S T A T E O F N E W Y O R K

9997

I N A S S E M B L Y

February 24, 2010

Introduced by M. of A. HOOPER -- read once and referred to the Committee on Racing and Wagering

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to combining the Nassau and New York city regional off-track betting corporations into the Metropolitan off-track betting corporation; and to repeal certain provisions of such law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Legislative findings and intent. The legislature hereby finds that the New York city off-track betting corporation (NYC OTB) and Nassau county off-track betting corporation (Nassau OTB) are insolvent and facing closure. The legislature further finds that nearly $1.1 billion dollars, almost half of all money wagered on horse racing in New York state, is wagered through NYC OTB, and that nearly $250 million dollars, almost twenty percent of all money wagered on horse racing in New York state, is derived from wagering through Nassau OTB. The revenue distributed to the racing industry, which is derived from wagering through NYC OTB and Nassau OTB, plays an integral role in sustaining the viability of the entire horse racing industry in New York state, and together NYC OTB and Nassau OTB employ almost 2,000 people in the greater New York city-Nassau county metropolitan area. The legislature therefore determines that the continued operation of NYC OTB and Nassau OTB under a combined corporate umbrella, to be known as the Metropolitan OTB pursuant to sections 502 and 603 of the racing, pari-mutuel wagering and breeding law, is of paramount importance to the public interest.

The legislature further finds that, since its inception in 1973, New York's regional off-track betting system has provided state and local governments with significant revenues to support government operations and to aid in reducing increases in local property taxation. The regional off-track betting system has been integrated into the state's pari-mutuel racing and breeding industry to provide statewide accessibility and exposure to New York's quality thoroughbred and harness racing. Such accessibility and exposure has significantly contributed to

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

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the economic well-being of New York's racetracks, their horsemen and employees and the growth of horse breeding in the state.

The legislature further finds that since its inception, the statutory framework under which the regional off-track betting system must function and operate has met obstacles to change in a changing technological environment. The static statutory framework has caused economic distress among the regional off-track betting corporations which may lead to reduced revenues to state and local governments, local employment and a negative impact on racing and breeding in New York. As a result, an in-depth analysis and regular periodic reviews of this system should be conducted to determine how to enhance and improve the system of off-track betting in New York state in the future.

S 2. Sections 501, 502, 503, 505, 507 and 516 of the racing, pari-mutuel wagering and breeding law are REPEALED and six new sections 501, 502, 503, 505, 507 and 516 are added to read as follows:

S 501. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL MEAN AND INCLUDE:

1. "STATE BOARD." THE STATE RACING AND WAGERING BOARD.

2. "BOARD OF DIRECTORS." THE BOARD OF DIRECTORS OF A CORPORATION AS SUCH BOARD IS CONSTITUTED PURSUANT TO SECTION FIVE HUNDRED TWO OF THIS ARTICLE.

3. "CORPORATION." EACH REGIONAL OFF-TRACK BETTING CORPORATION, AS CREATED BY SECTION FIVE HUNDRED TWO OF THIS ARTICLE.

4. "PARTICIPATING COUNTY." ANY OF THE COUNTIES IN A REGION WHICH HAVE ELECTED TO JOIN A CORPORATION IN THE MANNER PROVIDED FOR IN SECTION FIVE HUNDRED TWO OF THIS ARTICLE.

5. "BONDS AND NOTES." BONDS AND NOTES, RESPECTIVELY, AUTHORIZED AND ISSUED BY THE CORPORATION PURSUANT TO THIS ARTICLE.

6. "COST OF CORPORATION'S FUNCTIONS." ALL PRE-DISTRIBUTION COSTS AND EXPENSES INCURRED BY THE CORPORATION IN CONNECTION WITH THE PERFORMANCE OF THE FUNCTIONS OF THE CORPORATION AS DESCRIBED BY THIS ARTICLE, INCLUDING, BUT NOT LIMITED TO, ALL OPERATING EXPENSES OF THE CORPORATION SUCH AS SALARIES AND WAGES, INSURANCE, RENT AND REAL ESTATE TAXES, PAYMENTS IN LIEU OF TAXES AND/OR TO COMPENSATE MUNICIPALITIES FOR LOSS OF ADMISSION TAXES PURSUANT TO SUBDIVISION TWO OF SECTION FIVE HUNDRED THIRTY-ONE OF THIS CHAPTER, CONTRIBUTIONS TO ANY POST-RETIREMENT EMPLOYEE FUND AND/OR PENSION AND OTHER POST-EMPLOYMENT EXPENSES, THE COSTS OF ACQUISITION, CONSTRUCTION OR EQUIPMENT OF BRANCH OFFICES AND OTHER FACILITIES AND PREMISES OF THE CORPORATION, A REASONABLE CAPITAL RESERVE FUND OF NO MORE THAN THREE PERCENT OF NET PRE-DISTRIBUTION REVENUE, INTEREST AND PRINCIPAL ON BONDS, NOTES OR OTHER OBLIGATIONS OF THE CORPORATION, WHETHER ISSUED TO FINANCE THE ACQUISITION, CONSTRUCTION OR EQUIPMENT OF SUCH OFFICES, FACILITIES, PREMISES, OR OTHERWISE, AND THE STATE TAX LEVIED PURSUANT TO SUBDIVISION ONE OF SECTION FIVE HUNDRED TWENTY-SEVEN OF THIS CHAPTER.

7. "REGION." THE SEVERAL REGIONS DEFINED BY SUBDIVISION ONE OF SECTION FIVE HUNDRED NINETEEN OF THIS CHAPTER.

8. "TRACK." THE GROUNDS OR ENCLOSURE WITHIN WHICH HORSE RACES ARE CONDUCTED BY ANY PERSON, ASSOCIATION OR CORPORATION LAWFULLY AUTHORIZED TO CONDUCT SUCH RACES.

9. "GOVERNING BODY." THE APPROPRIATE STATE OR COUNTY LEGISLATIVE BODY.

10. "BRANCH OFFICE." AN ESTABLISHMENT MAINTAINED AND OPERATED BY THE CORPORATION, WHERE OFF-TRACK, PARI-MUTUEL BETTING ON HORSE RACES MAY BE PLACED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS ARTICLE AND THE RULES AND REGULATIONS ISSUED PURSUANT THERETO.

11. "ENABLING LEGISLATION." AN ACT OF THE STATE LEGISLATURE AND/OR A LOCAL LAW, ORDINANCE OR RESOLUTION SUBJECT TO A PERMISSIVE REFERENDUM PURSUANT TO THE MUNICIPAL HOME RULE LAW.

S 502. ESTABLISHMENT OF REGIONAL OFF-TRACK BETTING CORPORATIONS. 1. A REGIONAL OFF-TRACK BETTING CORPORATION IS HEREBY ESTABLISHED FOR EACH REGION, EXCEPT THE NEW YORK CITY AND NASSAU COUNTY REGIONS FOR WHICH A COMBINED NEW YORK CITY-NASSAU COUNTY OFF-TRACK BETTING CORPORATION (HEREINAFTER, THE "METROPOLITAN OTB") ESTABLISHED PURSUANT TO AND SUBJECT TO ARTICLE SIX OF THIS CHAPTER SHALL CONSTITUTE THE REGIONAL CORPORATION AND SUCH ARTICLE SIX SHALL GOVERN SUCH COMBINED NEW YORK CITY-NASSAU COUNTY OFF-TRACK BETTING CORPORATION. EACH REGIONAL CORPORATION SHALL BE A BODY CORPORATE AND POLITIC CONSTITUTING A PUBLIC BENEFIT CORPORATION. EACH CORPORATION SHALL BE ADMINISTERED BY A BOARD OF DIRECTORS CONSISTING OF TWO MEMBERS FROM EACH PARTICIPATING COUNTY CONTAINING A CITY OF OVER ONE HUNDRED FIFTY THOUSAND IN POPULATION, ACCORDING TO THE LAST FEDERAL CENSUS, AND ONE MEMBER FROM EACH OTHER PARTICIPATING COUNTY. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE MEMBERS SHALL BE APPOINTED BY THE COUNTY GOVERNING BODY, AND MAY, AT THE DISCRETION OF SUCH GOVERNING BODY OF COUNTIES WHICH HAVE A POPULATION OF LESS THAN TWO HUNDRED THOUSAND, INCLUDE SITTING MEMBERS OF SUCH GOVERNING BODY. A MEMBER OF A GOVERNING BODY WHO IS APPOINTED A DIRECTOR AFTER JULY FIRST, NINETEEN HUNDRED NINETY SHALL NOT BE COMPENSATED BY THE REGIONAL CORPORATION; PROVIDED, HOWEVER, THAT THE MAYOR OF A CITY OF OVER ONE HUNDRED FIFTY THOUSAND THAT HAS ELECTED TO PARTICIPATE IN THE MANAGEMENT OF A CORPORATION PURSUANT TO SUBDIVISION TWO OF THIS SECTION SHALL, WITH THE APPROVAL OF THE CITY'S LEGISLATIVE BODY, APPOINT ONE OF THE MEMBERS TO WHICH THE COUNTY CONTAINING SUCH CITY IS ENTITLED. IN THE CASE OF THE CORPORATION ESTABLISHED FOR THE SUFFOLK REGION, THE BOARD OF DIRECTORS OF EACH CORPORATION SHALL CONSIST OF THREE MEMBERS APPOINTED BY THE GOVERNING BODY OF EACH COUNTY, NOT MORE THAN TWO OF WHOM SHALL BE MEMBERS OF THE SAME POLITICAL PARTY. IN THE CASE OF THE METROPOLITAN OTB, THE BOARD OF DIRECTORS SHALL CONSIST OF FIVE MEMBERS NOT MORE THAN THREE OF WHOM SHALL BE MEMBERS OF THE SAME PARTY, TWO APPOINTED BY THE GOVERNOR ON THE RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE, TWO APPOINTED BY THE GOVERNOR ON THE RECOMMENDATION OF THE SPEAKER OF THE ASSEMBLY AND ONE APPOINTED BY THE GOVERNOR, WHO SHALL BE THE CHAIRMAN AND SERVE AT THE PLEASURE OF THE GOVERNOR, WHO MAY CHANGE HIS DESIGNATION OF ANY SUCH DIRECTOR TO BE CHAIRMAN. EACH DIRECTOR OF THE REGIONAL CORPORATIONS SHALL SERVE AT THE PLEASURE OF THE GOVERNOR, TEMPORARY PRESIDENT OF THE SENATE, SPEAKER OF THE ASSEMBLY, MAYOR, OR GOVERNING BODY UPON WHOSE RECOMMENDATION OR DESIGNATION HE WAS APPOINTED, AS THE CASE MAY BE.

2. A CITY WITH A POPULATION OF OVER ONE HUNDRED FIFTY THOUSAND, ACCORDING TO THE LAST FEDERAL CENSUS, MAY ELECT TO PARTICIPATE IN THE MANAGEMENT AND REVENUES OF A REGIONAL CORPORATION IF THE COUNTY IN WHICH SUCH CITY IS LOCATED HAS ELECTED TO BECOME A PARTICIPATING COUNTY. SUCH ELECTION SHALL BE BY ENABLING LEGISLATION. UPON SUCH ELECTION, SUCH CITY SHALL PARTICIPATE IN THE AMOUNT OF ANY LOANS OR CONTRIBUTIONS MADE OR TO BE MADE BY THE PARTICIPATING COUNTY CONTAINING THE CITY TO THE CORPORATION, PURSUANT TO SECTION FIVE HUNDRED SIX OF THIS ARTICLE, IN THE PROPORTION THAT SUCH CITY WILL PARTICIPATE IN NET REVENUES PAYABLE TO SUCH COUNTY OR SUCH OTHER EQUITABLE ARRANGEMENT AS SHALL BE APPROVED BY THE BOARD.

3. UPON THE PASSAGE OF ENABLING LEGISLATION BY THE GOVERNING BODY OF NOT LESS THAN THREE COUNTIES WITHIN A REGION REPRESENTING NOT LESS THAN THIRTY PERCENT OF THE POPULATION OF SUCH REGION, AS DETERMINED BY THE

LAST FEDERAL CENSUS, OR IN THE CASE OF THE SUFFOLK REGION, UPON THE PASSAGE OF ENABLING LEGISLATION BY THE GOVERNING BODY OF SUFFOLK COUNTY, OR IN THE CASE OF THE METROPOLITAN REGION, UPON THE PASSAGE OF ENABLING LEGISLATION BY THE LEGISLATURE OF THE STATE OF NEW YORK, OR IN THE CASE OF THE MID-HUDSON REGION UPON THE PASSAGE OF ENABLING LEGISLATION BY THE GOVERNING BODY OF THE COUNTY OF WESTCHESTER AND OF THE GOVERNING BODY OF ONE OTHER COUNTY IN SUCH REGION, AND FOLLOWING THE APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS, SUCH CORPORATION SHALL FILE WITH THE SECRETARY OF STATE AND WITH THE STATE RACING AND WAGERING BOARD A CERTIFICATE SETTING FORTH:

A. THE DATE OF PASSAGE OF THE ENABLING LEGISLATION;

B. THE NAME OF THE AGENCY, WHICH SHALL BE THE NAME OF THE REGION FOLLOWED BY THE WORDS "REGIONAL OFF-TRACK BETTING CORPORATION"; AND

C. THE NAMES OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CHAIRMAN.

4. EACH OF THE COUNTIES OF THE REGION THAT HAVE NOT BECOME PARTICIPATING COUNTIES AT THE TIME OF FILING OF THE CERTIFICATE REQUIRED BY SUBDIVISION THREE OF THIS SECTION MAY DO SO BY ENACTING ENABLING LEGISLATION, A DULY CERTIFIED COPY OF WHICH MUST BE FILED WITH THE BOARD OF DIRECTORS, THE STATE BOARD, THE SECRETARY OF STATE AND THE COUNTY CLERK OF EACH PARTICIPATING COUNTY. IN THE EVENT THAT A COUNTY ELECTS TO PARTICIPATE AFTER JUNE FIRST, NINETEEN HUNDRED NINETY, THE EFFECTIVE DATE OF APPROVAL BY THE STATE BOARD SHALL NOT BE EARLIER THAN THE DATE THAT BRANCH OFFICES ARE ESTABLISHED AND OPERATING. IF, AT THE TIME OF SUCH ELECTION, THE STATE BOARD HAS APPROVED A PLAN OF OPERATION FOR THE CORPORATION, A COUNTY MAY NOT BECOME A PARTICIPATING COUNTY WITHOUT APPROVAL BY THE STATE BOARD OF A MODIFIED FEASIBILITY STUDY AND AMENDED PLAN OF OPERATION WHICH SHALL BE SUBMITTED BY THE CORPORATION TO THE STATE BOARD PURSUANT TO SECTION FIVE HUNDRED TWENTY-ONE OF THIS CHAPTER.

IF THE PARTICIPATING COUNTIES IN THE REGION HAVE CONTRIBUTED OR LOANED FUNDS OR OTHER CONSIDERATION TO THE CORPORATION, THE BOARD OF DIRECTORS MAY REQUIRE THAT ANY COUNTY SUBSEQUENTLY ELECTING TO BECOME A PARTICIPATING COUNTY MAKE SUCH CONTRIBUTIONS IN THE SAME PROPORTION, IF ANY, AS MAY HAVE GOVERNED SUCH CONTRIBUTIONS OR LOANS BY PARTICIPATING COUNTIES. ANY DISPUTE AS TO THE VALUE OF CONSIDERATION OR AS TO A CONTRIBUTION REQUIRED BY THE BOARD OF DIRECTORS SHALL BE RESOLVED BY THE STATE BOARD.

5. A. IF THE CERTIFICATE REQUIRED BY SUBDIVISION THREE OF THIS SECTION IS NOT FILED BY DECEMBER THIRTY-FIRST, NINETEEN HUNDRED SEVENTY-FIVE, THE CORPORATE EXISTENCE OF A CORPORATION SHALL TERMINATE, BUT OTHERWISE, EACH CORPORATION AND ITS CORPORATE EXISTENCE SHALL CONTINUE UNTIL TERMINATED BY LAW; PROVIDED, HOWEVER, EXCEPT IN THE CASE OF THE METROPOLITAN OTB, THAT NO SUCH LAW SHALL TAKE EFFECT SO LONG AS THE CORPORATION SHALL HAVE BONDS, NOTES OR OTHER OBLIGATIONS OUTSTANDING AND, IN THE INSTANCE OF THE METROPOLITAN OTB, ANY OR ALL OF SUCH BONDS, NOTES OR OTHER OBLIGATIONS OF THE NEW YORK CITY REGIONAL OFF-TRACK BETTING CORPORATION AND/OR THE NASSAU COUNTY REGIONAL OFF-TRACK BETTING CORPORATION AS SHALL BE OUTSTANDING ON THE EFFECTIVE DATE OF THIS SECTION SHALL BECOME FULL FAITH OBLIGATIONS OF SAID METROPOLITAN REGIONAL OFF-TRACK BETTING CORPORATION AND SHALL BE CONSOLIDATED, ABSORBED, MODIFIED, RE-CAPITALIZED, RE-ISSUED, REFUNDED AND/OR LIQUIDATED AS THE BOARD OF DIRECTORS OF SAID REGIONAL CORPORATION SHALL DETERMINE TO BE APPROPRIATE HEREUNDER OR IN ACCORDANCE WITH SECTIONS FIVE HUNDRED EIGHT, FIVE HUNDRED ELEVEN AND/OR SIX HUNDRED ELEVEN OF THIS CHAPTER. EXCEPT IN THE INSTANCE OF THE METROPOLITAN OTB, UPON TERMINATION OF THE EXISTENCE OF THE CORPORATION, ALL OF ITS RIGHTS, PROPERTY, ASSETS AND FUNDS SHALL THEREUPON VEST IN AND BE

POSSESSED BY THE PARTICIPATING COUNTIES IN THE SAME PROPORTION SUCH PROPERTY, ASSETS AND FUNDS MAY HAVE BEEN CONTRIBUTED BY EACH COUNTY OR ACCORDING TO THE MANNER IN WHICH THE REVENUES OF THE CORPORATION ARE DISTRIBUTED PURSUANT TO SECTION FIVE HUNDRED SIXTEEN OF THIS ARTICLE, OR ANY COMBINATION OF BOTH SUCH METHODS, AS THE STATE BOARD SHALL DETERMINE.

B. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH A OF THIS SUBDIVISION, THOSE COUNTIES COMPRISING THE CENTRAL REGION PRIOR TO JANUARY FIRST, NINETEEN HUNDRED SEVENTY-FOUR, EVEN THOUGH SUCH COUNTIES ARE INCLUDED IN OFF-TRACK BETTING REGIONS OTHER THAN THE CENTRAL REGION, SHALL HAVE UNTIL DECEMBER THIRTY-FIRST, NINETEEN HUNDRED EIGHTY-TWO TO FILE THE CERTIFICATE REQUIRED BY SUBDIVISION THREE OF THIS SECTION.

6. EACH DIRECTOR SHALL CONTINUE TO SERVE UNTIL THE APPOINTMENT AND QUALIFICATION OF HIS SUCCESSOR.

7. THE DIRECTORS SHALL BE REMOVABLE FOR CAUSE BY THE STATE BOARD, UPON CHARGES AND AFTER A HEARING.

8. THE POWERS OF THE CORPORATION SHALL BE VESTED IN AND EXERCISED BY THE BOARD OF DIRECTORS AT A MEETING DULY HELD AT A TIME FIXED BY ANY BY-LAW ADOPTED BY THE BOARD, OR AT ANY DULY ADJOURNED MEETING OF SUCH MEETING OR AT ANY MEETING HELD UPON REASONABLE NOTICE TO ALL OF THE DIRECTORS, OR UPON WRITTEN WAIVER THEREOF, AND A MAJORITY OF THE WHOLE NUMBER OF DIRECTORS SHALL CONSTITUTE A QUORUM; PROVIDED THAT NEITHER THE BUSINESS NOR THE POWERS OF THE CORPORATION SHALL BE TRANSACTED OR EXERCISED EXCEPT PURSUANT TO THE FAVORABLE VOTE OF AT LEAST A MAJORITY OF THE DIRECTORS PRESENT AT A MEETING AT WHICH A QUORUM IS IN ATTENDANCE.

9. THE BOARD OF DIRECTORS MAY DELEGATE TO ONE OR MORE OF THE DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES OF THE CORPORATION SUCH POWERS AND DUTIES AS IT MAY DEEM PROPER.

10. A. THE DIRECTORS MAY RECEIVE A SUM OF TWO HUNDRED FIFTY DOLLARS FOR EACH DAY OR PART THEREOF SPENT IN ATTENDANCE AT MEETINGS HELD IN ACCORDANCE WITH SUBDIVISION EIGHT OF THIS SECTION, BUT NOT TO EXCEED TWENTY-FIVE HUNDRED DOLLARS DURING ANY ONE YEAR.

B. THE DIRECTORS MAY RECEIVE A SUM OF ONE HUNDRED DOLLARS FOR EACH DAY OR PART THEREOF AT MEETINGS OTHER THAN THOSE DEFINED IN SUBDIVISION EIGHT OF THIS SECTION OR OTHERWISE IN THE WORK OF THE CORPORATION; PROVIDED THAT SUCH ACTIVITIES ARE APPROVED BY THE BOARD AS A WHOLE. SUCH ADDITIONAL EXPENSES SHALL NOT EXCEED FIFTEEN HUNDRED DOLLARS IN ANY CALENDAR YEAR.

C. THE CHAIRMAN OF THE BOARD ELECTED IN ACCORDANCE WITH SUBDIVISION ONE OF THIS SECTION SHALL RECEIVE ADDITIONAL COMPENSATION OF ONE THOUSAND DOLLARS PER YEAR TO COVER THOSE EXPENSES AND ACTIVITIES ASSOCIATED WITH SUCH OFFICE.

D. IN ADDITION, THE DIRECTORS SHALL BE REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

E. ANY EXPENSES INCURRED BY A DIRECTOR IN EXCESS OF THOSE AUTHORIZED BY PARAGRAPH D OF THIS SUBDIVISION SHALL BE THE RESPONSIBILITY OF THE APPOINTING POLITICAL SUBDIVISION, PAYABLE ON VOUCHERS CERTIFIED OR APPROVED BY THE CHIEF FISCAL OFFICER OF SUCH POLITICAL SUBDIVISION AS IS PROVIDED BY LAW.

11. THE DIRECTORS MAY ENGAGE IN OUTSIDE EMPLOYMENT OR IN A PROFESSION OR BUSINESS UNLESS OTHERWISE PROHIBITED FROM DOING SO BY VIRTUE OF HOLDING ANOTHER PUBLIC OFFICE SUBJECT TO THE PROVISIONS OF ARTICLE EIGHTEEN OF THE GENERAL MUNICIPAL LAW. FOR THE PURPOSES OF SUCH ARTICLE EIGHTEEN, THE CORPORATION SHALL BE A "MUNICIPALITY" AND A DIRECTOR SHALL BE A "MUNICIPAL OFFICER".

12. THE BOARD OF DIRECTORS SHALL HOLD AN ANNUAL MEETING.

13. THE FISCAL YEAR OF THE CORPORATION SHALL BE THE CALENDAR YEAR.

14. A GENERAL MANAGER, WHO SHALL BE THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION, SHALL BE IN CHARGE OF THE ADMINISTRATION OF ITS AFFAIRS. HE OR SHE SHALL PERFORM HIS OR HER DUTIES AS CHIEF EXECUTIVE OFFICER, TOGETHER WITH ANY OTHER DUTIES ASSIGNED TO HIM OR HER BY THE CORPORATION, UNDER ITS DIRECT SUPERVISION AND CONTROL AND SHALL GIVE FULL TIME TO SUCH DUTIES.

15. ANY PERSON PROHIBITED BY ANY LAW OR RULE FROM ACCEPTING COMPENSATION DESCRIBED IN SUBDIVISION TEN OF THIS SECTION SHALL NONETHELESS BE PERMITTED TO SERVE AS A DIRECTOR PROVIDED SAID PERSON WAIVES HIS OR HER COMPENSATION.

16. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS CHAPTER OR ANY OTHER LAW, ANY DIRECTOR, ADMINISTRATOR, OR OTHER EMPLOYEE OF A CORPORATION MAY BE ISSUED AND HOLD ANY LICENSE ISSUED BY THE STATE BOARD.

