

Re: Fiscal and Capacity Decisions for Expanded Gaming Scenario – Deferral or No Deferral  
Date: 11-18-13

The following is to be included in the Authority’s Report once decisions on the deferral or no deferral options have been made. At present, the Authority’s draft bill includes only the deferral options.

**Fiscal and Capacity Choices**

*Introductory paragraph if deferral options are chosen*

The Authority is deferring to the Legislature all major fiscal and capacity choices related to expanded gaming. The provisions in the Authority’s draft *Bill* providing for these deferrals are reprinted below. With regard to each of these deferrals, the *WhiteSand Report* and the Authority’s deliberations have enabled the Authority to identify parameters for legislative decision-making. Accordingly, each deferral item as contained in the Authority’s draft *Bill* is set out below and then is followed immediately on an indented line with the Authority’s recommended parameters for that decision. But first there is this overview from WhiteSand regarding the fiscal and capacity parameters that were contained in SB 152-O:

*Or introductory paragraph if there are no deferrals*

The provisions in the Authority’s draft *Bill* providing for all major fiscal and capacity decisions required to enable expansion in large-scale casino gaming are reprinted below. Each of these decisions is based on parameters identified in the *WhiteSand Report* and during the Authority’s deliberations. Accordingly, each decision item as contained in the Authority’s draft *Bill* is set out below and then is followed immediately on an indented line with the parameters for that decision. But first there is this overview from WhiteSand regarding the fiscal and capacity parameters that were contained in SB 152-O:

***Parameters for Decision (from WhiteSand Report):***

***“This part of the report addresses fiscal and capacity requirements:***

***“WhiteSand has approached this particular task using a formal methodology to determine market demand. We reviewed the specific demographics and other attributes of the gaming jurisdiction to be evaluated. This included, but was not limited to, population, income levels, age distribution, nearby competition and gaming tax rates.***

***“We evaluated these factors within ranges of 30, 60 and 90 miles of the proposed gaming facility general location. In order to provide a consistent measurement of demographics within a specific region we use distance radii from the region. Using distance rather than driving time eliminates fluctuations due to drive times, day of week, unpredictable events (e.g., accidents, weather, etc.) and other factors. Distance radii are translatable to drive times in most scenarios and provide more consistent results due to the reduction of unpredictability.***

*“Using this information, we then identified a “Competitive Set” for the proposed gaming facility - other gaming properties to be compared based on similar demographics and characteristics. While the properties identified in the competitive set usually do not provide an exact match, they present enough similarities to evaluate market demand and estimate key financial statistics.*

*“Using this data, we analyzed the gaming environment of the competitor set to understand the financial performance of the casinos as well as nearby competition to understand the impact or potential impact on gaming in New Hampshire. Based on that analysis, we developed our market demand study and financial information for the proposed gaming facility. In this report, we describe the current market analysis of gaming in New Hampshire and key financial information regarding tax rates and potential performance of a gaming facility.*

*“Based on the results of our analysis, although we vary to some degree on specific details and offer suggestions to adjust some areas of the Omnibus Bill, there are no financially related aspects of the bill that are outside of what we have seen in the industry.”*

#### **284-B:14 Number of Gaming Licenses**

##### *Deferral Option*

**“I. The commission shall award and issue such number of gaming licenses as shall be determined by the general court.**

**II. A gaming license awarded and issued by the commission shall impose upon a gaming licensee any limitation on number of slot machines or table games required by the general court.”**

##### *Or No Deferral Option*

*(This option could include GROA study of a “resort license”  
for a small casino operation in northern NH as suggested by WhiteSand)*

**“I. The commission shall award and issue a single gaming license for one gaming location in southeastern New Hampshire.**

**II. The gaming license awarded and issued by the commission shall authorize a gaming licensee to operate a maximum of 150 table games and a maximum of 5,000 slot machines at its gaming location, provided that the licensee’s application must include plans for operation of at least 75 table games and 2,000 slot machines.**

