

2313

2009-2010 Regular Sessions

I N S E N A T E

February 18, 2009

Introduced by Sen. ADAMS -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to account wagering on simulcast horse races

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

1 Section 1. Section 1001 of the racing, pari-mutuel wagering and breed-
2 ing law, as added by chapter 363 of the laws of 1984, subdivisions n, o
3 and p as added by chapter 445 of the laws of 1997, is amended to read as
4 follows:
5 S 1001. Definitions. As used in this article, the following terms
6 shall have the following meanings:
7 a. "Simulcast" means the telecast of live audio and visual signals of
8 running, harness or quarter horse races [conducted in the state] for the
9 purposes of pari-mutuel wagering;
10 b. "Track" means the grounds or enclosures within which horse races
11 are conducted by any person, association or corporation lawfully author-
12 ized to conduct such races in accordance with the terms and conditions
13 of this chapter OR THE LAWS OF ANOTHER JURISDICTION;
14 c. "Sending track" means any track from which simulcasts originate;
15 d. "Receiving track" means any track where simulcasts originated from
16 another track are displayed;
17 e. "Applicant" means any association or corporation applying for a
18 simulcast license in accordance with the provisions of this article;
19 f. "Operator" means any association or corporation operating a simul-
20 cast facility in accordance with the provisions of this article;
21 g. "Regional track or tracks" means any or all tracks located within a
22 region defined as an off-track betting region, except that for the
23 purposes of section one thousand eight of this article any track located
24 in New York city, or Nassau, Suffolk and Westchester counties, shall be

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

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1 deemed a regional track for all regions located in district one, as
2 defined in this section;
3 h. "[The board]BOARD" means the state racing and wagering board;
4 i. "Branch office" means an establishment maintained and operated by
5 an off-track betting corporation, where off-track pari-mutuel betting on
6 horse races may be placed in accordance with the terms and conditions of
7 this chapter and rules and regulations issued pursuant thereto;
8 j. "Simulcast facility" means those facilities within the state that
9 are authorized pursuant to the provisions of this article to display
10 simulcasts for pari-mutuel wagering purposes;
11 k. "Off-track betting region" means those regions as defined in
12 section five hundred nineteen of this chapter;
13 l. "Simulcast theater" means a simulcast facility which is also a
14 public entertainment and wagering facility, and which may include any or
15 all of the following: a large screen television projection and display
16 unit, a display system for odds, pools, and payout prices, areas for
17 viewing and seating, a food and beverage facility, and any other conven-
18 ience currently provided at racetracks and not inconsistent with local
19 zoning ordinances;
20 m. "Simulcast districts" means one or more of the following named
21 districts comprised of the counties within which pari-mutuel racing
22 events are conducted as follows:
23 District 1 New York City, Suffolk, Nassau, and
24 Westchester counties
25 District 2 Sullivan county
26 District 3 Saratoga county
27 District 4 Oneida county
28 District 5 Erie, Genesee and Ontario counties
29 n. "Initial out-of-state thoroughbred track" means the track commenc-
30 ing full-card simulcasting to New York prior to any other out-of-state
31 thoroughbred track after 1:00 PM on any calendar day.
32 o. "Second out-of-state thoroughbred track" means the track (or subse-
33 quent track or tracks where otherwise authorized by this article)
34 conducting full-card simulcasting to New York after the race program
35 from the initial out-of-state thoroughbred track that has commenced
36 simulcasting on any calendar day.
37 p. "Mixed meeting" means a race meeting which has a combination of
38 thoroughbred, quarter horse, Appaloosa, paint, and/or Arabian racing on
39 the same race program.
40 Q. "ACCOUNT WAGERING" MEANS A FORM OF PARI-MUTUEL WAGERING IN WHICH A
41 PERSON ESTABLISHES AN ACCOUNT WITH AN ACCOUNT WAGERING LICENSEE AND
42 SUBSEQUENTLY COMMUNICATES VIA TELEPHONE OR OTHER ELECTRONIC MEDIA TO THE
43 ACCOUNT WAGERING LICENSEE WAGERING INSTRUCTIONS CONCERNING THE FUNDS IN
44 SUCH PERSON'S ACCOUNT AND WAGERS TO BE PLACED ON THE ACCOUNT OWNER'S
45 BEHALF.
46 R. "ACCOUNT WAGERING LICENSEE" MEANS RACING ASSOCIATIONS, OFF-TRACK
47 BETTING CORPORATIONS, AND BOARD APPROVED MULTI-JURISDICTIONAL ACCOUNT
48 WAGERING PROVIDERS THAT HAVE BEEN AUTHORIZED BY THE BOARD TO OFFER
49 ACCOUNT WAGERING.
50 S. "DORMANT ACCOUNT" MEANS AN ACCOUNT WAGERING ACCOUNT HELD BY AN
51 ACCOUNT WAGERING LICENSEE IN WHICH THERE HAS BEEN NO WAGERING ACTIVITY
52 FOR THREE YEARS.
53 T. "MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER" MEANS A BUSINESS
54 ENTITY LOCATED IN A STATE OTHER THAN THE STATE OF NEW YORK, WHICH IS
55 LICENSED BY SUCH OTHER STATE TO OFFER PARI-MUTUEL ACCOUNT WAGERING ON

