

# STATE OF NEW YORK

3095

2025-2026 Regular Sessions

## IN ASSEMBLY

January 23, 2025

Introduced by M. of A. ROSENTHAL, SIMON, SEAWRIGHT, BORES, REYES, MAMDA-NI, KIM, GONZALEZ-ROJAS, FORREST, KELLES, EPSTEIN, SIMONE -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to the investment of funds wagered on video lottery gaming for certain horse races; to repeal certain provisions of the tax law relating thereto; and to repeal paragraph (b) of subdivision 1 of section 1355 of the racing, pari-mutuel wagering and breeding law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision f of section 1612 of the tax law, as amended by  
2 chapter 174 of the laws of 2013, paragraph 1 as amended by section 2 of  
3 part 00 of chapter 59 of the laws of 2014, paragraph 3 as amended by  
4 section 2 of part V of chapter 59 of the laws of 2020 and subparagraph  
5 (i) of paragraph 3 as designated and subparagraph (ii) of paragraph 3 as  
6 added by section 8 of part X of chapter 59 of the laws of 2023, is  
7 amended to read as follows:

8 f. As consideration for the operation of the video lottery gaming  
9 facility at Aqueduct racetrack, the division shall cause the investment  
10 in the education system of the state of New York and the racing industry  
11 of the following percentages of the vendor fee to be deposited or paid,  
12 as follows:

13 1. Six and one-half percent of the total wagered after payout of  
14 prizes for the first year of operation of video lottery gaming at Aque-  
15 duct racetrack, seven percent of the total wagered after payout of  
16 prizes for the second year of operation, and seven and one-half percent  
17 of the total wagered after payout of prizes for the third year of opera-  
18 tion and thereafter, for the purpose of [~~enhancing purses at Aqueduct~~  
19 ~~racetrack, Belmont Park racetrack and Saratoga race course. One percent~~  
20 ~~of the gross purse enhancement amount, as required by this subdivision,~~  
21 ~~shall be paid to the gaming commission to be used exclusively to promote~~

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD06360-02-5

~~and ensure equine health and safety in New York. Any portion of such funding to the gaming commission unused during a fiscal year shall be returned on a pro rata basis in accordance with the amounts originally contributed and shall be used for the purpose of enhancing purses at such tracks]~~ funding the education system of the state of New York, shall be deposited in the state lottery fund for additional lottery grants to eligible school districts, including schools serving students with disabilities and schools with preschool special education programs.

~~[One and one-half percent of the gross purse enhancement amount, as required by this subdivision, shall be paid to an account established pursuant to section two hundred twenty one a of the racing, pari-mutuel wagering and breeding law to be used exclusively to provide health insurance for jockeys.]~~

2. ~~[One]~~ Eight and one-half percent of the total wagered after payout of prizes ~~[for the first year of operation of video lottery gaming at Aqueduct racetrack, one and one-quarter percent of the total wagered after payout of prizes for the second year of operation, and one and one-half percent of the total wagered after payout of prizes for the third year of operation and thereafter, for an appropriate breeding fund for the manner of racing conducted at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course]~~ shall be deposited in the state lottery fund for additional lottery grants to eligible school districts, including schools serving students with disabilities and schools with preschool special education programs.

3. ~~[(i) Four percent of the total revenue wagered after payout of prizes to be deposited into an account of the franchised corporation established pursuant to section two hundred six of the racing, pari-mutuel wagering and breeding law to be used for capital expenditures in maintaining and upgrading Aqueduct racetrack, Belmont Park racetrack and Saratoga race course. Capital expenditures may include funding the construction of and initially equipping a state based equine drug testing and research laboratory to be used pursuant to subdivision seven of section nine hundred two of the racing, pari-mutuel wagering and breeding law.~~

~~(ii) Notwithstanding subparagraph (i) of this paragraph, in the event the state provides funds to the franchised corporation for the renovation of Belmont Park racetrack, out of the amount payable to the franchised corporation for capital expenditures pursuant to subparagraph (i) of this paragraph during any state fiscal year, an amount pursuant to the repayment agreement between the state and the franchised corporation shall instead be deposited into the miscellaneous capital projects fund, New York racing capital improvement fund as required to repay the state for funds provided for the renovation of Belmont Park racetrack. Any amount payable to the franchised corporation in any state fiscal year for capital expenditures pursuant to subparagraph (i) of this paragraph in excess of the amount pursuant to the repayment agreement between the state and the franchised corporation shall be deposited pursuant to subparagraph (i) of this paragraph. Once the state has been fully reimbursed for the costs related to the renovation of Belmont Park racetrack, this subparagraph shall no longer apply and subparagraph (i) of this paragraph shall apply.~~

4. ~~Three percent of the total revenue wagered after payout for prizes to be deposited into an account of the franchised corporation established pursuant to section two hundred six of the racing, pari-mutuel wagering and breeding law to be used for general thoroughbred racing~~

~~operations at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course.~~

5-] Paragraphs one[, and two[, ~~three and four~~] of this subdivision shall be known collectively as the "[~~rac~~ing] education support payments".

