

8520

I N S E N A T E

December 3, 2010

Introduced by Sen. LANZA -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to pari-mutuel tax rates at certain facilities and establishing the New York Racing Network, Inc.; to amend the tax law, in relation to authorizing subsidized free play credits and repealing certain provisions of the racing, pari-mutuel wagering and breeding law relating to simulcasting of out-of-state thoroughbred races

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

1 Section 1. Legislative findings and intent. The legislature hereby
2 finds and declares that off-track betting corporations are an integral
3 component of the horse racing industry in New York.

4 Therefore, the legislature finds this legislation to be essential to
5 maintaining a vibrant horse racing industry in New York, and to protect-
6 ing the thousands of jobs supported by the horse racing industry.

7 S 2. Subdivision 5-a of section 307 of the racing, pari-mutuel wager-
8 ing and breeding law, as amended by chapter 18 of the laws of 2008, is
9 amended to read as follows:

10 5-a. The board shall not issue a license pursuant to this section to
11 any harness racing association or corporation which does not apply to
12 conduct at its facilities a minimum number of pari-mutuel programs and
13 pari-mutuel races at its facilities equal to at least seventy-five per
14 centum of the programs and races so conducted during nineteen hundred
15 eighty-five or during nineteen hundred eighty-six, or one hundred per
16 centum of the programs and races so conducted during two thousand,
17 whichever is greater; provided, however, that for a harness racing asso-
18 ciation or corporation located in Westchester and Erie counties, such
19 minimum number of pari-mutuel programs and pari-mutuel races at its
20 facilities shall equal at least one hundred per centum of the programs
21 and races conducted during two thousand, AND PROVIDED FURTHER, HOWEVER,
22 THAT FOR A HARNESS ASSOCIATION OR CORPORATION LOCATED IN SULLIVAN COUN-
23 TY, SUCH MINIMUM NUMBER OF PARI-MUTUEL PROGRAMS AND PARI-MUTUEL RACES AT
24 ITS FACILITIES SHALL EQUAL AT LEAST SIXTY PER CENTUM OF THE PROGRAMS AND

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

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1 RACES SO CONDUCTED DURING NINETEEN HUNDRED EIGHTY-SIX OR EIGHTY PER
2 CENTUM OF THE PROGRAMS AND RACES SO CONDUCTED DURING TWO THOUSAND,
3 WHICHEVER IS GREATER. If the track did not conduct races during two
4 thousand, such minimum number of pari-mutuel programs and pari-mutuel
5 races at its facilities shall equal at least ninety per centum of the
6 programs and races conducted during two thousand at Buffalo raceway, in
7 the town of Hamburg and county of Erie, unless cancellation of a race
8 day because of an act of God, which the board approves or because of
9 weather conditions that are unsafe or hazardous which the board approves
10 shall not be construed as a failure to conduct a race day; provided
11 further, the board shall not grant a license to such association or
12 corporation upon application unless such programs and races are
13 conducted during the same calendar year period as were conducted during
14 the applicable period above utilized to measure the minimum number of
15 pari-mutuel programs and pari-mutuel races, as approved by the board.
16 Nothing in the foregoing paragraph shall affect any agreement in effect
17 on or before the effective date of this paragraph. The board may grant a
18 license to such association or corporation to conduct fewer such
19 programs and races for good cause shown due to factors beyond the
20 control of such association or corporation, and upon consent of the
21 representative horsemen's association, as determined pursuant to section
22 three hundred eighteen of this article.

23 S 3. The opening paragraph of paragraph a of subdivision 5 of section
24 318 of the racing, pari-mutuel wagering and breeding law, as added by
25 chapter 261 of the laws of 1988, is amended to read as follows:

26 Notwithstanding any other provision of this section to the contrary,
27 for any calendar year commencing on or after January first, nineteen
28 hundred eighty-nine, in which a harness racing association or corpo-
29 ration does not conduct a minimum number of pari-mutuel programs and
30 pari-mutuel races at its facilities equal to at least ninety per centum
31 of the programs and races so conducted during nineteen hundred eighty-
32 five or during nineteen hundred eighty-six, PROVIDED, HOWEVER, THAT FOR
33 A HARNESS RACING ASSOCIATION OR CORPORATION LOCATED IN SULLIVAN COUNTY,
34 FOR ANY CALENDAR YEAR COMMENCING ON OR AFTER JANUARY FIRST, TWO THOUSAND
35 ELEVEN, IN WHICH SUCH HARNESS RACING ASSOCIATION OR CORPORATION DOES NOT
36 CONDUCT A MINIMUM NUMBER OF PARI-MUTUEL PROGRAMS AND PARI-MUTUEL RACES
37 AT SUCH FACILITIES EQUAL TO AT LEAST SEVENTY PER CENTUM OF THE PROGRAMS
38 AND RACES SO CONDUCTED DURING NINETEEN HUNDRED EIGHTY-FIVE OR DURING
39 NINETEEN HUNDRED EIGHTY-SIX, whichever is less, in lieu of the tax rates
40 set forth in subdivision one of this section the applicable pari-mutuel
41 tax rates for such association or corporation with respect to on-track
42 pari-mutuel betting pools during such year shall be as follows:

