

205 CMR 117.00: PHASE 1 DETERMINATION OF FINANCIAL STABILITY

Section

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- (1) General. An applicant for a Category 1 or Category 2 license must demonstrate that it has the financial stability to construct and operate a gaming establishment.
- (2) Phase 1 Financial Stability Standards. In determining whether an applicant is financially stable at the time of the Phase 1 determination, the bureau and the commission shall review the Phase 1 application in accordance with the following standards:
  - (a) The ability to maintain a typical gaming establishment payroll and equivalent provisions adequate to pay winning wagers to gaming establishment patrons when due.
  - (b) The ability to meet ongoing operational expenses which are essential to the maintenance of continuous and stable gaming establishment operations.
  - (c) The ability to pay, as and when due, all local, state and Federal taxes, including the taxes and other fund payments imposed by M.G.L. c. 23K.
  - (d) The ability to make necessary capital and maintenance expenditures in a timely manner which are adequate to ensure maintenance of a superior, first-class facility of exceptional quality.
  - (e) To the extent known at the time, the ability to pay, exchange, refinance, or extend debts, including long-term and short-term principal and interest and capital lease obligations, which are expected to mature or otherwise come due and payable during the license term, or to otherwise manage such debts and any default with respect to such debts.
  - (f) Any other relevant matters that the commission may deem appropriate for evaluation.
  - (g) The bureau and commission may also evaluate the applicant's historic gaming industry or commercial performance, if any, that are relevant to the criteria set forth in 205 CMR 117.01(2).
- (3) Any finding of financial stability for purposes of the Phase 1 determination of suitability, shall not be binding on any finding of financial stability for purposes of any Phase 2 determination of suitability by the bureau or the commission.

REGULATORY AUTHORITY

205 CMR 117.00: M.G.L. c. 23K §§ 4(37), 5, 9 and 12.

NON-TEXT PAGE