§ 2. Paragraph 1-b of subdivision b of section 1612 of the tax law, as added by section 2 of part EE of chapter 59 of the laws of 2019, is amended to read as follows:

1-b. Notwithstanding any provision of law to the contrary, free play allowance credits authorized by the division pursuant to subdivision i of section sixteen hundred seventeen-a of this article shall not be included in the calculation of the total amount wagered on video lottery games, the total amount wagered after payout of prizes, the vendor fees payable to the operators of video lottery gaming facilities, fees payable to the division's video lottery gaming equipment contractors, [~~or~~] racing support payments, or education support payments.

§ 3. Subdivision f-1 of section 1612 of the tax law, as amended by chapter 175 of the laws of 2013, subparagraph (i) of paragraph 3 as designated and subparagraph (ii) of paragraph 3 as added by section 9 of part X of chapter 59 of the laws of 2023, is amended to read as follows:

f-1. As consideration for operation of video lottery gaming facility located in the county of Nassau or Suffolk and operated by a corporation established pursuant to section five hundred two of the racing, pari-mutuel wagering and breeding law, the division shall cause the [~~investment in the racing industry of the~~] following [~~percentages~~] percentage of the vendor fee to be deposited or paid as [~~follows~~]:

~~1. Two and three tenths~~ five percent of the total wagered after payout of prizes [~~for the purpose of enhancing purses at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course, provided, however, that any amount that is in excess of the amount necessary to maintain purse support from video lottery gaming at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course at the same level realized in two thousand thirteen, to be adjusted by the consumer price index for all urban consumers, as published annually by the United States department of labor, bureau of labor statistics, shall instead be returned to the commission~~] shall be deposited in the state lottery fund for additional lottery grants to eligible school districts, including schools serving students with disabilities and schools with preschool special education programs.

~~[2. five tenths percent of the total wagered after payout of prizes for the appropriate breeding fund for the manner of racing at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course, provided, however, that any amount that is in excess of the amount necessary to maintain payments from video lottery gaming at Aqueduct racetrack at the same level realized in two thousand thirteen, to be adjusted by the consumer price index for all urban consumers, as published annually by the United States department of labor, bureau of labor statistics, shall instead be returned to the commission.~~

~~3. (i) one and three tenths percent of the total revenue wagered after payout of prizes to be deposited into an account of the franchised corporation established pursuant to section two hundred six of the racing, pari-mutuel wagering and breeding law to be used for capital expenditures in maintaining and upgrading Aqueduct racetrack, Belmont Park racetrack and Saratoga race course, provided, however, that any amount that is in excess of the amount necessary to maintain payments for capital expenditures from video lottery gaming at Aqueduct racetrack~~

1 ~~at the same level realized in two thousand thirteen, to be adjusted by~~  
2 ~~the consumer price index for all urban consumers, as published annually~~  
3 ~~by the United States department of labor, bureau of labor statistics,~~  
4 ~~shall instead be returned to the commission.~~

5 ~~(ii) Notwithstanding subparagraph (i) of this paragraph, in the event~~  
6 ~~the state provides funds to the franchised corporation for the reno-~~  
7 ~~vation of Belmont Park racetrack, and in the event the amount deposited~~  
8 ~~pursuant to subparagraph (ii) of paragraph three of subdivision f of~~  
9 ~~this section is insufficient to make the required repayment pursuant to~~  
10 ~~such subparagraph during any state fiscal year, an amount payable to the~~  
11 ~~franchised corporation for capital expenditures pursuant to subparagraph~~  
12 ~~(i) of this paragraph shall instead be deposited into the miscellaneous~~  
13 ~~capital projects fund, New York racing capital improvement fund to the~~  
14 ~~extent necessary, when combined with the amount set forth in subpara-~~  
15 ~~graph (ii) of paragraph three of subdivision f of this section, to make~~  
16 ~~any required repayment of funds provided by the state related to the~~  
17 ~~renovation of Belmont Park racetrack during such fiscal year. Any amount~~  
18 ~~payable to the franchised corporation in any state fiscal year for capi-~~  
19 ~~tal expenditures pursuant to subparagraph (i) of this paragraph in~~  
20 ~~excess of the amount pursuant to the repayment agreement between the~~  
21 ~~state and the franchised corporation shall be deposited pursuant to~~  
22 ~~subparagraph (i) of this paragraph. Once the state has been fully reim-~~  
23 ~~bursed for such costs related to the renovation of Belmont Park race-~~  
24 ~~track, this subparagraph shall no longer apply and subparagraph (i) of~~  
25 ~~this paragraph shall apply.~~