#### **284-B:23 Minimum Capital Investment**

##### *Deferral Option:*

**“I. A gaming licensee shall be required as a condition of licensure to make the capital investment in the gaming location proposed in its gaming license application, which amount shall meet or exceed the minimum capital investment amount determined by the general court exclusive of land acquisition, off-site improvement costs, license fees and any other costs determined by the general court.”**

*Or No Deferral Option:*

**“I. A gaming licensee shall be required as a condition of licensure to make the capital investment in the gaming location proposed in its gaming license application, which amount shall meet or exceed \$450,000,000 exclusive of land acquisition, off-site improvement costs, and license fees.”**

*Include the following sections RSA 284-B:23, II – IV and RSA 284-B:17, V, whether or not there is deferral on other issues:*

**“284-B:23, II. The full capital investment required under this section shall be made within 5 years of the date of issuance of a gaming license.**

**“284-B:23, III. In addition to the requirements of paragraph I of this section, beginning with the sixth year after receiving a gaming license, a gaming licensee shall make, or cause to be made, capital expenditures to its gaming location in a minimum aggregate amount equal to 3.5 per cent per year of the gross gaming revenues derived from the location provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission.**

**“284-B:23, IV. A gaming licensee who fails to commence gaming operations within 1 year after the date specified in the construction timeline submitted with its application and incorporated by the commission as a condition on the gaming license, shall be subject to suspension or revocation of the gaming license and may, if found by the commission after a hearing in accordance with this chapter to have acted in bad faith in its application, be assessed a fine by the commission of up to \$50,000,000.”**

**“284-B:18, V. Concurrent with the payment of the license fee required pursuant to 284-B:18, III, the gaming licensee shall be required to deposit 10 per cent of the total capital investment proposed in its application into an interest-bearing account under the control of the commission. Monies received from the gaming licensee shall be held in escrow until the final stage of construction, as detailed in the timeline of construction submitted with the licensee's application and incorporated by the commission as a condition on the gaming license, at which time the deposit, together with any accrued interest, shall be returned to the applicant to be applied for the final stage of construction. Should the applicant be unable or unwilling to complete the gaming location in accordance with the timeline, the deposit shall be forfeited to the state in accordance with the conditions on the license related to the construction timeline. The commission may, in lieu of a cash deposit, accept**

**a performance or deposit bond in an amount equivalent to 10 per cent of the total capital investment proposed in the application provided it determines that the bond would be a functional equivalent of the deposit and timely ensure the intended forfeiture to the state.”**

*Parameters for Decision (from WhiteSand Report):*

*“Based on our projections for the facility and the activity in Massachusetts, a minimum initial investment of \$200M - \$300M for the casino is recommended (or required) with a total investment of at least \$450M within five years of issuance of the license.*

*“The requirement in SB 152-O that “the applicant agree to make a minimum capital investment in the project in an amount determined by the commission; provided that such capital investment shall be not less than \$425,000,000 and exclusive of land acquisition, off-site improvement costs and license fees” follows similar practices by previous state jurisdictions to ensure potential project proposals meet a predefined benchmark in terms of the quality of the facilities they propose to develop in the marketplace.*

*“As we see in Massachusetts, the proposals are exceeding expectations with some proposals committing over \$1 billion for the projects. We also expect proposals that exceed this minimum threshold in New Hampshire, but this is a sufficient starting point and will allow the market to dictate the final configuration of the resort as well as discourage less serious bidders, or bidders who might, lacking this provision, propose minimal facilities beyond merely the casino itself in order to minimize the total capital investment.*

*“As non-gaming amenities continue to make up a greater share of casino-resort revenue, allowing potential developers to add and refine amenities over a five year period provides flexibility to the developer to add or expand the appropriate facilities as the market matures versus requiring a total investment at the outset which may lead to a suboptimal mix in the facilities programming. It is unlikely a developer will open with anywhere close to 5,000 slots or 150 table games (prior facilities in similar markets to that of Southern New Hampshire have typically opened with around 2,500 slot machines and between 75-100 table games). The hotel facilities would most likely also expand at some point in the future as the casino and resort facilities induce additional demand for room nights and meeting and event space, and the economy continues to recover and expand.*