1 RACES SUCH PROVIDER SIMULCASTS AND OTHER RACES IT OFFERS IN ITS WAGERING
2 MENU TO PERSONS LOCATED IN OR OUT OF THE STATE ISSUING SUCH LICENSE.

3 S 2. Section 1002 of the racing, pari-mutuel wagering and breeding
4 law, as added by chapter 363 of the laws of 1984, subdivision 2 as
5 amended by chapter 18 of the laws of 2008, is amended to read as
6 follows:

7 S 1002. General jurisdiction. 1. The [state racing and wagering] board
8 shall have general jurisdiction over the simulcasting of horse races AND
9 ACCOUNT WAGERING within the state, and the board may issue rules and
10 regulations in accordance with the provisions of this article.

11 2. The board shall annually submit reports on or before July first
12 following each year in which simulcasting OR ACCOUNT WAGERING is
13 conducted to the director of the budget, the chairman of the senate
14 finance committee and the chairman of the assembly ways and means
15 committee evaluating the results of such simulcasts OR ACCOUNT WAGERING
16 on the compatibility with the well-being of the horse racing, breeding
17 and pari-mutuel wagering industries in this state and make any recommen-
18 dations it deems appropriate. Such reports may be submitted together
19 with the reports required by subdivision two of section two hundred
20 thirty-six and subparagraph (iii) of paragraph a and subparagraph (i) of
21 paragraph b of subdivision one of section three hundred eighteen of this
22 chapter.

23 S 3. Section 1003 of the racing, pari-mutuel wagering and breeding
24 law, as added by chapter 363 of the laws of 1984, subdivision 1 as sepa-
25 rately amended by chapters 2 and 70 of the laws of 1995, paragraph (a)
26 of subdivision 1 as amended by chapter 18 of the laws of 2008, the open-
27 ing paragraph of paragraph (a) of subdivision 2 as amended by chapter
28 538 of the laws of 1999, subdivision 5 as amended by chapter 287 of the
29 laws of 1985, is amended to read as follows:

