

# Upstate NY Gaming & Economic Development Act

Upstate NY Gaming and Economic Development Act





# Gaming facilities surround NY

Economic opportunities go to  
neighboring states.

- New Yorkers are going to Pennsylvania, Connecticut, New Jersey, Canada, and soon Massachusetts because we lack full commercial gaming
- Pennsylvania gained \$1.5 billion in revenue and 16,000 jobs
- Connecticut gained \$300 million in revenue and 14,000 jobs

These jobs were made possible and revenue gained substantially from money spent by VISITING NEW YORKERS

**Upstate NY Gaming and Economic Development Act**



# Gaming is Already in New York

- 9 Racinos
- 5 Indian Casinos
- 29,000 Electronic Gaming Machines

Upstate NY Gaming and Economic Development Act



# NY Tribal Casinos & Racinos



Upstate NY Gaming and Economic Development Act

BUT WITHOUT FULL COMMERCIAL GAMING, OUR  
RESIDENTS GO OUT OF STATE, AND WE CANNOT  
ATTRACT OUT OF STATE VISITORS TO NEW YORK.

THAT COSTS NEW YORK JOBS AND REVENUE.

**Upstate NY Gaming and Economic Development Act**



# The Upstate New York Gaming and Economic Development Act

- Is aimed at growing jobs, increasing school aid/property tax relief
- Close to \$1 billion in construction spending
- Estimated 6,700 in construction jobs
- Estimated 2,900 permanent jobs
- \$238.2 million in new education aid and property tax relief
- \$192 million in aid to local governments

Source of revenue estimates: Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions), receipt of Tribal State Compact moneys, and establishment of VLTs at Long Island OTBs. Job and construction spending estimates are based on the experience at gaming facilities in Pennsylvania and Maryland. Construction jobs are estimates from the REMI model. Estimates reflect 30% displacement of existing jobs, and an 80% share of total investment treated as construction cost.

**Upstate NY Gaming and Economic Development Act**



# The Upstate New York Gaming and Economic Development Act

Many Provisions of the Act are already in effect

- Codifies settlement with the Oneida Nation of Indians
- Establishes penal law provisions establishing specific gambling crimes and outlawing electronic sweepstakes
- Establishes VLT authorization for Nassau and Suffolk OTB's
- Establishes a licensing term and a Gaming Commission review of VLT operators
- Requires Annual Gaming Commission VLT market evaluation
- Establishes Public filing of Referendum Expenses

**Upstate NY Gaming and Economic Development Act**



# FULL Implementation of The Upstate New York Gaming and Economic Development Act

- Is dependent on the referendum outcome;
- Full commercial casino gaming is not currently permitted under the New York State Constitution

Upstate NY Gaming and Economic Development Act



# What is the Gaming Referendum

---

## Amending Constitution

Requires: Passage of identical measure consecutively by two separately elected legislatures, followed by public referendum:

- 1<sup>st</sup> passage: March 14, 2012
- 2<sup>nd</sup> passage: June 21, 2013
- Public referendum: November 5, 2013

For more information, consult your local Board of Elections

**Upstate NY Gaming and Economic Development Act**



# Upstate NY Gaming and Economic Development Act Basics

Passed by Legislature and signed by Governor in July

Four destination gaming resorts in Upstate New York.

At least one facility in each of three regions: Capital, Catskills/Hudson Valley, Eastern Southern Tier.

No more than two facilities in any region.

Tribal casinos retain their geographical exclusivity.

No downstate gaming resorts for at least 7 years after first gaming license is awarded.

Gaming facilities will either be entirely new resorts or conversion of existing New York racinos.