*“The goal of this effort is to offer a comprehensive gaming resort, able to attract local market patrons, gaming and non-gaming tourists as well as groups, both leisure and business.*

*“For a stand-alone casino format, we would envision a large high-end casino containing roughly 2,000 – 2,500 slot machines, and 85 table games, including a poker room. We would expect a minimum 350-room casino hotel to accommodate overnight gaming patrons with oversized standard rooms, an approximately 10,000 square foot spa, and fitness center. There will be numerous food & beverage venues and some level of retail (based on surrounding retail options in order to avoid cannibalization from existing retail*

*businesses), which are not important to the state from a tax basis at this time, but will enhance the overall gaming and entertainment experience. Given the level of tourism and a location in southern New Hampshire, we assume that a correctly sized meeting and event space (minimum of 25,000 square foot) will also add to the appeal of the facility and fill in seasonal fluctuations in attendance.*

*“The Verizon Wireless Arena is currently a major entertainment venue in Southern New Hampshire. Seating capacity for the Verizon Wireless Arena varies, depending upon each individual event. For example, hockey games seat approximately 10,019, basketball seats 11,140 people, end stage concerts hold about 10,050, while center stage concerts seat about 11,770. The Manchester Monarchs, a professional ice hockey team in the American Hockey League, an affiliate of the Los Angeles Kings since 2001, also play their home games at the Verizon Wireless Arena. It would not make sense for a casino hotel to compete with the type and level of entertainment offered by the arena. It would make sense for the new casino hotel to work together with the arena to further enhance the overall entertainment experience in southern New Hampshire and northern Massachusetts. Given the large format nature of the Verizon Wireless Arena, the proposed facility could support a more intimate entertainment venue.*

*“Entertainment options improve the offerings casino facilities include in their programming, and can help attract non-gaming patrons to the property, generating additional revenues from a market not typically served by a pure casino property type.*

*“The state does not have to specify the precise characteristics of the proposed development in the regulations. Given the minimum investment requirement, the operator will configure the mix of amenities most likely to complement and enhance the property based on their brand history and industry expertise. Much time and effort will be devoted to the overall property program including: casino size and game mix, hotel room count and room mix, food and beverage offerings, retail sizing and mix, meeting and event space sizing, entertainment venue feasibility and sizing, spa and fitness sizing and configuration, and many other areas.*

*“Based on the potential bidders, multiple models exist for the operation of the various departments within the resort. Food and beverage space could be operated internally by the resort operator or leased to outside, established restaurant brands, or a mix of both. A similar practice could also hold for the retail space where some retail is managed by the resort operator and some leased to well-known retailers. Ultimately the market will likely dictate which model and mix works best for the proposed facility. Operators, historically will evaluate the community and partner with local business wherever possible and bring in outside brands when appropriate.*

*“Likewise, the size, quality and components of a hotel offering will take some study. The market supply and demand will ultimately determine the number and level of amenities (spa, fitness center, etc.). We expect the selected operator/developer will design and construct a facility which will be easily expanded upon over time as revenues contribute to this expansion.*

***“The above findings and conclusions are based, in part, on the following general assumptions:***

- The first full year of operation for the proposed facility would be 2016*
- The development will generally include the components as described above*
- The competitive set and quality and scope of the competition will remain static during the timeframe of the report*
- Active marketing and targeted promotional programs will be generated and maintained*
- An experienced professional management team will operate the property*

***“Considerations***

***Number of Gaming Facilities***

- Single facility limits geographic options and economic/population coverage*
  - Greater number of facilities reduces investment in each facility, reducing ability to promote investment and "resort" or high end image*
  - Single facility would likely not open with maximum gaming capacity. An operator would want to "grow" into proven capacity allowing operator to "under-develop" or "under-invest" in the market development*
- Greater number of facilities risks smaller sized and more "intrastate" competition for customers, promoting more "locals" market development*