43 S 4. Subdivision 2 of section 529 of the racing, pari-mutuel wagering
44 and breeding law is amended to read as follows:

45 2. [Ninety-five percent of the balance of such account remaining
46 unclaimed as of the last day of February of such year shall be paid to
47 the state tax commission by March fifteenth. On or before April tenth of
48 each year the balance of such account and any other unclaimed amounts
49 received in the course of conducting off-track betting shall be paid by
50 such corporation to the state tax commission. A penalty of five percent
51 and interest at the rate of one percent per month from the due date to
52 the date of payment of the unclaimed balance due March fifteenth or
53 April tenth, as the case may be, shall be payable in case such balance
54 is not paid when due. Such amounts, interest and penalties when
55 collected by the state tax commission shall be deposited into the gener-
56 al fund of the state treasury] ON APRIL FIRST OF EACH YEAR, THE AMOUNT

1 OF TICKETS REMAINING UNCLAIMED FROM THE PRIOR YEAR MAY BE USED FOR
2 CORPORATE PURPOSES.

3 S 5. Subdivisions 1, 3, 6, 7 and 11 of section 603 of the racing,
4 pari-mutuel wagering and breeding law, as amended by chapter 115 of the
5 laws of 2008, are amended to read as follows:

6 1. A corporation to be known as the "New York city off-track betting
7 corporation" is hereby created. Such corporation shall be a body corpo-
8 rate and politic constituting a public benefit corporation. It shall be
9 administered by a board of directors consisting of five [members] VOTING
10 DIRECTORS AND THREE NON-VOTING DIRECTORS, who may be public officers,
11 appointed by the governor [for fixed terms as hereinafter provided, one
12 of whom shall be appointed on the recommendation of the temporary presi-
13 dent of the senate, and one of whom shall be appointed on the recommen-
14 dation of the speaker of the assembly]. THE VOTING DIRECTORS, ONE OF
15 WHOM SHALL BE APPOINTED ON THE RECOMMENDATION OF THE TEMPORARY PRESIDENT
16 OF THE SENATE AND ONE OF WHOM SHALL BE APPOINTED ON THE RECOMMENDATION
17 OF THE SPEAKER OF THE ASSEMBLY, SHALL SERVE FOR FIXED TERMS AS HEREIN-
18 AFTER PROVIDED. OF THE NON-VOTING DIRECTORS, ONE SHALL BE APPOINTED ON
19 THE RECOMMENDATION OF THE FRANCHISED CORPORATION; ONE ON THE JOINT
20 RECOMMENDATION OF THE HARNESS TRACKS LOCATED IN WESTCHESTER AND SULLIVAN
21 COUNTIES; AND ONE ON THE RECOMMENDATION OF THE UNION REPRESENTING A
22 MAJORITY OF THE UNIONIZED EMPLOYEES OF THE CORPORATION. THE NON-VOTING
23 DIRECTORS SHALL NOT HAVE A FIDUCIARY OBLIGATION TO THE CORPORATION, BUT
24 SHALL BE REQUIRED TO PROTECT INFORMATION DEEMED TO BE, OR WHICH COULD BE
25 REASONABLY ASSUMED TO BE, CONFIDENTIAL, INCLUDING, WITHOUT LIMITATION,
26 ALL MATTERS DISCUSSED IN EXECUTIVE SESSION.

27 3. The governor shall designate one of the VOTING directors to be
28 chairman of the board of directors and may at his OR HER pleasure,
29 change his OR HER designation of any such VOTING director to be chair-
30 man.

31 6. The powers of the corporation shall be vested in and exercised by
32 the board at a meeting duly held at a time fixed by any by-law adopted
33 by the board, or at any duly adjourned meeting of such meeting or at any
34 meeting held upon reasonable notice to all of the directors, or upon
35 written waiver thereof, and a majority of the whole number of VOTING
36 directors shall constitute a quorum; provided that neither the business
37 nor the powers of the corporation shall be transacted or exercised
38 except pursuant to the favorable vote of at least a majority of the
39 VOTING directors present at a meeting at which a quorum is in attend-
40 ance.

41 7. The board may delegate to one or more of the VOTING directors,
42 officers, agents or employees of the corporation such powers and duties
43 as it may deem proper.

44 11. The fiscal year of the corporation shall be the same as that of
45 [the city, provided, however, that the corporation shall have a nine
46 month fiscal year from July first, two thousand eight through March
47 thirty-first, two thousand nine, and then the fiscal year of the corpo-
48 ration shall be the same as] the state.

