

205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 121.00: LICENSING FEE

Section

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121.01: Licensing and Assessment Fees

- (1) Within 30 days after the award of a category 1 license by the commission, the licensee shall pay a license fee of \$85,000,000 to the commission.
- (2) Within 30 days after the award of a category 2 license by the commission, the licensee shall pay a license fee of \$25,000,000 to the commission.
- (3) The following fees are due and payable to the commission for each gaming establishment:
  - (a) An annual license fee, as provided by M.G.L. c. 23K, § 56(a), of \$600 for each slot machine approved by the commission for operation at a gaming establishment (the Slot Fee); and
  - (b) An annual assessment, (Annual Assessment) as provided by M.G.L. c. 23K, § 56(c), to be determined by the commission and calculated in accordance with M.G.L. c. 23K, § 56(c) to cover costs of the commission necessary to maintain control over gaming establishments, in proportion to the number of gaming positions approved by the commission at the gaming establishment; provided, however, that such assessment may be adjusted by the commission at any time after payment is made where required to reflect the actual number of positions at a gaming establishment, and accordingly, the payment of additional funds may be required or a credit may be issued towards the payment due the following year; and
  - (c) An annual fee, as provided by M.G.L. c. 23K, § 56(e) reflecting each gaming establishment's share of at least \$5,000,000 to be deposited into the Public Health Trust Fund in proportion to the number of gaming positions projected for the gaming establishment; provided, however, that such assessment may be adjusted by the commission at any time after payment is made where required to reflect the actual number of gaming positions at a gaming establishment, and accordingly, the payment of additional funds may be required or a credit may be issued towards the payment due the following year; and
  - (d) any other such license fees required under M.G.L. c. 23K and required to be assessed by the commission.

121.02: Payment of Fees

- (1) All license fees due and payable under 205 CMR 121.01(1) and (2) shall be due and payable to the commission within 30 days of an award. As a pre-condition of any award, the commission may provide that such license fees be paid on an installment basis before the award is made and the license issued.
- (2) The Slot Fee will be assessed on or about July 1<sup>st</sup> of each fiscal year based upon the number of approved slot machines as of July 1<sup>st</sup> of said year and shall be assessed on a *pro rata* basis for any additional slot machines added during the fiscal year.

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(3) Except in the case of an assessment for the fourth quarter of fiscal year 2014 and for fiscal year 2015, the Annual Assessment due under 205 CMR 121.01(3)(b) shall be assessed on or about 30 days prior to the start of the commission fiscal year. The Annual Assessment for each gaming establishment shall be the difference between the commission's projected costs minus the Slot Fee and any other revenues anticipated to be received by the commission and assessed as provided in 205 CMR 121.01(3)(b). The commission may assess the Annual Assessment on a *pro rata* basis commencing with the fourth quarter of fiscal year 2014 and for fiscal year 2015 and will make such assessment each fiscal year thereafter. The commission, in its sole discretion, may allow the Annual Assessment to be paid in one or more installments during the fiscal year.

121.02: continued

- (4) The fee required under 205 CMR 121.01(3)(c) shall be assessed on or about 30 days prior to the start of the commission fiscal year. The commission will assess this fee commencing with fiscal year 2016.
- (5) All license fees and assessments due to the commission shall be due and payable within 30 days of receipt of an invoice from the commission.
- (6) All license fees and assessments shall be submitted in the form of a certified check or secure electronic funds transfer payable to the "Massachusetts Gaming Commission."
- (7) In the event that a licensee fails to pay any fees or assessments as provided in 205 CMR 121.01, the commission may take any remedial action it deems necessary up to and including revocation of the gaming license.

121.03: Commission Fiscal Year

The commission fiscal year shall commence on July 1<sup>st</sup> and end on June 30<sup>th</sup>.

121.04: Commission Annual Budget

- (1) The commission shall develop and approve an annual budget prior to the beginning of each fiscal year. The budget is an estimated budget and shall include cost projections for the subsequent fiscal year and anticipated revenues to the commission. For fiscal year 2015 and thereafter as necessary, the budget shall also include as part of cost projections an amount sufficient to make the transfers pursuant to St. 2011, c. 194, § 93. Such amount shall be assessed on each licensee on a proportional basis using the number of gaming positions approved for each gaming establishment.
- (2) The commission will monitor the budget on a quarterly basis and issue a report outlining actual costs/revenues against the estimated budget.
- (3) If at any time during the fiscal year the commission determines that actual costs will exceed the projected costs and projected revenue in the budget the commission will revise the Annual Assessment assessed to each gaming establishment and invoice each gaming establishment for its proportional share of such costs.

121.05: Annual Reconciliation of Commission Budget

- (1) Within 90 days of the close of each fiscal year the commission will reconcile its actual costs to actual revenues. In no case will the commission end a fiscal year on a negative basis. No commitment or expense shall cause the Gaming Control Fund to end the fiscal year with a negative cash balance.
- (2) In the event that actual revenues exceed actual costs for a given fiscal year, the commission, in its sole discretion may either return any excess revenue (Excess Assessment) in the same manner in which Excess Assessment was assessed or the commission may credit such Excess Assessment to the Annual Assessment due for the next fiscal year.
- (3) In the event that actual revenues are less than actual costs for a given fiscal year, the

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commission will assess each gaming establishment for its share of the excess costs (Excess Cost Assessment) in the same manner in which the commission assessed the Annual Assessment. Such Excess Cost Assessment shall be due and payable as part of the Annual Assessment due for the next fiscal year.

REGULATORY AUTHORITY

205 CMR 121.00: M.G.L. c. 23K, §§ 4(26); 4(37); 5; 10(d); 11(b); and 56.