S 503. POWERS OF REGIONAL CORPORATIONS. SUBJECT TO THE GENERAL AND SPECIFIC LIMITATIONS OF SECTIONS TWO HUNDRED TWENTY-TWO THROUGH SEVEN HUNDRED FIVE OF THIS CHAPTER AND THE AUTHORITY OF THE STATE BOARD PURSUANT TO ARTICLES ONE AND FIVE-A OF THIS CHAPTER, EACH CORPORATION SHALL HAVE POWER:

1. TO SUE AND BE SUED;

2. TO HAVE A SEAL AND ALTER THE SAME AT PLEASURE;

3. TO ACQUIRE, HOLD, LEASE, RENT AND DISPOSE OF PERSONAL PROPERTY FOR ITS CORPORATE PURPOSES;

4. TO ACQUIRE, IN THE NAME OF THE CORPORATION, BY PURCHASE, CONDEMNATION, GIFT, GRANT OR DEVISE OR OTHERWISE, AND TO USE, REAL PROPERTY WHICH IS NECESSARY OR CONVENIENT FOR CARRYING OUT ITS CORPORATE PURPOSES; PROVIDED THAT THE CORPORATION SHALL NOT CONDEMN ANY REAL PROPERTY WITHOUT FIRST HAVING OBTAINED THE CONSENT OF THE CHIEF ELECTED OFFICIAL IN THE JURISDICTION IN WHICH SUCH REAL PROPERTY IS LOCATED. ALL REAL PROPERTY ACQUIRED BY THE CORPORATION BY CONDEMNATION SHALL BE ACQUIRED IN THE MANNER PROVIDED BY LAW FOR THE CONDEMNATION OF REAL PROPERTY IN THE JURISDICTION IN WHICH THE REAL PROPERTY IS LOCATED;

5. TO MAKE BY-LAWS FOR THE MANAGEMENT AND REGULATION OF ITS AFFAIRS;

6. TO APPOINT OFFICERS, AGENTS, AND EMPLOYEES, TO PRESCRIBE THEIR QUALIFICATIONS, AND TO FIX THEIR COMPENSATION;

7. TO MAKE CONTRACTS AND LEASES, AND TO EXECUTE ALL INSTRUMENTS NECESSARY OR CONVENIENT TO ACCOMPLISH ITS CORPORATE PURPOSES;

8. TO CONSTRUCT SUCH BUILDINGS, STRUCTURES AND FACILITIES AS MAY BE NECESSARY;

9. TO ACCEPT GRANTS, LOANS AND CONTRIBUTIONS FROM THE UNITED STATES, AND THE STATE OR ANY AGENCY OR INSTRUMENTALITY OF EITHER OF THEM, OR ANY PARTICIPATING COUNTY, OR A CITY, OR ANY PERSON, INCLUDING GIFTS OR TRANSFERS BY BEQUEST OR OTHERWISE, AND TO USE THE SAME OR EXPEND THE PROCEEDS THEREOF FOR ITS CORPORATE PURPOSES;

10. IN THE MANNER AND SUBJECT TO THE PROVISIONS OF SECTIONS TWO HUNDRED TWENTY-TWO THROUGH SEVEN HUNDRED FIVE OF THIS CHAPTER, AND SUBJECT TO THE RULES AND REGULATIONS OF THE STATE BOARD, TO ESTABLISH AND CONDUCT WITHIN THE REGION A SYSTEM OF OFF-TRACK PARI-MUTUEL BETTING ON HORSE RACES, AND, IF LICENSED TO DO SO UNDER ARTICLE THREE OF THIS CHAPTER, CONDUCT HARNESS RACE MEETINGS;

11. A. TO PROMULGATE, AMEND AND REPEAL SUCH RULES AND REGULATIONS CONSISTENT WITH THE PROVISIONS OF SECTIONS TWO HUNDRED TWENTY-TWO THROUGH SEVEN HUNDRED FIVE OF THIS CHAPTER AS IT MAY DEEM NECESSARY OR DESIRABLE TO CARRY OUT THE PURPOSES OF THIS ARTICLE. SUCH RULES AND REGULATIONS SHALL HAVE THE FORCE AND EFFECT OF LAW;

B. EXCEPT IN THE CASE OF THE METROPOLITAN OTB WHICH SHALL FILE WITH THE SECRETARY OF STATE, NO RULE OR REGULATION PROMULGATED BY A CORPORATION PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION SHALL BE EFFECTIVE UNTIL A COPY THEREOF IS FILED WITH THE CLERK OF EACH PARTICIPATING COUNTY;

C. ANY VIOLATION OF ANY RULE OR REGULATION, FILED WITH THE SECRETARY OF STATE OR THE COUNTY CLERK OF EACH COUNTY IN WHICH SUCH CORPORATION OPERATES AND DESIGNATED BY THE LETTER "R" BY RESOLUTION OF THE BOARD OF DIRECTORS OF THE CORPORATION, SHALL BE A VIOLATION AND SHALL BE PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN THREE MONTHS, OR BY A FINE OF NOT MORE THAN ONE THOUSAND DOLLARS, OR BY BOTH SUCH IMPRISONMENT AND FINE. ALL SUCH FINES COLLECTED SHALL BE PAYABLE TO THE COUNTY COMPTROLLER IN THE COUNTY IN WHICH THE VIOLATION OCCURRED AND SHALL BE PAID BY HIM INTO THE GENERAL FUND OF SUCH COUNTY. ANY SUCH RULE SHALL BE EFFECTIVE, NOTWITHSTANDING THAT ANY ACT OR OMISSION MADE AN OFFENSE OR PUNISHABLE THEREBY MAY BE A CRIME OR VIOLATION OR PUNISHABLE UNDER ANY OTHER PROVISION OF LAW;

12. WHEN LICENSED TO CONDUCT HARNESS RACE MEETINGS PURSUANT TO ARTICLE THREE OF THIS CHAPTER, WESTERN REGIONAL OFF-TRACK BETTING CORPORATION SHALL BE AUTHORIZED TO ENTER INTO AN AGREEMENT TO MAKE PAYMENTS IN LIEU OF TAXES TO THE BATAVIA CITY SCHOOL DISTRICT IN AN AMOUNT THAT IS BASED UPON THE ASSESSED VALUE OF BATAVIA DOWNS RACE TRACK AS OF THE FIRST DAY OF JANUARY, NINETEEN HUNDRED NINETY-EIGHT AND TO ENTER INTO AN AGREEMENT WITH THE COUNTY OF GENESEE TO PAY FIVE-TENTHS OF ONE PERCENT OF THE TOTAL DEPOSITS IN POOLS RESULTING FROM THE ACCEPTANCE OF SIMULCAST WAGERING AT BATAVIA DOWNS RACE TRACK IN ORDER TO COMPENSATE SUCH COUNTY FOR LOSSES THAT MAY OCCUR AS THE RESULT OF THE CLOSURE OF BRANCH OFFICES IN SAID COUNTY.

13. TO PERFORM SUCH OTHER ACTS AND ENGAGE IN SUCH OTHER ACTIVITIES AS MAY BE NECESSARY AND PROPER FOR EXERCISING ITS POWERS AND PERFORMING ITS DUTIES UNDER THIS ARTICLE.

S 505. ACQUISITION OR LEASING OF PROPERTY. 1. A PARTICIPATING COUNTY MAY, IN ACCORDANCE WITH THE PROVISIONS OF LAW GOVERNING THE ACQUISITION OR LEASING OF REAL PROPERTY BY SUCH COUNTY, ACQUIRE REAL PROPERTY IN THE NAME OF SUCH COUNTY BY PURCHASE OR CONDEMNATION FOR USE BY THE CORPORATION, OR LEASE REAL PROPERTY FROM OTHER OWNERS FOR SUCH PURPOSE, AND, BY RESOLUTION OF THE GOVERNING BODY OF SUCH COUNTY, MAY THROUGH LEASE OR CONTRACT MADE UPON SUCH TERMS AND CONDITIONS, WITH OR WITHOUT CONSIDERATION, AND FOR SUCH PERIOD OF TIME AS MAY BE AGREED UPON BY SUCH COUNTY AND THE CORPORATION, AUTHORIZE THE USE OR OCCUPANCY OF SUCH REAL PROPERTY BY THE CORPORATION FOR THE CARRYING OUT OF ITS CORPORATE PURPOSE.

2. SUCH COUNTY MAY, IN ACCORDANCE WITH THE PROVISIONS OF LAW GOVERNING THE ACQUISITION OR LEASING OF PERSONAL PROPERTY BY SUCH COUNTY, ACQUIRE OR LEASE PERSONAL PROPERTY FOR USE BY THE CORPORATION AND, ACTING BY THE GOVERNING BODY OF SUCH COUNTY, MAY BY LEASE OR CONTRACT MADE UPON SUCH TERMS AND CONDITIONS, WITH OR WITHOUT CONSIDERATION, AND FOR SUCH PERIOD OF TIME AS MAY BE AGREED UPON BY SUCH COUNTY AND THE CORPORATION AUTHORIZE THE USE OF SUCH PROPERTY BY THE CORPORATION OR TRANSFER TITLE TO SUCH PROPERTY TO IT, FOR THE CARRYING OUT OF ITS CORPORATE PURPOSE.

3. SUCH COUNTY MAY, BY RESOLUTION OF THE GOVERNING BODY OF SUCH COUNTY, OR BY AN INSTRUMENT AUTHORIZED BY SUCH A RESOLUTION, AUTHORIZE THE CORPORATION TO USE OR OCCUPY FOR ITS CORPORATE PURPOSE ANY REAL PROPERTY THEN OWNED BY OR UNDER LEASE TO SUCH COUNTY, UPON SUCH TERMS AND CONDITIONS, WITH OR WITHOUT CONSIDERATION, AND FOR SUCH PERIOD OF TIME, AS MAY BE AGREED UPON BY SUCH COUNTY AND THE CORPORATION; PROVIDED THAT, IN THE CASE OF ANY SUCH PROPERTY THEN UNDER LEASE TO SUCH COUNTY, THE

AUTHORIZATION GRANTED BY SUCH COUNTY TO THE CORPORATION SHALL BE WITHIN AND CONSISTENT WITH THE RIGHTS OF SUCH COUNTY AS LESSEE OF SUCH PROPERTY.

4. EACH CORPORATION, FOR THE CARRYING OUT OF ITS CORPORATE PURPOSE, MAY ITSELF ACQUIRE REAL PROPERTY IN THE NAME OF THE PARTICIPATING COUNTIES AT THE COST AND EXPENSE OF THE CORPORATION BY PURCHASE OR CONDEMNATION PURSUANT TO THE LAWS GOVERNING THE CONDEMNATION OF REAL PROPERTY BY EACH COUNTY. THE CORPORATION SHALL HAVE THE USE AND OCCUPANCY OF SUCH REAL PROPERTY SO LONG AS ITS CORPORATE EXISTENCE SHALL CONTINUE.

5. A. CONTRACTS MAY BE ENTERED INTO BY A PARTICIPATING COUNTY AND THE CORPORATION CONTAINING UNDERTAKINGS BY A PARTICIPATING COUNTY: (I) TO ACQUIRE OR LEASE REAL OR PERSONAL PROPERTY AND AUTHORIZE THE USE OR OCCUPANCY OF SAME BY THE CORPORATION; OR (II) TO AUTHORIZE THE CORPORATION TO USE OR OCCUPY REAL OR PERSONAL PROPERTY THEN OWNED BY OR UNDER LEASE TO A PARTICIPATING COUNTY; OR (III) TO PERFORM ANY OTHER ACTS ON THE PART OF SUCH COUNTY AUTHORIZED BY SUBDIVISIONS ONE, TWO AND THREE OF THIS SECTION, PROVIDED THE ACTS OF SUCH COUNTY CALLED FOR BY SUCH UNDERTAKINGS ARE IN CONFORMITY WITH THE PROVISIONS OF, AND WITHIN THE POWERS GRANTED TO THE COUNTY BY, SUCH SUBDIVISIONS ONE, TWO AND THREE OF THIS SECTION. THE MAKING OF ANY SUCH CONTRACT SHALL BE AUTHORIZED, ON BEHALF OF THE COUNTY, BY THE GOVERNING BODY OR THE COUNTY EXECUTIVE, OR BY BOTH, AS THE CASE MAY BE, IN THE SAME MANNER AS THE ACT OR ACTS OF THE COUNTY CALLED FOR BY THE UNDERTAKING OR UNDERTAKINGS IN SUCH CONTRACT ARE REQUIRED TO BE AUTHORIZED UNDER THE APPLICABLE PROVISIONS OF SUCH SUBDIVISIONS ONE, TWO AND THREE OF THIS SECTION.

B. IN THE EXERCISE OF ITS POWERS AND AUTHORITY UNDER SECTION SIX HUNDRED SEVEN OF THIS CHAPTER, THE METROPOLITAN OTB SHALL LOCATE ITS HEADQUARTERS AND A FULL SERVICE, HIGH QUALITY OFF-TRACK GAMING AND VIDEO LOTTERY GAMING, SIMULCAST TELE-THEATER AND PARKING LOT/GARAGE AT THE PRIME LOCATION KNOWN AS THE TIME EQUITIES BUILDING LOCATED AT 70 WEST SUNRISE HIGHWAY IN THE INCORPORATED VILLAGE OF FREEPORT, NEW YORK, INCLUDING A FULL SERVICE RESTAURANT AND OTHER DINING, LOUNGE AND ENTERTAINMENT FACILITIES. IN FURTHERANCE OF THE LOCATION OF SUCH HEADQUARTERS AND GAMING FACILITY AS AFORESAID, THE METROPOLITAN OTB SHALL ENTER INTO SUCH CAPITAL LEASE WITH THE INCORPORATED VILLAGE OF FREEPORT AS SHALL ENSURE THAT SAID REGIONAL OTB WILL AT ITS EXPENSE EFFECT ANY AND ALL SUCH RENOVATIONS AND UPGRADES TO SAID OFF-TRACK BETTING FACILITY AS SHALL BE NECESSARY AND CONVENIENT FOR IT TO BE OPERATED AS SUCH HEADQUARTERS AND FULL SERVICE OFF-TRACK BETTING FACILITY TO BE LICENSED HEREUNDER AND TO BE CERTIFIED TO BE IN COMPLIANCE WITH ALL STATE AND LOCAL FIRE AND SAFETY CODES SUCH THAT THE DIVISION IS AFFORDED ADEQUATE SPACE, INFRASTRUCTURE AND AMENITIES CONSISTENT WITH THE HIGHEST INDUSTRY STANDARDS FOR SUCH HEADQUARTERS AND FULL SERVICE, HIGH QUALITY OFF-TRACK GAMING AND VIDEO LOTTERY GAMING AND SIMULCAST TELE-THEATER FACILITIES AND OPERATIONS AS ARE FOUND IN OTHER STATES, CITIES AND REGIONS, INCLUDING:

(I) SUPERIOR CONSUMER AMENITIES AND CONVENIENCES TO ENCOURAGE AND ATTRACT THE PATRONAGE OF TOURISTS AND OTHER VISITORS FROM ACROSS THE REGION, STATE AND NATION; AND

(II) ADEQUATE MOTOR VEHICLE PARKING FACILITIES TO SATISFY EMPLOYEE AND PATRON REQUIREMENTS.

C. ANY SUCH CONTRACT BETWEEN A COUNTY OR OTHER POLITICAL SUBDIVISION AND THE CORPORATION MAY BE PLEDGED BY THE CORPORATION TO SECURE ITS BONDS OR NOTES AND MAY NOT BE MODIFIED THEREAFTER EXCEPT AS PROVIDED BY THE TERMS OF THE PLEDGE.

6. IN CASE THE CORPORATION SHALL HAVE THE USE OR OCCUPANCY OF ANY REAL PROPERTY WHICH IT SHALL DETERMINE IS NO LONGER REQUIRED FOR THE CARRYING OUT OF ITS CORPORATE PURPOSE, THEN, IF SUCH REAL PROPERTY WAS ACQUIRED AT THE COST AND EXPENSE OF A COUNTY, THE CORPORATION SHALL HAVE POWER TO SURRENDER ITS USE OR OCCUPANCY THEREOF TO THE COUNTY, OR, IF SUCH REAL PROPERTY WAS ACQUIRED AT THE COST AND EXPENSE OF THE CORPORATION, THE CORPORATION SHALL HAVE THE POWER TO SELL, LEASE OR OTHERWISE DISPOSE OF SAID REAL PROPERTY AT PUBLIC OR PRIVATE SALE, AND SHALL RETAIN AND HAVE THE POWER TO USE THE PROCEEDS OF SALE, RENTALS OR OTHER MONEYS DERIVED FROM THE DISPOSITION THEREOF FOR ITS CORPORATE PURPOSE.

7. NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL, SPECIAL OR LOCAL LAW TO THE CONTRARY, EACH CORPORATION MAY MAKE PURCHASES OF MATERIALS, EQUIPMENT OR SUPPLIES, WHEN AVAILABLE, THROUGH A PARTICIPATING COUNTY SUBJECT TO ANY PROCEDURES OR RULES WHICH MAY BE ESTABLISHED BY SUCH PARTICIPATING COUNTY PRESCRIBING THE CONDITIONS UNDER WHICH, AND THE MANNER IN WHICH PURCHASES MAY BE MADE. ALL PURCHASES SHALL BE SUBJECT TO AUDIT AND INSPECTION BY THE CORPORATION AND THE CORPORATION SHALL ACCEPT SOLE RESPONSIBILITY FOR ANY PAYMENT DUE THE VENDOR. THE CORPORATION SHALL MAKE NO PURCHASE THROUGH THE PARTICIPATING COUNTY WHEN BIDS HAVE BEEN RECEIVED FOR SUCH PURCHASE BY THE CORPORATION, UNLESS SUCH PURCHASE MAY BE MADE UPON THE SAME TERMS, CONDITIONS AND SPECIFICATIONS AT A LOWER PRICE THROUGH THE PARTICIPATING COUNTY.

S 507. CONTRACTS OF CORPORATIONS. 1. EACH CORPORATION SHALL LET CONTRACTS FOR CONSTRUCTION OR ANY OTHER WORK, INCLUDING THE FURNISHING OF MATERIALS OR SUPPLIES INCIDENT THERETO, AND CONTRACTS FOR THE PURCHASE OR PROCUREMENT OF EQUIPMENT, MATERIALS OR SUPPLIES: (I) IN THE MANNER PROVIDED BY LAW WITH RESPECT TO THE LETTING OF SUCH CONTRACTS BY COUNTIES EXCEPT THAT WHERE THE ESTIMATED EXPENSE OF A CONTRACT DOES NOT EXCEED FIFTEEN THOUSAND DOLLARS, SUCH CONTRACT MAY BE ENTERED INTO WITHOUT PUBLIC LETTING, PROVIDED, HOWEVER, THAT WHERE THE CORPORATION DETERMINES WITH RESPECT TO ANY CONTRACT THAT IT WOULD NOT BE IN THE PUBLIC INTEREST TO COMPLY WITH THIS SECTION AND THE GOVERNING BODY OF EACH COUNTY, BY RESOLUTION, RULE OR REGULATION ADOPTED BY THE VOTE OF TWO-THIRDS OF THE WHOLE NUMBER OF VOTES AUTHORIZED TO BE CAST BY ALL OF THE MEMBERS OF SUCH BODY, CONCURS IN SUCH DETERMINATION, THEN IT MAY ENTER INTO SUCH CONTRACT WITHOUT PUBLIC LETTING AS AUTHORIZED BY SAID RESOLUTION, RULES AND REGULATIONS; (II) IN CONJUNCTION WITH ONE OR MORE REGIONAL OFF-TRACK BETTING CORPORATIONS PURSUANT TO THIS SECTION; OR (III) IN THE MANNER PROVIDED IN SECTION SIX HUNDRED NINE OF THIS CHAPTER IN THE CASE OF THE METROPOLITAN OFF-TRACK BETTING CORPORATION.

2. THE CORPORATION MAY MAKE RULES AND REGULATIONS GOVERNING THE QUALIFICATIONS OF BIDDERS ENTERING INTO SUCH A CONTRACT WHERE THE COST OF SUCH A CONTRACT EXCEEDS TEN THOUSAND DOLLARS. THE BIDDING MAY BE RESTRICTED TO THOSE WHO SHALL HAVE QUALIFIED PRIOR TO THE RECEIPT OF BIDS ACCORDING TO STANDARDS FIXED BY THE CORPORATION; PROVIDED, HOWEVER, THAT NOTICE OR NOTICES FOR THE SUBMISSION OF QUALIFICATIONS SHALL BE PUBLISHED IN A NEWSPAPER WITH A GENERAL CIRCULATION IN THE REGION AT LEAST ONCE, NOT LESS THAN TEN DAYS PRIOR TO THE DATE FIXED FOR THE FILING OF QUALIFICATIONS.

3. IT SHALL BE A MISDEMEANOR FOR A DIRECTOR OF THE CORPORATION OR AN OFFICER, AGENT, EXECUTIVE OR OTHER EMPLOYEE RETAINED, EMPLOYED OR APPOINTED BY THE CORPORATION TO BE IN ANY MANNER OR WAY INTERESTED, DIRECTLY OR INDIRECTLY, AS PRINCIPAL, SURETY OR OTHERWISE IN A CONTRACT, THE EXPENSE OR CONSIDERATION WHEREOF IS PAYABLE OUT OF FUNDS OF THE CORPORATION.

S 516. MONEYS OF CORPORATIONS; DISPOSITION OF NET REVENUES. 1. THE MONETARY TRANSACTIONS OF THE CORPORATION AND THE KEEPING OF ITS BOOKS AND ACCOUNTS SHALL BE UNDER THE SUPERVISION OF THE BOARD OF DIRECTORS WHO SHALL BE SUBJECT TO THE GENERAL AND SPECIFIC JURISDICTION OF THE STATE BOARD AND TO AUDIT BY THE COMPTROLLER.

2. AFTER PAYMENT OF ALL OF THE COSTS OF THE CORPORATION'S FUNCTIONS, NET REVENUE REMAINING TO THE CORPORATION SHALL BE DIVIDED, QUARTERLY, NOT MORE THAN THIRTY DAYS AFTER THE CLOSE OF THE CALENDAR QUARTER, AMONG THE PARTICIPATING COUNTIES IN ACCORDANCE WITH THE FOLLOWING PROVISIONS:

A. EXCEPT IN THE CASE OF THE METROPOLITAN OTB, FIFTY PERCENT OF SUCH REVENUE DISTRIBUTED AMONG THE PARTICIPATING COUNTIES ON THE BASIS OF THE PROPORTION OF THE TOTAL OFF-TRACK PARI-MUTUEL WAGERING ACCEPTED BY THE CORPORATION DURING THE PREVIOUS CALENDAR QUARTER THAT ORIGINATED IN THE BRANCH OFFICES LOCATED IN EACH PARTICIPATING COUNTY;

B. EXCEPT IN THE CASE OF THE METROPOLITAN OTB, FIFTY PERCENT OF SUCH REVENUE ON THE BASIS OF POPULATION, AS DEFINED AS THE TOTAL POPULATION IN EACH PARTICIPATING COUNTY SHOWN BY THE LATEST PRECEDING DECENNIAL FEDERAL CENSUS COMPLETED AND PUBLISHED AS A FINAL POPULATION COUNT BY THE UNITED STATES BUREAU OF THE CENSUS PRECEDING THE COMMENCEMENT OF THE CALENDAR YEAR IN WHICH SUCH DISTRIBUTION IS TO BE MADE; AND

C. A PARTICIPATING COUNTY CONTAINING A CITY ELECTING TO PARTICIPATE IN THE MANAGEMENT AND REVENUES OF A CORPORATION UNDER SUBDIVISION TWO OF SECTION FIVE HUNDRED TWO OF THIS ARTICLE SHALL DISTRIBUTE REVENUE RECEIVED UNDER PARAGRAPHS A AND B OF THIS SUBDIVISION TO SUCH CITY ACCORDING TO THE PROPORTION SUCH CITY'S POPULATION BEARS TO THE COUNTY'S POPULATION.

D. IN THE CASE OF THE METROPOLITAN OTB, SUCH REVENUE SHALL BE DISTRIBUTED AMONG THE STATE AND THE COUNTY OF NASSAU ON THE BASIS OF THE PROPORTION OF THE TOTAL OFF-TRACK PARI-MUTUEL WAGERING ACCEPTED BY THE CORPORATION DURING THE PREVIOUS CALENDAR QUARTER THAT ORIGINATED IN THE BRANCH OFFICES LOCATED IN NEW YORK CITY AND NASSAU COUNTY, RESPECTIVELY.

3. THE COMPTROLLER AND HIS LEGALLY AUTHORIZED REPRESENTATIVE ARE AUTHORIZED TO AND SHALL FROM TIME TO TIME BUT AT LEAST ONCE ANNUALLY, EXAMINE THE ACCOUNTS AND BOOKS OF THE CORPORATION, INCLUDING ITS RECEIPTS, DISBURSEMENTS, CONTRACTS, LEASES, SINKING FUNDS, INVESTMENTS AND ANY OTHER RECORDS AND PAPERS RELATING TO ITS FINANCIAL STANDING.

4. THE CORPORATION SHALL HAVE POWER, NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, TO CONTRACT WITH THE HOLDERS OF ANY OF ITS BONDS AS TO THE CUSTODY, COLLECTION, SECURING, INVESTMENT AND PAYMENT OF ANY MONEYS OF THE CORPORATION OR ANY MONEYS HELD IN TRUST OR OTHERWISE FOR THE PAYMENT OF BONDS IN ANY WAY TO SECURE BONDS, AND TO CARRY OUT ANY SUCH CONTRACT NOTWITHSTANDING THAT SUCH CONTRACT MAY BE INCONSISTENT WITH THE PREVIOUS PROVISIONS OF THIS SECTION.

5. MONEYS HELD IN TRUST OR OTHERWISE FOR THE PAYMENT OF BONDS OR IN ANY WAY TO SECURE BONDS AND DEPOSITS OF SUCH MONEYS MAY BE SECURED IN THE SAME MANNER AS MONEYS OF THE CORPORATION, AND ALL BANKS AND TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY FOR SUCH DEPOSITS.