**Upstate NY Gaming and Economic Development Act**



# ALL regions of NY benefit from The Upstate New York Gaming and Economic Development Act

- Stable local revenue in Indian regions and new gaming regions: \$192 million annually;
- Education aid/property tax relief for all regions: \$238 million annually

**NO MATTER WHERE CASINOS ARE LOCATED**

Source of revenue estimates: Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions), receipt of Tribal State Compact monies, and establishment of VLTs at Long Island OTBs

**Upstate NY Gaming and Economic Development Act**



# Selection

## Who Decides Where the Facilities Go?

- Decisions based on merit by separately appointed Resort Gaming Facility Location Board.
- Facility Location Board will be appointed by State Gaming Commission.
- Facility Location Board will decide on required licensing fee and required capital investments.

**Upstate NY Gaming and Economic Development Act**



# Selection

## Evaluation Criteria:

- Number of Jobs
- Amount of Capital Investment
- Amount of Revenue to State and Localities
- Local Support (Home Rule)
- Customer services and amenities
- Development and Integration with Regional Tourism

Upstate NY Gaming and Economic Development Act



# Selection

## Evaluation Criteria:

- Financing Availability
- Development Approach w/ Local Businesses
- Experience in Gaming Development
- Speed in Construction
- Ethics and Integrity Reviews
- Program to Counter Problem Gambling
- Environmental Sensitivity

Upstate NY Gaming and Economic Development Act



# Revenue Distribution Jobs Economic Impact

Upstate NY Gaming and Economic Development Act



# Revenue Distribution

\$430 Million in school aid/property tax relief and  
local government aid statewide

Gaming Facility revenue will benefit

ALL regions of New York

**10 – 10 – 80**

Upstate NY Gaming and Economic Development Act



# Revenue Distribution

- 10% of State's tax revenues will be split between host municipality and host county.
- 10% of State's tax revenues will go to surrounding counties in the region where a facility is sited for education assistance and/or real property tax relief.
- 80% of State's tax revenues will be applied statewide for school aid and/or real property tax relief.

**Upstate NY Gaming and Economic Development Act**



# Revenue Distribution

And for the first time, as a result of the Governor's proactive push in negotiations, Indian Gaming revenue will be shared with ALL counties in the region – 10%

Upstate NY Gaming and Economic Development Act



# Revenue Distribution

Any amounts allocated to school aid will be  
*in addition to school aid currently provided*  
by the State's educational aid formula.

And, *in addition to existing Lottery aid to education.*

Upstate NY Gaming and Economic Development Act



# Economic Impact: Statewide Revenue

## Estimated Statewide Annual Revenue

- \$238.2 million in new school aid and/or real property tax relief.
- \$192 million in new aid to counties and local governments.

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# Regional Economic Impact

*Total Distribution in millions*

<b>Region</b>	<b>School Aid/Property Tax Relief</b>	<b>Local Government Aid</b>	<b>Regional Total</b>
Western NY and Finger Lakes	\$42.7	\$50.4	\$93.1
Central New York	\$20.7	\$23.5	\$44.2
North Country	\$7.9	\$8.9	\$16.8
Eastern Southern Tier	\$7.3	\$12.8	\$20.1
Capital Region	\$12.7	\$22.8	\$35.5
Catskills/Hudson Valley	\$23.6	\$27.5	\$51.1
NYC	\$94.4	N/A	\$94.4
Long Island	\$28.9	\$34.4	\$63.3
TBD -		\$11.7	\$11.7
<b>Totals</b>	<b><u>\$238.2</u></b>	<b><u>\$192</u></b>	<b><u>\$430.2</u></b>

Source of revenue estimates: Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions), receipt of Tribal State Compact moneys, and establishment of VLTs at Long Island OTBs

**Upstate NY Gaming and Economic Development Act**



# Statewide Economic Impact: Jobs

- An estimated \$1billion Construction Spending
- 10,000 Construction and Permanent Direct Jobs

Job and construction spending estimates are based on the experience at gaming facilities in Pennsylvania and Maryland. Construction jobs are estimates from the REMI model. Estimates reflect 30% displacement of existing jobs, and an 80% share of total investment treated as construction cost.