30 S 1003. Licenses for simulcast facilities. 1. [(a)] Any racing asso-
31 ciation or corporation or regional off-track betting corporation,
32 authorized to conduct pari-mutuel wagering under this chapter, desiring
33 to display the simulcast of horse races on which pari-mutuel betting
34 shall be permitted in the manner and subject to the conditions provided
35 for in this article may apply to the board for a license so to do.
36 Applications for licenses shall be in such form as may be prescribed by
37 the board and shall contain such information or other material or
38 evidence as the board may require. No license shall be issued by the
39 board authorizing the simulcast transmission of thoroughbred races from
40 a track located in Suffolk county. The fee for such licenses shall be
41 five hundred dollars per simulcast facility per year payable by the
42 licensee to the board for deposit into the general fund. [Except as
43 provided herein, the board shall not approve any application to conduct
44 simulcasting into individual or group residences, homes or other areas
45 for the purposes of or in connection with pari-mutuel wagering. The
46 board may approve simulcasting into residences, homes or other areas to
47 be conducted jointly by one or more regional off-track betting corpo-
48 rations and one or more of the following: a franchised corporation,
49 thoroughbred racing corporation or a harness racing corporation or asso-
50 ciation; provided (i) the simulcasting consists only of those races on
51 which pari-mutuel betting is authorized by this chapter at one or more
52 simulcast facilities for each of the contracting off-track betting
53 corporations which shall include wagers made in accordance with section
54 one thousand fifteen, one thousand sixteen and one thousand seventeen of
55 this chapter; provided further that the contract provisions or other
56 simulcast arrangements for such simulcast facility shall be no less

1 favorable than those in effect on January first, two thousand five; (ii)
2 that each off-track betting corporation having within its geographic
3 boundaries such residences, homes or other areas technically capable of
4 receiving the simulcast signal shall be a contracting party; (iii) the
5 distribution of revenues shall be subject to contractual agreement of
6 the parties except that statutory payments to non-contracting parties,
7 if any, may not be reduced; provided, however, that nothing herein to
8 the contrary shall prevent a track from televising its races on an
9 irregular basis primarily for promotional or marketing purposes as found
10 by the board. For purposes of this paragraph, the provisions of section
11 one thousand thirteen of this article shall not apply. Any agreement
12 authorizing an in-home simulcasting experiment commencing prior to May
13 fifteenth, nineteen hundred ninety-five, may, and all its terms, be
14 extended until June thirtieth, two thousand nine; provided, however,
15 that any party to such agreement may elect to terminate such agreement
16 upon conveying written notice to all other parties of such agreement at
17 least forty-five days prior to the effective date of the termination,
18 via registered mail. Any party to an agreement receiving such notice of
19 an intent to terminate, may request the board to mediate between the
20 parties new terms and conditions in a replacement agreement between the
21 parties as will permit continuation of an in-home experiment until June
22 thirtieth, two thousand nine; and (iv) no in-home simulcasting in the
23 thoroughbred special betting district shall occur without the approval
24 of the regional thoroughbred track.

25 (b) Any agreement authorizing in-home simulcasting pursuant to this
26 section shall be in writing, and upon written request, a copy shall be
27 provided to the representative horsemen's group of the racing associ-
28 ation or corporation that is party to said agreement. Such agreement
29 shall include a categorical statement of new and incremental expenses
30 directly related and attributable to the conduct of in-home simulcast-
31 ing. The representative horsemen's group may, within thirty days of
32 receiving the agreement, petition the board for a determination as to
33 the appropriateness and reasonableness of any expenses attributed by
34 either the racing association or corporation or the off-track betting
35 corporation.]

36 2. Before it may grant such license, the board shall review and
37 approve a plan of operation submitted by such applicant including, but
38 not limited to the following information:

39 a. A feasibility study denoting the revenue earnings expected from the
40 simulcast facility and the costs expected to operate such facility. No
41 feasibility study shall be received for a simulcast facility that is
42 applying to renew its license. The form of the feasibility study shall
43 be prescribed by the board and may include:

- 44 (i) the number of simulcast races to be displayed;
- 45 (ii) the types of wagering to be offered;
- 46 (iii) the level of attendance expected and the area from which such
47 attendance will be drawn;
- 48 (iv) the level of anticipated wagering activity;
- 49 (v) the source and amount of revenues expected from other than pari-
50 mutuel wagering;
- 51 (vi) the cost of operating the simulcast facility and the identifica-
52 tion of costs to be amortized and the method of amortization of such
53 costs;
- 54 (vii) the amount and source of revenues needed for financing the
55 simulcast facility;

1 (viii) the probable impact of the proposed operation on revenues to
2 local government;