***“Other Options***

*As we understand the current legislative initiative calling for one casino license in New Hampshire, we also understand that, like many states, regions of the states have different characteristics and issues. Tourism is a significant industry in New Hampshire with many tourists visiting New Hampshire for skiing, hiking and to view the scenery and foliage at various times of the year.*

***“New Hampshire Tourism Economic Highlights - Fiscal Year 2011:***

- Travel and tourism is New Hampshire’s second largest industry in terms of jobs supported by dollars from out of state.*
- Trips in New Hampshire for recreation and business during FY 2011 were 33.99 million.*
- Direct Spending in New Hampshire by travelers in FY 2011 reached \$4.22 billion.*
- Traveler spending in FY 2011 supported approximately 61,821 direct fulltime and part-time jobs.*
- Visitors to New Hampshire in FY 2011 paid \$139.2 million in meals and rooms taxes (60.1% of all rooms and meals tax collected).*

***“In addition, the New Hampshire Division of Travel and Tourism Development expects 7.8 million visitors to spend \$1.09 billion during the Fall of 2013.***

*“Given this information, and to provide economic stimulus to the northern part of the state, the Authority may also want to consider adding a “Resort License”, for a reduced number of VLT/Slot machines (250 – 500) and table games (40 - 50) to be able to offer casino gaming as an additional amenity to an existing resort. Again, market supply and demand will determine the interest of casino developers to determine the value and proper configuration. This may help differentiate New Hampshire resorts from other New England and Canadian ski/golf resorts.”*

....

*“Recommendation #3. Where multiple licenses are available and a jurisdiction has a target number of machines and gaming positions per location it is advisable to incorporate exception language in the statute that allows the regulating entity to reallocate the games mix among the existing licensees where the statutory formula falls short in order to maximize revenue to the state. See Md. Code §9-1A-36. With a single license this option is not available and should it recommend in its report to the Legislature a single license with a game density comparable to SB 152-O, the Authority should be prepared to acknowledge, at least in the short run, that the maximum number of machines and player positions may not be initially developed. The vast majority of successful casino operations in the Northeast, for example, Sands Casino Resort Bethlehem (discussed with greater specificity herein) have fewer than 5000 slot machines and 150 table games and it is common practice for operators to enter the market with a smaller footprint and to grow a facility as demand increases. If the desired result is a single high end commercial casino of a size and magnitude commensurate with the number of machines and gaming positions cited it will be critical that short term revenue projections do not anticipate the maximum level of build-out and that the cost of entry to the jurisdiction in the form of license fees, tax rate, sector subsidies and the cost of regulation permit an operator the margins necessary to drive the desired capital investment.”*

#### **284-B:48 Gross Revenue Tax and Other Assessments Payable by a Gaming Licensee**

##### *Deferral Option*

**I. A gaming licensee shall remit to the state a percentage of gross table game revenue and gross slot machine revenue in an amount and in a manner and time frame as shall be determined by the general court.**

##### *Or No Deferral Option*

**I. A gaming licensee shall remit to the state a tax of 35 percent of gross table game revenue and 18% of gross slot machine revenue in a manner and time frame as provided for by this chapter.**

#### **284-B:18 Gaming License Fees Applicable to an Application, Investigation, Initial License and Renewal.**

*Deferral Option*

**“I. The commission shall collect in conjunction with a gaming license application a nonrefundable gaming license application fee in an amount determined by the general court to be sufficient to cover the cost of processing and reviewing an application. If the cost of processing and reviewing the application exceeds the amount of the initial application fee, the commission may impose upon the applicant an additional fee sufficient to cover any documented shortfall which the applicant shall pay to the commission within 15 days of the date of an invoice. The amount deposited shall be available to the state in the fiscal year received.**