**Upstate NY Gaming and Economic Development Act**



# Economic Impact: Long Island Revenue

## Estimated \$63.3 million Annual Revenue

- \$28.9 million in new school aid and/or real property tax relief.
- \$34.4 million in new aid to counties and local governments.

Source of revenue estimates: Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions), receipt of Tribal State Compact moneys, and establishment of VLTs at Long Island OTBs

**Upstate NY Gaming and Economic Development Act**



# Economic Impact: NYC Revenue

Estimated \$94.4 million in new school aid

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# **Economic Impact:** **Catskills/Hudson Valley Revenue** **Estimated \$51.1 million Annual Revenue**

- \$23.6 million in new school aid and/or real property tax relief.
- \$27.5 million in new aid to counties and local governments.

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# **Economic Impact: Capital Region Revenue**

## **Estimated \$35.5 million Annual Revenue**

- \$12.7 million in new school aid and/or real property tax relief.
- \$22.8 million in new aid to counties and local governments.

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# **Economic Impact: Eastern Southern Tier Revenue**

## **Estimated \$20.1 million Annual Revenue**

- \$7.3 million in new school aid and/or real property tax relief.
- \$12.8 million in new aid to counties and local governments.

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# Economic Impact: North Country Revenue

## Estimated \$16.8 million Annual Revenue

- \$7.9 million in new school aid and/or real property tax relief.
- \$8.9 million in new aid to counties and local governments.

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# **Economic Impact: Central New York Revenue**

## **Estimated \$44.2 million Annual Revenue**

- \$20.7 million in new school aid and/or real property tax relief.
- \$23.5 million in new aid to counties and local governments.

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# **Economic Impact: Western New York Regional Revenue**

## **Estimated \$93.1 million Annual Revenue**

- \$42.7 million in new school aid and/or real property tax relief.
- \$50.4 million in new aid to counties and local governments.

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# County by County: Economic Impact

## Catskill/Hudson Valley Region

<i>County</i>	<i>School Aid/Property Tax Relief</i>	<i>Local Government Aid</i>	<i>Regional Total</i>
Columbia	\$662,052	\$786,600	\$1,448,652
Delaware	\$781,410	\$595,006	\$1,376,417
Dutchess	\$2,924,474	\$3,742,035	\$6,666,509
Greene	\$581,113	\$612,589	\$1,193,702
Orange	\$5,712,770	\$4,713,533	\$10,426,303
Sullivan	\$1,161,089	\$966,501	\$2,127,591
Ulster	\$2,002,697	\$2,287,985	\$4,290,682
Putnam	\$ 923,027	N/A	\$923,027
Rockland	\$2,057,300	N/A	\$2,057,300
Westchester	\$ 6,813,369	N/A	\$6,813,369
Host County	N/A	\$13,704,250	\$13,704,250
<b><u>Region Total</u></b>	<b><u>\$23,619,301</u></b>	<b><u>\$27,408,499</u></b>	<b><u>\$51,027,800</u></b>

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# County by County: Economic Impact

## Capital Region

<i><b>County</b></i>	<i><b>School Aid/Property Tax Relief</b></i>	<i><b>Local Government Aid</b></i>	<i><b>Regional Total</b></i>
Albany	\$2,725,425	\$3,345,284	\$6,070,709
Fulton	\$1,061,225	\$601,528	\$1,662,753
Montgomery	\$918,148	\$546,944	\$1,465,092
Rensselaer	\$2,053,954	\$1,750,482	\$3,804,436
Saratoga	\$2,205,678	\$2,432,758	\$4,638,436
Schenectady	\$1,962,914	\$1,698,888	\$3,661,802
Schoharie	\$594,481	\$351,542	\$946,023
Washington	\$1,130,710	\$689,241	\$1,819,951
Host County	N/A	\$11,416,667	\$11,416,667
<i><b><u>Region Total</u></b></i>	<i><b><u>\$12,652,535</u></b></i>	<i><b><u>\$22,833,333</u></b></i>	<i><b><u>\$35,485,868</u></b></i>