3 b. The security measures to be employed to protect the facility, to
4 control crowds, to safeguard the transmission of the simulcast signals
5 and to control the transmission of wagering data to effectuate common
6 wagering pools;

7 c. The type of data processing, communication and transmission equip-
8 ment to be utilized;

9 d. The description of the management groups responsible for the opera-
10 tion of the simulcast facility;

11 e. The system of accounts to maintain a separate record of revenues
12 collected by the simulcast facility, the distribution of such revenues
13 and the accounting of costs relative to the simulcast operation;

14 f. The location of the facility and a written confirmation from appro-
15 priate local officials that the location of such facility and the number
16 of patrons expected to occupy such facility are in compliance with all
17 applicable local ordinances;

18 g. The written agreements and letters of consent between specified
19 parties pursuant to sections one thousand seven, one thousand eight and
20 one thousand nine of this article.

21 3. Within forty-five days of receipt of the plan of operation provided
22 in subdivision two of this section, the board shall issue an order
23 approving the plan, approving it with modifications or denying approval,
24 in which latter case the board shall state its reasons therefor. Within
25 such period the board may request additional information or suggest
26 amendments. If the board fails to approve the plan, the applicant may
27 request a public hearing to be held within thirty days of the issuance
28 of an order denying it. The board shall issue its final determination
29 within ten days of such hearing. The applicant may submit an amended
30 application no sooner than thirty days after a denial.

31 4. No racing association or corporation or regional off-track betting
32 corporation shall be allowed to operate a simulcast facility except
33 according to the provisions of an approved plan of operation. No change
34 in such plan of operation may occur until an amendment proposing a
35 change to the plan is approved by the board. A plan of operation may be
36 amended from time to time at the request of either the operator or the
37 board. The operator shall have the right to be heard concerning any
38 amendment to the plan and the board shall dispose of such proposed
39 amendments as expeditiously as practicable, but no later than thirty
40 days following submission by the operator or, in the case of amendments
41 proposed by the board, objection by the operator.

42 5. For the purpose of maintaining proper control over simulcasts
43 conducted pursuant to this article, the [state racing and wagering]
44 board shall license any person, association or corporation participating
45 in simulcasting, as the board may by rule prescribe, including, if the
46 board deem it necessary so to do, any or all persons, associations or
47 corporations who create, distribute, transmit or display simulcast
48 signals. In the case of thoroughbred racing simulcasting or harness
49 racing simulcasting, such licenses shall be issued in accordance with
50 and subject to the provisions governing licenses for participants and
51 employees in article two or article three of this chapter as may be
52 applicable to such type of racing.

53 6. NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO PROHIBIT ANY RACING
54 ASSOCIATION OR FRANCHISED CORPORATION FROM TELEVISIONING HORSE RACES INTO
55 INDIVIDUAL OR GROUP RESIDENCES, HOMES OR OTHER AREAS IN THE STATE, OR TO
56 PROHIBIT ANY OFF-TRACK BETTING CORPORATION OR ACCOUNT WAGERING LICENSEE

FROM TELEVISION INTO INDIVIDUAL OR GROUP RESIDENCES, HOMES OR OTHER AREAS IN THE STATE SUCH HORSE RACES FOR WHICH THE OFF-TRACK BETTING CORPORATION OR ACCOUNT WAGERING LICENSEE HAS RECEIVED WRITTEN CONSENT FROM THE HOST TRACK.

S 4. Section 1012 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

S 1012. [Telephone accounts and telephone] ACCOUNT wagering. [Any regional off-track betting corporation, and any franchised corporation, harness, thoroughbred, quarter horse racing association or corporation licensed to conduct pari-mutuel racing may maintain telephone betting accounts for wagers placed on races and special events offered by such corporation or association.] FRANCHISED CORPORATIONS, RACING ASSOCIATIONS, OFF-TRACK BETTING CORPORATIONS AND MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDERS MAY APPLY TO THE BOARD TO BE LICENSED TO OFFER ACCOUNT WAGERING.