**“II. The commission shall collect in conjunction with a gaming license application, and transmit to the attorney general, a nonrefundable gaming license investigation fee in an amount determined by the general court to be sufficient to cover the cost of the background investigation. If the cost of the background investigation exceeds the amount of the initial application fee, the commission may impose upon the applicant an additional fee sufficient to cover any documented shortfall which the applicant shall pay to the commission, for transmission to the attorney general, within 15 days of the date of an invoice. The amount deposited shall be available to the state in the fiscal year received.**

*No Deferral Option*

**“I. The commission shall collect in conjunction with a gaming license application a nonrefundable gaming license application fee in the amount of \$400,000 to cover the cost of processing and reviewing an application. If the cost of processing and reviewing the application exceeds the amount of the initial application fee, the commission may impose upon the applicant an additional fee sufficient to cover any documented shortfall which the applicant shall pay to the commission within 15 days of the date of an invoice. The amount deposited shall be available to the state in the fiscal year received.**

**“II. The commission shall collect in conjunction with a gaming license application, and transmit to the attorney general, a nonrefundable gaming license investigation fee in the amount of \$100,000 to cover the cost of the background investigation. If the cost of the background investigation exceeds the amount of the initial application fee, the commission may impose upon the applicant an additional fee sufficient to cover any documented shortfall which the applicant shall pay to the commission, for transmission to the attorney general, within 15 days of the date of an invoice. The amount deposited shall be available to the state in the fiscal year received.**

*Include the following sections, RSA 284-B:48, II – III,  
whether or not there is deferral on other issues:*

**II. The general court shall determine the distribution of any tax on gross slot machine revenue or gross table game revenue remitted by a gaming licensee provided that distributions shall include the following:**

**(a) Distributions to host or near-by municipalities deemed sufficient by the general court to offset costs incurred by such municipalities attributable to a gaming location's placement.**

**(b) One percent of gross slot machine revenue shall be paid to the state treasurer and credited to the commissioner of the department of health and human services to support programs established by RSA 172 to identify, assess and treat both compulsive and problem gambling and the related disorders of drug and alcohol addiction.**

**(c) Distributions to the state treasurer for transfer to the commission, attorney general and department of safety in amounts equal to any costs of regulatory control over a gaming licensee that are not covered by any other designated source of funding in this chapter.**

**III. A gaming licensee shall remit to the commission a fee in the amount of \$600 per year per slot machine which fee shall be deposited in a public health trust fund administered by the commission dedicated to addressing problems associated with compulsive gambling including, but not limited to, gambling prevention and addiction services, substance abuse services, educational campaigns to mitigate the potential addictive nature of gambling and any studies and evaluations consistent with this chapter.**

*Parameters for Decision (from WhiteSand Report):*

*“The tax rate must be competitive with Massachusetts as the New Hampshire facility may be competing with gaming facilities in Boston/Everett and to a lesser extent with Springfield/Palmer and perhaps Leominster.*

*“Given the 25% stated gaming tax rate in Massachusetts, New Hampshire must be competitive in establishing a gaming tax rate in order to attract required investment, higher quality operators, reinvestment in assets and patrons alike and to be able to offer the array of quality amenities to attract out of state visitors as well as to appeal to the local market. However, 25% is not a true indication of their “effective” rate to any operator.*

*“In reality, Massachusetts does include broad assessments as part of SB 152, including a \$600 annual fee per slot machine and “any remaining costs of the commission necessary to maintain regulatory control over gaming establishments that are not covered by ... any other designated sources of funding shall be assessed annually on gaming licensees under this chapter”, and in addition assesses a \$5 million fee “for the costs of service and public health programs dedicated to addressing problems associated with compulsive gambling or other addiction services, based on number of gaming commission.” Taken together, this adds about another 2.5% “tax” on gaming revenue which needs to be considered in any comparison with New Hampshire gaming tax rates.*

*“Another aspect to be considered in a tax discussion are the community host agreements which are in the process of or have been negotiated with communities which are to contain casino developments in Massachusetts. As has been noted on the Gaming Commission*