49 S 6. Subdivisions 8 and 11 of section 604 of the racing, pari-mutuel
50 wagering and breeding law, subdivision 8 as amended by chapter 115 of
51 the laws of 2008, are amended to read as follows:

52 8. To make contracts and leases, including joint ventures with third
53 parties or entities, EXCEPT THAT ANY JOINT VENTURE WITH THIRD PARTIES OR
54 ENTITIES FOR THE PURPOSE OF RAISING CAPITAL FOR THE CONSTRUCTION AND
55 OPERATION OF A NEW OR EXPANDED LICENSED SIMULCAST FACILITY AS DEFINED IN
56 SUBDIVISION J OF SECTION ONE THOUSAND ONE OF THIS CHAPTER OR EXPANDED

1 SIMULCAST THEATER AS DEFINED IN SUBDIVISION 1 OF SECTION ONE THOUSAND
2 ONE OF THIS CHAPTER SHALL BE SUBJECT TO A RIGHT OF FIRST REFUSAL BY ANY
3 NEW YORK STATE LICENSED HARNESS TRACK OR FRANCHISED CORPORATION WITH
4 RACING FACILITIES LOCATED WITHIN THIRTY MILES OF THE PROPOSED LOCATION
5 (IF MORE THAN ONE SUCH HARNESS TRACK OR FRANCHISED CORPORATION'S RACING
6 FACILITIES ARE LOCATED WITHIN THIRTY MILES OF THE PROPOSED LOCATION THEN
7 BOTH WILL HAVE THE RIGHT OF FIRST REFUSAL AND MAY PARTNER TOGETHER THERE-
8 IN) TO BE THE FINANCIAL AND OPERATING PARTNER OF THE CORPORATION IN
9 SUCH JOINT VENTURE, and to execute all instruments necessary or conven-
10 ient to accomplish its corporate purpose; provided, however, that the
11 corporation may only enter into agreements for the purchase or lease of
12 any property to be used in whole or in part as an off-track betting
13 branch office which is conditioned upon the location thereof being
14 approved by the site selection board; and further provided, that such
15 location prior to its use as such off-track betting branch office shall
16 have been approved by the site selection board. TO THE EXTENT THAT ANY
17 PROVISION OF THIS CHAPTER, INCLUDING, WITHOUT LIMITATION, SUBPARAGRAPH
18 (II) OF PARAGRAPH C OF SUBDIVISION TWO OF SECTION ONE THOUSAND EIGHT AND
19 PARAGRAPH B OF SUBDIVISION THREE OF SECTION ONE THOUSAND NINE OR OF ANY
20 OTHER LAW, RULE OR REGULATION, REQUIRES THE AUTHORIZATION OR CONSENT OF
21 ANY REGIONAL TRACK TO THE CONSTRUCTION, OPERATION OR LICENSING OF A
22 SIMULCAST FACILITY OR SIMULCAST THEATER, THEN IN THE EVENT THAT SUCH
23 RIGHT OF FIRST REFUSAL IS NOT EXERCISED, THEN IF SUCH SIMULCAST FACILITY
24 IS LOCATED IN NEW YORK COUNTY OR IS LOCATED MORE THAN TEN MILES FROM ANY
25 REGIONAL HARNESS TRACK OR A RACING FACILITY OF THE FRANCHISED CORPO-
26 RATION SUCH CONSENT OR AUTHORIZATION IS HEREBY DEEMED GRANTED. NOTWITH-
27 STANDING ANY PROVISION OF THIS CHAPTER OR OF ANY OTHER LAW, RULE OR
28 REGULATION TO THE CONTRARY, THE OPERATOR OF SUCH JOINT VENTURE SIMULCAST
29 WAGERING FACILITY SHALL NEITHER BE REQUIRED TO COLLECT A SURCHARGE ON
30 BETS MADE THEREIN NOR BE REQUIRED TO CHARGE AN ADMISSION FEE FOR
31 ENTRANCE THERETO;

32 11. In the manner and subject to the terms and conditions set forth in
33 this article, and article five-a of this chapter to establish and
34 conduct a system of off-track pari-mutuel betting in the city on horse
35 races WHICH SHALL NOT INCLUDE THE CONDUCT, OPERATION, OR MAINTENANCE OF
36 TELEPHONE BETTING ACCOUNTS AND TELEPHONE WAGERING AS DEFINED IN SUBDIVI-
37 SION FOUR-A OF SECTION ONE THOUSAND TWELVE OF THIS CHAPTER, PROVIDED
38 THAT THE CORPORATION MAY AFFILIATE OR JOINT VENTURE SOLELY WITH AND AT
39 THE SOLE OPTION OF THE NEW YORK RACING NETWORK, INC. IN THE CONDUCT,
40 OPERATION, OR MAINTENANCE OF TELEPHONE BETTING ACCOUNTS AND TELEPHONE
41 WAGERING AS DEFINED IN SUBDIVISION FOUR-A OF SECTION ONE THOUSAND TWELVE
42 OF THIS CHAPTER;

43 S 7. The racing, pari-mutuel wagering and breeding law is amended by
44 adding a new section 604-a to read as follows:

45 S 604-A. TRANSFER OF ACCOUNT WAGERING OPERATIONS. NOTWITHSTANDING ANY
46 OTHER LAW, RULE OR REGULATION TO THE CONTRARY, THE CORPORATION SHALL
47 TRANSFER OWNERSHIP AND TITLE TO ALL TELEPHONE BETTING AND TELEPHONE
48 WAGERING ACCOUNTS AS DEFINED IN SUBDIVISION FOUR-A OF SECTION ONE THOU-
49 SAND TWELVE OF THIS CHAPTER THAT ARE MAINTAINED AND OPERATED BY THE
50 CORPORATION TO THE NEW YORK RACING NETWORK, INC. THE CORPORATION SHALL
51 UPON SUCH TRANSFER NO LONGER HAVE THE AUTHORITY TO MAINTAIN TELEPHONE
52 BETTING OR TELEPHONE WAGERING ACCOUNTS AS DEFINED IN THIS CHAPTER OR TO
53 CONDUCT TELEPHONE OR INTERNET WAGERING AS PROVIDED FOR IN THIS CHAPTER
54 EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY PROVIDER INCLUDING
55 BUT NOT LIMITED TO A REGIONAL OFF-TRACK BETTING CORPORATION, EXCEPT AS
56 PROVIDED FOR IN SUBDIVISION ELEVEN OF SECTION SIX HUNDRED FOUR OF THIS

1 ARTICLE. THE CORPORATION SHALL UPON SUCH TRANSFER OF TELEPHONE BETTING
2 AND TELEPHONE WAGERING ACCOUNTS AS PROVIDED HEREIN NO LONGER HAVE
3 AUTHORITY TO JOINTLY OR OTHERWISE APPROVE THROUGH WRITTEN AGREEMENT,
4 CONSENT OR OTHERWISE THE CONDUCT OF IN-HOME SIMULCASTING PURSUANT TO
5 SECTION ONE THOUSAND THREE OF THIS CHAPTER.

6 S 8. The racing, pari-mutuel wagering and breeding law is amended by
7 adding a new section 604-b to read as follows:

8 S 604-B. ACCOUNT SERVICING FOR NEW YORK RACING NETWORK, INC. 1.
9 NOTWITHSTANDING ANY LAW, RULE OR REGULATION TO THE CONTRARY, THE CORPO-
10 RATION SHALL PERMIT ACCOUNT HOLDERS OF THE NEW YORK RACING NETWORK,
11 INC., AS ESTABLISHED PURSUANT TO ARTICLE SIX-A OF THIS CHAPTER, TO MAKE
12 DEPOSITS AND WITHDRAWALS AT BRANCH OFFICES, SIMULCAST FACILITIES OR
13 SIMULCAST THEATERS OPERATED BY THE CORPORATION FROM THEIR ACCOUNTS AT
14 THE NEW YORK RACING NETWORK, INC. A FEE OF .25 PERCENT PER TRANSACTION
15 UP TO A MAXIMUM OF TEN DOLLARS PER TRANSACTION SHALL BE ASSESSED BY THE
16 CORPORATION ON THE ACCOUNT HOLDERS OF THE NEW YORK RACING NETWORK, INC.
17 FOR SUCH DEPOSITS OR WITHDRAWALS ON THEIR ACCOUNTS.

18 2. TO THE EXTENT, BUT ONLY TO THE EXTENT, THAT THE NEW YORK CITY OFF-
19 TRACK BETTING CORPORATION'S WAGERING TERMINALS, EQUIPMENT AND SYSTEMS
20 HAVE THE ABILITY TO ACCEPT AND PROCESS ACCOUNT WAGERING TRANSACTIONS,
21 THE NEW YORK RACING NETWORK, INC.'S ACCOUNT HOLDERS MAY ALSO WAGER AT
22 BRANCH OFFICES, SIMULCAST FACILITIES OR SIMULCAST THEATERS OPERATED BY
23 THE NEW YORK CITY OFF-TRACK BETTING CORPORATION FROM THEIR ACCOUNTS AT
24 THE NEW YORK RACING NETWORK, INC., IN WHICH EVENT ANY WAGER MADE AT
25 BRANCH OFFICES, SIMULCAST FACILITIES OR SIMULCAST THEATERS OPERATED BY
26 NEW YORK CITY OFF-TRACK BETTING CORPORATION BY AN ACCOUNT HOLDER OF THE
27 NEW YORK RACING NETWORK, INC. USING THEIR ACCOUNT SHALL BE SUBJECT TO A
28 FEE OF TWO PERCENT OF THE AMOUNT OF EACH ACCOUNT WAGERING TRANSACTION UP
29 TO A MAXIMUM OF TEN DOLLARS PER TRANSACTION.

30 3. NOTWITHSTANDING ANY LAW, RULE OR REGULATION TO THE CONTRARY, SUCH
31 ACCOUNT WAGERING TRANSACTION DESCRIBED IN THIS SECTION SHALL NOT BE
32 SUBJECT TO ANY SURCHARGE THAT OTHERWISE MAY BE REQUIRED TO BE CHARGED OR
33 COLLECTED ON WAGERS PLACED AT A NEW YORK CITY OFF-TRACK BETTING FACILI-
34 TY.

35 4. ANY TRANSACTION FEE TO BE PAID TO THE NEW YORK CITY OFF-TRACK
36 BETTING CORPORATION BY THE NEW YORK RACING NETWORK, INC. PURSUANT TO
37 THIS SECTION SHALL BE PAID WITHIN THIRTY DAYS OF THE FINAL DAY OF THE
38 MONTH IN WHICH SUCH TRANSACTION TAKES PLACE.