1. A. FRANCHISED CORPORATIONS, RACING ASSOCIATIONS, OFF-TRACK BETTING CORPORATIONS AND MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDERS MAY FORM PARTNERSHIPS, JOINT VENTURES, OR ANY OTHER AFFILIATION OR CONTRACTUAL ARRANGEMENT IN ORDER TO FURTHER THE PURPOSES OF THIS SECTION.

B. THE DISTRIBUTION OF REVENUES TO PURSES MADE BY ANY FRANCHISED CORPORATION, OR HARNESS, THOROUGHBRED, QUARTER HORSE RACING ASSOCIATION OR CORPORATION FROM ACCOUNT WAGERS PLACED ON RACES RUN AT A QUEST FACILITY SHALL BE DETERMINED PURSUANT TO A WRITTEN AGREEMENT BETWEEN SUCH ASSOCIATION OR CORPORATION AND ITS REPRESENTATIVE HORSEMEN'S ORGANIZATION AS APPROVED BY THE BOARD.

2. THE BOARD SHALL PROMULGATE RULES AND REGULATIONS TO LICENSE AND REGULATE ALL PHASES OF ACCOUNT WAGERING.

3. THE BOARD SHALL SPECIFY A NON-REFUNDABLE APPLICATION FEE WHICH SHALL BE PAID BY EACH APPLICANT FOR AN ACCOUNT WAGERING LICENSE OR RENEWAL THEREOF.

4. ACCOUNT WAGERING LICENSEES SHALL UTILIZE PERSONAL IDENTIFICATION NUMBERS (PINS) AND SUCH OTHER TECHNOLOGIES AS THE BOARD MAY SPECIFY TO ASSURE THAT ONLY THE ACCOUNT HOLDER HAS ACCESS TO THE ADVANCE DEPOSIT WAGERING ACCOUNT.

5. ACCOUNT WAGERING LICENSEES SHALL PROVIDE FOR (I) WITHDRAWALS FROM THE WAGERING ACCOUNT ONLY BY MEANS OF A CHECK MADE PAYABLE TO THE ACCOUNT HOLDER AND SENT TO THE ADDRESS OF THE ACCOUNT HOLDER OR BY MEANS OF AN ELECTRONIC TRANSFER TO AN ACCOUNT HELD BY THE VERIFIED ACCOUNT HOLDER OR (II) THAT THE ACCOUNT HOLDER MAY WITHDRAW FUNDS FROM THE WAGERING ACCOUNT AT A FACILITY APPROVED BY THE BOARD BY PRESENTING VERIFIABLE PERSONAL AND ACCOUNT IDENTIFICATION INFORMATION.

6. ACCOUNT WAGERING LICENSEES MAY ENGAGE IN INTERSTATE WAGERING TRANSACTIONS ONLY WHERE THERE IS COMPLIANCE WITH CHAPTER FIFTY-SEVEN OF TITLE FIFTEEN OF THE UNITED STATES CODE, COMMONLY REFERRED TO AS THE "INTERSTATE HORSERACING ACT".

7. THE ACCOUNT HOLDER'S DEPOSITS TO THE WAGERING ACCOUNT SHALL BE SUBMITTED BY THE ACCOUNT HOLDER TO THE ACCOUNT WAGERING LICENSEE AND SHALL BE IN THE FORM OF ONE OF THE FOLLOWING:

A. CASH GIVEN TO THE ACCOUNT WAGERING LICENSEE;

B. CHECK, MONEY ORDER, NEGOTIABLE ORDER OF WITHDRAWAL, OR WIRE OR ELECTRONIC TRANSFER, PAYABLE AND REMITTED TO THE ACCOUNT WAGERING LICENSEE; OR

C. CHARGES MADE TO AN ACCOUNT HOLDER'S DEBIT OR CREDIT CARD UPON THE ACCOUNT HOLDER'S DIRECT AND PERSONAL INSTRUCTION, WHICH INSTRUCTION MAY BE GIVEN BY TELEPHONE COMMUNICATION OR OTHER ELECTRONIC MEANS TO THE

1 ACCOUNT WAGERING LICENSEE OR ITS AGENT BY THE ACCOUNT HOLDER IF THE USE
2 OF THE CARD HAS BEEN APPROVED BY THE ACCOUNT WAGERING LICENSEE.

