedures for the exercise of effective control over the internal fiscal  
21 affairs of casino operators, slot machine operators, casino operators, slot machine  
22 distributors, table game distributors, gambling services vendors and nongambling  
23 services vendors, including provisions for the safeguarding of assets and revenues,  
24 the recording of cash and evidence of indebtedness and the maintenance of reliable  
25 records, accounts and reports of transactions, operations and events, including reports  
26 to the board;

27 **Sec. 15. 8 MRSA §1003, sub-§3, ¶H**, as amended by IB 2009, c. 2, §24, is  
28 further amended to read:

29 H. Procedures for the annual audit of the books and records of casino operators, slot  
30 machine operators, casino operators, slot machine distributors, table game  
31 distributors and gambling services vendors;

32 **Sec. 16. 8 MRSA §1003, sub-§3, ¶I**, as amended by IB 2009, c. 2, §25, is further  
33 amended to read:

34 I. Establishment of a list of persons who are to be excluded or removed from any  
35 casino or slot machine facility or casino, including those persons who voluntarily  
36 request that their names be included on the list of excluded persons. These rules must  
37 define the standards for exclusion and removal and include standards regarding  
38 persons who are career or professional offenders, as defined by rules of the board,  
39 whose presence in a casino or slot machine facility or casino would, in the opinion of  
40 the board, be inimical to the interest of the State;

1           **Sec. 17. 8 MRSA §1004, sub-§1, ¶D**, as enacted by PL 2003, c. 687, Pt. A, §5  
2 and affected by Pt. B, §11, is amended to read:

3           D. Allow the slot machine operator or casino operator to install independent player  
4 tracking systems to include cashless technology as approved by the board;

5           **Sec. 18. 8 MRSA §1011**, as amended by IB 2009, c. 2, §29, is further amended to  
6 read:

7           **§1011. License to operate**

8           The board shall exercise authority over the operation of casinos as governed by  
9 subchapter 7 and the licensing of all persons participating in the operation, distribution  
10 and maintenance of slot machines and table games and slot machine facilities and casinos  
11 and over the registration of slot machines and table games.

12           **1. Operator license required for slot machine facility.** A person may not operate  
13 any slot machine in a slot machine facility in the State unless the person has been issued a  
14 license to operate slot machines by the board. A slot machine operator license authorizes  
15 a licensee to own or lease slot machines operated at a licensed gambling facility.

16           **1-A. Operator license required for casino.** A person may not operate both slot  
17 machines and table games in the State unless the person has been issued a casino operator  
18 license by the board. A casino operator license authorizes a licensee to own or lease slot  
19 machines and table games operated at a casino.

20           **2. Persons eligible for slot machine operator license.** The board may accept  
21 applications for a license to operate slot machines at a slot machine facility from any  
22 person who is licensed to operate a commercial track that satisfies the following criteria:

23           A. The commercial track is located at or within a 5-mile radius of the center of a  
24 commercial track that conducted harness racing with pari-mutuel wagering on more  
25 than 25 days during calendar year 2002; and

26           B. The operation of slot machines at the commercial track is approved by the voters  
27 of the municipality in which the commercial track to be licensed is located by  
28 referendum election held at any time after December 31, 2002 and before December  
29 31, 2003.

30           **2-A. Person eligible for casino operator license.** The board may accept an  
31 application for a casino operator license to operate slot machines and table games at a  
32 casino from any person if that person and casino satisfy the following criteria:

33           A. The casino is located on a parcel of land that is:

34                   (1) No less than 50 acres in size; and

35                   (2) Located not more than:

36                           (a) Thirty miles from a Level I or Level II trauma center verified as such by  
37 the American College of Surgeons or successor organization;

38                           (b) Fifteen miles from the main office of a county sheriff;

- 1 (c) Twenty-five miles from the main office of a state police field troop;
- 2 (d) Thirty miles from an interchange of the interstate highway system;
- 3 (e) Ten miles from a fire station;
- 4 (f) Ten miles from a facility at which harness racing was conducted pursuant
- 5 to a license from the State Harness Racing Commission for the 2009 racing
- 6 year; and
- 7 (g) One-half mile from a state highway as defined in Title 23, section 1903,
- 8 subsection 15.