S 3. There is hereby created a task force on the future of off-track betting in New York state. The task force shall be comprised of five members, appointed by the governor, one of whom shall be appointed on the recommendation of the temporary president of the senate and one of whom shall be appointed on the recommendation of the speaker of the assembly. All members shall be appointed within 30 days of the effective date of this act. Task force members shall receive no compensation for their services, but shall be reimbursed for actual and necessary travel expenses incurred in the performance of their duties. The task force is

authorized to utilize the services and support of the racing and wagering board, the division of the lottery and any other state entity which may contribute to its mission. The task force shall analyze and make recommendations concerning the optimal utilization of the state's regional off-track betting system with an emphasis on the system's capability to raise revenues for state and local governments and strengthen the racing and breeding industries in New York. Such analyses and recommendations shall result from a study to be conducted by the task force in consultation with representatives of the state's regional off-track betting corporations, representatives of local governments, thoroughbred and harness racetrack operators, horsemen and breeders, operators of video lottery terminals at various tracks, pari-mutuel/technology vendors serving the pari-mutuel industry and New York State American Federation of Labor-Congress of Industrial Organizations. The task force shall no later than March 1, 2011 report its findings and recommendations to the governor and the legislature. However, the status of its ongoing inquiry shall be made available at any time to the governor, the temporary president of the senate and the speaker of the assembly upon request.

Such analysis should, but may not be limited to, focus on the current and future pari-mutuel marketplace with respect to wagering at off-track sites, legislative and regulatory issues, the industry's changing competitive environment, the economic contributions of the racing and breeding industry to New York and its communities and potential revenue impacts to the state and industry, and the necessity for regulation of advance deposit wagering providers that are engaged in the business of accepting pari-mutuel wagering on horse racing from persons within New York state.

S 4. Notwithstanding any other provision of this act or any other law, rule or regulation, the public benefit corporations known as the New York city off-track betting corporation and the Nassau county off-track betting corporation, shall upon the effective date of this act, continue in existence as a combined corporation to be known as the Metropolitan off-track betting corporation and shall continue to be the public benefit corporation authorized to operate the system for off-track pari-mutuel wagering on horse races within New York city and Nassau county, subject to the provisions of this act, and in accordance with the racing, pari-mutuel wagering and breeding law and all other applicable requirements of law. The Metropolitan off-track betting corporation shall continue to be bound on and after the effective date of this act by any contract, lease, memorandum of understanding, requirement of statute or other lawful obligation or liability by or to which the New York city or Nassau county off-track betting corporation was a party, obligated or bound, or that otherwise applied to such corporation as of or prior to the effective date of this act. Except as otherwise specifically provided in this act, the Metropolitan off-track betting corporation shall continue to exercise the statutory, contractual and other rights, privileges, powers and duties that applied to such corporations as of or prior to the effective date of this act. To the extent that existing collective bargaining agreements refer to actions, powers or approvals by agencies of the city of New York or Nassau county in relation to matters not within the scope of section 606 of the racing, pari-mutuel wagering and breeding law, such corporation shall, beginning promptly upon the effective date of this act, negotiate with such representatives to arrive at interim agreements that contain, except as may otherwise be agreed by the parties, substantially equivalent actions,

powers or approvals by such corporation or agencies of the state, including approval by the governor's office of employee relations; provided, however that such corporation shall reimburse New York city, Nassau county or their designees for the actual costs of such actions, incurred after the effective date of this act and prior to the execution of such interim agreements. Nothing contained in this act shall be construed to diminish the rights of employees under any collective bargaining agreement, or any rights pursuant to paragraph (e) of subdivision 1 of section 209-a of the civil service law.

S 5. Notwithstanding any other provision of law or regulation to the contrary, all funds accumulated in the capital acquisition funds, established pursuant to sections 508 and 609-a of the racing, pari-mutuel wagering and breeding law, prior to July 1, 2010 or deposited into such fund thereafter shall be made available to the Metropolitan off-track betting corporation for any corporate purpose.

S 6. Notwithstanding any other provision of law or regulation, the board of directors of the Metropolitan off-track betting corporation may meet in executive session, including telephonically, on an emergency basis without notice at any time prior to August 1, 2010.

S 7. Notwithstanding any other provision of law or regulation, nothing in this act shall diminish the rights that retired employees and officers of the New York city and Nassau county off-track betting corporations have to participate in, and receive benefits from any city/county authorized health insurance or welfare benefit program; provided, however, that the corporation shall reimburse the city/county or its designee for the actual cost of such benefits.

S 8. The opening paragraph of section 509-a of the racing, pari-mutuel wagering and breeding law, as amended by chapter 346 of the laws of 1990, is amended to read as follows:

The corporation may create and establish a capital acquisition fund for the purpose of financing the acquisition, construction or equipping of offices, facilities or premises of the corporation. Such capital acquisition fund shall consist of (i) the amounts specified pursuant to subdivision [three-a] THREE of section five hundred thirty-two of this chapter; and (ii) contributions from the corporation's pari-mutuel wagering pools, subject to the following limitations:

S 9. Sections 518, 519, 521, 523, 527 and 532 of the racing, pari-mutuel wagering and breeding law are REPEALED and six new sections 518, 519, 521, 523, 527 and 532 are added to read as follows:

S 518. OFF-TRACK PARI-MUTUEL BETTING; OBJECTIVES. IN THE EXERCISE OF THE POWER VESTED IN IT BY SUBDIVISION ONE OF SECTION NINE OF ARTICLE ONE OF THE STATE CONSTITUTION, THE LEGISLATURE HEREBY PRESCRIBES THAT OFF-TRACK PARI-MUTUEL BETTING ON HORSE RACES, CONDUCTED UNDER THE ADMINISTRATION OF THE STATE RACING AND WAGERING BOARD IN THE MANNER AND SUBJECT TO THE CONDITIONS PROVIDED FOR IN THIS ARTICLE, SHALL BE LAWFUL, NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW, GENERAL, SPECIAL OR LOCAL, INCLUDING ANY LAW PROHIBITING OR RESTRICTING LOTTERIES, POOL-SELLING OR BOOKMAKING OR ANY OTHER KIND OF GAMBLING; IT BEING THE PURPOSE OF THIS ARTICLE TO DERIVE FROM SUCH BETTING, AS AUTHORIZED BY THIS ARTICLE, A REASONABLE REVENUE FOR THE SUPPORT OF GOVERNMENT, AND TO PREVENT AND CURB UNLAWFUL BOOKMAKING AND ILLEGAL WAGERING ON HORSE RACES. IT IS ALSO THE INTENTION OF THIS ARTICLE TO ENSURE THAT OFF-TRACK BETTING IS CONDUCTED IN A MANNER COMPATIBLE WITH THE WELL-BEING OF THE HORSE RACING AND BREEDING INDUSTRIES IN THIS STATE, WHICH INDUSTRIES ARE AND SHOULD CONTINUE TO BE MAJOR SOURCES OF REVENUE TO STATE AND LOCAL GOVERNMENT AND SOURCES OF EMPLOYMENT FOR THOUSANDS OF STATE RESIDENTS.

S 519. DEFINITIONS. THE FOLLOWING TERMS SHALL MEAN AND INCLUDE:

1. "REGION." ONE OR MORE OF THE FOLLOWING NAMED REGIONS COMPRISED OF THE COUNTIES INDICATED:

A. SUFFOLK: SUFFOLK COUNTY;

B. NASSAU: NASSAU COUNTY;

C. NEW YORK CITY: THE FIVE COUNTIES COMPRISING THE CITY OF NEW YORK;

D. CATSKILL: BROOME, CHEMUNG, CHENANGO, DELAWARE, ORANGE, ROCKLAND, SULLIVAN, TIOGA, DUTCHESS, TOMPKINS, WESTCHESTER, PUTNAM AND ULSTER COUNTIES;

E. CAPITAL DISTRICT: ALBANY, CLINTON, COLUMBIA, CORTLAND, ESSEX, FRANKLIN, FULTON, GREENE, HAMILTON, HERKIMER, MADISON, MONTGOMERY, ONEIDA, OTSEGO, RENSSELAER, SARATOGA, SCHENECTADY, SCHOHARIE, ST. LAWRENCE, WARREN AND WASHINGTON COUNTIES;

F. CENTRAL: LEWIS AND ONONDAGA COUNTIES;

G. WESTERN: ALLEGANY, CATTARAUGUS, CAYUGA, CHAUTAUQUA, ERIE, GENESEE, JEFFERSON, LIVINGSTON, MONROE, NIAGARA, ONTARIO, ORLEANS, OSWEGO, SCHUYLER, SENECA, STEUBEN, WAYNE, WYOMING AND YATES COUNTIES;

H. NOTWITHSTANDING THE OTHER PROVISIONS OF THIS SUBDIVISION, WHEN AND IF THE CENTRAL REGIONAL OFF-TRACK BETTING CORPORATION IS ESTABLISHED, IT SHALL INCLUDE, IN ADDITION TO THE COUNTIES LISTED IN PARAGRAPH F, THE FOLLOWING: CAYUGA, CHENANGO, CORTLAND, FRANKLIN, HERKIMER, JEFFERSON, MADISON, ONEIDA, OSWEGO, OTSEGO AND TOMPKINS COUNTIES.

I. NOTWITHSTANDING THE OTHER PROVISIONS OF THIS SUBDIVISION, WHEN THE METROPOLITAN REGIONAL OFF-TRACK BETTING CORPORATION IS ESTABLISHED, IT SHALL INCLUDE NEW YORK CITY AND NASSAU COUNTY.

2. "EXOTIC BET" OR "EXOTIC WAGER." A SINGLE BET OR WAGER ON THREE OR MORE HORSES, EVIDENCED BY A SINGLE TICKET AND REPRESENTING AN INTEREST IN A SINGLE BETTING POOL.

3. "MULTIPLE BET" OR "MULTIPLE WAGER." A SINGLE BET OR WAGER ON TWO HORSES, EVIDENCED BY A SINGLE TICKET AND REPRESENTING AN INTEREST IN A SINGLE BETTING POOL.

4. "RETAINED COMMISSION." THE PERCENTAGE RETAINED BY EACH REGIONAL CORPORATION CONDUCTING OFF-TRACK BETTING OF ALL SUMS DEPOSITED IN ANY PARI-MUTUEL POOL THROUGH SUCH CORPORATION, LESS THE AMOUNTS REFUNDED AND PAID OR HELD FOR PAYMENT TO THE HOLDERS OF WINNING TICKETS THEREIN, PROVIDED SUCH TICKETS BE PRESENTED FOR PAYMENT PRIOR TO APRIL FIRST OF THE YEAR FOLLOWING THE YEAR OF THEIR PURCHASE, AND LESS AN AMOUNT WHICH SHALL BE RETAINED TO COVER THE "COST OF CORPORATION'S FUNCTIONS" AS SET FORTH IN SECTIONS FIVE HUNDRED ONE AND SIX HUNDRED TWO OF THIS CHAPTER AND THE STATE TAX LEVIED PURSUANT TO SUBDIVISION ONE OF SECTION FIVE HUNDRED TWENTY-SEVEN OF THIS ARTICLE, AT THE SAME RATE OF RETENTION ESTABLISHED BY THE TRACK ACCEPTING WAGERS FROM EACH SUCH REGIONAL CORPORATION.

5. "ARTICLE." AS USED IN THIS ARTICLE MAY ALSO REFER TO ARTICLES FIVE AND SIX.

S 521. APPROVAL OF PLANS OF OPERATION; AMENDMENTS. IN ORDER TO ACCOMPLISH THE OBJECTIVES OF THIS ARTICLE, THE BOARD SHALL HAVE THE POWER, SUBJECT TO THE PROVISIONS OF THIS ARTICLE BUT WITHOUT LIMITING THE GENERALITY OF ANY PROVISION OF THIS CHAPTER, TO APPROVE A PLAN OF OPERATION SUBMITTED BY ANY REGIONAL CORPORATION CREATED UNDER ARTICLE FIVE OF THIS CHAPTER.

1. BEFORE IT MAY GRANT SUCH APPROVAL, THE BOARD MUST REVIEW AND APPROVE A FEASIBILITY STUDY SUBMITTED BY SUCH CORPORATION, INCLUDING BUT NOT LIMITED TO THE FOLLOWING SUBJECTS:

A. THE OVERALL PRACTICABILITY OF ESTABLISHING AND OPERATING AN EFFICIENT AND PROFITABLE SYSTEM OF OFF-TRACK BETTING IN SUCH REGION OR IN SUCH COUNTIES THAT HAVE ELECTED TO PARTICIPATE IN THE CORPORATION;

B. THE POTENTIAL MARKET;

C. THE ESTIMATED COSTS OF OPERATION;

D. THE PROBABLE TYPES OF WAGERING AND NUMBER OF OPPORTUNITIES REQUIRED FOR SUCCESSFUL OPERATION;

E. THE PROBABLE IMPACT OF THE PROPOSED OPERATION UPON ON-TRACK ATTENDANCE AND PARI-MUTUEL BETTING WITHIN THE REGION. THE BOARD MAY, WITHIN THE TIME PROVIDED FOR APPROVAL, REQUEST ADDITIONAL INFORMATION FROM THE CORPORATION. DISAPPROVAL OF THE FEASIBILITY STUDY SHALL BE ACCOMPANIED BY A STATEMENT OF THE REASONS THEREFOR AND SHALL BE TREATED AS DISAPPROVAL OF A PLAN UNDER SUBDIVISION THREE OF THIS SECTION.

2. THE PLAN OF OPERATION SHALL INCLUDE THE FOLLOWING:

A. THE ORGANIZATIONAL STRUCTURE OF THE CORPORATION INCLUDING THE APPROXIMATE NUMBER AND COMPENSATION OF EMPLOYEES;

B. A NARRATIVE DESCRIPTION OF THE SYSTEM;

C. THE TYPES AND APPROXIMATE COST OF DATA PROCESSING, COMMUNICATION AND TRANSMISSION FACILITIES THAT WILL BE UTILIZED, INCLUDING BACK-UP SYSTEMS;

D. SECURITY MEASURES;

E. THE TYPE AND NUMBER OF BETTING OPPORTUNITIES TO BE OFFERED;

F. THE RACE TRACKS AND RACES FOR WHICH BETS WILL BE TAKEN;

G. THE MAXIMUM AND MINIMUM NUMBER OF RETAIL OUTLETS OR BETTING OFFICES TO BE ESTABLISHED;

H. THE PROPOSED SYSTEM OF ACCOUNTS; AND

I. THE AMOUNT AND PROPOSED SOURCES OF FINANCING.

3. WITHIN NINETY DAYS OF RECEIPT OF THE FEASIBILITY STUDY AND PLAN, THE BOARD SHALL ISSUE AN ORDER APPROVING THE PLAN, APPROVING IT WITH MODIFICATIONS OR DENYING APPROVAL AND STATING ITS REASONS THEREFOR. WITHIN SUCH PERIOD THE BOARD MAY REQUEST ADDITIONAL INFORMATION OR SUGGEST AMENDMENTS. IF THE BOARD FAILS TO APPROVE THE PLAN WITHOUT MODIFICATION, THE CORPORATION MAY REQUEST A PUBLIC HEARING TO BE HELD WITHIN THIRTY DAYS OF THE ISSUANCE OF AN ORDER APPROVING AN APPLICATION WITH MODIFICATIONS OR DENYING IT. THE BOARD SHALL ISSUE ITS FINAL DETERMINATION WITHIN TEN DAYS OF SUCH HEARING. THE CORPORATION MAY SUBMIT AN AMENDED APPLICATION NO SOONER THAN NINETY DAYS AFTER A DENIAL.

4. A PLAN OF OPERATION MAY BE AMENDED FROM TIME TO TIME AT THE REQUEST OF EITHER THE CORPORATION OR THE BOARD. THE CORPORATION SHALL HAVE THE RIGHT TO BE HEARD CONCERNING ANY AMENDMENT TO THE PLAN PROPOSED AFTER IMPLEMENTATION AND THE BOARD SHALL DISPOSE OF SUCH PROPOSED AMENDMENTS AS EXPEDITIOUSLY AS PRACTICABLE, BUT NO LATER THAN THIRTY DAYS FOLLOWING SUBMISSION BY THE CORPORATION OR, IN THE CASE OF AMENDMENTS PROPOSED BY THE BOARD, OBJECTION BY THE CORPORATION.

5. ANY ARRANGEMENTS FOR TELECASTS OR BROADCASTS OF RUNNING RACES PURSUANT TO CONTRACTS WITH TRACK OPERATORS SHALL CONSTITUTE A PART OF THE PLAN OF OPERATION, OR AN AMENDMENT THERETO, AS THE CASE MAY BE.

6. A. THE PLAN OF OPERATION OF THE NEW YORK CITY OFF-TRACK BETTING CORPORATION IN EFFECT ON JULY FIRST, NINETEEN HUNDRED SEVENTY-THREE, SHALL BE DEEMED APPROVED BY THE BOARD, BUT SHALL THEREAFTER BE SUBJECT TO THE GENERAL JURISDICTION OF THE BOARD IN THE SAME MANNER AS ARE THE PLANS OF OTHER REGIONAL CORPORATIONS.

B. THE PLAN OF OPERATION FOR THE METROPOLITAN OFF-TRACK BETTING CORPORATION, TO BE ADOPTED BY SAID CORPORATION NO LATER THAN JULY THIRTY-FIRST, TWO THOUSAND TEN, SHALL BE DEEMED APPROVED BY THE BOARD,

BUT SHALL THEREAFTER BE SUBJECT TO THE GENERAL JURISDICTION OF THE BOARD IN THE SAME MANNER AS ARE THE PLANS OF OTHER REGIONAL CORPORATIONS.

7. A. THE CITY OF SCHENECTADY MAY CONTINUE TO OPERATE OFF-TRACK PARI-MUTUEL BETTING WITHIN SUCH CITY, SUBJECT TO THE JURISDICTION OF THE STATE RACING AND WAGERING BOARD, UNTIL THE BOARD APPROVES A PLAN OF OPERATION SUBMITTED BY THE CAPITAL DISTRICT REGIONAL OFF-TRACK BETTING CORPORATION AND SUCH PLAN OF OPERATION IS IMPLEMENTED; PROVIDED, HOWEVER, THAT DURING ANY PERIOD THAT THE CITY OF SCHENECTADY CONTINUES TO OPERATE OFF-TRACK PARI-MUTUEL BETTING WITHIN SUCH CITY PURSUANT TO THIS SUBDIVISION, IT MAY ACCEPT OFF-TRACK WAGERS ON RACES AT ANY HARNESS TRACK WITHIN THE STATE WHICH SO AGREES SUBJECT TO THE APPROVAL OF THE STATE RACING AND WAGERING BOARD UNTIL SUCH TIME AS THE HARNESS TRACK LOCATED WITHIN THE CAPITAL DISTRICT AND THE CITY OF SCHENECTADY MUTUALLY AGREE OF THE PROVISION OF APPROPRIATE SPACE AND FACILITIES AT SUCH TRACK FOR SUCH CITY AND SUCH AGREEMENT IS IMPLEMENTED. SUCH PLAN OF OPERATION SHALL MAKE DUE PROVISION WITH RESPECT TO INVESTMENTS AND OBLIGATIONS OF THE CITY OF SCHENECTADY MADE OR INCURRED IN THE OPERATION OF OFF-TRACK PARI-MUTUEL BETTING. THE COUNTY OF SCHENECTADY SHALL REIMBURSE THE CITY OF SCHENECTADY ON ACCOUNT OF LOST REVENUES FROM THE OPERATION OF OFF-TRACK BETTING. THE AMOUNT OF REIMBURSEMENT SHALL BE CALCULATED UNDER THE RULES OF THE BOARD TO GUARANTEE THAT THE CITY SHALL RECEIVE ANNUALLY AN AMOUNT EQUAL TO THE NET REVENUE RECEIVED FROM OFF-TRACK BETTING FOR THE CALENDAR YEAR NINETEEN HUNDRED SEVENTY-THREE OR A PER CENTUM OF THE NET REVENUES RECEIVED BY SUCH COUNTY OBTAINED BY DIVIDING THE BETS ORIGINATING IN SUCH CITY BY THE BETS ORIGINATING IN SUCH COUNTY DURING THE DISTRIBUTION PERIOD, WHICHEVER IS LESS. REIMBURSEMENT SHALL CONTINUE FOR A PERIOD OF TEN YEARS AND SHALL BE MADE IN SUBSTANTIALLY EQUAL QUARTERLY PAYMENTS.

B. UNTIL SUCH TIME AS THE CAPITAL DISTRICT REGIONAL OFF-TRACK BETTING CORPORATION'S PLAN OF OPERATION HAS BEEN APPROVED BY THE STATE RACING AND WAGERING BOARD AND THE COUNTY OF SCHENECTADY HAS ENACTED ENABLING LEGISLATION TO JOIN SUCH CORPORATIONS AND SUCH COUNTY'S PARTICIPATION HAS BEEN IMPLEMENTED, THE CITY OF SCHENECTADY SHALL HAVE ALL THE RIGHTS, POWERS, DUTIES AND OBLIGATIONS OF THE COUNTY OF SCHENECTADY UNDER THIS CHAPTER, INCLUDING BUT NOT LIMITED TO THE RIGHT TO PARTICIPATE IN THE FORMATION OF SUCH CORPORATION OR SUBSEQUENTLY TO PARTICIPATE IN THE OPERATION THEREOF, AS THE CASE MAY BE, EXCEPT THAT THE GEOGRAPHICAL BOUNDARIES OF SUCH CITY'S PARTICIPATION SHALL BE LIMITED TO THE CITY OF SCHENECTADY.

C. THE STATE OF NEW YORK AND THE COUNTY OF NASSAU MAY CONTINUE TO OPERATE OFF-TRACK PARI-MUTUEL BETTING WITHIN THE CITY OF NEW YORK AND THE COUNTY OF NASSAU, SUBJECT TO THE JURISDICTION OF THE STATE RACING AND WAGERING BOARD, UNTIL THE METROPOLITAN REGIONAL OFF-TRACK BETTING CORPORATION APPROVES A PLAN OF OPERATION, TO BE ADOPTED BY THE CORPORATION NO LATER THAN JULY THIRTY-FIRST, TWO THOUSAND TEN, WHICH PLAN OF OPERATION SHALL BE IMPLEMENTED NO LATER THAN AUGUST THIRTY-FIRST, TWO THOUSAND TEN; PROVIDED, HOWEVER, THAT DURING ANY PERIOD THAT THE NEW YORK CITY OFF-TRACK BETTING CORPORATION AND/OR THE NASSAU OFF-TRACK BETTING CORPORATION CONTINUES TO OPERATE OFF-TRACK PARI-MUTUEL BETTING WITHIN SUCH CITY AND/OR COUNTY PURSUANT TO THIS SUBDIVISION, IT MAY ACCEPT OFF-TRACK WAGERS ON RACES AT ANY HARNESS TRACK WITHIN THE STATE FOR WHICH IT MAY ACCEPT BETS ON THE EFFECTIVE DATE HEREOF. SUCH PLAN OF OPERATION SHALL MAKE DUE PROVISION WITH RESPECT TO INVESTMENTS AND OBLIGATIONS OF THE CITY OF NEW YORK AND/OR THE COUNTY OF NASSAU MADE OR INCURRED IN THE OPERATION OF OFF-TRACK PARI-MUTUEL BETTING THROUGH THE

DATE SAID PLAN OF OPERATION FOR THE METROPOLITAN REGIONAL OFF-TRACK BETTING CORPORATION IS IMPLEMENTED.