26 ~~4. Nine tenths percent of the total revenue wagered after payout for~~  
27 ~~prizes to be deposited into an account of the franchised corporation~~  
28 ~~established pursuant to section two hundred six of the racing, pari mu-~~  
29 ~~tuel wagering and breeding law to be used for general thoroughbred~~  
30 ~~racing operations at Aqueduct racetrack, Belmont Park racetrack and~~  
31 ~~Saratoga race course, provided, however, that any amount that is in~~  
32 ~~excess of the amount necessary to maintain payments for general~~  
33 ~~thoroughbred racing operations from video lottery gaming at Aqueduct~~  
34 ~~racetrack at the same level realized in two thousand thirteen, to be~~  
35 ~~adjusted by the consumer price index for all urban consumers, as~~  
36 ~~published annually by the United States department of labor, bureau of~~  
37 ~~labor statistics, shall instead be returned to the commission.]~~

38 § 4. The opening paragraph of paragraph 2 of subdivision b of section  
39 1612 of the tax law, as amended by section 2 of part S of chapter 39 of  
40 the laws of 2019, is amended to read as follows:

41 As consideration for the operation of a video lottery gaming facility,  
42 the division, shall cause the investment [~~in the racing industry~~] in  
43 those counties that host video lottery gaming facilities, of a portion  
44 of the vendor fee received pursuant to paragraph one of this subdivision  
45 in the manner set forth in this subdivision. With the exception of  
46 Aqueduct racetrack, a video lottery gaming facility authorized pursuant  
47 to paragraph five of subdivision a of section sixteen hundred seven-  
48 teen-a of this article or a facility in the county of Nassau or Suffolk  
49 operated by a corporation established pursuant to section five hundred  
50 two of the racing, pari-mutuel wagering and breeding law, each such  
51 track shall dedicate a portion of its vendor fees, received pursuant to  
52 clause (A), (B), (B-1), (B-2), (C), or (D) of subparagraph (ii) of para-  
53 graph one of this subdivision, for the purpose of [~~enhancing purses at~~  
54 ~~such track~~] funding economic development, job creation, and workforce  
55 protections in the counties that host video lottery gaming facilities,  
56 in an amount equal to eight and three-quarters percent of the total

1 revenue wagered at the vendor track after pay out for prizes. [~~One~~  
2 ~~percent of the gross purse enhancement amount, as required by this~~  
3 ~~subdivision, shall be paid to the gaming commission to be used exclu-~~  
4 ~~sively to promote and ensure equine health and safety in New York. Any~~  
5 ~~portion of such funding to the gaming commission unused during a fiscal~~  
6 ~~year shall be returned to the video lottery gaming operators on a pro~~  
7 ~~rata basis in accordance with the amounts originally contributed by each~~  
8 ~~operator and shall be used for the purpose of enhancing purses at such~~  
9 ~~track]~~ Such funds shall be credited to the host county in which each  
10 vendor track resides. Such funds shall be utilized by such counties for  
11 the purposes of economic development, job creation, and workforce  
12 protections. If a vendor track ceases racing operations, such vendor fee  
13 shall continue to be paid.

14 [~~One and one-half percent of the gross purse enhancement amount at a~~  
15 ~~thoroughbred track, as required by this subdivision, shall be paid to an~~  
16 ~~account established pursuant to section two hundred twenty one a of the~~  
17 ~~racing, pari-mutuel wagering and breeding law to be used exclusively to~~  
18 ~~provide health insurance for jockeys.~~] In addition, with the exception  
19 of Aqueduct racetrack, a video lottery gaming facility authorized pursu-  
20 ant to paragraph five of subdivision a of section sixteen hundred seven-  
21 teen-a of this article or a facility in the county of Nassau or Suffolk  
22 operated by a corporation established pursuant to section five hundred  
23 two of the racing, pari-mutuel wagering and breeding law, one and one-  
24 quarter percent of total revenue wagered at the vendor track after pay  
25 out for prizes, received pursuant to clause (A), (B), (B-1), (B-2), (C),  
26 or (D) of subparagraph (ii) of paragraph one of this subdivision, shall  
27 be distributed [~~to the appropriate breeding fund for the manner of~~  
28 ~~racing conducted by such track]~~ for funding economic development, job  
29 creation, and workforce protections in the counties that host video  
30 lottery gaming facilities.

