

Division of the Budget Details Estimated Revenue Allocation of Upstate New York Gaming and Economic Development Act

Statewide estimate is \$430 million, annually, for additional school aid, property tax relief, and local government aid

The New York State Division of the Budget today detailed the estimated fiscal impact of the Upstate New York Gaming and Economic Development Act. The Act authorizes up to four destination gaming resorts in Upstate New York and provides additional revenues from existing Native American gaming facilities to local governments, contingent on voter approval. The Act also authorizes 2,000 Video Lottery Terminals (VLTs) at Off-Track Betting facilities on Long Island. The total statewide fiscal impact of the Act is estimated to be \$430 million annually. Funds are required to be used for additional school aid, property tax relief, and local government aid.

The Act was passed by the Legislature, and signed by the Governor on July 30, 2013. A referendum to amend the New York State Constitution to permit destination gaming resorts will go before voters on November 5, 2013. If approved, the State Gaming Commission will oversee regulation and evaluation of destination gaming resort applications which will be based on specific criteria, including economic activity and business development factors, local impact and siting factors, and workforce factors.

The Act would result in new revenue for all regions of the State. As defined by the statute, 80 percent of the State's tax revenues will be used statewide for elementary and secondary education or property tax relief. Ten percent of the State's tax revenues will be split equally between host municipalities and host counties. Ten percent of the State's tax revenues will go to other counties in the region of the destination gaming resort to provide tax relief or educational assistance. The educational aid will be additive and will not be part of the State's existing education formulae.

The Division of the Budget projects the Upstate New York Gaming and Economic Development Act will produce \$238 million, annually, in additional aid for education or property tax relief across the entire State, plus an additional \$192 million in annual local government aid. These estimates are based on an average of the different siting scenarios possible under the Act. The methodology for estimated revenues reflects factors such as proximity to population centers, regional income variations, potential impacts on existing VLT facilities, and the applicable tax rates in the gaming regions as specified in the Act. The estimates also include revenue from two new VLT facilities operated by the Nassau and Suffolk OTBs, which are expected to achieve results roughly similar to the VLT facility at the Yonkers raceway on a per machine basis.

Counties to receive Indian casino revenues

Under the Act, for the first time, every county in an Indian exclusivity zone will share in Indian gaming facility revenues. Ten percent of the net gaming revenue retained by the State from Native American gaming facilities will be distributed to the counties in each

respective exclusivity zone, and existing tribal payments will be preserved. Western New York/Finger Lakes counties in the Seneca exclusivity zone will receive \$50.4 million annually in local government aid. North Country counties in the Niagara Mohawk exclusivity zone will annually receive \$8.9 million. Counties in the Central New York/Mohawk Valley region will annually receive \$23.5 million as a result of the Act and the recent settlement with the Oneida Indian Nation of New York. These amounts are over and above the Statewide education or property tax relief funds that each region will receive from the new destination gaming resorts in other regions*.

The regional fiscal impacts of the Act are as follows:

- Western New York/Finger Lakes: \$93.1 million annually
- North Country: \$16.8 million annually
- Central New York/Mohawk Valley: \$44.2 million annually
- Eastern Southern Tier**: \$20.1 million annually (includes \$6.4 million in host county aid)
- Capital Region**: \$35.5 million annually (includes \$11.4 million in host county aid)
- Catskill/Hudson Valley**: \$51.0 million annually (includes \$13.7 million in host county aid)
- New York City: \$94.4 million annually
- Long Island: \$63.3 million annually
- A potential fourth destination gaming resort would provide an additional \$11.7 million annually to counties in one of the eligible Upstate gaming regions.

*The allocations reflect the Act's preservation of Tribal exclusivity payments to localities in Niagara, Erie, Cattaraugus, St. Lawrence and Franklin counties, and expansion of such payments to Oneida County.

**These regions and municipalities within would receive aid for hosting destination gaming resorts.

According to Division of the Budget estimates, the projected annual revenue allocation accruing to counties and school districts from the Upstate New York Gaming and Economic Development Act is as follows:

Western New York/Finger Lakes

County	School Aid/Prop Tax	County Distribution	Total
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
Regional Total	\$42,719,644	\$50,416,344	\$93,135,988

North Country

County	School Aid/Prop Tax	County Distribution	Total
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
Saint Lawrence	\$2,168,709	\$3,187,500	\$5,356,209
Warren	\$715,706	\$537,036	\$1,252,742
Regional Total	\$7,864,782	\$8,925,000	\$16,789,782

Central New York/Mohawk Valley

County	School Aid/Prop Tax	County Distribution	Total
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
Regional Total	\$20,708,069	\$23,500,000	\$44,208,069

Eastern Southern Tier

County	School Aid/Prop Tax	County Distribution	Total
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
<i>Host County***</i>	N/A	\$6,405,000	\$6,405,000
Regional Total	\$7,252,210	\$12,810,000	20,062,210

Capital Region

County	School Aid/Prop Tax	County Distribution	Total
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
<i>Host County***</i>	N/A	\$11,416,667	\$11,416,667
Regional Total	\$12,652,535	\$22,833,333	\$35,485,868

Catskills/Hudson Valley

County	School Aid/Prop Tax	County Distribution	Total
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
<i>Host County</i> ***	N/A	\$13,704,250	\$13,704,250
Regional Total	\$23,619,301	\$27,408,499	\$51,027,800

New York City

County	School Aid/Prop Tax	County Distribution	Total
NYC (5 Boroughs)	\$94,359,256	N/A	\$94,359,256
Regional Total	\$94,359,256	N/A	\$94,359,256

Long Island

County	School Aid/Prop Tax	County Distribution	Total
Nassau	\$9,737,054	\$17,200,000	\$26,937,054
Suffolk	\$19,155,916	\$17,200,000	\$36,355,916
Regional Total	\$28,892,970	\$34,400,000	\$63,292,970

***The Host County would receive the listed amount, and the amount listed for that county in the "County Distribution" column would be distributed across remaining counties in the region.

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