

# MAINE GAMBLING CONTROL BOARD

February 19, 2016

09:00 – 10:50am

Gambling Control Board Room

45 Commerce Drive Suite 3, Augusta Maine 04333

Meeting opened at 9:00 am

**Board members present:** Tim Doyle, Chair; Barbara Dresser; Robert Harmon; Joe Laliberte

**Staff present:** Detective Don Armstrong, Auditor Jill Tobey, Inspector Supervisor Vicki Gardner, Office Specialist I Janine Collins, Executive Director Patrick Fleming.

**Legal counsel present:** Assistant Attorney General Ron Guay, Assistant Attorney General Katie Johnson

## **Introductions:**

The Board introduced themselves followed by introductions of the staff and counsel by Executive Director Fleming.

## **Review of the minutes 01/19/2016**

**Motion to accept the minutes: Robert Harmon, Board Member**

**Seconded: Barbara Dresser, Board Member**

**Vote: Unanimous**

**Executive Director Report:** Legislature – the Veterans and Legal Affairs Committee took up LD 1280 last week, the bill to allow a casino in southern Maine. They did not have another public hearing only a work session. At the work session an amended version of the original bill was presented by Senator Patrick. The amendment, which the Board has been sent, included the establishment of a casino development commission, which would establish a bidding process and requirements for the RFP that the successful bidder would have to meet. The bill also establishes a new tax rate and cascade for the disbursement of those funds collected. The amendment originally set the slot tax rate at 40% for just the new casino but an amendment was made to this bill to lower the tax rate on the two established casinos to 40% when the new casino would open. There was considerable discussion about this bill and it was voted out of committee ought to pass but was not unanimous. It is his understanding that there will be three additional minority reports. The bill in all forms will be sent to the House and Senate for final discussion and disposition. One concern he has with the bill in this form is that it does not establish a staffing mechanism for this new Board. Executive Director Fleming is trying to get clarification to see if that means this Board's staff would be required to staff the new commission.

Another factor in the discussion of this bill is the citizen's initiative that has been presented to the Secretary of State's office. If the signatures are verified and the bill goes out to vote it is my understanding that this bill, if passed, would go out to citizen's vote as a competing measure.

Another bill that the Gambling Control Board has been brought into is LD 1279 – An Act to Authorize Advance Deposit Wagering for Horse Racing. This bill in its current form would allow patrons of commercial harness racing tracks and OTB's to establish accounts at a third party to place bets and hold winnings from those bets in electronic format. The bill allows for contracts with out of state vendors to hold the accounts and process the transactions. The bill would require rulemaking and licensing. Currently the oversight of OTB's is under the harness racing commission but there has been talk in the VLA committee to put this particular section under the Gambling Control Board. I am not sure why they would want to put this under the Gambling Board because it involves entities licensed and regulated by the Harness Racing Commission. The only reasons he has heard is that we have a bigger staff. The bill was tabled last Friday and will need to be discussed again.

Budget – the bill to fund MDEA agents that I advised the Board of last month was passed and signed by the Governor. They did use monies from the GCB special revenues account to pay for the additional agents. In the current budget year they transferred monies from the GCB all other account to the MDEA account and we are using monies from the special revenue account to pay our all other for the remainder of this year. Next year the funding for

MDEA was transferred directly out of the special revenue account to MDEA and we have our all other account back. The total for the next budget cycle is \$1.2 million.

Other jurisdictions – The City of Boston and the Wynn Resorts have settled their differences and reached a settlement. This will allow the Wynn Resorts to proceed with the construction of their casino in Everett. They still have a long way to go as far as the construction is concerned and I expect that it will be a couple of years before construction is complete. He believes they are anticipating a 2017 opening.

The State of New Hampshire has a bill in its legislature that would allow the establishment of a casino in Salem, NH. The bill has been through committee and will now move on to the Senate. Several casino bills have passed in the Senate in recent years but they get defeated in the New Hampshire House. The Governor of New Hampshire has supported casino proposals in the past.

**Auditors Report: Auditor Jill Tobey** – The January 2016 report shows tax revenue of \$3,522,000, an increase of \$151,000, or 4% above the same period in 2015.

The distribution of tax revenues is available on the “Revenue Totals” tab of the Gambling Control Board web site. Slot machine hold compliance is calculated on a quarterly basis and will be reported after March 31, 2016 for Quarter 1 of 2016.

**Audit update:**

The on-site review process that initially began in late 2013 took time to implement due to the GCB auditors’ inexperience in the gaming industry and because there was no previous plan to follow. The auditors used their knowledge of general auditing, researching other states procedures, and attending casino auditing training in Las Vegas to come up with an auditing plan. Although this plan took longer than anticipated, all main areas have now been completed. It is now time to start the process over again, only this time with a better understanding and hopefully at a faster pace. Narratives can be refined, sample sizes increased, and additional audit steps developed.

**State Police Report:** 93 renewals done over the last 2 months.

Calls for Service 10 for Oxford Casino and 8 for Hollywood Casino Bangor

**Unfinished Business:**

**Annual Report – Motion to approve final draft of the Annual Report: Joe Laliberte**

**Seconded: Bob Harmon**

**Vote: Unanimous**

**Employee License Review: Tabled**

**New Business:**

**Off-Site Meeting the Board thinks we should meet this year in Oxford and next year in Bangor. Schedule may Board meeting to be held in Oxford.**

**Employee Licensee Review Clifford license review discussion on licensee,**

**Motion to grant License Joe Laliberte**

**Seconded: Bob Harmon**

**Vote: Unanimous**

**Public Comment: None**

**Public Hearing Directly following this meeting**

**Motion to adjourn: Joe Laliberte**

**Second: Barbara Dresser**

**Vote: Unanimous**

**Meeting Adjourned: 1:10pm**

**Next meeting is March 15,2016 @ 9am @ 45 Commerce Drive Suite 3 Augusta, Maine 04330**

Respectfully submitted Janine Collins Office Specialist I