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# County by County: Economic Impact

## North Country

<i>County</i>	<i>School Aid/Property Tax Relief</i>	<i>Local Government Aid</i>	<i>Regional Total</i>
Clinton	\$ 1,370,639	\$669,095	\$ 2,039,734
Essex	\$ 400,712	\$319,257	\$ 719,969
Franklin	\$1,080,407	\$3,187,500	\$4,267,907
Hamilton	\$ 31,240	\$ 39,152	\$ 70,393
Jefferson	\$2,097,369	\$985,460	\$3,082,828
St. Lawrence	\$2,168,709	\$3,187,500	\$5,356,209
Warren	\$ 715,706	\$537,036	\$1,252,742
<b><u>Region Total</u></b>	<b><u>\$7,864,782</u></b>	<b><u>\$8,925,000</u></b>	<b><u>\$16,789,782</u></b>

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# County by County: Economic Impact

## Central New York - Oneida Exclusivity Zone

<i>County</i>	<i>School Aid/Property Tax Relief</i>	<i>Local Government Aid</i>	<i>Regional Total</i>
Cayuga	\$1,099,445	\$431,901	\$1,531,346
Chenango	\$1,342,607	\$271,094	\$1,613,702
Cortland	\$ 853,490	\$268,602	\$1,122,092
Herkimer	\$1,313,177	\$350,225	\$1,663,402
Lewis	\$ 641,008	\$147,804	\$ 788,812
Madison	\$1,099,213	\$3,500,000	\$4,599,213
Oneida	\$3,889,400	\$15,000,000	\$18,889,400
Onondaga	\$6,917,465	\$2,534,616	\$ 9,452,081
Oswego	\$2,555,608	\$660,729	\$3,216,338
Otsego	\$996,656	\$335,028	\$1,331,684
<b><u>Region Total</u></b>	<b><u>\$20,708,069</u></b>	<b><u>\$23,500,000</u></b>	<b><u>\$44,208,069</u></b>

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# County by County: Economic Impact

## Eastern Southern Tier Region

<i>County</i>	<i>School Aid/Property Tax Relief</i>	<i>Local Government Aid</i>	<i>Regional Total</i>
Broome	\$ 2,948,759	\$2,607,068	\$ 5,555,827
Chemung	\$ 690,099	\$ 585,169	\$ 1,275,267
Schuyler	\$131,218	\$ 121,850	\$ 253,068
Seneca	\$611,090	\$464,720	\$ 1,075,810
Tioga	\$1,003,971	\$664,443	\$1,668,414
Tompkins	\$ 984,523	\$1,349,920	\$2,334,443
Wayne	\$882,550	\$ 611,830	\$1,494,381
Host County	N/A	\$6,405,000	\$6,405,000
<u><i>Region Total</i></u>	<u><i>\$7,252,210</i></u>	<u><i>\$ 12,810,000</i></u>	<u><i>\$ 20,062,210</i></u>

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# County by County: Economic Impact

Western New York and Finger Lakes - Seneca Exclusivity Zone

<i>County</i>	<i>School Aid/Property Tax Relief</i>	<i>Local Government Aid</i>	<i>Regional Total</i>
Allegany	\$ 1,221,758	\$ 303,192	\$1,524,949
Cattaraugus	\$1,979,340	\$8,196,195	\$10,175,534
Chautauqua	\$2,588,832	\$ 837,271	\$3,426,103
Chemung	\$ 690,099	\$278,730	\$ 968,828
Erie	\$13,626,315	\$8,334,783	\$21,961,098
Genesee	\$ 1,098,814	\$ 376,047	\$ 1,474,861
Livingston	\$1,000,283	\$406,350	\$1,406,632
Monroe	\$10,895,353	\$4,688,681	\$15,584,035
Niagara	\$ 3,170,910	\$24,653,982	\$27,824,892
Ontario	\$1,494,396	\$ 680,399	\$2,174,794
Orleans	\$ 893,318	\$ 268,576	\$1,161,894
Schuyler	\$131,218	\$ 58,040	\$ 189,258
Steuben	\$2,199,486	\$621,111	\$2,820,597
Wayne	\$ 882,550	\$291,429	\$1,173,979
Wyoming	\$580,616	\$262,657	\$ 843,273
Yates	\$266,357	\$158,903	\$425,260
<b><u>Region Total</u></b>	<b><u>\$42,719,644</u></b>	<b><u>\$50,416,344</u></b>	<b><u>\$93,135,988</u></b>