*webiste, agreements for payments to these “host” communities will far exceed property taxes and other local taxes which may ordinarily be incurred. These results need to be determined, considered and factored into any “effective rate” in Massachusetts.*

*“In New Hampshire, a tax rate higher than 33% – 35%% could directly impact the number of jobs created, total long term investment in the facility and affect the overall economic impact of the related operations in a negative manner. The tax rate on table games (14% of daily gross table game revenue) does acknowledge the additional labor expense due to the more manual operations and related supervision of table games. Also, the casino “hold” percentage is less on most table games.*

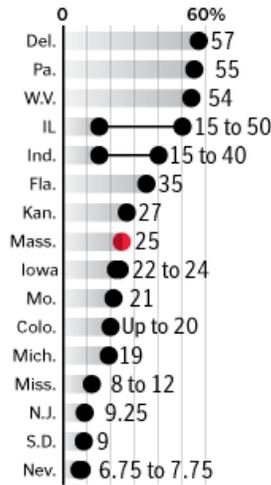
*“We also believe it should be mandated that 3 - 4% annually is to be allocated to required reinvestment back into the property (not necessarily annually, but put into a fund to be used only for reinvestment to ensure the quality of the property remains consistent) and some percentage of the tax rate (1%) could be earmarked to provide support for local and state compulsive or problem gaming programs. Furthermore, the 3 – 4% required reinvestment while appearing as an additional “condition” from a public perception standpoint is typically the rate at which experienced operators will set aside funds on an annual basis for normal capital improvements and property maintenance.*

*“This would be similar to the reinvestment requirement as referenced in Massachusetts’ MGL, c.23K, s.21 (a) (4), “The licensee shall: ... (4) make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the establishment; provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission.”*

*“Another option is a base tax rate guaranteed to the state of (33% - 35%) with perhaps 1% – 2% to host/local communities to offset related expenses.*

**CASINO TAX RATES**

The state tax rate that some full-service casinos pay.



SOURCE: American Gaming Association

<u>State</u>	<u>Slot Tax Rate</u>	<u>Table Tax Rate</u>
DE	56.5%	33.9%
CT	25%	
MA	25%	25%
NY	47%	
PA	55%	12%
RI	71%	18%
NV	6.75%	6.75%
<u>NJ</u>	<u>8%</u>	<u>8%</u>
<b>Average</b>	<b>25.0%</b>	<b>18.0%</b>

**“Considerations**

- Lower rates are more relevant to jurisdictions in which the capacity of the market is permitted to float with operator investment.
- Higher rates limit total investment available which, in turn, tends to limit the nature of the facility to more "gambling oriented" than full amenity oriented
- Number of operators not typically capped at lower levels, allowing market and risk of operators to "maximize" both market development and overall return to the people of the State
- Higher rates place operators at competitive disadvantage in attracting and retaining customers, especially when geographic factors have to be overcome
- Investment Level
- Smaller end lends itself to a greater number of investors and properties but does not typically match the desires for more full amenity development
- Higher End requires larger concentration of gaming to acquire "critical mass" of product variety and visitations to drive capacity utilization.”