8. THE BOARD MAY AUTHORIZE AND APPROVE:

A. AN APPLICATION SUBMITTED BY THE NEW YORK CITY OFF-TRACK BETTING CORPORATION TO AMEND ITS PLAN OF OPERATION, PURSUANT TO THE PROVISIONS OF THIS SECTION, TO PROVIDE FOR THE DISPLAY IN NO MORE THAN TWO EXISTING FACILITIES WITHIN RICHMOND COUNTY OF TELECASTS OF LIVE AUDIO AND VISUAL SIGNALS OF HARNESS RACING FROM ANY HARNESS RACING ASSOCIATION OR CORPORATION WITHIN ITS REGION; PROVIDED, HOWEVER, THAT: (I) THE ASSOCIATION OR CORPORATION CONDUCTING SUCH RACING HAS ENTERED INTO A WRITTEN AGREEMENT FOR SUCH TELECASTS WITH THE NEW YORK CITY OFF-TRACK BETTING CORPORATION PURSUANT TO SECTION FIVE HUNDRED TWENTY-SEVEN OF THIS ARTICLE, WHICH AGREEMENT SHALL TERMINATE NO LATER THAN THE THIRTIETH DAY OF JUNE, NINETEEN HUNDRED EIGHTY-FIVE; (II) ALL EXPENSES INCURRED IN THE IMPLEMENTATION OF SUCH AMENDMENT TO ITS PLAN OF OPERATION FOR SUCH TELECASTING SHALL BE THE RESPONSIBILITY OF THE NEW YORK CITY OFF-TRACK BETTING CORPORATION; AND (III) THE BOARD SHALL SUBMIT REPORTS TO THE GOVERNOR AND THE LEGISLATURE EVALUATING THE RESULTS OF SUCH EXPERIMENT ON THE COMPATIBILITY WITH THE WELL-BEING OF THE HORSE RACING AND BREEDING INDUSTRIES IN THIS STATE, AND ITS EFFECT ON HANDLE AND ATTENDANCE AT OFF-TRACK FACILITIES WITHIN RICHMOND COUNTY, AND INCLUDING RECOMMENDATIONS REGARDING THE FUTURE AUTHORIZATION OF THE TELECAST OF LIVE AUDIO AND VISUAL SIGNALS INTO OFF-TRACK BETTING FACILITIES; AND

B. ONE OTHER APPLICATION SUBMITTED BY AN OFF-TRACK BETTING CORPORATION, OTHER THAN THE NEW YORK CITY OFF-TRACK BETTING CORPORATION, TO AMEND ITS PLAN OF OPERATION, PURSUANT TO THE PROVISIONS OF THIS SECTION, TO PROVIDE FOR THE DISPLAY IN TWO EXISTING FACILITIES WITHIN ITS REGION OF TELECASTS OF LIVE AUDIO AND VISUAL SIGNALS OF HARNESS RACING FROM ANY HARNESS RACING ASSOCIATION OR CORPORATION WITHIN ITS REGION; PROVIDED HOWEVER, THAT: (I) THE ASSOCIATION OR CORPORATION CONDUCTING SUCH RACING HAS ENTERED INTO A WRITTEN AGREEMENT FOR SUCH TELECASTS WITH SUCH OFF-TRACK BETTING CORPORATION PURSUANT TO SECTION FIVE HUNDRED TWENTY-SEVEN OF THIS ARTICLE, WHICH AGREEMENT SHALL TERMINATE NO LATER THAN THE THIRTIETH DAY OF JUNE, NINETEEN HUNDRED EIGHTY-FIVE; (II) ALL EXPENSES INCURRED IN THE IMPLEMENTATION OF SUCH AMENDMENT TO ITS PLAN OF OPERATION FOR SUCH TELECASTING SHALL BE THE RESPONSIBILITY OF THE OFF-TRACK BETTING CORPORATION; AND (III) THE BOARD SHALL SUBMIT REPORTS TO THE GOVERNOR AND THE LEGISLATURE EVALUATING THE RESULTS OF SUCH EXPERIMENT ON THE COMPATIBILITY WITH THE WELL-BEING OF THE HORSE RACING AND BREEDING INDUSTRIES IN THIS STATE, AND AT OFF-TRACK FACILITIES WITHIN ITS REGION, AND INCLUDING RECOMMENDATIONS REGARDING THE FUTURE AUTHORIZATION OF THE TELECAST OF LIVE AUDIO AND VISUAL SIGNALS INTO OFF-TRACK BETTING FACILITIES.

C. PROVIDED, HOWEVER, THAT SUCH AUDIO AND VISUAL TELECASTS INTO APPROVED FACILITIES SHALL COMMENCE NO EARLIER THAN SIXTY DAYS AFTER SUCH TELECASTS HAVE BEEN APPROVED. DURING SUCH TIME, THE OFF-TRACK BETTING CORPORATION SHALL PROVIDE TO THE BOARD DAILY DATA, TO INCLUDE BUT NOT BE LIMITED TO, WAGERS, SEPARATELY BY TYPE OF RACING AND WAGERS, ATTENDANCE AND PROMOTION EXPENDITURES OF SUCH FACILITIES IN SUCH MANNER AS THE BOARD MAY REQUIRE. SUCH DATA WILL BE USED AS THE PRE-TELECAST BASE TO EVALUATE THE IMPACT OF SUCH TELECASTS. IN ADDITION, SUCH SIMILAR DATA AND INFORMATION SHALL ALSO BE SUPPLIED TO THE BOARD DURING THE PERIOD THAT SUCH TELECASTS ARE AUTHORIZED. NO CHANGE IN THE TYPES OF WAGERS OFFERED TO PATRONS MAY BE MADE WITHOUT PRIOR WRITTEN APPROVAL BY THE BOARD OF AT LEAST THIRTY DAYS IN ADVANCE OF SUCH REQUESTED CHANGE.

S 523. GENERAL LIMITATIONS ON OFF-TRACK BETTING. THE BOARD SHALL REQUIRE THAT ANY REGIONAL CORPORATION CONDUCT OFF-TRACK PARI-MUTUEL BETTING IN ACCORDANCE WITH THIS SECTION.

1. THE SYSTEM OF OFF-TRACK BETTING OPERATED BY SUCH CORPORATION, EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, SHALL RESULT IN THE COMBINATION OF ALL OFF-TRACK WAGERS WITH ON-TRACK WAGERS SO AS TO PRODUCE COMMON PARI-MUTUEL BETTING POOLS FOR THE CALCULATION OF ODDS AND THE DETERMINATION OF PAYOUTS FROM SUCH POOL, WHICH PAYOUT SHALL BE THE SAME FOR ALL WINNING TICKETS, IRRESPECTIVE OF WHETHER A WAGER IS PLACED OFF-TRACK OR ON-TRACK.

2. EXOTIC AND MULTIPLE BETS ON RACES RUN WITHIN THE STATE MAY BE APPROVED BY THE BOARD WITHOUT A COMPARABLE ON-TRACK POOL, PROVIDED THAT THE CORPORATION OR ASSOCIATION CONDUCTING SUCH RACES SHALL HAVE FILED WITH THE BOARD A WRITTEN CONSENT FOR SUCH OFF-TRACK EXOTIC OR MULTIPLE BETS ON RACES HELD AT ITS TRACK.

3. THE BOARD MAY APPROVE SEPARATE OFF-TRACK POOLS ON RACES RUN IN OTHER STATES SUBJECT TO THE LIMITATIONS OF THIS SECTION AND OF SUBDIVISION EIGHT OF THIS SECTION IN PARTICULAR.

4. NO REGIONAL CORPORATION AUTHORIZED TO CONDUCT OFF-TRACK BETTING BY THE BOARD SHALL ACCEPT OFF-TRACK WAGERS ON RACES RUN AT ANY HARNESS TRACK LOCATED WITHOUT ITS REGION WHILE A HARNESS TRACK WITHIN ITS REGION IS CONDUCTING A RACE MEETING INVOLVING PARI-MUTUEL BETTING WITHOUT THE APPROVAL OF THE REGIONAL OPERATING HARNESS TRACK; PROVIDED, HOWEVER, THAT FOR THE PURPOSES OF THIS SUBDIVISION, THE SUFFOLK REGION, THE METROPOLITAN REGION, AND THE PORTION OF THE CATSKILL REGION OUTSIDE A SPECIAL BETTING DISTRICT SHALL BE CONSIDERED A SINGLE REGION; AND FURTHER PROVIDED, HOWEVER, THAT FOR THE PURPOSES OF THIS SUBDIVISION, THERE SHALL BE CREATED A HARNESS SPECIAL BETTING DISTRICT, CONSISTING OF THE COUNTIES OF CAYUGA, CHENANGO, CORTLAND, FRANKLIN, HERKIMER, JEFFERSON, LEWIS, MADISON, ONEIDA, ONONDAGA, OSWEGO, OTSEGO, ST. LAWRENCE AND TOMPKINS IN WHICH NO OFF-TRACK BETTING ON RACES RUN AT A HARNESS TRACK WITHOUT SUCH SPECIAL BETTING DISTRICT SHALL BE PERMITTED WHILE A HARNESS TRACK WITHIN SUCH SPECIAL BETTING DISTRICT IS CONDUCTING A RACE MEETING INVOLVING PARI-MUTUEL BETTING.

4-A. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF SUBDIVISION FOUR OF THIS SECTION, REGIONAL OFF-TRACK BETTING CORPORATIONS ARE HEREBY AUTHORIZED AND EMPOWERED IN EACH YEAR TO ACCEPT WAGERS ON THE RACES KNOWN AS THE "DR. HARRY M. ZWEIG MEMORIAL TROT" AND "EMPIRE COMMISSION'S CUP" (A PACE) TO BE RUN UNDER THE AUSPICES OF THE NEW YORK STATE INDUSTRIAL EXHIBIT AUTHORITY.

5. EXCEPT FOR RACES CONDUCTED BY A THOROUGHBRED TRACK IN THE CATSKILL REGION DURING A MIXED MEETING, NO REGIONAL CORPORATION SHALL ACCEPT WAGERS ON ANY THOROUGHBRED OR STEEPLECHASE RACE RUN ON ANY THOROUGHBRED OR STEEPLECHASE TRACK LOCATED WITHOUT ITS REGION WHILE A THOROUGHBRED OR STEEPLECHASE TRACK WITHIN ITS REGION IS CONDUCTING A RACE MEETING INVOLVING PARI-MUTUEL BETTING WITHOUT THE APPROVAL OF THE OPERATING REGIONAL THOROUGHBRED OR STEEPLECHASE TRACK, EXCEPT THAT THE CATSKILL AND SUFFOLK REGIONAL CORPORATIONS MAY ACCEPT WAGERS ON ANY THOROUGHBRED TRACK OUTSIDE ITS REGION WHILE A THOROUGHBRED TRACK WITHIN THE REGION IS CONDUCTING SUCH A RACE MEETING PROVIDED THE REGIONAL CORPORATION ACCEPTS WAGERS ON SUCH TRACK WITHIN THE REGION; PROVIDED, HOWEVER, THAT FOR THE PURPOSES OF THIS SUBDIVISION, THERE SHALL BE CREATED A THOROUGHBRED SPECIAL BETTING DISTRICT, CONSISTING OF THE COUNTIES OF ORLEANS, GENESEE, WYOMING, ALLEGANY, MONROE, LIVINGSTON, STEUBEN, WAYNE, ONTARIO, YATES, SENECA, SCHUYLER, CAYUGA, TOMPKINS, ONONDAGA AND CORTLAND, IN WHICH NO OFF-TRACK BETTING ON RACES RUN AT A THOROUGHBRED OR STEEPLE-

CHASE TRACK WITHOUT SUCH SPECIAL DISTRICT INCLUDING SUCH A TRACK WITHIN THE CATSKILL REGION SHALL BE PERMITTED WHILE A THOROUGHBRED OR STEEPLECHASE TRACK WITHIN SUCH SPECIAL DISTRICT IS CONDUCTING A RACE MEETING INVOLVING PARI-MUTUEL BETTING WITHOUT THE APPROVAL OF THE OPERATING REGIONAL THOROUGHBRED OR STEEPLECHASE TRACK; PROVIDED, HOWEVER, THAT WITHIN SUCH DISTRICT IN THE COUNTIES OF WYOMING, ALLEGANY, STEUBEN AND SCHUYLER OFF-TRACK BETTING ON RACES RUN AT A TRACK BY A FRANCHISED CORPORATION WITHOUT SUCH SPECIAL DISTRICT SHALL BE PERMITTED. NOTWITHSTANDING ANY INCONSISTENT PROVISION IN THE FOREGOING, THE REGIONAL OFF-TRACK BETTING CORPORATIONS ARE HEREBY AUTHORIZED AND EMPOWERED TO ACCEPT ALL WAGERS ON RACES KNOWN AS THE "BELMONT STAKES", THE "TRAVERS STAKES", THE "BREEDERS' CUP SERIES" AND THE "NEW YORK DERBY"; AND SUCH CORPORATION, OUTSIDE OF A HARNESS SPECIAL BETTING DISTRICT, IS HEREBY AUTHORIZED AND EMPOWERED TO ACCEPT WAGERS ON THE RACES COMPRISING THE SEVEN-DAY MEETING KNOWN AS THE "SYRACUSE MILE".

6. A. NO REGIONAL CORPORATION MAY ACCEPT WAGERS ON RACES RUN AT A THOROUGHBRED OR STEEPLECHASE TRACK IN ANOTHER STATE OR COUNTRY WHILE A THOROUGHBRED OR STEEPLECHASE TRACK WITHIN THIS STATE IS CONDUCTING A RACE MEETING INVOLVING PARI-MUTUEL BETTING; PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANY INCONSISTENT PROVISION, THE BOARD MAY DESIGNATE NO MORE THAN FIFTEEN THOROUGHBRED OR STEEPLECHASE RACES PER YEAR AS RACES OF SPECIAL INTEREST ON WHICH OFF-TRACK PARI-MUTUEL BETTING MAY BE ACCEPTED BY REGIONAL CORPORATIONS, PROVIDED FURTHER THAT FOR PURPOSES OF THIS SUBDIVISION THE ACCEPTANCE OF WAGERS ON A SERIES OF RACES KNOWN AS THE "BREEDERS' CUP" SHALL BE CONSIDERED AS A SINGLE THOROUGHBRED OR STEEPLECHASE RACE OF SPECIAL INTEREST AND ALL SUCH RACES SHALL BE DETERMINED IN ACCORDANCE WITH ARTICLE NINE OF THIS CHAPTER.

B. WHEN A RACE MEETING IS NOT BEING CONDUCTED BY A FRANCHISED CORPORATION AND A THOROUGHBRED RACE MEETING IS BEING CONDUCTED AT A TRACK LOCATED WITHIN THE THOROUGHBRED SPECIAL BETTING DISTRICT, REGIONAL CORPORATIONS AND PORTIONS OF REGIONAL CORPORATIONS OUTSIDE SUCH DISTRICT, SHALL, IN ADDITION TO ACCEPTING WAGERS ON RACES AT SUCH TRACK, ALSO BE PERMITTED TO ACCEPT WAGERS ON THOROUGHBRED RACES RUN IN ANOTHER STATE. IN THE EVENT THAT WAGERS ARE ACCEPTED ON RACES RUN AT BOTH A TRACK LOCATED IN THE THOROUGHBRED SPECIAL BETTING DISTRICT AND AT A TRACK LOCATED IN ANOTHER STATE, THE BALANCE OF THE AMOUNT PAYABLE TO TRACKS WITHIN THIS STATE PURSUANT TO PARAGRAPH F OF SUBDIVISION ONE OF SECTION FIVE HUNDRED TWENTY-SEVEN OF THIS ARTICLE, BUT (I) NOT LESS THAN ONE PER CENTUM ON REGULAR AND MULTIPLE WAGERING AND TWO PER CENTUM ON EXOTIC WAGERS, SHALL BE PAID TO THE TRACK LOCATED WITHIN THE THOROUGHBRED SPECIAL BETTING DISTRICT RUNNING THOROUGHBRED RACES, AND (II) NOT LESS THAN THREE-QUARTERS OF ONE PER CENTUM OF REGULAR AND MULTIPLE WAGERING AND ONE AND ONE-QUARTER PER CENTUM ON EXOTIC WAGERS SHALL BE PAID TO THE HARNESS TRACK OPERATOR CONDUCTING RACING WITHIN THE REGION WITHIN WHICH THE WAGERS ON SUCH OUT-OF-STATE RACES ARE PLACED.

C. IF AS A RESULT OF THE AUTHORIZATION GRANTED IN PARAGRAPH B OF THIS SUBDIVISION, THE AVERAGE DAILY DISTRIBUTION TO HARNESS TRACK OPERATORS FROM REGIONAL OFF-TRACK BETTING CORPORATIONS AND ATTRIBUTABLE TO THE CONDUCT OF OFF-TRACK BETTING ON THOROUGHBRED RACES RUN CONCURRENTLY BY BOTH AN IN-STATE AND AN OUT-OF-STATE TRACK OPERATOR DURING THE PERIOD FROM JUNE FIRST, NINETEEN HUNDRED SEVENTY-EIGHT THROUGH MAY THIRTY-FIRST, NINETEEN HUNDRED SEVENTY-NINE AND EACH SUCCEEDING TWELVE MONTH PERIOD THEREAFTER IS LESS THAN THE AVERAGE DAILY DISTRIBUTION TO SUCH OPERATORS FROM OFF-TRACK BETTING CORPORATIONS AND ATTRIBUTABLE TO THE CONDUCT OF RACING BY A THOROUGHBRED RACING ASSOCIATION DURING THE BASE PERIOD OF JUNE FIRST, NINETEEN HUNDRED SEVENTY-SEVEN THROUGH MAY

THIRTY-FIRST, NINETEEN HUNDRED SEVENTY-EIGHT, SUCH OPERATORS SHALL BE ENTITLED TO A CREDIT AGAINST THE STATE TAX IMPOSED UPON ITS PARI-MUTUEL REVENUES. THE TAX CREDIT FOR ANY TWELVE MONTH PERIOD SHALL BE AN AMOUNT CALCULATED BY MULTIPLYING THE SHORTFALL IN THE AVERAGE DAILY DISTRIBUTION BY THE NUMBER OF DAYS IN EACH TWELVE MONTH PERIOD THAT REGIONAL OFF-TRACK BETTING CORPORATIONS CONDUCT BETTING ON THOROUGHBRED RACES RUN CONCURRENTLY BY BOTH AN IN-STATE AND AN OUT-OF-STATE TRACK OPERATOR. THE BOARD SHALL SO CERTIFY TO THE STATE TAX COMMISSION THE AMOUNT OF CREDIT APPLICABLE TO EACH HARNESS TRACK OPERATOR NO LATER THAN THIRTY DAYS FOLLOWING THE CLOSE OF EACH TWELVE MONTH PERIOD.

7. NO REGIONAL CORPORATION MAY ACCEPT WAGERS ON RACES RUN AT A HARNESS TRACK IN ANOTHER STATE OR COUNTRY WHILE A HARNESS TRACK WITHIN THIS STATE IS CONDUCTING A RACE MEETING INVOLVING PARI-MUTUEL BETTING; PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANY INCONSISTENT PROVISIONS THE BOARD MAY DESIGNATE NO MORE THAN FIFTY HARNESS RACES PER YEAR AS RACES OF SPECIAL INTEREST ON WHICH OFF-TRACK PARI-MUTUEL BETTING MAY BE ACCEPTED BY REGIONAL CORPORATIONS.

8. POOLS PERMITTED BY SUBDIVISIONS THREE, SIX AND SEVEN OF THIS SECTION SHALL BE COMBINED INTO A SINGLE STATEWIDE POOL FOR THE CALCULATION OF ODDS AND THE DETERMINATION OF PAYOUTS WHICH SHALL BE UNIFORM THROUGHOUT THE STATE.

9. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE ANY REGIONAL CORPORATION HAVING A MISSED POOL AS DEFINED IN THIS SUBDIVISION SHALL DISPOSE OF SUCH POOL AS FOLLOWS:

A. ANY MISSED POOLS OF WAGERS PLACED AT OFF-TRACK BETTING PARLORS SUBSEQUENT TO DECEMBER THIRTY-FIRST, NINETEEN HUNDRED EIGHTY-TWO AND PRIOR TO AUGUST FIRST, NINETEEN HUNDRED NINETY-FOUR WHICH WERE NOT USED TO CALCULATE PAYOUTS TO WINNING BETTORS BECAUSE SUCH WAGERS FAILED TO BE TRANSMITTED TO AND WERE NOT INCLUDED IN THE STATEWIDE PARI-MUTUEL BETTING POOL SHALL BE RETAINED BY SUCH CORPORATION FOR ITS ORDINARY OPERATING EXPENSES.

B. ON OR BEFORE AUGUST FIRST, NINETEEN HUNDRED NINETY-FOUR THE BOARD SHALL PROMULGATE RULES AND REGULATIONS, WHICH DIRECT SAID REGIONAL CORPORATIONS AND SAID MISSED POOLS TO THE IN-STATE TRACK CONDUCTING THE RACE ON WHICH THE WAGER WAS PLACED TO BE USED FOR THE NEXT AVAILABLE COMMON POOL.

S 527. DISPOSITION OF OFF-TRACK POOLS; STATE TAX. EACH REGIONAL CORPORATION CONDUCTING OFF-TRACK BETTING SHALL DISTRIBUTE ALL SUMS DEPOSITED IN ANY PARI-MUTUEL POOL THROUGH SUCH CORPORATION TO THE HOLDERS OF WINNING TICKETS THEREIN, PROVIDED SUCH TICKETS BE PRESENTED FOR PAYMENT PRIOR TO APRIL FIRST OF THE YEAR FOLLOWING THE YEAR OF THEIR PURCHASE, LESS THE RETAINED COMMISSION DERIVED AND SET IN ACCORDANCE WITH SUBDIVISION FOUR OF SECTION FIVE HUNDRED NINETEEN OF THIS ARTICLE AT THE SAME RATE ESTABLISHED BY THE TRACK ACCEPTING WAGERS FROM EACH SUCH REGIONAL CORPORATION.

1. THE DISPOSITION OF THE RETAINED COMMISSION, DERIVED AND SET LESS AN AMOUNT WHICH THE REGIONAL OFF-TRACK BETTING CORPORATION SHALL RETAIN TO COVER, THE "COST OF CORPORATION'S FUNCTIONS" AS SET FORTH IN SECTIONS FIVE HUNDRED ONE AND SIX HUNDRED TWO OF THIS CHAPTER AND THE STATE TAX LEVIED PURSUANT TO THIS SUBDIVISION, FROM POOLS RESULTING FROM REGULAR, MULTIPLE OR EXOTIC BETS, AS THE CASE MAY BE, WHETHER PLACED ON RACES RUN WITHIN A REGION OR OUTSIDE A REGION, CONDUCTED BY RACING CORPORATIONS, HARNESS RACING ASSOCIATIONS OR CORPORATIONS, QUARTER HORSE RACING ASSOCIATIONS OR CORPORATIONS OR RACES RUN OUTSIDE THE STATE, SHALL BE GOVERNED BY THE TABLES IN PARAGRAPHS A AND B OF THIS SUBDIVISION. THE RATE DENOMINATED "STATE TAX" SHALL REPRESENT THE RATE OF A REASONABLE

TAX IMPOSED UPON THE RETAINED COMMISSION FOR THE PRIVILEGE OF CONDUCTING OFF-TRACK PARI-MUTUEL BETTING, WHICH TAX IS HEREBY LEVIED AND SHALL BE PAYABLE IN THE MANNER SET FORTH IN THIS SECTION. EACH OFF-TRACK BETTING CORPORATION SHALL PAY TO THE RACING AND WAGERING BOARD AS A REGULATORY FEE, WHICH FEE IS HEREBY LEVIED, FIFTY HUNDREDTHS OF ONE PERCENT OF THE TOTAL DAILY POOLS OF SUCH CORPORATION. EACH CORPORATION SHALL, AFTER DEDUCTION OF ITS "COST OF CORPORATION'S FUNCTIONS" AS SET FORTH IN SECTIONS FIVE HUNDRED ONE AND SIX HUNDRED TWO OF THIS CHAPTER AND THE STATE TAX LEVIED PURSUANT TO THIS SUBDIVISION, ALSO PAY TWENTY PER CENTUM OF THE BREAKS DERIVED FROM BETS ON HARNESS RACES AND FIFTY PER CENTUM OF THE BREAKS DERIVED FROM BETS ON ALL OTHER RACES TO THE AGRI-CULTURE AND NEW YORK STATE HORSE BREEDING AND DEVELOPMENT FUND AND TO THE THOROUGHBRED BREEDING AND DEVELOPMENT FUND, THE TOTAL OF SUCH PAYMENTS TO BE APPORTIONED FIFTY PERCENTUM TO EACH SUCH FUND. FOR THE PURPOSES OF THIS SECTION, THE METROPOLITAN, SUFFOLK, AND CATSKILL REGIONS SHALL CONSTITUTE A SINGLE REGION AND ANY THOROUGHBRED TRACK LOCATED WITHIN THE CAPITAL DISTRICT REGION SHALL BE DEEMED TO BE WITHIN SUCH SINGLE REGION. A "REGIONAL MEETING" SHALL REFER TO EITHER HARNESS OR THOROUGHBRED MEETINGS, OR BOTH, EXCEPT THAT A FRANCHISED CORPORATION SHALL NOT BE A REGIONAL TRACK FOR THE PURPOSE OF RECEIVING DISTRIBUTIONS FROM BETS ON THOROUGHBRED RACES CONDUCTED BY A THOROUGHBRED TRACK IN THE CATSKILL REGION CONDUCTING A MIXED MEETING. WITH THE EXCEPTION OF A HARNESS RACING ASSOCIATION OR CORPORATION FIRST LICENSED TO CONDUCT PARI-MUTUEL WAGERING AT A TRACK LOCATED IN TIOGA COUNTY AFTER JANUARY FIRST, TWO THOUSAND FIVE, RACING CORPORATIONS FIRST LICENSED TO CONDUCT PARI-MUTUEL RACING AFTER JANUARY FIRST, NINETEEN HUNDRED EIGHTY-SIX OR A HARNESS RACING ASSOCIATION OR CORPORATION FIRST LICENSED TO CONDUCT PARI-MUTUEL WAGERING AT A TRACK LOCATED IN GENESEE COUNTY AFTER JANUARY FIRST, TWO THOUSAND FIVE, AND QUARTER HORSE TRACKS SHALL NOT BE "REGIONAL TRACKS"; IF THERE IS MORE THAN ONE HARNESS TRACK WITHIN A REGION, SUCH TRACKS SHALL EVENLY DIVIDE PAYMENTS MADE PURSUANT TO THE TABLES IN PARAGRAPHS A AND B OF THIS SUBDIVISION WHEN NEITHER TRACK IS RUNNING. IN THE EVENT A TRACK ELECTS TO REDUCE ITS RETAINED PERCENTAGE FROM ANY OR ALL OF ITS PARI-MUTUEL POOLS, THE PAYMENTS TO THE TRACK HOLDING THE RACE AND THE REGIONAL TRACK REQUIRED BY PARAGRAPHS A AND B OF THIS SUBDIVISION SHALL BE REDUCED IN PROPORTION TO SUCH REDUCTION. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO AUTHORIZE THE CONDUCT OF OFF-TRACK BETTING CONTRARY TO THE PROVISIONS OF SECTION FIVE HUNDRED TWENTY-THREE OF THIS ARTICLE.