3 8. A. EACH WAGERING SHALL BE IN THE NAME OF A NATURAL PERSON AND SHALL
4 NOT BE IN THE NAME OF ANY BENEFICIARY, CUSTODIAN, JOINT TRUST, CORPO-
5 RATION, PARTNERSHIP OR OTHER ORGANIZATION OR ENTITY.

6 B. A WAGERING ACCOUNT MAY BE ESTABLISHED BY A PERSON COMPLETING AN
7 APPLICATION FORM APPROVED BY THE BOARD AND SUBMITTING IT TOGETHER WITH A
8 CERTIFICATION, OR OTHER PROOF, OF AGE AND RESIDENCY. SUCH FORM SHALL
9 INCLUDE THE ADDRESS OF THE PRINCIPAL RESIDENCE OF THE PROSPECTIVE
10 ACCOUNT HOLDER AND A STATEMENT THAT A FALSE STATEMENT MADE IN REGARD TO
11 AN APPLICATION MAY SUBJECT THE APPLICANT TO PROSECUTION.

12 C. THE PROSPECTIVE ACCOUNT HOLDER SHALL SUBMIT THE COMPLETED APPLICA-
13 TION TO THE ACCOUNT WAGERING LICENSEE. THE ACCOUNT WAGERING LICENSEE MAY
14 ACCEPT OR REJECT AN APPLICATION AFTER RECEIPT AND REVIEW OF THE APPLICA-
15 TION AND CERTIFICATION, OR OTHER PROOF, OF AGE AND RESIDENCY FOR COMPLI-
16 ANCE WITH THIS SECTION.

17 D. NO PERSON OTHER THAN THE PERSON IN WHOSE NAME AN ACCOUNT HAS BEEN
18 ESTABLISHED MAY ISSUE WAGERING INSTRUCTIONS RELATING TO THAT ACCOUNT OR
19 OTHERWISE ENGAGE IN WAGERING TRANSACTIONS RELATING TO THAT ACCOUNT.

20 9. A WAGERING ACCOUNT SHALL NOT BE ASSIGNABLE OR OTHERWISE TRANSFERA-
21 BLE.

22 10. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE OR IN REGULATIONS
23 WHICH THE BOARD MAY ADOPT PURSUANT THERETO, ALL ACCOUNT WAGERS SHALL BE
24 FINAL AND NO WAGER SHALL BE CANCELED BY THE ACCOUNT HOLDER AT ANY TIME
25 AFTER THE WAGER HAS BEEN ACCEPTED BY THE ACCOUNT WAGERING LICENSEE.

26 11. DORMANT ACCOUNTS SHALL BE TREATED AS ABANDONED PROPERTY PURSUANT
27 TO SECTION THREE HUNDRED OF THE ABANDONED PROPERTY LAW.

28 12. Any [regional off-track betting corporation and any franchised
29 corporation, harness, thoroughbred, quarter horse racing association or
30 corporation licensed to conduct pari-mutuel racing] ACCOUNT WAGERING
31 LICENSEE may require a minimum account balance in an amount to be deter-
32 mined by such entity.

33 [2.] 13. a. Any regional off-track betting corporation may suspend
34 collection of the surcharge imposed under section five hundred thirty-
35 two of this chapter on winning wagers placed in [telephone] WAGERING
36 accounts maintained by such regional corporation.

37 b. In a city of one million or more any regional off-track betting
38 corporation, with the approval of the mayor of such city, may suspend
39 collection of the surcharge imposed under section five hundred thirty-
40 two of this chapter in winning wagers placed in [telephone] WAGERING
41 accounts maintained by such regional corporation.

