



# The Commonwealth of Massachusetts

## Massachusetts Gaming Commission

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### MEMORANDUM

TO: Potential Host and Surrounding Communities  
FROM: Massachusetts Gaming Commission  
RE: Community Disbursements  
DATE: January 29, 2013

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#### I. Introduction

This memorandum is intended to outline the process by which a municipality that is a potential host or surrounding community to a proposed gaming establishment may receive Community Disbursements from the Massachusetts Gaming Commission (“Commission”). Community Disbursements are intended to reimburse the municipality for the “cost of determining the impact of a proposed gaming establishment and for negotiating community mitigation impact agreements . . . .” See G.L. c.23K, §15(11) and 205 CMR 114.03; see also G.L. c.23K, §4(7) (“the commission may receive and approve applications from a municipality to provide for reasonable costs related to legal, financial and other professional services required for the negotiation and execution of host and surrounding community agreements as provided in section 15, and to require that such costs be paid by the applicant for a gaming license . . . .”). There are two ways in which a municipality may apply for the disbursement of funds from the Commission; via reimbursement or grant. Each will be discussed below.

#### II. Letter of Authorization

A municipality may apply for funds under either, or both, of the methods. Regardless of method, the municipality must submit a *letter of authorization* to the Commission as part of its application. See 205 CMR 114.03(2). The letter of authorization, which must be on a form provided by the Commission, must contain the following information:

- A. Name of the municipality
- B. Name of department/entity within the municipality receiving the funds
- C. Name and contact information of responsible party on behalf of municipality
- D. Whether funds are sought for reimbursement or a grant

- E. Itemization (including name and address of vendor/provider) of legal, professional, and other services that funds are to be/have been used for
- F. A certification that the funds are to be used solely for the articulated purposes
- G. The signature of an authorized representative of the applicant and of the host or surrounding community.

Documentation (i.e.- invoices, proposals, estimates, etc.) for the articulated services that is adequate for the Commission to ensure that the expenditure of the funds related/will relate to the cost of determining the impact of a proposed gaming establishment and/or for negotiating a community mitigation impact agreement must be attached.

### III. Reimbursement

The first method for disbursement of funds is as a straight reimbursement of municipal funds appropriated and expended for the services. In this scenario, a municipality may simply submit a *letter of authorization* and indicate that it seeks reimbursement. Funds disbursed to the municipality would be general fund revenue in accordance with G.L. c. 44, §53.

### IV. Grant

The second method for disbursement of funds is as a grant in accordance with G.L. c.44, §53A. Under this method, the municipality must submit a *letter of authorization* for review by the Commission. If approved, the municipality will then have to execute a Grant Agreement with the Commission via an instrument prepared by the Commission. The model Grant Agreement will be made available for review on the Commission's website. The Grant of funds under this method must be for a specific amount for specific purposes outlined in the *letter of authorization*. Any further funds sought via grant must be applied for separately in the same manner. The municipality must agree to return any unexpended funds to the Commission and undergo an audit at the conclusion of the process.