39 5. IF, DURING ANY FISCAL YEAR OF THE NEW YORK CITY OFF-TRACK BETTING
40 CORPORATION, PAYMENTS TO THE CORPORATION FROM THE NEW YORK RACING
41 NETWORK, INC. PURSUANT TO THIS SECTION REMAIN UNPAID FOR MORE THAN NINE-
42 TY DAYS FROM THE DATE THEY ARE DUE, OR ON THREE SEPARATE OCCASIONS
43 REMAIN UNPAID FOR MORE THAN THIRTY DAYS FROM THE DATE THEY ARE DUE, THEN
44 THE CORPORATION CANNOT BE HELD IN DEFAULT FOR AS LONG AS THE NEW YORK
45 RACING NETWORK, INC. REMAINS IN DEFAULT.

46 S 9. Subdivision 2 of section 606 of the racing, pari-mutuel wagering
47 and breeding law, as amended by chapter 115 of the laws of 2008, is
48 amended to read as follows:

49 2. The corporation shall administer its personnel pursuant to the
50 civil service law and the rules and regulations promulgated thereunder,
51 [and classification and compensation schedules of the state department
52 of civil service,] and all other applicable provisions of general laws
53 relating to civil service administration. The corporation shall retain
54 all personnel, payroll and associated employee records and shall ensure
55 that the New York city employees' retirement system has access to such

1 records for retirement purposes consistent with current records
2 retention requirements.

3 S 10. The racing, pari-mutuel wagering and breeding law is amended by
4 adding a new section 608 to read as follows:

5 S 608. DISPLAY OF RACES. EXCEPT AS TO SIMULCAST SIGNALS OF SPECIAL
6 INTEREST RACES, INCLUDING WITHOUT LIMITATION, TRIPLE CROWN AND BREEDERS
7 CUP RACES, SIMULCAST SIGNALS WHICH ARE SHOWN IN BRANCH OFFICES, SIMUL-
8 CAST FACILITIES OR SIMULCAST THEATERS OF RACE PROGRAMS RUN AT NEW YORK
9 STATE THOROUGHBRED OR HARNESS TRACKS SHALL BE PROMINENTLY DISPLAYED ON
10 THE LARGEST SCREENS AVAILABLE IN SUCH FACILITIES.

11 S 11. Section 610 of the racing, pari-mutuel wagering and breeding
12 law, as amended by chapter 115 of the laws of 2008, is amended to read
13 as follows:

14 S 610. Moneys of corporation. 1. The monetary transactions of the
15 corporation and the keeping of its books and accounts shall be under the
16 supervision of the director of the division of the budget. The chair of
17 the racing and wagering board may at any time request and shall be
18 provided for review such books and accounts.

19 2. THE ANNUAL OPERATING BUDGETS FOR THE CORPORATION SHALL BE APPROVED
20 BY THE BOARD OF THE CORPORATION, AND NO BUDGET SHALL BE APPROVED BY THE
21 BOARD THAT IS NOT BALANCED PURSUANT TO GENERALLY ACCEPTED ACCOUNTING
22 PRINCIPLES, EXCEPT THAT WITH RESPECT TO THE CORPORATION'S OTHER POST-EM-
23 PLOYMENT BENEFITS LIABILITIES, A BALANCED BUDGET SHOULD GIVE EFFECT ONLY
24 TO THE PROJECTED AGGREGATE ANNUAL CASH PAYMENT FOR OTHER POST-EMPLOYMENT
25 BENEFITS LIABILITIES. MOREOVER, THE CORPORATION SHALL NOT IMPLEMENT A
26 BUDGET APPROVED BY ITS BOARD UNTIL SUCH BUDGET IS DETERMINED TO BE
27 BALANCED BY THE DIRECTOR OF THE NEW YORK STATE DIVISION OF THE BUDGET
28 WHO SHALL NOT TAKE INTO ACCOUNT THE CORPORATION'S NON-CASH OTHER
29 POST-EMPLOYMENT BENEFITS LIABILITIES IN MAKING SUCH DETERMINATION. IN
30 THE EVENT THE BUDGET OF THE CORPORATION IS NOT DETERMINED TO BE BALANCED
31 BY THE DIRECTOR OF THE BUDGET PRIOR TO THE START OF THE FISCAL YEAR OF
32 THE CORPORATION, THE CORPORATION SHALL CONTINUE TO OPERATE UNDER THE
33 SPENDING LEVELS CONTAINED IN THE BUDGET OF THE PRIOR YEAR UNTIL SUCH
34 TIME AS A NEW BUDGET IS DETERMINED TO BE BALANCED BY THE DIRECTOR OF THE
35 BUDGET.

36 3. All moneys due the city pursuant to article five-A of this chapter
37 shall be paid to the New York city comptroller.

38 [3.] 4. The state comptroller and his legally authorized represen-
39 tative are authorized to examine the accounts and books of the corpo-
40 ration, including its receipts, disbursements, contracts, leases, sink-
41 ing funds, investments and any other records and papers relating to its
42 financial standing.