A. REGULAR AND MULTIPLE BETS:

POOLS ON RACES RUN BY:	TRACK HOLDING RACE	REGIONAL TRACK	STATE TAX
FRANCHISED CORPORATIONS:			
IN REGION;.....	3.50	N/A	.30
OUT-REGION, DURING A REGIONAL MEETING;.....	1.00	2.50	.30
OUT-REGION, NO REGIONAL MEETING;.....	1.75	1.75	.30
RACING CORPORATIONS IN SPECIAL BETTING DISTRICT:			
IN-SPECIAL BETTING DISTRICT;...	3.80	N/A	1.00

OUT-DISTRICT, DURING A REGIONAL MEETING;.....	1.00	2.80	1.00
OUT-DISTRICT, NO REGIONAL MEETING;.....	1.90	1.90	1.00
HARNESS RACING ASSOCIATIONS OR CORPORATIONS WITHIN SUFFOLK, OR CATSKILL REGIONS:			
IN REGION;.....	4.00	N/A	.70
OUT-REGION, DURING A REGIONAL MEETING;.....	1.00	3.00	.70
OUT-REGION, NO REGIONAL MEETING;.....	2.00	2.00	.70
HARNESS RACING ASSOCIATIONS OR CORPORATIONS:			
IN-SPECIAL BETTING DISTRICT;.....	4.00	N/A	.50
OUT-DISTRICT, DURING A REGIONAL MEETING;.....	1.00	3.00	.50
OUT-DISTRICT, NO REGIONAL MEETING;.....	2.00	2.00	.50
OTHER HARNESS RACING ASSOCIATIONS OR CORPORATIONS:			
IN REGION;.....	4.00	N/A	.50
OUT-REGION, DURING A REGIONAL MEETING;.....	1.00	3.00	.50
OUT-REGION, NO REGIONAL MEETING;.....	2.00	2.00	.50
QUARTER HORSE RACING ASSOCIATIONS OR CORPORATIONS;.....	3.50	N/A	1.10
OUT-OF-STATE TRACKS:.....	3.50 DIVIDED PURSUANT TO PARAGRAPH G OF THIS SUBDIVISION		1.10

B. EXOTIC BETS:

POOLS ON RACES RUN BY:	TRACK HOLDING RACE	REGIONAL TRACK	STATE TAX
FRANCHISED CORPORATIONS:			
IN REGION;.....	6.50	N/A	1.30
OUT-REGION, DURING A REGIONAL MEETING;.....	2.00	4.50	1.30
OUT-REGION, NO REGIONAL MEETING;.....	3.25	3.25	1.30
RACING CORPORATIONS IN SPECIAL BETTING DISTRICT:			
IN-SPECIAL BETTING DISTRICTS;..	6.80	N/A	3.00
OUT-DISTRICT, DURING A REGIONAL MEETING;.....	2.00	4.80	3.00
OUT-DISTRICT, NO REGIONAL MEETING;.....	3.40	3.40	3.00

HARNESS RACING ASSOCIATIONS OR CORPORATIONS WITHIN SUFFOLK OR CATSKILL REGIONS:			
IN REGION;.....	7.00	N/A	2.70
OUT-REGION, DURING A REGIONAL MEETING;.....	2.00	5.00	2.70
OUT-REGION, NO REGIONAL MEETING;.....	3.50	3.50	2.70
HARNESS RACING ASSOCIATIONS OR CORPORATIONS:			
IN-SPECIAL BETTING DISTRICT;.....	7.00	N/A	2.50
OUT-DISTRICT, DURING A REGIONAL MEETING;.....	2.00	5.00	2.50
OUT-DISTRICT, NO REGIONAL MEETING;.....	3.50	3.50	2.50
OTHER HARNESS RACING ASSOCIATIONS OR CORPORATIONS:			
IN REGION;.....	7.00	N/A	2.50
OUT-REGION, DURING A REGIONAL MEETING;.....	2.00	5.00	2.50
OUT-REGION, NO REGIONAL MEETING;.....	3.50	3.50	2.50
QUARTER HORSE RACING ASSOCIATIONS OR CORPORATIONS;.....	6.50	N/A	3.10
OUT-OF-STATE TRACKS:.....	6.50 DIVIDED PURSUANT TO PARAGRAPH G OF THIS SUBDIVISION		3.10

C. SUPER EXOTIC BETS:

POOLS ON RACES RUN BY:	TRACK HOLDING RACE	REGIONAL TRACK	STATE TAX
FRANCHISED CORPORATIONS:			
IN REGION;.....	12.00	N/A	3.50
OUT-REGION, DURING A REGIONAL MEETING;.....	3.00	10.00	2.50
OUT-REGION, NO REGIONAL MEETING;.....	6.00	6.00	3.50
RACING CORPORATIONS IN SPECIAL BETTING DISTRICT:			
IN-SPECIAL BETTING DISTRICTS;..	12.00	N/A	3.50
OUT-DISTRICT, DURING A REGIONAL MEETING;.....	3.00	10.00	2.50
OUT-DISTRICT, NO REGIONAL MEETING;.....	6.00	6.00	3.50
HARNESS RACING ASSOCIATIONS OR CORPORATIONS WITHIN SUFFOLK OR CATSKILL REGIONS:			
IN-REGION;.....	12.00	N/A	3.50
OUT-REGION, DURING A REGIONAL			

MEETING;.....	3.00	10.00	2.50
OUT-REGION, NO REGIONAL MEETING;.....	6.00	6.00	3.50
HARNESS RACING ASSOCIATIONS OR CORPORATIONS:			
IN-SPECIAL BETTING DISTRICT;.....	12.00	N/A	3.50
OUT-DISTRICT, DURING A REGIONAL MEETING;.....	3.00	10.00	2.50
OUT-DISTRICT, NO REGIONAL MEETING;.....	6.00	6.00	3.50
OTHER HARNESS RACING ASSOCIATIONS OR CORPORATIONS:			
IN-REGION;.....	12.00	N/A	3.50
OUT-REGION, DURING A REGIONAL MEETING;.....	3.00	10.00	2.50
OUT-REGION, NO REGIONAL MEETING;.....	6.00	6.00	3.50

D. FOR THE PORTION OF THE WESTERN REGION INCLUDED WITHIN A THOROUGHBRED SPECIAL BETTING DISTRICT AND NOT WITHIN A HARNESS SPECIAL BETTING DISTRICT, WHEN NO THOROUGHBRED RACE MEETING IS CONDUCTED BY A RACING CORPORATION LOCATED WITHIN SUCH THOROUGHBRED SPECIAL DISTRICT, THE DISTRIBUTION OF THE RETAINED COMMISSION TO "REGIONAL TRACKS" BY SUCH REGIONAL CORPORATION DERIVED FROM WAGERS PLACED WITHIN SUCH SPECIAL BETTING DISTRICT SHALL BE DIVIDED AS FOLLOWS:

(I) WHEN A HARNESS CORPORATION LOCATED IN SUCH DISTRICT IS CONDUCTING A MEET THE FULL AMOUNT TO SUCH HARNESS CORPORATION; AND WHEN A HARNESS CORPORATION IN THE REGION BUT NOT LOCATED IN SUCH DISTRICT IS CONDUCTING A MEET, FORTY PERCENT TO THE THOROUGHBRED RACING CORPORATION AND SIXTY PERCENT TO THE HARNESS CORPORATION CONDUCTING A MEET;

(II) WHEN NO RACING IS BEING CONDUCTED, FORTY PER CENTUM TO THE THOROUGHBRED RACING CORPORATION AND THE BALANCE DIVIDED EQUALLY BETWEEN THE HARNESS RACING CORPORATIONS LOCATED IN SUCH REGION; AND

(III) WHEN NO RACING IS BEING CONDUCTED AND NO MORE THAN ONE HARNESS RACING ASSOCIATION IS LICENSED DURING THE CALENDAR YEAR TO CONDUCT A RACE MEETING, FIFTY PER CENTUM TO THE THOROUGHBRED RACING CORPORATION AND FIFTY PER CENTUM TO THE HARNESS RACING ASSOCIATION LOCATED IN SUCH REGION.

E. FOR THE PORTIONS OF THE CAPITAL DISTRICT, CATSKILL, CENTRAL AND WESTERN REGIONS INCLUDED WITHIN A HARNESS RACING SPECIAL BETTING DISTRICT, EXCEPT THOSE PORTIONS DESCRIBED IN PARAGRAPH E OF THIS SUBDIVISION, THE HARNESS TRACK LOCATED IN SUCH SPECIAL DISTRICT SHALL BE THE "REGIONAL TRACK" FOR THE PURPOSES OF THE DISTRIBUTIONS MADE PURSUANT TO PARAGRAPHS A AND B OF THIS SUBDIVISION.

F. FOR THE PORTIONS OF THE CATSKILL, CENTRAL AND WESTERN REGIONS INCLUDED IN BOTH A THOROUGHBRED SPECIAL BETTING DISTRICT AND A HARNESS SPECIAL BETTING DISTRICT, THE DISTRIBUTION OF THE RETAINED COMMISSION TO "REGIONAL TRACKS" BY SUCH REGIONAL CORPORATIONS DERIVED FROM WAGERS PLACED WITHIN SUCH PORTIONS OF SUCH REGIONS SHALL BE DIVIDED AS FOLLOWS:

(I) WHEN A HARNESS CORPORATION LOCATED IN THE HARNESS SPECIAL BETTING DISTRICT IS CONDUCTING A MEET AND NO THOROUGHBRED RACE MEETING IS BEING CONDUCTED BY A RACING CORPORATION LOCATED IN THE THOROUGHBRED SPECIAL BETTING DISTRICT, THE FULL AMOUNT TO SUCH HARNESS ASSOCIATION;

(II) WHEN A THOROUGHBRED CORPORATION LOCATED IN THE THOROUGHBRED SPECIAL BETTING DISTRICT IS CONDUCTING A MEET AND NO HARNESS RACE MEET-

ING IS BEING CONDUCTED BY A HARNESS ASSOCIATION LOCATED IN THE HARNESS SPECIAL BETTING DISTRICT, THE FULL AMOUNT TO SUCH THOROUGHBRED CORPORATION;

(III) WHEN NO RACING IS BEING CONDUCTED THE AMOUNT TO BE DIVIDED EVENLY BETWEEN THE THOROUGHBRED TRACK LOCATED IN SUCH THOROUGHBRED SPECIAL BETTING DISTRICT AND THE HARNESS TRACK LOCATED IN SUCH HARNESS SPECIAL BETTING DISTRICT.

G. WITH RESPECT TO THE AMOUNTS PAYABLE TO TRACK OPERATORS FROM THE RETAINED COMMISSION ON POOLS RESULTING FROM THOROUGHBRED OR HARNESS RACES OUTSIDE THIS STATE, THE REGIONAL CORPORATION SHALL FIRST PAY ANY CONTRACTUAL OBLIGATION OWNED TO THE OUT-OF-STATE TRACK OPERATOR, OR TO ANOTHER STATE OR ENTITY THEREOF, AS THE CASE MAY BE. THE BALANCE OF SUCH AMOUNTS SHALL BE DIVIDED AS FOLLOWS:

(I) FOR THE BETTING REGION COMPOSED OF THE METROPOLITAN AND SUFFOLK REGIONS AND THE PORTION OF THE CATSKILL REGION OUTSIDE A SPECIAL BETTING DISTRICT: WHEN BOTH HARNESS AND THOROUGHBRED MEETS ARE IN PROGRESS IN SUCH BETTING REGION, THE BALANCE TO THE ASSOCIATION OR CORPORATION HOLDING THE SAME TYPE OF MEET AS THE OUT-OF-STATE RACE; WHEN ONLY A HARNESS MEET IS IN PROGRESS IN SUCH BETTING REGION, THE BALANCE TO THE HARNESS TRACK OPERATOR; WHEN ONLY A THOROUGHBRED MEET IS IN PROGRESS IN SUCH BETTING REGION, THE BALANCE TO THE THOROUGHBRED TRACK OPERATOR; WHEN NO MEET IS IN PROGRESS, FIFTY PER CENTUM OF THE BALANCE TO THE FRANCHISED CORPORATION AND THE REMAINDER DIVIDED AMONG HARNESS RACING CORPORATIONS OR ASSOCIATIONS WITHIN SUCH BETTING REGION;

(II) FOR THE CAPITAL DISTRICT REGION AND THE PORTION OF THE WESTERN REGION OUTSIDE A SPECIAL BETTING DISTRICT: WHEN A HARNESS MEET IS IN PROGRESS IN SUCH REGION AND A THOROUGHBRED MEET IS IN PROGRESS OUTSIDE A SPECIAL BETTING DISTRICT, THE BALANCE TO WHICHEVER OPERATOR IS CONDUCTING THE SAME TYPE OF MEET AS THE OUT-OF-STATE RACE; WHEN NO HARNESS MEET IS IN PROGRESS, THE BALANCE TO THE RACING ASSOCIATION OUTSIDE A SPECIAL BETTING DISTRICT; AND WHEN NO MEET IS IN PROGRESS WITHIN SUCH REGION AND NO THOROUGHBRED MEET IS IN PROGRESS OUTSIDE A SPECIAL BETTING DISTRICT, FIFTY PER CENTUM OF THE BALANCE TO THE RACING ASSOCIATION OUTSIDE A SPECIAL BETTING DISTRICT AND THE REMAINDER TO THE LICENSED HARNESS RACING CORPORATIONS OR ASSOCIATIONS WITHIN SUCH REGION;

(III) FOR THE PORTION OF THE WESTERN REGION WITHIN A THOROUGHBRED SPECIAL BETTING DISTRICT BUT NOT WITHIN A HARNESS SPECIAL BETTING DISTRICT: WHEN A HARNESS MEET AND A THOROUGHBRED MEET ARE IN PROGRESS WITHIN SUCH REGION AND THE DISTRICT, THE BALANCE TO THE ASSOCIATION OR CORPORATION CONDUCTING THE SAME TYPE OF MEET AS THE OUT-OF-STATE OR OUT-OF-REGION RACE; WHEN A HARNESS MEET IS IN PROGRESS IN SUCH REGION BUT NO THOROUGHBRED MEET IS IN PROGRESS IN THE SPECIAL BETTING DISTRICT, THE BALANCE TO THE HARNESS TRACK OPERATOR WITHIN SUCH REGION; WHEN ONLY A THOROUGHBRED MEET IS IN PROGRESS IN SUCH BETTING REGION, THE BALANCE TO THE THOROUGHBRED TRACK OPERATOR; AND WHEN NO MEET IS IN PROGRESS WITHIN SUCH REGION THE BALANCE IS DIVIDED FORTY PER CENTUM TO THE THOROUGHBRED RACING CORPORATION WITHIN THE DISTRICT AND THE REMAINDER DIVIDED BETWEEN THE HARNESS RACING ASSOCIATIONS OR CORPORATIONS WITHIN THE REGION PROVIDED, HOWEVER, THAT IF NO MORE THAN ONE HARNESS RACING ASSOCIATION OR CORPORATION IS LICENSED TO CONDUCT A RACE MEETING, FIFTY PER CENTUM TO THE THOROUGHBRED RACING CORPORATION WITHIN THE DISTRICT AND FIFTY PER CENTUM TO THE LICENSED HARNESS RACING ASSOCIATION WITHIN THE REGION;

(IV) FOR THE PORTIONS OF THE CAPITAL DISTRICT, CATSKILL, CENTRAL AND WESTERN REGIONS INCLUDED IN A HARNESS SPECIAL BETTING DISTRICT: WHEN A HARNESS MEETING IS IN PROGRESS IN SUCH HARNESS SPECIAL BETTING DISTRICT

AND A THOROUGHBRED MEETING IS IN PROGRESS OUTSIDE THE THOROUGHBRED SPECIAL BETTING DISTRICT, THE BALANCE TO THE ASSOCIATION OR CORPORATION HOLDING THE SAME KIND OF RACE; WHEN NO HARNESS MEET IS IN PROGRESS, THE BALANCE TO THE RACING CORPORATION HOLDING A THOROUGHBRED RACE MEETING OUTSIDE THE THOROUGHBRED SPECIAL BETTING DISTRICT; WHEN A HARNESS MEETING IS IN PROGRESS IN THE HARNESS SPECIAL BETTING DISTRICT AND NO THOROUGHBRED MEETING IS IN PROGRESS OUTSIDE THE THOROUGHBRED SPECIAL BETTING DISTRICT, THE BALANCE TO THE HARNESS TRACK OPERATING IN SUCH HARNESS SPECIAL BETTING DISTRICT; WHEN NO HARNESS MEET IS BEING HELD WITHIN SUCH HARNESS SPECIAL BETTING DISTRICT AND NO THOROUGHBRED MEET IS BEING HELD OUTSIDE THE THOROUGHBRED SPECIAL BETTING DISTRICT, FIFTY PER CENTUM OF SUCH AMOUNT TO THE HARNESS RACING CORPORATION IN SUCH HARNESS SPECIAL BETTING DISTRICT AND FIFTY PER CENTUM TO THE THOROUGHBRED TRACK OPERATOR OUTSIDE THE THOROUGHBRED SPECIAL BETTING DISTRICT;

(V) FOR THE PORTIONS OF THE CATSKILL AND WESTERN REGIONS INCLUDED IN BOTH A THOROUGHBRED SPECIAL BETTING DISTRICT AND A HARNESS SPECIAL BETTING DISTRICT: WHEN A HARNESS MEET AND A THOROUGHBRED MEET ARE IN PROGRESS WITHIN BOTH SUCH DISTRICTS THE BALANCE TO THE ASSOCIATION OR CORPORATION CONDUCTING THE SAME TYPE OF MEET AS THE OUT-OF-STATE RACE; WHEN A HARNESS MEET IS IN PROGRESS BUT NO THOROUGHBRED MEET THE BALANCE TO THE HARNESS TRACK OPERATOR WITHIN SUCH DISTRICT; WHEN A THOROUGHBRED MEET IS IN PROGRESS BUT NO HARNESS MEET THE BALANCE TO THE THOROUGHBRED TRACK OPERATOR IN THE DISTRICT; AND WHEN NO MEET IS IN PROGRESS THE BALANCE TO BE DIVIDED EVENLY BETWEEN THE HARNESS TRACK OPERATOR IN THE HARNESS SPECIAL BETTING DISTRICT AND THE THOROUGHBRED OPERATOR LOCATED WITHIN THE THOROUGHBRED SPECIAL BETTING DISTRICT;

(VI) NOTWITHSTANDING ANY CONTRARY PROVISION CONTAINED IN THIS SECTION, THE PORTION OF RETAINED COMMISSIONS FROM OFF-TRACK POOLS DISTRIBUTABLE TO THE TRACK HOLDING THE RACE SHALL BE FOR REGULAR AND MULTIPLE BETS: FIVE AND THREE-QUARTERS PER CENTUM AND FOR EXOTIC BETS: SEVEN AND THREE-QUARTERS PER CENTUM FOR THE THREE RACES COMMONLY REFERRED TO AS THE TRIPLE CROWN CONSISTING OF THE KENTUCKY DERBY, THE PREAKNESS AND THE BELMONT STAKES, RUN RESPECTIVELY AT CHURCHILL DOWNS, KENTUCKY, AT PIMLICO, MARYLAND AND AT BELMONT PARK, NEW YORK; ADDITIONALLY THE SAME COMMISSIONS SHALL APPLY TO THE SERIES OF RACES KNOWN AS THE BREEDERS' CUP AND THE PORTION DISTRIBUTABLE FROM RETAINED COMMISSIONS SHALL BE PAID TO THE BREEDERS' CUP, LTD. IRRESPECTIVE OF WHETHER THE RACES ARE HELD AT A TRACK WITHIN OR WITHOUT THE STATE; PROVIDED, HOWEVER, THAT AS A CONDITION PRECEDENT TO THE OBLIGATION OF A REGIONAL CORPORATION TO MAKE THE FOREGOING DISTRIBUTIONS AS REQUIRED IN THIS SUBPARAGRAPH WITH RESPECT TO WAGERS ON THE BELMONT STAKES, SUCH REGIONAL CORPORATION SHALL HAVE ACCEPTED WAGERS ON AT LEAST ONE OR BOTH OF THE IMMEDIATELY PRECEDING KENTUCKY DERBY AND PREAKNESS RACES; AND PROVIDED FURTHER THAT THE DISTRIBUTABLE PORTION OF SUCH RETAINED COMMISSIONS WITH RESPECT TO THE BELMONT STAKES SHALL BE DEEMED TO INCLUDE THE ADDITIONAL AMOUNTS PAYABLE PURSUANT TO THE PROVISIONS OF PARAGRAPH B OF SUBDIVISION THREE OF THIS SECTION; AND PROVIDED FURTHER, NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SUBPARAGRAPH, THAT OF THE RETAINED COMMISSIONS RESULTING FROM OFF-TRACK WAGERS PLACED IN A SPECIAL BETTING DISTRICT ON THE BELMONT STAKES, THE TRACK HOLDING THE RACE SHALL RECEIVE ONE PER CENTUM FROM REGULAR AND MULTIPLE BETS AND TWO PER CENTUM FROM EXOTIC BETS, AND THE THOROUGHBRED TRACK CONDUCTING RACING WITHIN SUCH DISTRICT SHALL RECEIVE FOUR AND THREE-QUARTERS PER CENTUM FROM REGULAR AND MULTIPLE BETS, AND FIVE AND THREE-QUARTERS PER CENTUM FROM EXOTIC BETS.

2. PAYMENT OF THE STATE TAX IMPOSED BY THIS SECTION SHALL BE MADE TO THE COMMISSIONER BY EACH SUCH REGIONAL CORPORATION ON THE LAST BUSINESS

DAY OF EACH MONTH AND SHALL COVER TAXES DUE FOR THE PERIOD FROM THE SIXTEENTH DAY OF THE PRECEDING MONTH THROUGH THE FIFTEENTH DAY OF THE CURRENT MONTH PROVIDED, HOWEVER, THAT SUCH PAYMENTS REQUIRED TO BE MADE ON MARCH THIRTY-FIRST SHALL INCLUDE ALL TAXES DUE AND ACCRUING THROUGH THE LAST FULL WEEK OF RACING IN MARCH OF THE CURRENT YEAR OR AS OTHERWISE DETERMINED BY THE COMMISSIONER AND SHALL BE ACCOMPANIED BY A REPORT UNDER OATH, SHOWING SUCH INFORMATION AS IT MAY REQUIRE. A PENALTY OF FIVE PERCENT, AND INTEREST AT THE RATE OF ONE PERCENT PER MONTH FROM THE DATE THE REPORT IS REQUIRED TO BE FILED TO THE DATE OF THE PAYMENT OF THE TAX, SHALL BE PAYABLE IN CASE ANY TAX IMPOSED BY THIS SECTION IS NOT PAID WHEN DUE. IF THE COMMISSIONER DETERMINES THAT ANY MONEYS RECEIVED BY THE COMMISSIONER UNDER THIS SECTION WERE PAID IN ERROR, THE COMMISSIONER MAY CAUSE THE SAME TO BE REFUNDED WITHOUT INTEREST OUT OF ANY MONEYS COLLECTED THEREUNDER, PROVIDED AN APPLICATION THEREFOR IS FILED WITH THE COMMISSIONER WITHIN ONE YEAR FROM THE TIME THE ERRONEOUS PAYMENT IS MADE. SUCH TAXES, INTEREST AND PENALTIES WHEN COLLECTED, AFTER THE DEDUCTION OF REFUNDS OF TAXES ERRONEOUSLY PAID, SHALL BE PAID BY THE COMMISSIONER INTO THE GENERAL FUND OF THE STATE TREASURY.

3. A. OF THE PORTION OF RETAINED COMMISSION ON OFF-TRACK POOLS DISTRIBUTED TO RACING CORPORATIONS, ONE-HALF SHALL BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES, AWARDED TO HORSES IN RACES CONDUCTED BY SUCH ASSOCIATIONS OR CORPORATIONS AND ANY PORTION OF SAID FRACTION NOT SO USED DURING ANY YEAR SHALL BE USED DURING THE FOLLOWING YEAR, FAILING WHICH IT SHALL BE RETURNED TO THE REGIONAL OFF-TRACK BETTING CORPORATIONS ON OR BEFORE APRIL FIRST IN THE YEAR FOLLOWING THE YEAR IN WHICH IT IS NOT SO USED TO BE DISTRIBUTED PRIOR TO JUNE FIRST TO PARTICIPATING LOCAL GOVERNMENTS IN THE SAME PROPORTIONS AS THE DISTRIBUTIONS TO SUCH GOVERNMENTS IN THE PRIOR CALENDAR YEAR, PROVIDED, HOWEVER, IN A HARNESS SPECIAL BETTING DISTRICT THE PORTION OF RETAINED COMMISSIONS TO BE USED FOR PURSES OR THE METHODOLOGY FOR CALCULATING THE AMOUNT TO BE USED FOR PURSES MAY BE SPECIFIED IN A WRITTEN CONTRACT BETWEEN A HARNESS RACING ASSOCIATION OR CORPORATION AND ITS REPRESENTATIVE HORSEMEN'S ASSOCIATION.