31 § 5. Paragraph 3 of subdivision b of section 1612 of the tax law is  
32 REPEALED.

33 § 6. Subdivision h of section 1612 of the tax law, as amended by  
34 section 3 of part S of chapter 39 of the laws of 2019, is amended to  
35 read as follows:

36 h. As consideration for the operation of a video lottery gaming facil-  
37 ity located in Orange county, the division shall cause the investment in  
38 the [~~racing industry]~~ education system of the state of New York at the  
39 following amount from the vendor fee to be paid as follows:

40 [~~As amount to the horsemen for purses at a licensed racetrack in~~  
41 ~~Sullivan county in an]~~ An amount equal to eight and three-quarters  
42 percent of the total revenue wagered at the video lottery gaming facili-  
43 ty, after pay out for prizes to be deposited in the state lottery fund  
44 for additional lottery grants to eligible school districts, including  
45 schools serving students with disabilities and schools with preschool  
46 special education programs. [~~The facility located in Orange county, as~~  
47 ~~defined in paragraph five of subdivision a of section sixteen hundred~~  
48 ~~seventeen-a of this article shall pay to the horsemen at a licensed~~  
49 ~~racetrack at Yonkers racetrack an amount to maintain purses for such~~  
50 ~~horsemen at the same dollar levels realized in two thousand eighteen, to~~  
51 ~~be adjusted by the consumer price index for all urban consumers, as~~  
52 ~~published annually by the United States department of labor bureau of~~  
53 ~~labor statistics.~~] In addition, one and one-quarter percent of total  
54 revenue wagered at the video lottery gaming facility after pay out for  
55 prizes, received pursuant to clause (B) of subparagraph (ii) of para-  
56 graph one of subdivision b of this section, shall be distributed to the

1 ~~[appropriate breeding]~~ state lottery fund for ~~[the manner of racing~~  
2 ~~conducted by such track]~~ additional lottery grants to eligible school  
3 districts, including schools serving students with disabilities and  
4 schools with preschool special education programs. In no circumstance  
5 shall net proceeds of the lottery, including the proceeds from video  
6 lottery gaming, be used for the payment of non-lottery expenses of the  
7 gaming commission, administrative or otherwise.

8 § 7. Paragraph 5 of subdivision a of section 1617-a of the tax law, as  
9 added by section 4 of part S of chapter 39 of the laws of 2019, is  
10 amended to read as follows:

11 (5) At a facility located in Orange county to be operated by the enti-  
12 ty otherwise licensed to operate video lottery gaming at Monticello  
13 racetrack, provided that: (i) such licensed entity is no longer operat-  
14 ing video lottery gaming at Monticello racetrack ~~[and provided that~~  
15 ~~Monticello racetrack is conducting racing operations]~~; (ii) such facili-  
16 ty in Orange county is not sited within a thirty mile radius of the  
17 video lottery gaming facility at Yonkers racetrack; and (iii) the  
18 licensed entity, its subsidiaries and affiliates, including the entity  
19 licensed to operate a commercial gaming facility in Sullivan county, and  
20 the entity licensed to operate video lottery gaming at Yonkers racetrack  
21 enter into a mitigation agreement, to be approved by the gaming commis-  
22 sion, which shall include, but not be limited to, terms that require:  
23 (A) the operator of the facility in Orange county to make an annual  
24 payment to the entity licensed to operate video lottery gaming or  
25 commercial gaming at Yonkers racetrack to account for the effects that  
26 siting such facility in Orange county would likely have on the gross  
27 gaming revenue of the entity licensed to operate at Yonkers racetrack;  
28 (B) employment levels at the affected facilities; and (C) that upon  
29 expiration or termination of the agreement, the authority to operate  
30 video lottery gaming in Orange county shall cease. Notwithstanding any  
31 other provision of this subdivision, at no time shall an entity operat-  
32 ing video lottery gaming in Orange county be permitted to apply for or  
33 receive a license to operate a commercial gaming facility in that coun-  
34 ty.

35 § 8. Paragraph (b) of subdivision 1 of section 1355 of the racing,  
36 pari-mutuel wagering and breeding law is REPEALED.

37 § 9. Severability. If any provision or term of this act is, for any  
38 reason, declared unconstitutional or invalid or ineffective by any  
39 competent jurisdiction, such decision shall not affect the validity of  
40 the effectiveness of the remaining portions of this act or any part  
41 thereof.

42 § 10. This act shall take effect immediately.