42 [3.] 14. Any [telephone] WAGERING account maintained by [a regional
43 off-track betting corporation, franchised corporation, harness,
44 thoroughbred, quarter horse association or corporation, with inactivity
45 for a period of three years] AN ACCOUNT WAGERING LICENSEE THAT HAS
46 BECOME A DORMANT ACCOUNT shall be forfeited and paid to the commissioner
47 of taxation and finance. Such amounts when collected shall be paid by
48 the commissioner of taxation and finance into the general fund of the
49 state treasury.

50 [4.] 15. The maintenance and operation of such [telephone] WAGERING
51 accounts provided for in this section shall be subject to rules and
52 regulations of the [state racing and wagering] board. The board shall
53 include in such regulation a requirement that [telephone] WAGERING
54 account information pertaining to surcharge and nonsurcharge [telephone]
55 WAGERING accounts shall be separately reported.

1 [4-a.] 16. For the purposes of this section, "telephone [betting]
2 WAGERING accounts" and "telephone wagering" shall mean and include all
3 those wagers which utilize any wired or wireless communications device,
4 including but not limited to wireline telephones, wireless telephones,
5 and the internet, to transmit the placement of wagers on races and
6 special events offered by any regional off-track betting corporation,
7 and any harness, thoroughbred, quarter horse racing association or
8 corporation licensed or franchised to conduct pari-mutuel racing in New
9 York state.

10 [5. The provisions of this section shall expire and be of no further
11 force and effect after June thirtieth, two thousand nine.]

12 17. A MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL ONLY BE
13 LICENSED UNDER THE FOLLOWING CONDITIONS:

14 A. THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER IS LICENSED BY
15 THE STATE IN WHICH IT IS LOCATED AND, IF REQUIRED, BY EACH STATE IN
16 WHICH IT OPERATES;

17 B. THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER POSSESSES APPRO-
18 PRIATE TOTALIZATOR AND ACCOUNTING CONTROLS WHICH WILL SAFEGUARD THE
19 TRANSMISSION OF WAGERING DATA AND WILL KEEP A SYSTEM OF ACCOUNTS WHICH
20 WILL MAINTAIN A SEPARATE RECORD OF REVENUES COLLECTED BY THE WAGERING
21 PROVIDER, THE DISTRIBUTION OF SUCH REVENUES AND AN ACCOUNTING OF COSTS
22 RELATIVE TO THE OPERATION OF THE WAGERING PROVIDER;

23 C. THE CHARACTER AND THE BACKGROUND OF THE MULTI-JURISDICTIONAL
24 ACCOUNT WAGERING PROVIDER IS SUCH THAT GRANTING THE APPLICATION FOR A
25 LICENSE IS IN THE PUBLIC INTEREST AND THE BEST INTEREST OF HONEST HORSE
26 RACING;

27 D. THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL UTILIZE
28 THE SERVICES OF AN INDEPENDENT THIRD PARTY TO PERFORM IDENTITY AND
29 VERIFICATION SERVICES WITH RESPECT TO THE ESTABLISHMENT OF WAGERING
30 ACCOUNTS FOR PERSONS LOCATED IN NEW YORK;

31 E. THE BOARD SHALL BE ALLOWED ACCESS TO THE PREMISES OF THE MULTI-JUR-
32 ISDICTIONAL ACCOUNT WAGERING PROVIDER TO VISIT, INVESTIGATE AND, PLACE
33 SUCH EXPERT ACCOUNTANTS AND OTHER PERSONS IT DEEMS NECESSARY FOR THE
34 PURPOSE OF INSURING COMPLIANCE WITH THE RULES AND REGULATIONS OF THE
35 BOARD;

36 F. WAGERS PLACED WITH THE MULTI-JURISDICTIONAL ACCOUNT WAGERING
37 PROVIDER SHALL RESULT IN THE COMBINATION OF ALL WAGERS PLACED AT THE
38 HOST TRACK SO AS TO PRODUCE COMMON PARI-MUTUEL BETTING POOLS FOR THE
39 CALCULATION OF ODDS AND THE DETERMINATION OF PAYOUTS FROM SUCH POOL,
40 WHICH PAYOUT SHALL BE THE SAME FOR ALL WINNING TICKETS, IRRESPECTIVE OF
41 WHETHER A WAGER IS PLACED AT A HOST TRACK OR AT A MULTI-JURISDICTIONAL
42 ACCOUNT WAGERING PROVIDER;