B. IN ADDITION TO ANY OTHER AMOUNT REQUIRED BY THIS SECTION, BUT SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, OF THE PORTION OF COMMISSIONS RETAINED BY A REGIONAL CORPORATION, AN AMOUNT EQUAL TO ONE AND ONE-QUARTER PER CENTUM OF REGULAR AND MULTIPLE POOLS AND THREE-QUARTERS OF ONE PER CENTUM OF EXOTIC POOLS DERIVED FROM WAGERS ON RACES CONDUCTED BY A NONPROFIT RACING ASSOCIATION SHALL BE PAID TO SUCH NONPROFIT RACING ASSOCIATION TO BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES. PROVIDED, HOWEVER, FOR THE PERIOD JULY TWENTY-FIFTH, TWO THOUSAND ONE THROUGH JUNE THIRTIETH, TWO THOUSAND FOUR, IF A REGIONAL CORPORATION FOR THE NEW YORK CITY, NASSAU, SUFFOLK OR CATSKILL REGION SHALL PAY, OF THE PORTION OF THE COMMISSIONS RETAINED BY SUCH REGIONAL CORPORATION ON ALL POOLS, AN AMOUNT EQUAL TO SIX AND FIFTY HUNDREDTHS PER CENTUM TO SUCH NONPROFIT RACING ASSOCIATION OF WHICH THREE AND EIGHTY HUNDREDTHS PER CENTUM SHALL BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES. PROVIDED, FURTHER THAT FOR THE PERIOD JULY TWENTY-FIFTH, TWO THOUSAND ONE THROUGH JUNE THIRTIETH, TWO THOUSAND FOUR A REGIONAL CORPORATION FOR THE CAPITAL OR WESTERN REGION SHALL PAY TO SUCH NONPROFIT RACING ASSOCIATION OF THE PORTION OF THE COMMISSIONS RETAINED BY SUCH REGIONAL CORPORATION ON ALL POOLS WHEN THERE IS A REGIONAL MEETING, AN AMOUNT EQUAL TO THREE AND EIGHTY-FIVE HUNDREDTHS OF WHICH TWO AND FIFTY HUNDREDTHS SHALL BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURS-

ES, INCLUDING STAKES, PREMIUMS AND PRIZES. AN ADDITIONAL TWO AND SIXTY-FIVE HUNDREDTHS SHALL BE PAID TO THE REGIONAL HARNESS TRACK. WHEN THERE IS NO REGIONAL MEETING, AN AMOUNT EQUAL TO FOUR AND SIXTY-FIVE HUNDREDTHS SHALL BE PAID TO SUCH NONPROFIT RACING ASSOCIATION OF WHICH TWO AND NINETY HUNDREDTHS SHALL BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES. AN ADDITIONAL ONE AND EIGHTY-FIVE HUNDREDTHS SHALL BE PAID TO THE REGIONAL HARNESS TRACK. ANY PORTION OF SAID AMOUNT NOT SO USED DURING ANY YEAR SHALL BE USED DURING THE FOLLOWING YEAR, FAILING WHICH IT SHALL BE RETURNED TO THE REGIONAL CORPORATION ON OR BEFORE APRIL FIRST IN THE YEAR FOLLOWING THE YEAR IN WHICH IT IS NOT SO USED TO BE DISTRIBUTED TO THE STATE AND/OR THE PARTICIPATING LOCAL GOVERNMENTS, AS THE CASE MAY BE.

C. IN ADDITION TO ANY OTHER AMOUNT REQUIRED BY THIS SECTION, BUT SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, OF THE PORTION OF COMMISSIONS RETAINED BY A REGIONAL CORPORATION, AN AMOUNT EQUAL TO ONE AND ONE-TENTH PER CENTUM OF REGULAR AND MULTIPLE POOLS AND SIX-TENTHS OF ONE PER CENTUM OF EXOTIC POOLS DERIVED FROM WAGERS ON RACES CONDUCTED BY A THOROUGHBRED RACING CORPORATION, LICENSED BY THE BOARD, OTHER THAN A FRANCHISED CORPORATION, SHALL BE PAID TO SUCH THOROUGHBRED RACING CORPORATION TO BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES. ANY PORTION OF SAID AMOUNT NOT SO USED DURING ANY YEAR SHALL BE USED DURING THE FOLLOWING YEAR, FAILING WHICH IT SHALL BE RETURNED TO THE REGIONAL CORPORATION ON OR BEFORE APRIL FIRST IN THE YEAR FOLLOWING THE YEAR IN WHICH IT IS NOT SO USED TO BE DISTRIBUTED TO THE STATE AND/OR THE PARTICIPATING LOCAL GOVERNMENTS, AS THE CASE MAY BE.

4. A. OF THE PORTION OF RETAINED COMMISSION ON OFF-TRACK POOLS DISTRIBUTED TO HARNESS RACING ASSOCIATIONS OR CORPORATIONS AUTHORIZED TO CONDUCT RACING IN WESTCHESTER OR NASSAU COUNTY, ONE-HALF SHALL BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES AWARDED TO HORSES IN RACES CONDUCTED BY SUCH ASSOCIATIONS OR CORPORATIONS.

B. THE PORTION OF RETAINED COMMISSION ON OFF-TRACK POOLS DISTRIBUTED TO OTHER HARNESS OR QUARTER HORSE RACING ASSOCIATIONS OR CORPORATIONS SHALL BE DEEMED TO BE PART OF THE ON-TRACK COMMISSION FOR PURPOSES OF CALCULATING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES, AWARDED TO HORSES IN RACES CONDUCTED BY SUCH ASSOCIATIONS OR CORPORATIONS.

5. A. SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, ONE PER CENTUM OF DAILY POOLS DERIVED FROM BETS ON HARNESS RACES SHALL BE PAID TO THE AGRICULTURE AND NEW YORK STATE BREEDING AND DEVELOPMENT FUND EXCEPT THAT FOR SUPER EXOTIC BETTING POOLS SUCH AMOUNT SHALL BE THREE PER CENTUM OF SUCH BETS.

B. SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, AN AMOUNT EQUAL TO ONE-HALF OF ONE PER CENTUM OF TOTAL DAILY OFF-TRACK PARI-MUTUEL POOLS RESULTING FROM REGULAR, MULTIPLE AND EXOTIC BETS AND THREE PER CENTUM OF SUPER EXOTIC BETS ON THOROUGHBRED OR STEEPLECHASE RACES SHALL BE PAID TO THE NEW YORK STATE THOROUGHBRED BREEDING AND DEVELOPMENT FUND.

C. SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, FROM THE TOTAL BREAKS RETAINED BY A REGIONAL CORPORATION, AN AMOUNT EQUAL TO TEN PER CENTUM OF THE BREAKS DERIVED FROM BETS ON QUARTER HORSE RACES SHALL BE PAID TO THE NEW YORK STATE QUARTER HORSE BREEDING AND DEVELOPMENT FUND.

5-A. SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A REGIONAL CORPORATION SHALL RETAIN, IN ADDITION TO THOSE

AMOUNTS DESCRIBED IN THE OPENING PARAGRAPH OF THIS SECTION, FROM REGULAR AND MULTIPLE BETS ON RACES RUN AT TRACKS ELECTING TO WITHHOLD PURSUANT TO SECTION TWO HUNDRED THIRTY-SEVEN OR SECTION THREE HUNDRED NINETEEN OF THIS CHAPTER, AN AMOUNT EQUAL TO ONE PER CENTUM OF POOLS RESULTING FROM TOTAL WAGERING AT SUCH TRACKS, ONE-HALF OF WHICH SHALL BE PAID TO SUCH TRACKS OR NON-PROFIT COUNTY AGRICULTURAL SOCIETY, EXCEPT THAT THE FULL ONE PER CENTUM SHALL BE PAID TO SUCH TRACK IN THE CATSKILL REGION CONDUCTING A MIXED MEETING, TO BE USED EXCLUSIVELY FOR CAPITAL IMPROVEMENTS PURSUANT TO SECTIONS TWO HUNDRED THIRTY-SEVEN AND THREE HUNDRED NINETEEN OF THIS CHAPTER AND SUBJECT TO THE RULES AND REGULATIONS OF THE RACING AND WAGERING BOARD AND ONE-HALF TO BE RETAINED BY THE REGIONAL CORPORATION FOR ITS OWN CORPORATE PURPOSES.

6. THE NET AMOUNT REMAINING TO EACH REGIONAL CORPORATION AFTER PAYMENT OF TAXES AND DISTRIBUTIONS PURSUANT TO THIS SECTION AND AFTER PAYMENT OF OPERATING EXPENSES AND PRINCIPAL AND INTEREST ON ANY OBLIGATIONS SHALL, IN THE CASE OF THE METROPOLITAN OFF-TRACK BETTING CORPORATION, BE RETAINED BY THE CORPORATION, AND IN THE CASE OF OTHER REGIONAL CORPORATIONS SHALL ACCRUE AND BE PAYABLE TO PARTICIPATING COUNTIES PURSUANT TO SECTION FIVE HUNDRED SIXTEEN OF THIS CHAPTER; PROVIDED, HOWEVER, THAT THE METROPOLITAN OFF-TRACK BETTING CORPORATION, AFTER PAYMENT OF ALL CURRENT TAXES AND DISTRIBUTIONS SHALL USE SUCH NET AMOUNT TO PAY ALL LIABILITIES OF SUCH CORPORATION AS OF THE EFFECTIVE DATE OF THIS SECTION, AND AT SUCH TIME AS ALL LIABILITIES HAVE BEEN PAID SUCH CORPORATION SHALL PAY REMAINING AMOUNTS TO THE COMPTROLLER OF THE STATE OF NEW YORK FOR DEPOSIT IN THE GENERAL FUND OF THE STATE FOR DISTRIBUTION TO THE STATE TREASURY AND THE COUNTY OF NASSAU ON THE BASIS OF THE PROPORTION OF THE TOTAL OFF-TRACK PARI-MUTUEL WAGERING ACCEPTED BY THE CORPORATION DURING THE PREVIOUS CALENDAR QUARTER THAT ORIGINATED IN THE BRANCH OFFICES LOCATED IN NEW YORK CITY AND NASSAU COUNTY, RESPECTIVELY.

7. IN ADDITION TO ANY OTHER AMOUNT REQUIRED BY THIS SECTION, OF THE PORTION OF COMMISSIONS RETAINED BY A REGIONAL CORPORATION, AN AMOUNT EQUAL TO ONE PER CENTUM OF MULTIPLE POOLS DERIVED FROM WAGERS ON RACES CONDUCTED BY A THOROUGHBRED RACING CORPORATION, LICENSED BY THE BOARD, OTHER THAN A FRANCHISED CORPORATION, SHALL BE PAID TO SUCH THOROUGHBRED RACING CORPORATION AND HELD BY SUCH CORPORATION FOR ITS OWN USE AND PURPOSES, EXCEPT THAT AN AMOUNT EQUAL TO ONE-HALF PER CENTUM SHALL BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES, AWARDED TO HORSES IN RACES CONDUCTED BY SUCH CORPORATION. ANY PORTION OF SAID AMOUNT NOT SO USED DURING ANY YEAR SHALL BE USED DURING THE FOLLOWING YEAR, FAILING WHICH IT SHALL BE RETURNED TO THE REGIONAL CORPORATION ON OR BEFORE APRIL FIRST IN THE YEAR FOLLOWING THE YEAR IN WHICH IT IS NOT SO USED TO BE DISTRIBUTED TO THE PARTICIPATING LOCAL GOVERNMENTS.

8. SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, FROM THE NINETEEN PER CENTUM OF THE TOTAL DEPOSITS IN POOLS RESULTING FROM MULTIPLE BETS ON THOROUGHBRED RACES OUTSIDE THIS STATE, TWO PER CENTUM SHALL BE PAID TO A FRANCHISED CORPORATION TO BE USED EXCLUSIVELY FOR THE PURPOSE OF INCREASING PURSES, INCLUDING STAKES, PREMIUMS AND PRIZES. ANY PORTION OF SAID AMOUNT NOT SO USED DURING ANY YEAR SHALL BE USED DURING THE FOLLOWING YEAR, FAILING WHICH IT SHALL BE RETURNED TO THE REGIONAL CORPORATION ON OR BEFORE APRIL FIRST IN THE YEAR FOLLOWING THE YEAR IN WHICH IT IS NOT SO USED TO BE DISTRIBUTED TO THE STATE OR PARTICIPATING LOCAL GOVERNMENTS. NOTWITHSTANDING THE PROVISIONS OF SECTION FIFTEEN OF CHAPTER THREE HUNDRED SIXTY-THREE OF THE LAWS OF NINETEEN HUNDRED EIGHTY-FOUR, THE PROVISIONS OF THIS SUBDIVISION SHALL NOT EXPIRE.

S 532. SURCHARGE ON OFF-TRACK WINNINGS; DISPOSITION OF REVENUES. 1. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, EACH REGIONAL OFF-TRACK BETTING CORPORATION, OR OFF-TRACK BETTING OPERATOR, INCLUDING THE NEW YORK CITY OFF-TRACK BETTING CORPORATION AND THE SUCCESSOR METROPOLITAN OFF-TRACK BETTING CORPORATION, CONDUCTING OFF-TRACK BETTING SHALL IMPOSE A SURCHARGE OF FIVE PER CENTUM ON THE PORTION OF PARI-MUTUEL WAGERING POOLS DISTRIBUTABLE TO PERSONS HAVING PLACED BETS AT OFF-TRACK BETTING FACILITIES LOCATED WITHIN SUCH REGION. THE REVENUES DERIVED FROM SUCH SURCHARGE, PLUS THE BREAKS, SHALL BE HELD SEPARATE AND APART FROM ANY AMOUNTS OTHERWISE AUTHORIZED TO BE RETAINED FROM PARI-MUTUEL POOLS. SUCH SURCHARGE IS HEREBY LEVIED SUBJECT TO THE CONDITIONS SET FORTH IN THIS SUBDIVISION AND ARTICLE TEN OF THIS CHAPTER.

2. SUBJECT TO THE LIMITATIONS ON GROSS DISTRIBUTIONS SET FORTH IN SUBDIVISION ONE OF THIS SECTION, THE REVENUES RECEIVED FROM ANY SURCHARGE IMPOSED BY SUBDIVISION ONE OF THIS SECTION, PLUS THE BREAKS, SHALL BE DISTRIBUTED MONTHLY, AS FOLLOWS:

A. FIFTY PER CENTUM TO SUCH CITY, OR TO THE COUNTIES AND CITIES ENTITLED TO RECEIVE REVENUES FROM THE REGIONAL CORPORATION PURSUANT TO SECTION FIVE HUNDRED SIXTEEN OF THIS CHAPTER AND IN THE SAME PROPORTION AS PROVIDED THEREIN, OR TO AN OFF-TRACK BETTING OPERATOR; AND

B. THE BALANCE AS FOLLOWS:

(I) WHERE THE TRACK CONDUCTING THE RACE ON WHICH THE BET WAS PLACED IS LOCATED WITHIN A CITY WITH A POPULATION IN EXCESS OF ONE HUNDRED THOUSAND, TO SUCH CITY;

(II) WHERE THE TRACK CONDUCTING THE RACE ON WHICH THE BET WAS PLACED IS NOT LOCATED WITHIN A CITY WITH A POPULATION IN EXCESS OF ONE HUNDRED THOUSAND, TO THE COUNTY IN WHICH SUCH TRACK IS LOCATED;

(III) WHERE THE TRACK CONDUCTING THE RACE ON WHICH THE BET WAS PLACED IS LOCATED PARTIALLY WITHIN A CITY WITH A POPULATION IN EXCESS OF ONE MILLION AND PARTIALLY WITHIN A COUNTY, TWENTY-FIVE PER CENTUM OF SUCH BALANCE TO THE CITY AND THE REMAINDER TO THE COUNTY; AND

(IV) WHERE THE TRACK CONDUCTING THE RACE ON WHICH THE BET WAS PLACED IS LOCATED OUTSIDE THE STATE, IN THE SAME MANNER AS DESCRIBED IN PARAGRAPH A OF THIS SUBDIVISION.

(V) WHERE THE TRACK CONDUCTING THE RACE IS LOCATED IN A THOROUGHBRED SPECIAL BETTING DISTRICT AND IS SIMULCASTING PURSUANT TO SECTION ONE THOUSAND EIGHT OF THIS CHAPTER OUTSIDE SUCH SPECIAL BETTING DISTRICT, NINETY PER CENTUM TO THE OFF-TRACK BETTING OPERATOR AND TEN PER CENTUM TO THE COUNTY IN WHICH SUCH TRACK IS LOCATED.

(VI) FOR THE PERIOD OF SEPTEMBER FIRST, TWO THOUSAND SEVEN UNTIL AUGUST THIRTY-FIRST, TWO THOUSAND TWELVE AND WHERE THE TRACK CONDUCTING THE RACE ON WHICH THE BET WAS PLACED IS A HARNESS TRACK LOCATED IN THE COUNTY OF ERIE, TO SUCH TRACK.

3. SUCH FIVE PER CENTUM SURCHARGE HEREIN PROVIDED IS HEREBY INCREASED BY A SUPPLEMENTAL ONE PER CENTUM SURCHARGE ON THE PORTION OF PARI-MUTUEL WAGERING POOLS OF MULTIPLE, EXOTIC AND SUPER EXOTIC BETS DISTRIBUTABLE TO PERSONS HAVING PLACED BETS AT OFF-TRACK BETTING FACILITIES TO BE DISTRIBUTED IN ACCORDANCE WITH THE PROVISIONS OF SECTION FIVE HUNDRED NINE-A OR SIX HUNDRED NINE-A OF THIS CHAPTER, WHICHEVER MAY BE APPLICABLE TO THE CORPORATION WITH WHICH SUCH BETS ORIGINATED.

4. THE STATE RACING AND WAGERING BOARD SHALL ISSUE REGULATIONS PROVIDING FOR MONTHLY DISTRIBUTION TO CITIES AND COUNTIES OF REVENUES RECEIVED UNDER THIS SECTION, THROUGH THE REGIONAL OFF-TRACK BETTING CORPORATION IN WHICH SUCH CITIES OR COUNTIES ARE LOCATED; PROVIDED, HOWEVER, IN THE EVENT THAT SUCH CITIES OR COUNTIES OTHERWISE ENTITLED TO RECEIVE SUCH REVENUES ARE NOT PARTICIPATING CITIES OR COUNTIES WITH A REGIONAL

OFF-TRACK BETTING CORPORATION THEN SUCH MONTHLY DISTRIBUTIONS SHALL BE PAYABLE DIRECTLY TO SUCH CITIES OR COUNTIES. REGIONAL OFF-TRACK BETTING CORPORATIONS THAT RECEIVE PAYMENTS UNDER THIS SUBDIVISION SHALL DISTRIBUTE SUCH PAYMENTS TO APPROPRIATE PARTICIPATING CITIES AND COUNTIES WITHIN THREE BUSINESS DAYS FOLLOWING RECEIPT OF SUCH PAYMENTS. THE BOARD SHALL ALSO PROVIDE FOR PERIODIC REPORTS BY REGIONAL OFF-TRACK BETTING CORPORATIONS TO ENSURE THAT THE PURPOSES OF THIS SECTION ARE CARRIED OUT.

5. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, MONEYS DISTRIBUTABLE TO THE COUNTY OF SARATOGA PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH B OF SUBDIVISION TWO OF THIS SECTION SHALL BE DISTRIBUTED AS FOLLOWS:

A. THE FIRST ONE MILLION SIX HUNDRED FIFTY-EIGHT THOUSAND ONE HUNDRED FIFTY-FOUR DOLLARS AND SIXTY-FOUR CENTS OF DISTRIBUTABLE REVENUES SHALL BE PAID TO THE COUNTY OF SARATOGA.

B. THE NEXT THREE HUNDRED TWENTY-TWO THOUSAND NINE HUNDRED FOURTEEN DOLLARS AND TWENTY-ONE CENTS OF DISTRIBUTABLE REVENUES SHALL BE PAID TO THE CITY OF SARATOGA.

C. IF ANY SURPLUS MONEYS ARE AVAILABLE AFTER THE PAYMENTS ARE MADE PURSUANT TO PARAGRAPHS A AND B OF THIS SUBDIVISION SUCH SURPLUS MONEYS SHALL BE PAID AS FOLLOWS:

(I) 83.7% OF SUCH SURPLUS SHALL BE PAID TO THE COUNTY OF SARATOGA.

(II) 16.3% OF SUCH SURPLUS SHALL BE PAID TO THE CITY OF SARATOGA.

UPON THE RELEASE OF THE FEDERAL CENSUS FIGURES FOR THE CENSUS CONDUCTED IN NINETEEN HUNDRED EIGHTY, THE ALLOCATION OF SUCH REVENUES SHALL BE APPORTIONED BETWEEN THE COUNTY OF SARATOGA AND THE CITY OF SARATOGA AND SHALL BE DETERMINED BY THE PERCENTAGES OF THE TOTAL POPULATION OF THE COUNTY OF SARATOGA AND THE CITY OF SARATOGA IN RELATION TO EACH OTHER.

6. NOTWITHSTANDING ANY PROVISION HEREIN OR IN SECTION ONE THOUSAND NINE OF THIS CHAPTER TO THE CONTRARY WHERE THE TRACK CONDUCTING THE RACE IS A THOROUGHBRED TRACK LOCATED IN THE CATSKILL REGION CONDUCTING A MIXED MEETING SUCH SURCHARGE SHALL BE COLLECTED ON ALL WAGERS PLACED IN BRANCH OFFICES OR SIMULCAST THEATERS OF A REGIONAL OFF-TRACK BETTING CORPORATION. THE REVENUES RECEIVED FROM ANY SUCH SURCHARGE IMPOSED IN ACCORDANCE WITH THIS SECTION PLUS THE BREAKS SHALL BE DISTRIBUTED MONTHLY AS FOLLOWS:

A. ONE-FIFTH TO THE COUNTY IN WHICH SUCH TRACK IS LOCATED;

B. THREE-FIFTHS TO A REGIONAL TRACK LOCATED IN THE REGION IN WHICH THE BET IS PLACED IN ACCORDANCE WITH THE PROVISIONS OF SECTION FIVE HUNDRED TWENTY-SEVEN OF THIS ARTICLE, ONE-HALF THEREOF TO BE USED FOR PURSES AT SUCH REGIONAL TRACK, EXCEPT THAT IN ANY REGION CONTAINING TWO OR MORE REGIONAL TRACKS SUCH TRACKS SHALL BE ENTITLED TO AN EQUAL SHARE;

C. ONE-FIFTH TO BE RETAINED BY THE OFF-TRACK BETTING OPERATOR WITH WHOM SUCH BET ORIGINATED AS OPERATING REVENUES.

7. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, ANY PAYMENTS OTHERWISE PAYABLE TO A CITY WITH A POPULATION OF ONE MILLION OR MORE, PURSUANT TO THIS SECTION, OTHER THAN PAYMENTS PURSUANT TO SUBPARAGRAPHS (I) AND (III) OF PARAGRAPH B OF SUBDIVISION TWO OF THIS SECTION, SHALL BE PAYABLE TO THE CORPORATION AND SHALL BE AVAILABLE FOR ITS CORPORATE PURPOSES.

S 10. Sections 601, 602, 603, 604, 605, 606, 607, 609-a, 610, 611, 613, 614, 617, 623 and 624 of the racing, pari-mutuel wagering and breeding law are REPEALED and fifteen new sections 601, 602, 603, 604, 605, 606, 607, 609-a, 610, 611, 613, 614, 617, 623 and 624 are added to read as follows:

S 601. DECLARATION OF POLICY AND STATEMENT OF PURPOSES. IT IS HEREBY FOUND, DETERMINED AND DECLARED THAT THERE IS AN IMMEDIATE NEED TO TAKE ACTION TO RESCUE THE NEW YORK CITY REGIONAL OFF-TRACK BETTING CORPORATION FROM ITS CURRENT ECONOMIC CRISIS AND PENDING BANKRUPTCY, AND TO TAKE DEFINITIVE STEPS TO IMPROVE THE FINANCIAL AND OPERATING POSTURE OF THE NASSAU REGIONAL OFF-TRACK BETTING CORPORATION. THERE IS ALSO A NEED TO EFFECT MORE EFFICIENT AND STREAMLINED OPERATIONS OF THE SEVERAL DOWNSTATE REGIONAL OFF-TRACK BETTING CORPORATIONS. NEW YORK CITY REGIONAL OFF-TRACK BETTING CORPORATION AND NASSAU REGIONAL OFF-TRACK BETTING CORPORATION CONTRIBUTE OVER A BILLION AND A HALF DOLLARS DIRECTLY INTO THE STATE'S ECONOMY AND SUPPLIES EVEN MORE ECONOMIC FUEL THROUGH THE MORE THAN TWO THOUSAND FULL TIME WORKERS CURRENTLY EMPLOYED BY THOSE ENTITIES. IT IS ESTIMATED THAT APPROXIMATELY SEVENTY PERCENT OF THAT WORK FORCE WILL LOSE THEIR JOBS IF THE NEW YORK CITY REGIONAL OFF-TRACK BETTING CORPORATION BANKRUPTCY PLAN IS APPROVED AND/OR THE NASSAU REGIONAL OFF-TRACK BETTING CORPORATION IS FORCED TO DRASTICALLY DOWNSIZE OR FILE FOR BANKRUPTCY PROTECTION. THE LEGISLATURE FINDS THAT IT IS IN THE BEST INTEREST OF THE STATE THAT THOSE REGIONAL CORPORATIONS BE CONSOLIDATED AND THAT SAID COMBINATION WILL ALLOW FOR EFFICIENCIES OF SCALE, ECONOMIC VIABILITY, CREDITOR ACCEPTANCE OF WORK-OUTS AND AN INFLUX OF NEW CAPITALIZATION AT FAVORABLE RATES; AND, FURTHER FINDS THAT CONSOLIDATION WILL SAVE JOBS THAT PROVIDE A CRUCIAL CASH SOURCE THAT IS AN IMPORTANT ELEMENT OF THE MACHINE THAT FUELS THIS IMPORTANT SEGMENT OF THE STATE'S ECONOMY.