43 [4.] 5. The corporation shall have power, notwithstanding the
44 provisions of this section, to contract with the holders of any of its
45 bonds as to the custody, collection, securing, investment and payment of
46 any moneys of the corporation or any moneys held in trust or otherwise
47 for the payment of bonds in any way to secure bonds, and to carry out
48 any such contract notwithstanding that such contract may be inconsistent
49 with the previous provisions of this section.

50 [5.] 6. Moneys held in trust or otherwise for the payment of bonds or
51 in any way to secure bonds and deposits of such moneys may be secured in
52 the same manner as moneys of the corporation, and all banks and trust
53 companies are authorized to give such security for such deposits.

54 S 12. The racing, pari-mutuel wagering and breeding law is amended by
55 adding a new section 610-a to read as follows:

1 S 610-A. REDUCTION IN PAYMENTS REQUIRED TO BE MADE TO IN-STATE TRACKS
2 ON ACCOUNT OF ACCEPTANCE OF WAGERS ON RACES RUN AT OUT-OF-STATE TRACKS.
3 1. OTHER THAN PAYMENTS REQUIRED TO BE MADE DIRECTLY TO AN IN-STATE TRACK
4 FOR THE TAKING OF WAGERS ON RACES RUN AT AN IN-STATE TRACK, AND NOTWITH-
5 STANDING ANY PROVISION OF THIS CHAPTER OR ANY OTHER LAW, RULE OR REGU-
6 LATION TO THE CONTRARY, THE NEW YORK CITY OFF-TRACK BETTING CORPORATION
7 SHALL REDUCE ANY PAYMENTS REQUIRED TO BE MADE BY IT TO THE FRANCHISED
8 CORPORATION OR TO ANY IN-STATE, BOARD-LICENSED, THOROUGHBRED RACING
9 CORPORATION OR HARNESS RACING CORPORATION OR ASSOCIATION, ON ACCOUNT OF
10 RETAINED COMMISSIONS FROM WAGERING ACCEPTED BY THE NEW YORK CITY
11 OFF-TRACK BETTING CORPORATION ON RACES RUN AT TRACKS OUTSIDE OF NEW YORK
12 STATE, INCLUDING WITHOUT LIMITATION SUCH PAYMENTS REQUIRED TO BE MADE
13 PURSUANT TO SECTIONS FIVE HUNDRED TWENTY-SEVEN, ONE THOUSAND FOURTEEN,
14 ONE THOUSAND FIFTEEN, ONE THOUSAND SIXTEEN AND ONE THOUSAND EIGHTEEN OF
15 THIS CHAPTER. THE REDUCTIONS IN SUCH PAYMENTS SHALL BE AS FOLLOWS: FOR
16 THE FIRST FISCAL YEAR OF THE CORPORATION IN WHICH THE EFFECTIVE DATE OF
17 THIS SUBDIVISION OCCURS, SUCH PAYMENTS SHALL BE REDUCED BY FIFTY
18 PERCENT; FOR THE FOLLOWING FISCAL YEAR, SUCH PAYMENTS SHALL BE REDUCED
19 BY FORTY PERCENT; FOR THE THIRD FISCAL YEAR, SUCH PAYMENTS SHALL BE
20 REDUCED BY THIRTY PERCENT; AND FOR EACH FISCAL YEAR THEREAFTER SUCH
21 PAYMENTS SHALL BE REDUCED BY TWENTY PERCENT, PROVIDED, HOWEVER, THAT IF
22 IN THE FOURTH FISCAL YEAR OR IN ANY FISCAL YEAR THEREAFTER THE ANNUAL
23 TOTAL HANDLE OF THE NEW YORK CITY OFF-TRACK BETTING CORPORATION REACHES
24 BETWEEN SIX HUNDRED MILLION AND SIX HUNDRED TWENTY MILLION DOLLARS, THEN
25 THE REDUCTION IN SUCH PAYMENTS SHALL BE TEN PERCENT; PROVIDED, FURTHER,
26 HOWEVER THAT IF IN THE FOURTH FISCAL YEAR OR ANY SUBSEQUENT FISCAL YEAR
27 THE ANNUAL TOTAL HANDLE OF THE NEW YORK CITY OFF-TRACK BETTING CORPO-
28 RATION EXCEEDS SIX HUNDRED TWENTY MILLION DOLLARS, THEN THERE SHALL BE
29 NO REDUCTION IN SUCH PAYMENTS.