9 For the purposes of this paragraph, distances are determined by measuring along the  
10 most commonly used roadway, as determined by the Department of Transportation;

11 B. The criteria adopted through rulemaking by the board regarding the licensing of  
12 the operation of slot machines and table games;

13 C. The operation of a casino is approved by the voters of the municipality in which  
14 the casino to be licensed is located in a referendum election or by a vote of the  
15 municipal officers in the municipality in which the casino is to be licensed and  
16 located held at any time after October 1, 2009 and on or before December 31, 2011;

17 D. The person owns a facility that is within 10 miles of the proposed casino at which  
18 harness racing was conducted pursuant to a license from the State Harness Racing  
19 Commission for the 2009 racing year; and

20 E. The slot machines and table games are located and operated in the casino.

21 **3. Requirements for license; continued commercial track licensure.** The board  
22 may not issue a license to operate a slot machine facility or a casino to any person unless  
23 that person demonstrates compliance with the qualifications set forth in sections 1016 and  
24 1019. To maintain eligibility for a slot machine operator license, a licensed commercial  
25 track must at all times maintain a license to operate a commercial track, without lapse,  
26 suspension or revocation, and a licensed commercial track is not eligible for a license to  
27 operate table games but may apply for a license to operate slot machines as long as the  
28 licensed commercial track satisfies the requirements of this chapter.

29 **4. Requirement for license; agreement with municipality where slot machines**  
30 **are located.** A slot machine operator at a slot machine facility shall enter into an  
31 agreement with the municipality where the slot machine operator's slot machines are  
32 located that provides for revenue sharing or other compensation, including, but not  
33 limited to, a provision requiring the preparation, in conjunction with the municipality, of  
34 a security plan for the premises on which the slot machines are located. The revenue-  
35 sharing agreement must provide for a minimum payment to the municipality of 3% of the  
36 net slot machine income derived from the machines located in the municipality.

37 **5. Renewal.** Licenses to operate slot machine facilities or a casino may be renewed  
38 upon application for renewal in accordance with this subchapter, subject to board rules.

39 **Sec. 19. 8 MRSA §1020, sub-§3,** as amended by IB 2009, c. 2, §37, is further  
40 amended to read:



1           **4. Minimum investment.** An entity submitting a competitive bid to operate a casino  
2 under subsection 1 must demonstrate willingness to make a minimum investment of land,  
3 buildings and infrastructure at the location of the proposed casino.

4           **5. Privilege fee; term of contract.** An entity that successfully bids for a casino  
5 contract pursuant to subsection 1 shall pay a minimum privilege fee of \$5,000,000 to the  
6 board to be deposited to the General Fund. The term of the contract between the State  
7 and a casino operator may not exceed 20 years.

8           **6. Existing slot machine facility; right of refusal.** Notwithstanding subsection 1  
9 and in addition to the 3 casinos that are authorized and subject to the competitive bidding  
10 process, the board may enter into a contract with an existing slot machine operator  
11 licensed to operate slot machines on January 1, 2011 to operate a casino at an existing  
12 slot machine facility location. If the slot machine operator opts to have an interest in a  
13 casino, the board shall negotiate a contract with the operator that must include a  
14 minimum privilege fee of \$3,000,000 payable to the board to be deposited to the General  
15 Fund. The contract must provide for the distribution of slot machine income as described  
16 in section 1036 and provide that net table game revenue be deposited to the General Fund  
17 in accordance with the percentage established by the contract.

18           **§1072. Casino operator to have interest in only one casino**

19           A casino operator may not have an interest in more than one casino in the State. This  
20 section does not preclude the slot machine operator of a slot machine facility licensed as  
21 of January 1, 2011 from having an interest in a casino.

22           **§1073. Location of casinos**

23           The board shall establish by rule 4 regions for the location of casinos. Each region  
24 must have a population center that can economically sustain a casino. A casino must be  
25 located at least 75 miles from another casino or slot machine facility. If a slot machine  
26 operator enters into a contract with the board to operate a casino under section 1071,  
27 subsection 6, the location of the slot machine facility must be considered one of the 4  
28 regions. Rules adopted pursuant to this section are major substantive rules as defined in  
29 Title 5, chapter 375, subchapter 2-A.

30           **§1074. State share of gaming revenue**

31           A casino operated in the State shall distribute to the board the state share of net slot  
32 machine income and net table game revenue pursuant to contract under section 1071,  
33 subsection 6 to be deposited in equal proportions to the funds created by sections 1075,  
34 1076 and 1077.

35           **§1075. General purpose aid to education fund**

36           A fund is established within the Department of Education to supplement and not  
37 supplant the state share of essential programs and services as required by Title 20-A,  
38 section 15671 to which the board shall credit a portion of the state share of net slot  
39 machine income and net table game revenue in accordance with section 1074.