S 602. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL MEAN AND INCLUDE:

1. "ADMINISTRATIVE CODE." THE ADMINISTRATIVE CODE OF THE CITY.

2. "BOARD." THE BOARD OF DIRECTORS OF THE CORPORATION AS SUCH BOARD IS CONSTITUTED PURSUANT TO SECTION FIVE HUNDRED TWO OF THIS CHAPTER AND SECTION SIX HUNDRED THREE OF THIS ARTICLE.

3. "BONDS" AND "NOTES." BONDS AND NOTES RESPECTIVELY, AUTHORIZED AND ISSUED BY THE CORPORATION PURSUANT TO THIS ARTICLE.

4. "BRANCH OFFICE." AN ESTABLISHMENT MAINTAINED AND OPERATED BY THE CORPORATION, WHERE OFF-TRACK, PARI-MUTUEL BETS ON HORSE RACES MAY BE PLACED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS ARTICLE AND THE REGULATIONS PROMULGATED PURSUANT THERETO.

5. "CHARTER." THE NEW YORK CITY CHARTER.

6. "CITY." THE CITY OF NEW YORK.

7. "COUNTY." THE COUNTY OF NASSAU.

8. "CORPORATION." THE METROPOLITAN OFF-TRACK BETTING CORPORATION ESTABLISHED BY SECTION FIVE HUNDRED TWO OF THIS CHAPTER AND SECTION SIX HUNDRED THREE OF THIS ARTICLE.

9. "COST OF CORPORATION'S FUNCTIONS." ALL PRE-DISTRIBUTION COSTS AND EXPENSES INCURRED BY THE CORPORATION IN CONNECTION WITH THE PERFORMANCE OF THE FUNCTIONS OF THE CORPORATION AS DESCRIBED BY THIS ARTICLE, INCLUDING, BUT NOT LIMITED TO, ALL OPERATING EXPENSES OF THE CORPORATION SUCH AS SALARIES AND WAGES, INSURANCE, RENT AND REAL ESTATE TAXES, PAYMENTS IN LIEU OF TAXES AND/OR TO COMPENSATE MUNICIPALITIES FOR LOSS OF ADMISSION TAXES PURSUANT TO SUBDIVISION TWO OF SECTION FIVE HUNDRED THIRTY-ONE OF THIS CHAPTER, CONTRIBUTIONS TO ANY POST-RETIREMENT EMPLOYEE FUND AND/OR PENSION AND OTHER POST-EMPLOYMENT EXPENSES, THE COSTS OF ACQUISITION, CONSTRUCTION OR EQUIPMENT OF BRANCH OFFICES AND OTHER FACILITIES AND PREMISES OF THE CORPORATION, A REASONABLE CAPITAL RESERVE FUND OF NO MORE THAN THREE PERCENT OF NET PRE-DISTRIBUTION REVENUE, INTEREST AND PRINCIPAL ON BONDS, NOTES OR OTHER OBLIGATIONS OF THE CORPORATION, WHETHER ISSUED TO FINANCE THE ACQUISITION, CONSTRUCTION OR

EQUIPMENT OF SUCH OFFICES, FACILITIES, PREMISES, OR OTHERWISE, AND THE STATE TAX LEVIED PURSUANT TO SUBDIVISION ONE OF SECTION FIVE HUNDRED TWENTY-SEVEN OF THIS CHAPTER.

10. "COMMISSIONER OF FINANCE." THE COMMISSIONER OF FINANCE OF THE CITY OF NEW YORK.

11. "MAYOR." THE MAYOR OF THE CITY OF NEW YORK.

11-A. "COUNTY EXECUTIVE." THE COUNTY EXECUTIVE OF NASSAU COUNTY.

12. "STATE." THE STATE OF NEW YORK.

13. "TRACK." THE GROUNDS OR ENCLOSURE WITHIN WHICH HORSE RACES ARE CONDUCTED BY ANY PERSON, CORPORATION OR ASSOCIATION LAWFULLY AUTHORIZED TO HOLD SUCH RACES.

14. "SITE SELECTION BOARD." THE SITE SELECTION BOARD SHALL BE COMPOSED OF A DESIGNEE OF THE GOVERNOR, A DESIGNEE OF THE TEMPORARY PRESIDENT OF THE SENATE, A DESIGNEE OF THE SPEAKER OF THE ASSEMBLY, WITH RESPECT TO A BRANCH OFFICE LOCATED WHOLLY OR PARTLY WITHIN THE COUNTY, A DESIGNEE OF THE COUNTY EXECUTIVE OF NASSAU COUNTY, WITH RESPECT TO A BRANCH OFFICE LOCATED WHOLLY OR PARTLY WITHIN A BOROUGH OF THE CITY, THE PRESIDENT OR PRESIDENTS OF THE BOROUGH OR BOROUGHS IN WHICH THE PROPOSED SITE IS LOCATED, AND A DESIGNEE OF THE CHIEF EXECUTIVE OFFICER OF THE URBAN DEVELOPMENT CORPORATION.

S 603. METROPOLITAN OFF-TRACK BETTING CORPORATION. 1. A CORPORATION TO BE KNOWN AS THE "METROPOLITAN OFF-TRACK BETTING CORPORATION" IS HEREBY CREATED. SUCH CORPORATION SHALL BE A BODY CORPORATE AND POLITIC CONSTITUTING A PUBLIC BENEFIT CORPORATION. IT SHALL BE ADMINISTERED BY A BOARD OF DIRECTORS CONSISTING OF FIVE MEMBERS, WHO MAY BE PUBLIC OFFICERS, NOT MORE THAN THREE OF WHOM SHALL BE MEMBERS OF THE SAME PARTY, TWO APPOINTED BY THE GOVERNOR ON THE RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE, TWO APPOINTED BY THE GOVERNOR ON THE RECOMMENDATION OF THE SPEAKER OF THE ASSEMBLY AND ONE APPOINTED BY THE GOVERNOR, WHO SHALL BE THE CHAIRMAN AND SERVE AT THE PLEASURE OF THE GOVERNOR, WHO MAY CHANGE HIS DESIGNATION OF ANY SUCH DIRECTOR TO BE CHAIRMAN. EACH DIRECTOR OF THE CORPORATION SHALL SERVE AT THE PLEASURE OF THE GOVERNOR, TEMPORARY PRESIDENT OF THE SENATE OR SPEAKER OF THE ASSEMBLY, AS THE CASE MAY BE. IT SHALL BE DIVIDED INTO AN EASTERN DISTRICT COMPRISED OF THE COUNTY OF NASSAU AND A WESTERN DISTRICT COMPRISED OF THE FIVE COUNTIES OF THE CITY OF NEW YORK.

2. OF THE DIRECTORS, ONE APPOINTED BY THE GOVERNOR FOR A TERM ENDING ON DECEMBER THIRTY-FIRST, TWO THOUSAND ELEVEN, ONE APPOINTED ON THE RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE FOR A TERM ENDING ON DECEMBER THIRTY-FIRST, TWO THOUSAND TWELVE, ONE APPOINTED ON THE RECOMMENDATION OF THE SPEAKER OF THE ASSEMBLY FOR A TERM ENDING ON DECEMBER THIRTY-FIRST, TWO THOUSAND TWELVE, AND THE REMAINING TWO DIRECTORS APPOINTED ON THE RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY FOR A TERM ENDING DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN. UPON THE EXPIRATION OF SUCH TERMS, THE TERMS OF OFFICE OF THEIR SUCCESSORS SHALL BE FOUR YEARS. VACANCIES OCCURRING DURING ANY SUCH TERM SHALL BE FILLED FOR THE UNEXPIRED TERM BY THE APPOINTING AUTHORITY.

3. THE GOVERNOR SHALL DESIGNATE ONE OF THE DIRECTORS TO BE CHAIRMAN OF THE BOARD OF DIRECTORS AND MAY, AT HIS OR HER PLEASURE, CHANGE HIS OR HER DESIGNATION OF ANY SUCH DIRECTOR TO BE CHAIRMAN.

4. EACH DIRECTOR SHALL CONTINUE TO SERVE UNTIL THE APPOINTMENT AND QUALIFICATION OF HIS OR HER SUCCESSOR.

5. THE DIRECTORS SHALL BE REMOVABLE FOR CAUSE BY THE GOVERNOR, UPON CHARGES AND AFTER A HEARING.

6. THE POWERS OF THE CORPORATION SHALL BE VESTED IN AND EXERCISED BY THE BOARD AT A MEETING DULY HELD AT A TIME FIXED BY ANY BY-LAW ADOPTED BY THE BOARD, OR AT ANY DULY ADJOURNED MEETING OF SUCH MEETING OR AT ANY MEETING HELD UPON REASONABLE NOTICE TO ALL OF THE DIRECTORS, OR UPON WRITTEN WAIVER THEREOF, AND A MAJORITY OF THE WHOLE NUMBER OF DIRECTORS SHALL CONSTITUTE A QUORUM; PROVIDED THAT NEITHER THE BUSINESS NOR THE POWERS OF THE CORPORATION SHALL BE TRANSACTED OR EXERCISED EXCEPT PURSUANT TO THE FAVORABLE VOTE OF AT LEAST A MAJORITY OF THE DIRECTORS PRESENT AT A MEETING AT WHICH A QUORUM IS IN ATTENDANCE.

7. THE BOARD MAY DELEGATE TO ONE OR MORE OF THE DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES OF THE CORPORATION SUCH POWERS AND DUTIES AS IT MAY DEEM PROPER.

8. THE DIRECTORS SHALL BE REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

9. THE DIRECTORS MAY ENGAGE IN OUTSIDE EMPLOYMENT OR IN A PROFESSION OR BUSINESS UNLESS OTHERWISE PROHIBITED FROM DOING SO BY VIRTUE OF HOLDING ANOTHER PUBLIC OFFICE SUBJECT TO THE PROVISIONS OF SECTION SEVENTY-THREE OF THE PUBLIC OFFICERS LAW.

10. THE BOARD SHALL HOLD AN ANNUAL MEETING.

11. THE FISCAL YEAR OF THE CORPORATION SHALL BE THE SAME AS THAT OF THE COUNTY, PROVIDED, HOWEVER, THAT THE CORPORATION SHALL HAVE A NINE MONTH FISCAL YEAR FROM JULY FIRST, TWO THOUSAND TEN THROUGH MARCH THIRTY-FIRST, TWO THOUSAND ELEVEN, AND THEN THE FISCAL YEAR OF THE CORPORATION SHALL BE THE SAME AS THAT OF THE STATE.

S 604. POWERS OF THE CORPORATION. THE CORPORATION SHALL HAVE POWER:

1. TO SUE AND BE SUED;

2. TO HAVE A SEAL AND TO ALTER THE SAME AT ITS PLEASURE;

3. TO ACQUIRE, HOLD, LEASE, RENT AND DISPOSE OF PERSONAL PROPERTY FOR ITS CORPORATE PURPOSE;

4. TO ACQUIRE, IN THE NAME OF THE STATE, BY PURCHASE, CONDEMNATION, GIFT, GRANT OR DEVISE OR OTHERWISE, AND TO USE, REAL PROPERTY WHICH IS NECESSARY OR CONVENIENT FOR CARRYING OUT ITS CORPORATE PURPOSE; PROVIDED THAT THE CORPORATION SHALL NOT CONDEMN ANY REAL PROPERTY WITHOUT FIRST HAVING OBTAINED THE CONSENT OF THE MAYOR. ALL REAL PROPERTY ACQUIRED BY THE CORPORATION BY CONDEMNATION SHALL BE ACQUIRED IN THE MANNER PROVIDED BY LAW FOR THE CONDEMNATION OF REAL PROPERTY BY THE STATE;

5. TO MAKE BY-LAWS FOR THE MANAGEMENT AND REGULATION OF ITS AFFAIRS;

6. WITH THE CONSENT OF THE STATE, TO USE AGENTS, OFFICERS, EMPLOYEES, AND FACILITIES OF THE STATE, PAYING TO THE STATE ITS AGREED PROPORTION OF THE COMPENSATION OR COSTS;

7. TO APPOINT OFFICERS, AGENTS AND EMPLOYEES, TO PRESCRIBE THEIR QUALIFICATIONS AND TO FIX THEIR COMPENSATION; SUBJECT, HOWEVER, TO THE PROVISIONS OF SECTION SIX HUNDRED SIX OF THIS ARTICLE, AND TO THE RIGHT OF THE NASSAU COUNTY EXECUTIVE TO APPOINT THE EASTERN DISTRICT EXECUTIVE VICE PRESIDENT;

8. TO MAKE CONTRACTS AND LEASES, INCLUDING JOINT VENTURES WITH THIRD PARTIES OR ENTITIES, AND TO EXECUTE ALL INSTRUMENTS NECESSARY OR CONVENIENT TO ACCOMPLISH ITS CORPORATE PURPOSE; PROVIDED, HOWEVER, EXCEPT AS OTHERWISE SET FORTH IN THIS CHAPTER, THAT THE CORPORATION MAY ONLY ENTER INTO AGREEMENTS FOR THE PURCHASE OR LEASE OF ANY PROPERTY TO BE USED IN WHOLE OR IN PART AS AN OFF-TRACK BETTING BRANCH OFFICE WHICH IS CONDITIONED UPON THE LOCATION THEREOF BEING APPROVED BY THE SITE SELECTION BOARD; AND FURTHER PROVIDED, THAT SUCH LOCATION PRIOR TO ITS USE AS SUCH OFF-TRACK BETTING BRANCH OFFICE SHALL HAVE BEEN APPROVED BY THE SITE SELECTION BOARD;

9. TO CONSTRUCT SUCH BUILDINGS, STRUCTURES AND FACILITIES AS MAY BE NECESSARY;

10. TO ACCEPT GRANTS, LOANS AND CONTRIBUTIONS FROM THE UNITED STATES, THE STATE OR ANY AGENCY OR INSTRUMENTALITY OF EITHER OF THEM, OR THE CITY, COUNTY OR ANY PERSON, INCLUDING GIFTS OR TRANSFERS BY BEQUEST OR OTHERWISE, AND TO USE SAME OR EXPEND THE PROCEEDS THEREOF FOR ITS CORPORATE PURPOSE;

11. IN THE MANNER AND SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THIS ARTICLE, AND ARTICLE FIVE-A OF THIS CHAPTER TO ESTABLISH AND CONDUCT A SYSTEM OF OFF-TRACK PARI-MUTUEL BETTING IN THE CITY OF NEW YORK AND THE COUNTY OF NASSAU ON HORSE RACES;

12. A. TO PROMULGATE, AMEND AND REPEAL SUCH RULES AND REGULATIONS, CONSISTENT WITH THE PROVISIONS OF THIS ARTICLE, AS IT MAY DEEM NECESSARY OR DESIRABLE FOR THE CARRYING OUT OF THE PURPOSES OF THIS ARTICLE. SUCH RULES AND REGULATIONS SHALL HAVE THE FORCE AND EFFECT OF LAW.

B. NO RULE OR REGULATION PROMULGATED BY THE CORPORATION PURSUANT TO THE PROVISIONS OF THIS SUBDIVISION SHALL BE EFFECTIVE UNTIL A COPY THEREOF IS FILED WITH THE RACING AND WAGERING BOARD.

C. ANY VIOLATION OF ANY RULE OR REGULATION, FILED WITH THE RACING AND WAGERING BOARD AND DESIGNATED BY THE LETTER "R" BY RESOLUTION OF THE BOARD OF DIRECTORS OF THE CORPORATION, SHALL BE AN OFFENSE TRIABLE BY A JUDGE OF THE CRIMINAL COURT OF THE CITY OF NEW YORK OR THE FIRST DISTRICT COURT OF THE COUNTY OF NASSAU, AND SHALL BE PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BY A FINE OF NOT MORE THAN ONE THOUSAND DOLLARS, OR BY BOTH SUCH IMPRISONMENT AND FINE. ALL SUCH FINES COLLECTED SHALL BE PAID INTO THE GENERAL FUND OF THE STATE, FOR PROPORTIONAL DISTRIBUTION TO THE STATE AND COUNTY AS PROVIDED FOR HEREIN. ANY SUCH RULE OR REGULATION SHALL BE EFFECTIVE, NOTWITHSTANDING THAT ANY ACT OR OMISSION MADE AN OFFENSE OR PUNISHABLE THEREBY MAY BE A CRIME OR OFFENSE OR PUNISHABLE UNDER ANY OTHER PROVISION OF LAW;

13. TO PERFORM SUCH OTHER ACTS AND ENGAGE IN SUCH OTHER ACTIVITIES AS MAY BE NECESSARY AND PROPER FOR EXERCISING ITS POWERS AND PERFORMING ITS DUTIES UNDER THIS ARTICLE.

S 605. POLICING OF OFF-TRACK BETTING. 1. THE CORPORATION SHALL, AT ITS OWN EXPENSE, PROVIDE SUCH POLICING AS MAY BE NECESSARY TO PRESERVE ORDER IN BRANCH OFFICES AND OTHER FACILITIES AND PREMISES OF THE CORPORATION AND ENFORCE THE PROVISIONS OF THIS ARTICLE AND THE RULES AND REGULATIONS PROMULGATED PURSUANT THERETO.

2. SUCH POLICING SHALL BE PROVIDED THROUGH EMPLOYEES OF THE CORPORATION DESIGNATED AS: (I) SPECIAL PATROLMEN BY THE POLICE COMMISSIONER OF THE CITY OF NEW YORK OR THE COUNTY OF NASSAU AND SERVING PURSUANT TO THE PROVISIONS OF SECTION 14-106 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK; OR (II) SPECIAL POLICEMEN DESIGNATED IN A MANNER CONSISTENT WITH SECTION FIVE HUNDRED FOUR OF THIS CHAPTER. WHEN SO DESIGNATED, SUCH SPECIAL PATROLMEN OR SPECIAL POLICEMEN SHALL, IN THE BRANCH OFFICES AND THE OTHER FACILITIES AND PREMISES OF THE CORPORATION, AND IN THE AREAS WITHIN FIVE HUNDRED FEET THEREFROM:

A. BE EMPOWERED TO PERFORM ALL FUNCTIONS AND TO ENFORCE ALL LAWS, RULES AND REGULATIONS MENTIONED IN SUBDIVISION ONE OF THIS SECTION; AND

B. POSSESS ALL OF THE POWERS AND DISCHARGE ALL OF THE DUTIES OF REGULAR MEMBERS OF THE POLICE FORCE OF THE CITY AND COUNTY.

S 606. PERSONNEL ADMINISTRATION; PENSION, RETIREMENT AND OTHER BENEFITS. 1. THE GENERAL MANAGEMENT OF THE CORPORATION SHALL BE UNDER THE DIRECTION OF A PRESIDENT, WHO SHALL BE THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION AND SHALL BE IN CHARGE OF THE ADMINISTRATION OF ITS AFFAIRS. HE OR SHE SHALL PERFORM HIS OR HER DUTIES AS CHIEF EXECUTIVE

OFFICER, TOGETHER WITH ANY OTHER DUTIES ASSIGNED TO HIM OR HER BY THE CORPORATION, UNDER THE DIRECT SUPERVISION AND CONTROL OF THE BOARD OF DIRECTORS, AND SHALL GIVE HIS OR HER FULL TIME TO SUCH DUTIES. THE OPERATIONS OF THE WESTERN DISTRICT SHALL BE UNDER THE DIRECTION OF AN EXECUTIVE VICE PRESIDENT, AND THE OPERATIONS OF THE EASTERN DISTRICT SHALL BE UNDER THE DIRECTION OF AN EXECUTIVE VICE PRESIDENT. THE EXECUTIVE VICE PRESIDENTS OF THE DISTRICTS SHALL REPORT AND BE SUBJECT TO THE DIRECTION OF THE PRESIDENT OF THE CORPORATION. THE PRESIDENT SHALL BE APPOINTED BY AND SERVE AT THE PLEASURE OF THE BOARD OF DIRECTORS. THE EXECUTIVE VICE PRESIDENT OF THE EASTERN DISTRICT SHALL BE APPOINTED BY THE COUNTY EXECUTIVE OF NASSAU COUNTY, WITH THE ADVICE AND CONSENT OF THE SPEAKER OF THE ASSEMBLY, AND THE EXECUTIVE VICE PRESIDENT OF THE WESTERN DISTRICT SHALL BE APPOINTED BY THE BOARD OF DIRECTORS, FOR A TERM OF TWO YEARS, PROVIDED THAT THE INITIAL TERMS OF ALL SUCH OFFICERS SHALL COMMENCE ON JULY FIRST, TWO THOUSAND TEN AND END ON DECEMBER THIRTY-FIRST, TWO THOUSAND TEN.

2. FOR THE PURPOSES OF THIS SECTION, ALL EMPLOYEES OF THE NEW YORK CITY AND NASSAU COUNTY OFF-TRACK BETTING CORPORATIONS ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL REMAIN EMPLOYEES OF THE METROPOLITAN OFF-TRACK BETTING CORPORATION AFTER SUCH EFFECTIVE DATE.

3. THE CORPORATION SHALL ADMINISTER ITS PERSONNEL PURSUANT TO THE CIVIL SERVICE LAW AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, AND CLASSIFICATION AND COMPENSATION SCHEDULES OF THE STATE DEPARTMENT OF CIVIL SERVICE, AND ALL OTHER APPLICABLE PROVISIONS OF GENERAL LAWS RELATING TO CIVIL SERVICE ADMINISTRATION. THE CORPORATION SHALL RETAIN ALL PERSONNEL, PAYROLL AND ASSOCIATED EMPLOYEE RECORDS AND SHALL ENSURE THAT THE NEW YORK CITY AND/OR NASSAU COUNTY EMPLOYEES' RETIREMENT SYSTEMS HAVE ACCESS TO SUCH RECORDS FOR RETIREMENT PURPOSES CONSISTENT WITH CURRENT RECORDS RETENTION REQUIREMENTS.

4. ANY OFFICER OR EMPLOYEE OF THE CORPORATION WHO HERETOFORE ACQUIRED OR SHALL HEREAFTER ACQUIRE SUCH POSITION STATUS BY TRANSFER AND WHO AT THE TIME OF SUCH TRANSFER WAS A MEMBER OF THE NEW YORK CITY AND/OR NASSAU COUNTY EMPLOYEES' RETIREMENT SYSTEM SHALL, WITH RESPECT TO SUCH RETIREMENT SYSTEM, CONTINUE TO HAVE THE RIGHTS, PRIVILEGES, OBLIGATIONS AND STATUS WHICH WOULD HAVE APPLIED TO HIM OR HER IF HE OR SHE HAD CONTINUED TO HOLD THE OFFICE OR POSITION WHICH ENTITLED HIM OR HER TO SUCH MEMBERSHIP PRIOR TO SUCH TRANSFER. EMPLOYMENT BY THE CORPORATION SHALL CONSTITUTE CITY AND/OR COUNTY SERVICE FOR THE PURPOSES OF CHAPTER ONE OF TITLE THIRTEEN OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK AND/OR ANY SIMILAR PROVISION OF THE NASSAU COUNTY CODE.

5. ALL EMPLOYEES AND OFFICERS OF THE CORPORATION IN CLASSES OR POSITIONS WHOSE INCUMBENTS, IN EQUIVALENT CLASSES OR POSITIONS OF THE CITY AND COUNTY, ARE ELIGIBLE AS OF THE EFFECTIVE DATE OF THIS SECTION, TO PARTICIPATE IN AND RECEIVE BENEFITS FROM ANY CITY OR COUNTY AUTHORIZED HEALTH INSURANCE OR WELFARE BENEFIT PROGRAM, SHALL BE ELIGIBLE TO PARTICIPATE IN, AND RECEIVE BENEFITS FROM ANY SUCH HEALTH INSURANCE OR WELFARE BENEFIT PROGRAM; PROVIDED, HOWEVER, THAT THE CORPORATION SHALL REIMBURSE THE CITY, COUNTY OR ITS DESIGNEE FOR THE ACTUAL COST OF BENEFITS UNDER THIS SUBDIVISION.

S 607. ACQUISITION OR LEASING OF PROPERTY BY THE STATE OR CORPORATION; AGREEMENTS BETWEEN THE STATE AND CORPORATION AS TO USE OR OCCUPANCY OF PROPERTY. 1. THE STATE MAY, IN ACCORDANCE WITH THE PROVISIONS OF LAW GOVERNING THE ACQUISITION OR LEASING OF REAL PROPERTY BY THE STATE, ACQUIRE REAL PROPERTY IN THE NAME OF THE STATE BY PURCHASE OR CONDEMNATION FOR USE BY THE CORPORATION, OR LEASE REAL PROPERTY FROM OTHER OWNERS FOR SUCH PURPOSE, AND MAY THROUGH LEASE OR CONTRACT MADE UPON

SUCH TERMS AND CONDITIONS, WITH OR WITHOUT CONSIDERATION, AND FOR SUCH PERIOD OF TIME AS MAY BE AGREED UPON BY THE STATE AND THE CORPORATION, AUTHORIZE THE USE OR OCCUPANCY OF SUCH REAL PROPERTY BY THE CORPORATION FOR THE CARRYING OUT OF ITS CORPORATE PURPOSE.