30 2. ALL PAYMENTS REQUIRED TO BE MADE BY THE NEW YORK CITY OFF-TRACK
31 BETTING CORPORATION PURSUANT TO SUBDIVISION ONE OF THIS SECTION, SHALL
32 BE MADE BY THE CORPORATION WITHIN SIXTY DAYS FOLLOWING THE LAST DAY OF
33 THE MONTH IN WHICH THE OBLIGATION FOR SUCH PAYMENT ACCRUED, WITH AN
34 ADDITIONAL THIRTY DAY PERIOD IN WHICH THE CORPORATION MUST CURE A
35 DEFAULT IN THE MAKING OF SUCH PAYMENT, PROVIDED, HOWEVER, THAT IN ANY
36 FISCAL YEAR OF THE NEW YORK CITY OFF-TRACK BETTING CORPORATION IN WHICH
37 THE PAYMENT REDUCTIONS DESCRIBED IN SUBDIVISION ONE OF THIS SECTION ARE
38 LESS THAN TWENTY PERCENT AS A RESULT OF THE CORPORATION'S TOTAL ANNUAL
39 HANDLE EXCEEDING FIVE HUNDRED NINETY-NINE MILLION DOLLARS AND
40 NINETY-NINE CENTS, THE PORTION OF SUCH PAYMENTS THAT ARE DEPENDENT UPON
41 THE CORPORATION'S TOTAL ANNUAL HANDLE EXCEEDING SUCH AMOUNT SHALL BE
42 PAID BY THE CORPORATION WITHIN THIRTY DAYS FOLLOWING THE END OF SUCH
43 FISCAL YEAR, WITH AN ADDITIONAL THIRTY DAY PERIOD IN WHICH THE CORPO-
44 RATION MUST CURE A DEFAULT IN MAKING OF ANY SUCH PAYMENTS.

45 3. NOTWITHSTANDING ANY PROVISION OF THIS CHAPTER OR ANY OTHER LAW,
46 RULE OR REGULATION TO THE CONTRARY, THE NEW YORK CITY OFF-TRACK BETTING
47 CORPORATION SHALL CALCULATE THE STATUTORY PAYMENTS IT IS REQUIRED TO
48 MAKE TO THE AGRICULTURAL AND NEW YORK STATE HORSE BREEDING DEVELOPMENT
49 FUND BY USING THE SAME PERCENTAGE RATE USED TO CALCULATE THE STATUTORY
50 PAYMENTS REQUIRED TO BE MADE BY IT TO THE NEW YORK STATE THOROUGHBRED
51 BREEDING AND DEVELOPMENT FUND.

52 S 12-a. The racing, pari-mutuel wagering and breeding law is amended
53 by adding a new section 516-a to read as follows:

54 S 516-A. REDUCTION IN PAYMENTS REQUIRED TO BE MADE TO IN-STATE TRACKS
55 ON ACCOUNT OF ACCEPTANCE OF WAGERS ON RACES RUN AT OUT-OF-STATE TRACKS.
56 1. OTHER THAN PAYMENTS REQUIRED TO BE MADE DIRECTLY TO AN IN-STATE TRACK

1 FOR THE TAKING OF WAGERS ON RACES RUN AT AN IN-STATE TRACK, AND NOTWITH-
2 STANDING ANY PROVISION OF THIS CHAPTER OR ANY OTHER LAW, RULE OR REGU-
3 LATION TO THE CONTRARY, AN OFF-TRACK BETTING CORPORATION LICENSED PURSU-
4 ANT TO THIS ARTICLE SHALL REDUCE ANY PAYMENTS REQUIRED TO BE MADE BY IT
5 TO THE FRANCHISED CORPORATION OR TO ANY IN-STATE, BOARD-LICENSED,
6 THOROUGHBRED RACING CORPORATION OR HARNESS RACING CORPORATION OR ASSOCI-
7 ATION, ON ACCOUNT OF RETAINED COMMISSIONS FROM WAGERING ACCEPTED BY AN
8 OFF-TRACK BETTING CORPORATION ON RACES RUN AT TRACKS OUTSIDE OF NEW YORK
9 STATE, INCLUDING WITHOUT LIMITATION SUCH PAYMENTS REQUIRED TO BE MADE
10 PURSUANT TO SECTIONS FIVE HUNDRED TWENTY-SEVEN, ONE THOUSAND FOURTEEN,
11 ONE THOUSAND FIFTEEN, ONE THOUSAND SIXTEEN AND ONE THOUSAND EIGHTEEN OF
12 THIS CHAPTER. THE REDUCTIONS IN SUCH PAYMENTS SHALL BE AS FOLLOWS: FOR
13 THE FIRST FISCAL YEAR OF THE CORPORATION IN WHICH THE EFFECTIVE DATE OF
14 THIS SUBDIVISION OCCURS, SUCH PAYMENTS SHALL BE REDUCED BY FIFTY
15 PERCENT; FOR THE FOLLOWING FISCAL YEAR, SUCH PAYMENTS SHALL BE REDUCED
16 BY FORTY PERCENT; FOR THE THIRD FISCAL YEAR, SUCH PAYMENTS SHALL BE
17 REDUCED BY THIRTY PERCENT; AND FOR EACH FISCAL YEAR THEREAFTER SUCH
18 PAYMENTS SHALL BE REDUCED BY TWENTY PERCENT, PROVIDED, HOWEVER, THAT IF
19 IN THE FOURTH FISCAL YEAR OR IN ANY FISCAL YEAR THEREAFTER THE ANNUAL
20 TOTAL HANDLE OF ANY INDIVIDUAL OFF-TRACK BETTING CORPORATION LICENSED
21 PURSUANT TO THIS ARTICLE HAS GROWN BY OVER ONE HUNDRED MILLION DOLLARS
22 OVER THE CALENDAR YEAR TWO THOUSAND EIGHT, THEN THERE SHALL BE NO
23 REDUCTION IN SUCH PAYMENTS.