Growth Rate	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Slots Revenue	\$ 267,864,375	\$ 275,900,306	\$ 284,177,315	\$ 292,702,635	\$ 301,483,714	\$ 310,528,225	\$ 319,844,072	\$ 329,439,394	\$ 339,322,576	\$ 349,502,253
Slots Tax	\$ 80,359,313	\$ 82,770,092	\$ 85,253,195	\$ 87,810,790	\$ 90,445,114	\$ 93,158,468	\$ 95,953,222	\$ 98,831,818	\$ 101,796,773	\$ 104,850,676
Tables Revenue	\$ 76,693,800	\$ 78,994,614	\$ 81,364,452	\$ 83,805,386	\$ 86,319,548	\$ 88,909,134	\$ 91,576,408	\$ 94,323,700	\$ 97,153,411	\$ 100,068,014
Tables Tax	\$ 10,737,132	\$ 11,059,246	\$ 11,391,023	\$ 11,732,754	\$ 12,084,737	\$ 12,447,279	\$ 12,820,697	\$ 13,205,318	\$ 13,601,478	\$ 14,009,522
<b>Total Tax Revenue</b>	<b>\$ 91,096,445</b>	<b>\$ 93,829,338</b>	<b>\$ 96,644,218</b>	<b>\$ 99,543,545</b>	<b>\$ 102,529,851</b>	<b>\$ 105,605,746</b>	<b>\$ 108,773,919</b>	<b>\$ 112,037,136</b>	<b>\$ 115,398,250</b>	<b>\$ 118,860,198</b>
Present Value	\$ 2,228,473,886									\$ 2,448,520,077

\*\*\*Discounted at 5%  
Slots Tax - 30%  
Table Tax 14%

*“To make sure the integrity and viability of applicants, thorough background checks and investigation are required. Given our review and research, a \$400,000 to \$500,000 application fee to fund the due diligence and background investigations would be a fair cost to the bidders and sufficient to cover the associated costs of performing these checks. This amount will also help to identify only serious bidders who can afford this initial cost.”*

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*In its meetings with the Authority, WhiteSand repeatedly affirmed the principle that the costs of gaming regulation should be assessed back on the subjects of the regulation.*

**284-B:18 Gaming License Fees Applicable to an Application, Investigation, Initial License and Renewal.**

*Deferral Option*

**“III. Upon an award of a gaming license, the commission shall collect an initial license fee in an amount determined by the general court which shall be paid to the commission within 30 days of the award of the license and deposited into the fund established by RSA 284:21-j. Upon receipt of the license fee, and satisfaction of any additional conditions precedent imposed by the commission, the commission shall issue the gaming license. The amount deposited shall be available to the state in the fiscal year received.**

No Deferral Option

**“III. Upon an award of a gaming license, the commission shall collect an initial license fee in the amount of \$80,000,000 which shall be paid to the commission within 30 days of the award of the license and deposited into the fund established by RSA 284:21-j. Upon receipt of the license fee, and satisfaction of any additional conditions precedent imposed by the commission, the commission shall issue the gaming license. The amount deposited shall be available to the state in the fiscal year received.**

**284-B:18, IV. A gaming license shall expire 10 years from the date of issuance of the gaming license subject to renewal pursuant to this chapter.**

....

*Deferral Option*

(b) The commission shall collect a license renewal fee in an amount determined by the general court which shall be paid by the gaming *licensee* within 30 days of the award of the renewal of the license and deposited into the fund established by RSA 284:21-j. Upon receipt of the renewal fee, and satisfaction of any additional conditions precedent imposed by the commission, the commission shall issue the gaming license renewal. The amount deposited shall be available to the state in the fiscal year received.

*No Deferral Option*

(b) The commission shall collect a license renewal fee of \$1,500,000 which shall be paid by the gaming *licensee* within 30 days of the award of the renewal of the license and deposited into the fund established by RSA 284:21-j. Upon receipt of the renewal fee, and satisfaction of any additional conditions precedent imposed by the commission, the commission shall issue the gaming license renewal. The amount deposited shall be available to the state in the fiscal year received.

*Parameters for Decision (from WhiteSand Report):*

*In Massachusetts, “Casino bidders must pay an \$85 million licensing fee. The slots-only casino requires a \$25 million licensing fee.”*

*Massachusetts has elected a generous 15 year license cycle at least in part to justify its high cost of entry. Other states like New Jersey, for example, have moved toward a non-expiring license subject to a full update akin to a license renewal every five years. ... Under all the facts and circumstances a ten year term for a gaming license with a full renewal application and \$1,500,000 renewal fee is firm middle ground on this issue. Likewise, five year term for all other licenses and registrations is within the norm. The Authority is advised to consider following SB 152-O.*