2. THE STATE MAY, IN ACCORDANCE WITH THE PROVISIONS OF LAW GOVERNING THE ACQUISITION OR LEASING OF PERSONAL PROPERTY BY THE STATE, ACQUIRE OR LEASE PERSONAL PROPERTY FOR USE BY THE CORPORATION AND MAY BY LEASE OR CONTRACT MADE UPON SUCH TERMS AND CONDITIONS, WITH OR WITHOUT CONSIDERATION, AND FOR SUCH PERIOD OF TIME AS MAY BE AGREED UPON BY THE STATE AND THE CORPORATION AUTHORIZE THE USE OF SUCH PROPERTY BY THE CORPORATION OR TRANSFER TITLE TO SUCH PROPERTY TO IT, FOR THE CARRYING OUT OF ITS CORPORATE PURPOSE.

3. CONTRACTS MAY BE ENTERED INTO BY THE STATE AND THE CORPORATION CONTAINING UNDERTAKINGS BY THE STATE: (I) TO ACQUIRE OR LEASE REAL OR PERSONAL PROPERTY AND AUTHORIZE THE USE OR OCCUPANCY OF SAME BY THE CORPORATION; OR (II) TO PERFORM ANY OTHER ACTS ON THE PART OF THE STATE AUTHORIZED BY SUBDIVISIONS ONE AND TWO OF THIS SECTION, PROVIDED THE ACTS OF THE STATE CALLED FOR BY SUCH UNDERTAKINGS ARE IN CONFORMITY WITH THE PROVISIONS OF, AND WITHIN THE POWERS GRANTED TO THE STATE BY, SUBDIVISIONS ONE AND TWO OF THIS SECTION. THE MAKING OF ANY SUCH CONTRACT SHALL BE AUTHORIZED IN THE SAME MANNER AS THE ACT OR ACTS OF THE STATE CALLED FOR BY THE UNDERTAKING OR UNDERTAKINGS IN SUCH CONTRACT ARE REQUIRED TO BE AUTHORIZED UNDER THE APPLICABLE PROVISIONS OF SUBDIVISIONS ONE AND TWO OF THIS SECTION.

4. IF SUCH REAL PROPERTY WAS ACQUIRED AT THE COST AND EXPENSE OF THE CORPORATION, THE CORPORATION SHALL HAVE POWER TO SELL, LEASE OR OTHERWISE DISPOSE OF SAID REAL PROPERTY AT PUBLIC OR PRIVATE SALE, AND SHALL RETAIN AND HAVE THE POWER TO USE THE PROCEEDS OF SALE, RENTALS, OR OTHER MONEYS DERIVED FROM THE DISPOSITION THEREOF FOR ITS CORPORATE PURPOSE.

5. THE SITE SELECTION BOARD, AS DEFINED IN SECTION SIX HUNDRED TWO OF THIS ARTICLE SHALL OPERATE PURSUANT TO THE FOLLOWING PROCEDURES:

A. EVERY ACT OF THE BOARD SHALL BE BY RESOLUTION ADOPTED BY A MAJORITY OF THE VOTES CAST BY ALL THE MEMBERS. NO RESOLUTION SHALL BE ADOPTED EXCEPT AFTER A PUBLIC HEARING, NOTICE OF WHICH SHALL BE PUBLISHED IN THE STATE REGISTER FOR SIX CONSECUTIVE BUSINESS DAYS AND IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY AND COUNTY FOR TWO CONSECUTIVE BUSINESS DAYS IMMEDIATELY PRECEDING SAID HEARING.

B. MEETING OF THE SITE SELECTION BOARD SHALL BE CALLED EITHER:

(I) AS DIRECTED BY THE BOARD UPON NOTICE THEREOF PUBLISHED IN THE STATE REGISTER FOR SIX CONSECUTIVE BUSINESS DAYS AND IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY AND COUNTY FOR TWO CONSECUTIVE BUSINESS DAYS; OR

(II) UPON WRITTEN NOTICE TO THE BOARD BY THE PRESIDENT OF THE CORPORATION, THAT A SITE FOR AN OFF-TRACK BETTING BRANCH OFFICE IS UNDER CONSIDERATION BY THE CORPORATION FOR LEASE OR ACQUISITION. A COPY OF SUCH WRITTEN NOTICE SHALL BE PUBLISHED IN THE STATE REGISTER FOR SIX CONSECUTIVE BUSINESS DAYS AND IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY AND COUNTY FOR TWO CONSECUTIVE BUSINESS DAYS. ALL MEETINGS OF THE BOARD SHALL BE WITHIN SEVEN CONSECUTIVE BUSINESS DAYS OF THE DATE ON WHICH NOTICE OF SAID MEETING IS FIRST PRINTED IN THE STATE REGISTER FOR SIX CONSECUTIVE BUSINESS DAYS AND IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY AND COUNTY FOR TWO CONSECUTIVE BUSINESS DAYS.

C. THE SITE SELECTION BOARD SHALL HAVE POWER AND AUTHORITY TO ADOPT AND AMEND RULES AND REGULATIONS FOR THE CONDUCT OF ITS BUSINESS AND TO CARRY OUT ITS POWERS AND DUTIES; PROVIDED, HOWEVER, THAT THE BOARD SHALL ADOPT RULES WHICH REQUIRE BOARD ACTION ON A PROPOSED SITE WITHIN THIRTY

DAYS OF THE BOARD'S PUBLIC HEARING PROVIDED FOR IN THIS SECTION AND THAT BY ITS FAILURE TO ACT WITHIN THIRTY DAYS THE BOARD SHALL BE DEEMED TO HAVE APPROVED THE SITE.

S 609-A. CAPITAL ACQUISITION FUND. THE CORPORATION MAY CREATE AND ESTABLISH A CAPITAL ACQUISITION FUND FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION OR EQUIPPING OF OFFICES, FACILITIES OR PREMISES OF THE CORPORATION. SUCH CAPITAL ACQUISITION FUND SHALL CONSIST OF: (I) THE AMOUNTS SPECIFIED PURSUANT TO SUBDIVISION THREE OF SECTION FIVE HUNDRED THIRTY-TWO OF THIS CHAPTER; AND (II) CONTRIBUTIONS FROM THE CORPORATION'S PARI-MUTUEL WAGERING POOLS, SUBJECT TO THE FOLLOWING LIMITATIONS:

1. NO CONTRIBUTION SHALL EXCEED THE AMOUNT OF THREE PERCENT OF THE TOTAL PARI-MUTUEL WAGERING POOLS FOR THE QUARTER IN WHICH THE CONTRIBUTION IS MADE;

2. NO CONTRIBUTION SHALL REDUCE THE AMOUNT OF QUARTERLY NET REVENUES, EXCLUSIVE OF SURCHARGE REVENUES, TO AN AMOUNT LESS THAN FIFTY PERCENT OF PRE-DISTRIBUTION NET REVENUE AFTER DEDUCTION FOR THE COST OF THE CORPORATION'S FUNCTIONS AS DEFINED IN SECTION FIVE HUNDRED ONE OF THIS CHAPTER AND SECTION SIX HUNDRED TWO OF THIS ARTICLE; AND

3. THE BALANCE OF THE FUND SHALL NOT EXCEED THE LESSER OF THREE PERCENT OF TOTAL PARI-MUTUEL WAGERING POOLS FOR THE PREVIOUS TWELVE MONTHS OR THE UNDEPRECIATED VALUE OF THE CORPORATION'S OFFICES, FACILITIES AND PREMISES.

S 610. MONEYS OF CORPORATION. 1. THE MONETARY TRANSACTIONS OF THE CORPORATION AND THE KEEPING OF ITS BOOKS AND ACCOUNTS SHALL BE UNDER THE SUPERVISION OF THE STATE COMPTROLLER. THE CHAIR OF THE RACING AND WAGERING BOARD MAY AT ANY TIME REQUEST AND SHALL BE PROVIDED FOR REVIEW SUCH BOOKS AND ACCOUNTS.

2. ALL MONEYS DUE THE STATE, CITY AND COUNTY PURSUANT TO ARTICLE FIVE-A OF THIS CHAPTER SHALL BE PAID TO THE STATE COMPTROLLER OR THE RESPECTIVE COMPTROLLER OF SUCH MUNICIPALITIES, AND PROVIDED FURTHER THAT ANY NET REVENUE SHALL BE DISTRIBUTED AMONG THE STATE AND THE COUNTY OF NASSAU ON THE BASIS OF THE PROPORTION OF THE TOTAL OFF-TRACK PARI-MUTUEL WAGERING ACCEPTED BY THE CORPORATION DURING THE PREVIOUS CALENDAR QUARTER THAT ORIGINATED IN THE BRANCH OFFICES LOCATED IN NEW YORK CITY AND NASSAU COUNTY, RESPECTIVELY.

3. THE STATE COMPTROLLER AND HIS OR HER LEGALLY AUTHORIZED REPRESENTATIVE ARE AUTHORIZED TO EXAMINE THE ACCOUNTS AND BOOKS OF THE CORPORATION, INCLUDING ITS RECEIPTS, DISBURSEMENTS, CONTRACTS, LEASES, SINKING FUNDS, INVESTMENTS AND ANY OTHER RECORDS AND PAPERS RELATING TO ITS FINANCIAL STANDING.

4. THE CORPORATION SHALL HAVE POWER, NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, TO CONTRACT WITH THE HOLDERS OF ANY OF ITS BONDS AS TO THE CUSTODY, COLLECTION, SECURING, INVESTMENT AND PAYMENT OF ANY MONEYS OF THE CORPORATION OR ANY MONEYS HELD IN TRUST OR OTHERWISE FOR THE PAYMENT OF BONDS IN ANY WAY TO SECURE BONDS, AND TO CARRY OUT ANY SUCH CONTRACT NOTWITHSTANDING THAT SUCH CONTRACT MAY BE INCONSISTENT WITH THE PREVIOUS PROVISIONS OF THIS SECTION.

5. MONEYS HELD IN TRUST OR OTHERWISE FOR THE PAYMENT OF BONDS OR IN ANY WAY TO SECURE BONDS AND DEPOSITS OF SUCH MONEYS MAY BE SECURED IN THE SAME MANNER AS MONEYS OF THE CORPORATION, AND ALL BANKS AND TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY FOR SUCH DEPOSITS.

S 611. ISSUANCE OF BONDS AND NOTES BY CORPORATION. 1. THE CORPORATION SHALL HAVE THE POWER AND IS HEREBY AUTHORIZED, FROM TIME TO TIME, TO ISSUE NEGOTIABLE BONDS AND NOTES IN SUCH AGGREGATE PRINCIPAL AMOUNTS AS SHALL, IN THE OPINION OF THE CORPORATION, BE NECESSARY TOGETHER WITH

SUCH OTHER MONEYS OR FUNDS AS MAY BE AVAILABLE TO THE CORPORATION, TO PROVIDE FUNDS SUFFICIENT TO ENABLE THE CORPORATION TO CARRY OUT ITS CORPORATE PURPOSES, INCLUDING THE ACQUISITION, CONSTRUCTION, MAINTENANCE AND REPAIR OF PERSONAL AND REAL PROPERTY, THE PAYMENT OF INTEREST ON AND AMORTIZATION OF, OR PAYMENT OF SUCH BONDS AND NOTES, THE ESTABLISHMENT OF RESERVES OR SINKING FUNDS TO SECURE SUCH BONDS AND NOTES, AND ALL OTHER EXPENDITURES OF THE CORPORATION INCIDENT TO AND NECESSARY OR DESIRABLE FOR THE CARRYING OUT OF ITS CORPORATE PURPOSES AND THE EXERCISE OF ITS POWERS. EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED BY THE CORPORATION, EVERY ISSUE OF ITS BONDS AND NOTES SHALL BE GENERAL OBLIGATIONS OF THE CORPORATION PAYABLE OUT OF ANY REVENUES OR MONEYS OF THE CORPORATION, SUBJECT ONLY TO ANY AGREEMENTS WITH THE HOLDERS OF PARTICULAR BONDS OR NOTES PLEDGING ANY PARTICULAR REVENUES OR MONEYS. WHETHER OR NOT THE BONDS OR NOTES ARE OF SUCH FORM AND CHARACTER AS TO BE NEGOTIABLE INSTRUMENTS UNDER THE PROVISIONS OF ARTICLE EIGHT OF THE UNIFORM COMMERCIAL CODE, THE BONDS AND NOTES SHALL BE AND ARE HEREBY MADE NEGOTIABLE INSTRUMENTS WITHIN THE MEANING OF AND FOR ALL THE PURPOSES OF ARTICLE EIGHT OF THE UNIFORM COMMERCIAL CODE, SUBJECT ONLY TO THE PROVISIONS OF THE BONDS OR NOTES FOR REGISTRATION.

2. THE CORPORATION SHALL HAVE THE POWER AND IS HEREBY AUTHORIZED, FROM TIME TO TIME, TO ISSUE RENEWAL NOTES, AND TO REFUND ANY BONDS BY THE ISSUANCE OF NEW BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED, AND TO ISSUE BONDS TO PAY NOTES OR PARTLY TO REFUND BONDS THEN OUTSTANDING. ANY OR ALL BONDS, NOTES OR OTHER OBLIGATIONS OF THE NEW YORK CITY REGIONAL OFF-TRACK BETTING CORPORATION AND/OR THE NASSAU COUNTY REGIONAL OFF-TRACK BETTING CORPORATION AS SHALL BE OUTSTANDING ON THE EFFECTIVE DATE HEREOF SHALL BECOME FULL FAITH OBLIGATIONS OF SAID METROPOLITAN REGIONAL OFF-TRACK BETTING CORPORATION AND SHALL BE CONSOLIDATED, ABSORBED, MODIFIED, RE-CAPITALIZED, RE-ISSUED, RE-FUNDED AND/OR LIQUIDATED AS THE BOARD OF DIRECTORS OF THE METROPOLITAN REGIONAL OFF-TRACK BETTING CORPORATION SHALL DETERMINE TO BE APPROPRIATE HEREUNDER OR IN ACCORDANCE WITH SECTIONS FIVE HUNDRED EIGHT AND/OR FIVE HUNDRED ELEVEN OF THIS CHAPTER.

3. SUCH BONDS AND NOTES SHALL BE AUTHORIZED BY RESOLUTION OR RESOLUTIONS OF THE BOARD, AND SHALL MATURE AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE. BONDS AND NOTES SHALL BEAR INTEREST AT SUCH RATE OR RATES, BE IN SUCH DENOMINATIONS, BE IN SUCH FORM, EITHER COUPON OR REGISTERED, CARRY SUCH REGISTRATION PRIVILEGES, BE EXECUTED IN SUCH MANNER, BE PAYABLE IN SUCH MEDIUM OF PAYMENT, AT SUCH PLACE OR PLACES, AND BE SUBJECT TO SUCH TERMS OF REDEMPTION AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE. BONDS AND NOTES MAY BE SOLD BY THE CORPORATION AT PUBLIC OR PRIVATE SALE AT SUCH PRICE OR PRICES AS THE CORPORATION SHALL DETERMINE; PROVIDED, HOWEVER, THAT NO SUCH BONDS OR NOTES MAY BE SOLD AT A PRIVATE SALE UNLESS THE SALE AND THE TERMS THEREOF HAVE BEEN APPROVED BY THE COMPTROLLER IN WRITING.

4. ANY RESOLUTION OR RESOLUTIONS AUTHORIZING ANY BONDS OR NOTES MAY CONTAIN PROVISIONS, WHICH SHALL BE A PART OF THE CONTRACT OR CONTRACTS WITH THE HOLDERS THEREOF, AS TO:

A. PLEDGING ALL OR ANY PART OF THE MONEYS OR REVENUES OR OTHER ASSETS OF THE CORPORATION TO SECURE THE PAYMENT OF SUCH BONDS OR NOTES;

B. THE SETTING ASIDE OF RESERVES OR SINKING FUNDS AND THE REGULATION OR DISPOSITION THEREOF;

C. LIMITATIONS ON THE PURPOSES TO WHICH THE PROCEEDS OF THE SALE OF ANY ISSUE OF BONDS OR NOTES THEN OR THEREAFTER TO BE ISSUED MAY BE APPLIED AND PLEDGING SUCH PROCEEDS TO SECURE THE PAYMENT OF THE BONDS OR NOTES OR ANY ISSUE THEREOF;

D. LIMITATIONS ON THE ISSUANCE OF ADDITIONAL BONDS OR NOTES; THE TERMS UPON WHICH SUCH ADDITIONAL BONDS OR NOTES MAY BE ISSUED AND SECURED; THE REFUNDING OF OUTSTANDING BONDS OR NOTES;

E. THE PROCEDURES, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT WITH THE HOLDERS OF BONDS OR NOTES MAY BE EXTENDED OR ABROGATED, THE AMOUNT OF BONDS OR NOTES THE HOLDERS OF WHICH MUST CONSENT THERETO AND THE MANNER IN WHICH SUCH CONSENT MAY BE GIVEN;

F. THE CREATION OF SPECIAL FUNDS INTO WHICH ANY MONEYS OR REVENUES OF THE CORPORATION MAY BE DEPOSITED;

G. LIMITATIONS ON THE AMOUNTS THAT THE CORPORATION MAY EXPEND FOR ADMINISTRATIVE OR OTHER EXPENSES THEREOF;

H. VESTING IN A TRUSTEE SUCH PROPERTIES, RIGHTS, POWERS AND DUTIES IN TRUST AS THE CORPORATION MAY DETERMINE AND LIMITING OR ABROGATING THE RIGHT OF THE HOLDERS OF THE BONDS OR NOTES TO APPOINT A TRUSTEE UNDER SECTION SIX HUNDRED SIXTEEN OF THIS ARTICLE;

I. DEFINING THE ACTS OR OMISSIONS TO ACT WHICH SHALL CONSTITUTE A DEFAULT IN THE OBLIGATIONS AND DUTIES OF THE CORPORATION TO THE HOLDERS OF THE BONDS OR NOTES AND PROVIDING FOR THE RIGHTS AND REMEDIES OF THE HOLDERS OF THE BONDS OR NOTES IN THE EVENT OF SUCH DEFAULT, INCLUDING AS A MATTER OF RIGHT THE APPOINTMENT OF A RECEIVER; PROVIDING, HOWEVER, THAT SUCH RIGHTS AND REMEDIES SHALL NOT BE INCONSISTENT WITH THE GENERAL LAWS OF THE STATE AND THE OTHER PROVISIONS OF THIS ARTICLE;

J. ANY OTHER MATTERS, OF LIKE OR DIFFERENT CHARACTER, WHICH IN ANY WAY AFFECT THE SECURITY OR PROTECTION OF THE HOLDERS OF THE BONDS OR NOTES.

5. ANY PLEDGE OF REVENUES, MONEYS OR PROPERTY MADE BY THE CORPORATION SHALL BE VALID AND BINDING FROM THE TIME WHEN THE PLEDGE IS MADE; THE REVENUES, MONEYS OR PROPERTY SO PLEDGED AND THEREAFTER RECEIVED BY THE CORPORATION SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE WITHOUT ANY PHYSICAL DELIVERY THEREOF OR FURTHER ACT, AND THE LIEN OF ANY SUCH PLEDGE SHALL BE VALID AND BINDING AS AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT OR OTHERWISE AGAINST THE CORPORATION IRRESPECTIVE OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF. NEITHER THE RESOLUTION OR RESOLUTIONS NOR ANY OTHER INSTRUMENT BY WHICH A PLEDGE IS CREATED NEED BE RECORDED.

6. NEITHER THE DIRECTORS OF THE CORPORATION NOR ANY OTHER PERSON EXECUTING SUCH BONDS OR NOTES SHALL BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF.

7. THE CORPORATION, SUBJECT TO SUCH AGREEMENTS WITH THE HOLDERS OF BONDS OR NOTES AS MAY THEN EXIST, SHALL HAVE THE POWER OUT OF ANY FUNDS AVAILABLE THEREFOR TO PURCHASE ANY BONDS OR NOTES ISSUED BY IT AT A PRICE NOT EXCEEDING THE REDEMPTION PRICE THEREOF WHICH PRICE SHALL BE:

A. IF THE BONDS OR NOTES ARE THEN REDEEMABLE, THE REDEMPTION PRICE THEN APPLICABLE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE THEREON, OR

B. IF THE BONDS OR NOTES ARE NOT THEN REDEEMABLE, THE REDEMPTION PRICE APPLICABLE ON THE FIRST DATE AFTER SUCH PURCHASE UPON WHICH BONDS OR NOTES BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO SUCH DATE. ALL BONDS OR NOTES SO PURCHASED SHALL BE CANCELLED.

S 613. AGREEMENT OF THE STATE. THE STATE DOES PLEDGE TO AND AGREE WITH THE HOLDERS OF ANY AND ALL BONDS AND NOTES OF THE CORPORATION THAT THE STATE WILL NOT AUTHORIZE ANY OFFICER OR AGENCY OF GOVERNMENT, OTHER THAN THE CORPORATION, OR ANY PRIVATE PERSON, TO CONDUCT OFF-TRACK BETTING IN THE CITY OR COUNTY ON HORSE RACES, NOR IN ANY MANNER LIMIT OR ALTER THE RIGHTS HEREBY VESTED IN THE CORPORATION TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE SAID HOLDERS, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF SUCH HOLDERS UNTIL THE BONDS AND NOTES, TOGETHER WITH

THE INTEREST THEREON, INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST, AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDING BY OR ON BEHALF OF SUCH HOLDERS, ARE FULLY MET AND DISCHARGED. THE CORPORATION IS AUTHORIZED TO INCLUDE THIS PLEDGE AND AGREEMENT OF THE STATE IN ANY AGREEMENT WITH THE HOLDERS OF SUCH BONDS OR NOTES.

S 614. STATE, CITY AND COUNTY NOT LIABLE ON BONDS AND NOTES. THE BONDS, NOTES OR OTHER OBLIGATIONS OF THE CORPORATION SHALL NOT BE A DEBT OF EITHER THE STATE, THE CITY OR THE COUNTY, AND NEITHER THE STATE, THE CITY NOR THE COUNTY SHALL BE LIABLE THEREON, NOR SHALL THEY BE PAYABLE OUT OF ANY FUNDS OTHER THAN THOSE OF THE CORPORATION.

S 617. EXEMPTION FROM TAXATION. 1. THE MONEYS AND PROPERTY OF THE CORPORATION AND ANY PROPERTY UNDER ITS JURISDICTION, CONTROL OR SUPERVISION, AND ALL OF ITS ACTIVITIES AND OPERATIONS SHALL BE EXEMPT FROM TAXATION, PROVIDED THAT THE CORPORATION MAY ENTER INTO AGREEMENTS FOR PAYMENTS IN LIEU OF TAXES WITH MUNICIPALITIES AND SCHOOL DISTRICTS IN WHICH ANY OF ITS PROPERTY IS LOCATED.

2. THE STATE COVENANTS WITH THE PURCHASERS OF AND WITH ALL SUBSEQUENT HOLDERS AND TRANSFEREES OF BONDS AND NOTES ISSUED BY THE CORPORATION PURSUANT TO THIS ARTICLE, IN CONSIDERATION OF THE ACCEPTANCE OF AND PAYMENT FOR THE SAID BONDS AND NOTES, THAT THE SAID BONDS AND NOTES AND THE INCOME THEREFROM, AND ALL MONEYS, FUNDS AND REVENUE PLEDGED TO PAY OR SECURE THE PAYMENT OF SUCH BONDS AND NOTES SHALL AT ALL TIMES BE FREE FROM TAXATION, EXCEPT FOR ESTATE AND GIFT TAXES AND TAXES ON TRANSFERS.

S 623. INCONSISTENT PROVISIONS OF OTHER LAWS SUPERSEDED. INSOFAR AS THE PROVISIONS OF THIS ARTICLE ARE INCONSISTENT WITH THE PROVISIONS OF ANY OTHER LAW, GENERAL, SPECIAL OR LOCAL, OTHER THAN ARTICLE FIVE AND ARTICLE FIVE-A OF THIS CHAPTER, THE PROVISIONS OF THIS ARTICLE SHALL BE CONTROLLING.

S 624. TERMINATION OF THE CORPORATION. THE CORPORATION AND ITS CORPORATE EXISTENCE SHALL CONTINUE UNTIL TERMINATED BY SPECIFIC ACT OF THE STATE LEGISLATURE; PROVIDED, HOWEVER, THAT NO SUCH LAW SHALL TAKE EFFECT SO LONG AS THE CORPORATION SHALL HAVE BONDS, NOTES OR OTHER OBLIGATIONS OUTSTANDING. UPON TERMINATION OF THE EXISTENCE OF THE CORPORATION ALL OF ITS RIGHTS, PROPERTY, ASSETS AND FUNDS SHALL THEREUPON VEST IN AND BE POSSESSED BY THE STATE.

S 11. This act shall take effect immediately.