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To: Chief Fiscal Officers
From: Division of Local Government and School Accountability
Subject: Accounting for Various Gaming Revenues

Please provide copies of this bulletin to others who may need this information.

Purpose of Bulletin

The purpose of this bulletin is to provide updated guidance to local governments and school districts on the accounting for various gaming revenues. This bulletin addresses the following:

- Moneys received or distributed as a result of Indian Gaming Compact or Settlement Agreement; and
- Casino licensing fees and various gaming revenues as a result of the Upstate New York Gaming and Economic Development Act of 2013.

Indian Gaming Compact and Settlement Agreement

Background

In 1988 Congress passed the Indian Gaming Regulatory Act (IGRA) permitting federally recognized “Indian tribes” the ability to conduct gaming activities under certain circumstances.¹ Traditional forms of Indian gaming are within the exclusive jurisdiction of the Indian tribes and are not subject to IGRA. IGRA allows bingo, pull tabs, lotto, punch boards, tip jars and certain card games on tribal land. These activities may be regulated by the tribe, or in some instances, in conjunction with the National Indian Gaming Commission. All other forms of tribal gaming are regulated in accordance with IGRA, which requires, among other things, that the gaming be conducted in conformance with State-Tribal gaming compacts.

Today, in New York State, the Oneida Nation, the St. Regis Mohawk Tribe and the Seneca Nation of Indians operate full-scale casinos. All three tribes have reached State-Tribal gaming compacts with the State of New York. Contained in two of the compacts, and in one case, a settlement

¹ See United States Code, Title 25, Section 2701 et seq.

agreement, are exclusivity agreements, in which the Nation or Tribe agrees to contribute to the State a portion of the proceeds from the operation and conduct of each category of Gaming Device for which exclusivity exists. The State may make financial agreements with certain local governments to allow the State to share a portion of the revenue.² Those local governments generally may choose to share a portion of the revenue with other local governments or school districts.

Account Codes

The preexisting revenue code **3014 – St Aid VLT/Tribal Compact Moneys** should be used when a local government receives revenue from the State directly as a result of a compact or agreement reached with the State.

The preexisting expenditure code **1987.4 – Distribution of VLT/Tribal Compact Moneys** should be used when a local government distributes a portion of compact revenues to another local government or school district.

The preexisting revenue code **2725 – VLT/Tribal Compact Moneys** should be used by a local government or school district that receives a share of this revenue from another local government.

Destination Resort Gaming – Casino Licensing Fees and Various Gaming Revenues

Background

In July 2013, Governor Andrew Cuomo signed into law the Upstate New York Gaming Economic Development Act of 2013 (UNYGEDA). The law authorized the establishment of four destination resort casinos in New York State with the intent to boost tourism and economic development and provide added revenue to the State. The revenue realized from the casinos must be utilized to increase support for education and provide real property tax relief in communities throughout the State.

In June 2016, Governor Cuomo announced the distribution of \$30.2 million of casino licensing fees, paid by the newly licensed destination gaming resorts, to 22 counties (Albany, Broome, Chemung, Columbia, Delaware, Dutchess, Fulton, Greene, Montgomery, Orange, Rensselaer, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Sullivan, Tioga, Tompkins, Ulster, Washington and Wayne) and three other municipalities (Town of Thompson, Town of Tyre and City of Schenectady) across the State. The revenue will be distributed from the Commercial Gaming Revenue Fund as follows: 10 percent of the revenue will be appropriated or transferred equally between the “host municipality” and host county, 10 percent of the revenue will go to other counties located within defined regions under UNYGEDA (based on population) for the purpose

² As part of a settlement agreement among the Oneida Nation, the State and the Counties of Madison and Oneida, the State is required to share a portion of the revenue with the Counties of Oneida and Madison. (See also New York State Finance Law Section 99-h).

of real property tax relief and education assistance, and 80 percent will be appropriated or transferred for elementary or secondary education or property tax relief. The statute does not indicate that moneys distributed to a town may be used for town outside village purposes, therefore, these moneys are to be used for general fund, town-wide purposes only ([see 2006 Opinions of the State Comptroller No. 2006-10](#)).

Account Code

The preexisting revenue code **3016 – Casino Licensing Fees** has been renamed **3016 – Casino Licensing Fees and Various Gaming Revenues**. This account should be used for recording casino licensing fees revenues and also various gaming revenues (e.g., machine and table fees, employee licenses and unclaimed funds, prizes and cash if claims aren't made in one year) from the destination gaming resorts.

Additional Information

If you have questions pertaining to the accounting requirements described in this bulletin, please contact the New York State Comptroller's [regional office that serves your local government or school district](#).