



STATE OF MAINE
Department of Public Safety
Gambling Control Board
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Legislative Briefing
Veterans and Legal Affairs Committee
Milton F. Champion – Executive Director
Gambling Control Unit
Department of Public Safety
January 22, 2021, 11:00 am, Room 437, State House or via Zoom

Senator Luchini, Representative Caiazzo and distinguished members of the Veterans and Legal Affairs Committee, I am Milton Champion, Executive Director of the Gambling Control Unit. I am here today to give you a briefing on the organization and responsibilities of the Gambling Control Board and the Gambling Control Unit.

The State of Maine Gambling Control Board and Unit was established in 2004 in response to a citizen's initiative to allow slot machines in Bangor, Maine. In November 2005 Hollywood Casino opened with slot machines only.

In November of 2010, the citizens of Maine voted to allow a second casino in Oxford County. Oxford Casino began operations as a full casino with both slots and table games in June 2012. In November of 2011, after local approval allowed for them to add table games Hollywood Casino began operating as a full casino in March 2012.

The Gambling Control Board itself is made up of five members, appointed by the Governor, who meet once a month in order to monitor the oversight of gambling at casinos in Maine. As the Executive Director, I report to the Gambling Control Board and provide leadership, administration and oversight of three functional areas. These functional areas include Licensing, Auditing and Inspections. Each area focuses on a different aspect of regulation within the gaming industry. Specific responsibilities include, but are not limited to

- Staff development,
- Budget planning,
- Rule promulgation,
- Revenue distribution,
- Individual and business licensing, and
- Enforcement of Maine Statutes and Board Rules through each facilities System of Internal Controls.

The Organizational Chart attached identifies each position and, in some cases, the current number of staffing for a particular position. The Executive Director is responsible

for directing the day to day operations of the Gambling Control Unit. Some of the functions and responsibilities include, but are not limited to:

- Processing an average of 750 casino employee new or renewal licenses,
- Distributing weekly collected funds from casino activity to various state departments and accounts totaling 58.5 million dollars in 2019,
- On site inspector observations or formal written inspections of casino operations according to Maine statute, Board rules or Facility internal controls, and
- Conducting Background investigations of all business entity and individual licenses.

In addition, there are two Assistant Attorney General's assigned as legal counsel to the Board and the Unit. The AAG's attend meetings of the Board, administrative hearings and work closely with the Executive Director on legal matters that arise. An employee at the State Bureau of Identification is funded by the Gambling Control Board budget due to the additional work imposed by the fingerprint background checks.

According to Maine Revised Statute Title 8, Chapter 31, Scientific Games was selected as a third party to operate the central site monitoring system so that all slot machines in the state of Maine communicate electronically with that system.

Attached you will also see the Gambling Control Board actual expenses for the last two calendar years 2018-19 with the largest expense being the contract with Scientific Games to meet the requirements as previously stated. Also, are the revenues collected by the casinos for the last two calendar years.

By March 15, 2021 you will be receiving the Board's Annual Report which will outline the allocation of funds distributed under Maine Revised Statute, title 8, chapter 31 that totaled 30 million dollars un-audited for 2020. That was a decrease of 49% versus 2019 as a result of the COVID-19 pandemic.

"An Act to Authorize Advance Deposit Wagering for Horse Racing" became law September 20, 2016. After being ratified by the legislator and approved by the Governor, the Gambling Control Board approved final rules for adoption June 23, 2018. A Request for Proposal was issued for one awardee of an advance deposit wagering operator by statute. That award was issued to Hollywood Races LLC on May 19, 2020. Collected fees have decreased each month since June 2020, except for November with total funds collected for 2020 of \$156,587.50.

Outside of the oversight of the Gambling Control Board, in 2017 regulatory oversight of non-profit charitable gaming of eligible organizations was transferred from the Maine State Police to the Gambling Control Unit. In 2020 the Unit processed 3,449 license and/or registrations of Games of Chance, Beano or Bingo and collected fees of \$323,499.00. That was a 36% decrease from licenses and/or registrations processed and a 32% decrease in collected fees from 2019 as a result of the COVID-19 pandemic.

Also, in 2017 regulatory oversight of Fantasy Contests were assigned to the Executive Director position within the Gambling Control Unit. Rulemaking was recently completed and those provisionally adopted rules will be presented to you this session for confirmation and ultimately final adoption as these are the initial rules which are major substantive according to statute. Eleven operators have applied and are operating in Maine pending license approval by statute. Two have disclosed gross revenues over \$100,000.00 and as such will pay the 10% fee to the general fund.

Thank you for the opportunity to appear before the committee today and I would be happy to answer any questions you may have at this time.

