

Gaming Facilities Mitigation Fact Sheet

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How will the development of gaming facilities be regulated in Massachusetts?

In order to operate in Massachusetts, a facility must receive one of four licenses (up to one for slots only, up to one in each of three regions for destination casinos) from the Gaming Commission. The process of obtaining a gaming license is essentially a two-tier system. First, the license applicant must negotiate a memorandum of understanding (MOU) with the host community, as well as other surrounding communities and public or non-profit live entertainment venues, which stipulates the proposed mitigation package for each. These MOUs may be negotiated separately or collectively. The casino development proposal, including the host community MOU, must be approved by a referendum of the host community's residents. Second, the gaming commission must approve all of the MOU(s) as part of the overall license application. The Commission is required to establish protocols and procedures to address circumstances in which an applicant and a surrounding community or entertainment venue are unable to come to an agreement. A proposed casino must also meet the requirements of all local ordinances and by-laws. A tribal casino proposed for the southeast region must negotiate an agreement with the governor and have that agreement approved by the legislature before July 31, in which case there would be no other destination casino in the southeast region.

What is "mitigation?"

In the context of real estate development, mitigation is an effort to reduce the potential negative impacts associated with a given project. A typical mitigation package might include measures to address increased demand on the transportation system; public safety impacts, including the need for new safety equipment or training; and other measures related to the potential impacts on operation of local government and the quality of life in the community. The expanded gaming legislation allows for any form of mitigation to be considered, and specifically identifies mitigation issues such as the Massachusetts State Lottery, transportation, economic development, public safety, and competition with other publically supported entertainment venues.

The impacts of a casino will likely not be confined to one municipality. How will it be determined which of the surrounding municipalities will also benefit from a mitigation agreement with a casino?

Surrounding communities are defined as those municipalities that will (or are likely to) experience impacts from the development or operation of a casino, including those municipalities hosting transportation infrastructure that will provide ready access to the casino. The Commission has final authority to approve or expand the list of surrounding communities identified at the time of application for a casino license. Should one or more additional surrounding communities be identified by the Commission, the applicant has 30 days to reach an agreement on an MOU with those communities in order to complete their application.

What are the gaming revenues available to support mitigation?

Under the expanded gaming legislation there are two basic sources of revenue created to support mitigation efforts. One of these is the direct casino development project mitigation packages negotiated by the host and surrounding communities with the casino developer. The second comes in the form of a number of funds created under the legislation to support mitigation-related activities utilizing the State's gaming revenues. In particular, one of these funds is the Community Mitigation Fund, which will be administered by the Sub-Committee on Mitigation. Each of the regions created by the legislation will have a local community mitigation advisory committee with membership drawn from the host and surrounding communities, any Regional Planning Agencies (RPAs) that serve those communities, and other representatives appointed by the Gaming Commission, which is tasked with advising the Sub-Committee on the use of these funds for mitigation projects within the affected communities of the region.