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## **An Act To Implement the Recommendations Regarding the Legislative Review of the Allocation of Slot Machine Revenue**

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

**Sec. 1. 7 MRSA §82, sub-§5**, as enacted by PL 2005, c. 563, §3, is amended to read:

**5. Rulemaking.** The commissioner shall adopt rules to establish procedures for licensing and awarding dates for agricultural fairs and performance standards for evaluating agricultural fairs. The commissioner, in consultation with the executive director of the State Harness Racing Commission, shall adopt rules that require agricultural fairs that receive a distribution of slot machine revenue in accordance with Title 8, section 1036, subsection 2 to submit information regarding the use of that revenue sufficient for the executive director to submit the report required by Title 8, section 1037. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2#A.

**Sec. 2. 7 MRSA §82, sub-§6** is enacted to read:

**6. Report on revenues from the operation of slot machines.** The commissioner shall coordinate with the executive director of the State Harness Racing Commission to submit a report regarding the distribution of slot machine revenues as required by Title 8, section 1037.

**Sec. 3. 8 MRSA §263-A, sub-§1, ¶C**, as enacted by PL 1997, c. 528, §6, is amended to read:

C. The licensing of individuals participating in harness racing and off-track betting facilities, including rules requiring applicants to submit information sufficient for the report required to be submitted by the executive director of the commission as required by section 1037;

**Sec. 4. 8 MRSA §1036, sub-§2, ¶H**, as amended by PL 2005, c. 663, §12, is further amended to read:

H. Four percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at Maine's Commercial Tracks, established in section 299; however, the payment required by this paragraph is terminated when all commercial tracks have obtained a license to operate slot machines in accordance with this chapter, in which case, that 4% of the net slot machine income must be credited to the General Fund as undedicated revenue;

**Sec. 5. 8 MRSA §1036, sub-§5**, as enacted by PL 2009, c. 571, Pt. FFF, §1, is repealed.

**Sec. 6. 8 MRSA §1037** is enacted to read:

### **§ 1037. Annual report on use of funds**

Beginning February 15, 2012, the executive director of the State Harness Racing Commission, in consultation with the Commissioner of Agriculture, Food and Rural Resources, annually shall submit a report to the joint standing committees of the Legislature having jurisdiction over slot machines, harness racing, agricultural fairs and appropriations and financial affairs regarding the use of slot machine revenue deposited in funds under section 1036, subsection 2, paragraphs B, C, D, H and I. The executive director and the commissioner shall obtain the information as described in this section. The report required by this section must be completed using budgeted resources. The executive director may not distribute funds listed under section 1036, subsection 2, as applicable, to harness racing tracks, off-track betting facilities, agricultural fairs or the Sire Stakes Fund under section 281 until the information required to submit the report required by this section is provided.

**1. Commercial tracks.** A report required by this section must include the following information from commercial tracks licensed in accordance with chapter 11 that receive a distribution of slot machine revenue under section 1036, subsection 2, paragraph B, D or H:

- A. The total amount wagered on live harness races;
- B. The total amount wagered on intrastate simulcast races;
- C. The total amount wagered on interstate simulcast races;
- D. The number of harness races originated in the State and made available for simulcast outside of the State;
- E. The amount of the harness racing handle from wagers at the commercial track kept by that commercial track and the distribution of the handle to the State and industry recipients under section 286;
- F. The amount received from the handle distribution from wagers at other tracks and off-track betting facilities under section 286;
- G. The amount of revenue received in accordance with section 1036, subsection 2, paragraphs B, D and H;
- H. The number of full-time and part-time employees at the commercial track;
- I. The amount, if any, spent on capital improvements to the commercial track and related facilities and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year;
- J. Operating costs for the commercial track;
- K. Profit and loss or depreciation figures for the commercial track; and
- L. Administrative costs to comply with reporting requirements and contributions to the State Harness Racing Commission's operating account described in section 267#A.