Respectfully,



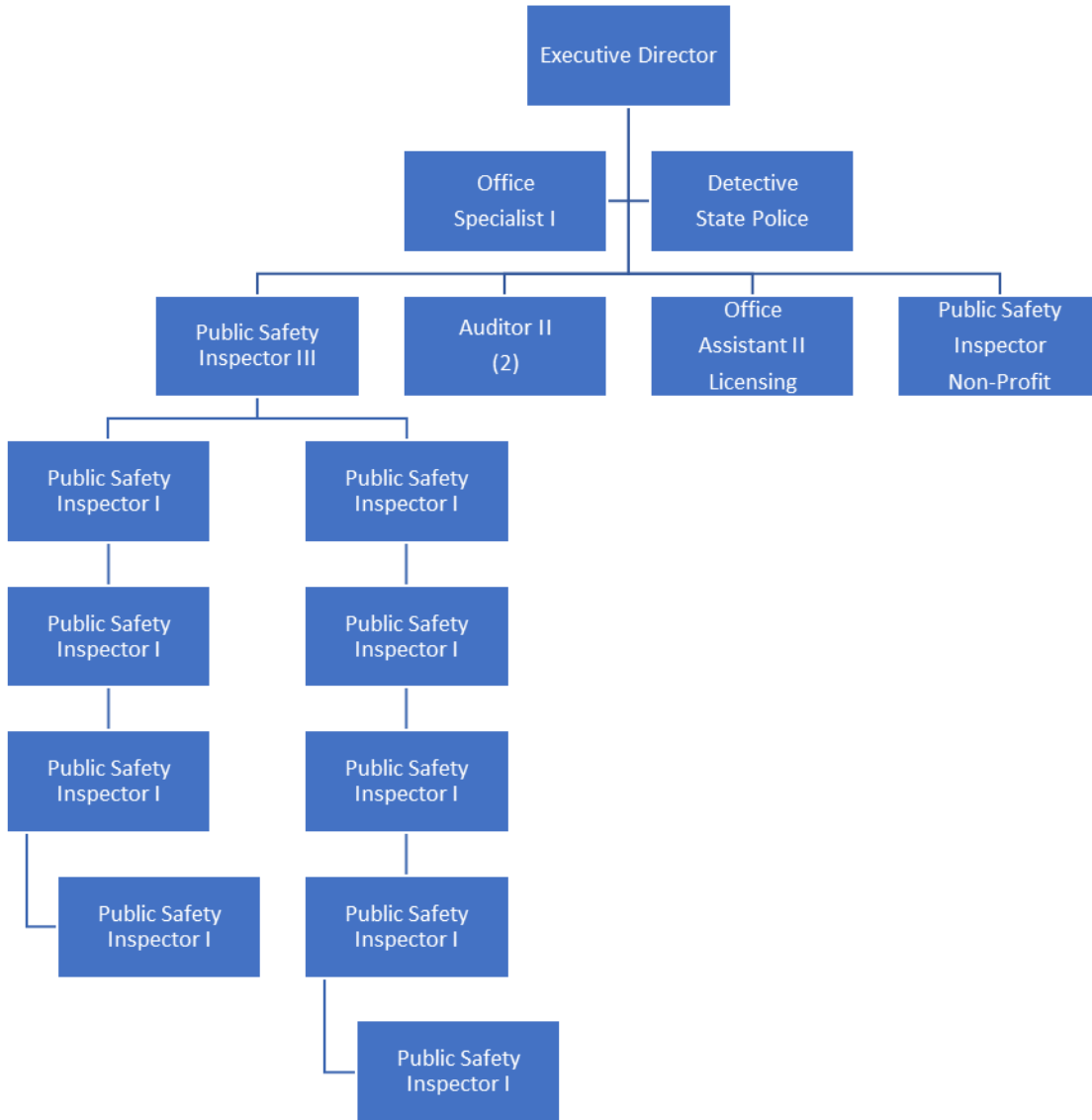
Gambling Control Board Actual Expenses

<i>Gambling Control Board</i>	<i>FY 2018</i>	<i>FY 2019</i>
Part I: Personnel Services	\$1,258,739.76	1,245,253.72
Part II: All Other Expenses	\$1,073,981.08	1,612,382.23
Total Expenses	\$2,232,720.84	2,857,635.95

Casino Tax Revenue Collected

<i>Gambling Control Board</i>	<i>2018</i>	<i>2019</i>
Hollywood Casino Slots	\$18,077,005.08	\$18,809,397.77
Hollywood Casino Table Games	\$ 1,283,959.40	\$1,427,340.56
Oxford Casino Slots	\$35,758,070.12	\$35,438,845.58
Oxford Casino Table Games	\$ 2,809,771.86	\$2,817,644.53
Total Revenue	\$57,928,806.50	\$58,493,288.44

State of Maine Gambling Control Board Organization Chart



There is also one Identification Specialist paid for out of Gambling Control personal services funds.