Source of revenue estimates: NYS Division of the Budget. Assumes 4 gaming facilities are created (new facilities or racino conversions).

**Upstate NY Gaming and Economic Development Act**



# Economic Impact: Catskill/Hudson Valley Jobs

- Estimated 1,700 direct construction jobs per gaming facility.
- Estimated 740 annual average direct permanent jobs per gaming facility.

ESD estimates generated using the REMI model. For purposes of generating estimates only, estimates are based on 1 gaming facility in Catskills. Estimates above are generated assuming that the gaming facility is an entirely new facility.

**Upstate NY Gaming and Economic Development Act**



# Economic Impact: Capital Region Jobs

- Estimated 1,700 direct construction jobs per gaming facility.
- Estimated 740 annual average direct permanent jobs per gaming facility.

ESD estimates generated using the REMI model. For purposes of generating estimates only, estimates are based on 1 gaming facility in Capital Region. Estimates above are generated assuming that the gaming facility is an entirely new facility.

**Upstate NY Gaming and Economic Development Act**



# **Economic Impact: Eastern Southern Tier Region Jobs and Income**

- **Estimated 1,700 direct construction jobs per gaming facility.**
- **Estimated 740 annual average direct permanent jobs per gaming facility.**

ESD estimates generated using the REMI model. For purposes of generating estimates only, estimates are based on 1 gaming facility in Eastern Southern Tier. Estimates above are generated assuming that the gaming facility is an entirely new facility.

**Upstate NY Gaming and Economic Development Act**



# Protecting Communities & Public

Upstate NY Gaming and Economic Development Act



# Protecting Host Communities

- Local support must be demonstrated before a gaming facility applicant may file for a license.
- 20 percent of the decision to select a facility licensee is determined by local impact factors.
- Gaming facility applicants must commit to a mitigation plan for host municipalities for costs that may result from hosting a facility.

**Upstate NY Gaming and Economic Development Act**



# Protecting the Public

- There will be strict regulation of all gaming corporations, employees, vendors, gaming equipment and junket operators by the State Gaming Commission.
- State Gaming Inspector General at Gaming Commission will prevent corruption.
- New categories of gaming specific crimes have been added to Penal Law to protect casino patrons.

Upstate NY Gaming and Economic Development Act



# Problem Gambling

Upstate NY Gaming and Economic Development Act



# Problem Gambling

---

The Upstate NY Gaming Economic Development Act helps individuals with gambling addictions

Over \$4.7 million annually is anticipated to be collected. Funds will be used by Office of Alcoholism and Substance Abuse Services for problem gambling, treatment and education

Upstate NY Gaming and Economic Development Act



# Addressing Problem Gambling

- Gaming facility applicants must demonstrate how they will address problem gambling concerns and have a Gaming Commission-approved plan in place.
- All casino employees must complete training in compulsive gambling awareness.
- \$500 annual fee placed on each slot machine and table game for problem gaming treatment and education, leading to millions of dollars in support of treatment programs.

Upstate NY Gaming and Economic Development Act



# Regulation of Gaming

## NYS Gaming Commission

- Newly formed agency oversees all gaming in state
- Administered by nonpartisan 7-member Board

## Agency regulates:

- Video Lottery Gaming Facilities and Native American Gaming Facilities
- Charitable Gaming
- Horse Racing & Pari-Mutuel Wagering
- Lottery

**Upstate NY Gaming and Economic Development Act**