43 G. A MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER AUTHORIZED TO
44 ACCEPT ACCOUNT WAGERS FROM PERSONS RESIDENT IN NEW YORK, WITH RESPECT TO
45 EACH SUCH WAGER ACCEPTED, SHALL PAY SUCH PARI-MUTUEL TAX, BREEDERS' FUND
46 DISTRIBUTIONS, AND SUCH OTHER STATUTORY PAYMENTS AND DISTRIBUTIONS THER-
47 EON EQUIVALENT IN IDENTITY AND AMOUNT TO THE PARI-MUTUEL TAX, BREEDERS'
48 FUND DISTRIBUTIONS, STATUTORY PAYMENTS AND DISTRIBUTIONS THAT WOULD BE
49 REQUIRED IF SUCH WAGER HAD BEEN PLACED BY THE ACCOUNT HOLDER RESIDENT IN
50 NEW YORK AS AN ACCOUNT WAGER WITH AN OFF-TRACK BETTING CORPORATION OPER-
51 ATING IN THE OFF-TRACK BETTING REGION IN WHICH THE ACCOUNT HOLDER'S
52 COUNTY OF RESIDENCE IS LOCATED. THE BOARD SHALL PROMULGATE RULES AND
53 REGULATIONS WHICH WILL DETERMINE THE EXACT AMOUNT AND THE DISTRIBUTION
54 OF PAYMENTS OF PARI-MUTUEL TAXES, DISTRIBUTIONS TO BREEDERS' FUNDS, AND
55 PAYMENTS AND DISTRIBUTIONS TO TRACKS AND PURSES BY MULTI-JURISDICTIONAL
56 ACCOUNT WAGERING PROVIDERS; AND

1 H. IN ADDITION, FOR EACH ACCOUNT WAGER ACCEPTED FROM PERSONS RESIDENT
2 IN NEW YORK, THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL
3 PAY TO THE COUNTY OF RESIDENCE OF THE ACCOUNT HOLDER A FEE OF ONE-HALF
4 OF ONE PERCENT OF SUCH ACCOUNT WAGER. IF THE COUNTY OF RESIDENCE IS
5 WITHIN A CITY WITH A POPULATION IN EXCESS OF ONE MILLION, THE FEE SHALL
6 BE PAID TO SUCH CITY. IN COUNTIES THAT ARE MEMBERS OF AN OFF-TRACK
7 BETTING CORPORATION, THE PAYMENT SHALL BE MADE TO THE OFF-TRACK BETTING
8 CORPORATION. THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL BE
9 ENTITLED TO DEDUCT FROM THE PARI-MUTUEL TAX PAYABLE BY IT UNDER PARA-
10 GRAPH G OF THIS SUBDIVISION SUCH AMOUNTS THAT THE MULTI-JURISDICTIONAL
11 ACCOUNT WAGERING PROVIDER IS OBLIGATED TO PAY PURSUANT TO THIS PARA-
12 GRAPH.

13 S 5. Section 503 of the racing, pari-mutuel wagering and breeding law
14 is amended by adding a new subdivision 12-a to read as follows:

15 12-A. TO ENTER INTO, AMEND, CANCEL AND TERMINATE AGREEMENTS FOR THE
16 PERFORMANCE AMONG THEMSELVES, LICENSED RACING ASSOCIATIONS AND
17 MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDERS, AS DEFINED IN SECTION
18 ONE THOUSAND ONE OF THIS CHAPTER, OF THEIR RESPECTIVE FUNCTIONS, POWERS
19 AND DUTIES ON A COOPERATIVE OR CONTRACT BASIS.

20 S 6. This act shall take effect immediately.