**2. Agricultural fair that conducts harness racing.** The report required by this section must include the following with regard to the use of slot machine revenue distributed to an agricultural fair that is licensed under chapter 11 to conduct harness racing:

- A. An estimate of the number of people that attended the agricultural fair, including separate estimates of paid attendance, free-pass attendance, vendor attendance and attendance under a local campground pass;
- B. The total amount wagered on harness races at the agricultural fair;
- C. The number of harness races originated at the agricultural fair and made available for simulcast outside of the State;
- D. The amount of the harness racing handle received by the agricultural fair under section 286;
- E. The amounts, reported separately, of revenue received in accordance with section 1036, subsection 2, paragraphs B and D, the Stipend Fund under Title 7, section 86 and from any other source in accordance with rules adopted under section 263-A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the Commissioner of Agriculture, Food and Rural Resources or the State Harness Racing Commission; and
- F. The amount of revenue received to supplement harness racing purses, pay fair premiums, make capital improvements to fairground facilities, racing venues or grandstand operations and labor costs and operating expenses.

**3. Agricultural fair that does not conduct harness racing.** The report required by this section must include the following with regard to an agricultural fair:

- A. The amount spent to pay fair premiums make capital improvements to fairground facilities and labor costs and operating expenses;
- B. The amounts, reported separately, received from slot machine revenue in accordance with section 1036, subsection 2, paragraph D, the Stipend Fund under Title 7, section 86 and from any other source in accordance with rules adopted under section 263#A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the Commissioner of Agriculture, Food and Rural Resources or the State Harness Racing Commission; and
- C. An estimate of the number of people that attended the agricultural fair, including separate estimates of paid attendance, free-pass attendance, vendor attendance and attendance under a local campground pass.

**4. Breeders and owners within the Maine Standardbred program.** A report required by this section must include the following information from horse breeders and owners within the Maine Standardbred program established pursuant to section 281 who receive a distribution under section 1036, subsection 2, paragraph C:

- A. The number of mares bred by each Maine Standardbred stallion as reported to the State Harness Racing Commission;
- B. An assessment of whether the number of Maine Standardbred horses in the State is sufficient to grow and sustain harness racing in the State;
- C. The number of yearling horses eligible and nominated to participate in sire stakes racing;
- D. The amount received from slot machine revenue in accordance with section 1036, subsection 2, paragraph C;
- E. The total number of qualifying dashes for sire stakes races and the average purse for each dash sorted by the age of the horse and the average purse for each sire stakes final dash sorted by the age of the horse; and
- F. An accounting of the Sire Stakes Fund, including the total amount of the fund at the beginning and end of the racing season and, reported separately, expenditures used to supplement purses, pay breeder promotional contracts, pay advertising costs, make payments to a statewide horsemen association, pay administrative costs and make contributions to the operating account described in section 267#A.

**5. Off-track betting facility.** The report required by this section must include, with regard to a facility licensed to conduct off-track betting on harness racing:

- A. The number of individual wagers placed on intrastate and interstate simulcast races and the total amount for each;
- B. The number of full-time and part-time employees of the off-track betting facility;
- C. The operating costs for the off-track betting facility;
- D. The name and primary location of the company licensed to operate the off-track betting facility;
- E. The total number of races originating in the State received for simulcast as reported by the off-track betting facility;
- F. The amount, if any, spent on capital improvements to the off-track betting facility and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year;
- G. The amount of the harness racing handle kept by the off-track betting facility and the distribution of the handle to the State and industry recipients under section 286;
- H. The amount received from the handle distribution from wagers at tracks and other off-track betting facilities under section 286; and
- I. The amount of revenue received in accordance with section 1036, subsection 2, paragraph I.

**6. Other recipients.** The Fund for a Healthy Maine's program providing prescription drugs for adults who are elderly or disabled, the University of Maine System and the Maine Community College System shall submit reports that include the amount of slot machine revenue received under section 1036, subsection 2 and how that revenue was used to meet the statutory requirements cited in section 1036, subsection 2, paragraphs E, F and G, respectively.

Effective 90 days following adjournment of the 125th  
Legislature, First Regular Session, unless otherwise indicated.