24 2. ALL PAYMENTS REQUIRED TO BE MADE BY THE CORPORATION PURSUANT TO
25 SUBDIVISION ONE OF THIS SECTION SHALL BE MADE BY THE CORPORATION WITHIN
26 SIXTY DAYS FOLLOWING THE LAST DAY OF THE MONTH IN WHICH THE OBLIGATION
27 FOR SUCH PAYMENT ACCRUED, WITH AN ADDITIONAL THIRTY DAY PERIOD IN WHICH
28 THE CORPORATION MUST CURE A DEFAULT IN THE MAKING OF SUCH PAYMENT.

29 3. NOTWITHSTANDING ANY PROVISION OF THIS CHAPTER OR ANY OTHER LAW,
30 RULE OR REGULATION TO THE CONTRARY, THE CORPORATION SHALL CALCULATE THE
31 STATUTORY PAYMENTS IT IS REQUIRED TO MAKE TO THE AGRICULTURAL AND NEW
32 YORK STATE HORSE BREEDING DEVELOPMENT FUND BY USING THE SAME PERCENTAGE
33 RATE USED TO CALCULATE THE STATUTORY PAYMENTS REQUIRED TO BE MADE BY IT
34 TO THE NEW YORK STATE THOROUGHBRED BREEDING AND DEVELOPMENT FUND.

35 S 13. Section 613 of the racing, pari-mutuel wagering and breeding law
36 is amended to read as follows:

37 S 613. Agreement of the state. The state does pledge to and agree with
38 the holders of any and all bonds and notes of the corporation that the
39 state will not authorize any officer or agency of government, other than
40 the corporation, EXCEPT AS OTHERWISE PROVIDED FOR IN THIS ARTICLE, or
41 any private person, to [conduct] OPERATE off-track betting in the city
42 on horse races, nor in any manner limit or alter the rights hereby vest-
43 ed in the corporation to fulfill the terms of any agreements made with
44 the said holders, or in any way impair the rights and remedies of such
45 holders until the bonds and notes, together with the interest thereon,
46 interest on any unpaid installments of interest, and all costs and
47 expenses in connection with any action or proceeding by or on behalf of
48 such holders, are fully met and discharged. The corporation is author-
49 ized to include this pledge and agreement of the state in any agreement
50 with the holders of such bonds or notes.

51 S 14. The racing, pari-mutuel wagering and breeding law is amended by
52 adding a new section 615 to read as follows:

53 S 615. AUTHORITY TO NEGOTIATE SIMULCAST SIGNALS FOR THIRD PARTIES. THE
54 CORPORATION SHALL BE AUTHORIZED TO CONTRACT WITH THE FRANCHISED CORPO-
55 RATION, A THOROUGHBRED RACING CORPORATION OR ANY HARNESS CORPORATION
56 LICENSED BY THE BOARD TO NEGOTIATE ON SUCH ENTITIES' BEHALF WITH

1 OUT-OF-STATE OR OUT-OF-COUNTRY RACETRACKS TO PROVIDE SIMULCAST SIGNALS
2 TO SUCH ENTITIES.

3 S 15. The racing, pari-mutuel wagering and breeding law is amended by
4 adding a new section 617-a to read as follows:

5 S 617-A. REDUCTIONS IN PARI-MUTUEL TAX PAYMENTS. NOTWITHSTANDING ANY
6 INCONSISTENT PROVISION OF THIS CHAPTER OR OF ANY OTHER LAW, RULE OR
7 REGULATION, THE NEW YORK CITY OFF-TRACK BETTING CORPORATION SHALL REDUCE
8 BY FIFTY PERCENT PAYMENTS DUE FOR PARI-MUTUEL TAXES TO THE STATE DEPART-
9 MENT OF TAXATION AND FINANCE THAT WOULD OTHERWISE BE REQUIRED TO BE MADE
10 PURSUANT TO THE PROVISIONS OF THIS CHAPTER, PROVIDED, HOWEVER, IN THE
11 EVENT THAT THE ANNUAL TOTAL HANDLE OF NEW YORK CITY OFF-TRACK BETTING IN
12 ANY FISCAL YEAR BEGINNING TWO FISCAL YEARS AFTER THE EFFECTIVE DATE OF
13 THIS SECTION IS: SIX HUNDRED MILLION DOLLARS OR GREATER BUT NOT MORE
14 THAN SIX HUNDRED FIFTEEN MILLION DOLLARS, SUCH REDUCTION IN PARI-MUTUEL
15 TAX PAYMENTS SHALL BE FORTY-TWO AND ONE-HALF PERCENT; GREATER THAN SIX
16 HUNDRED FIFTEEN MILLION DOLLARS BUT NOT MORE THAN SIX HUNDRED TWENTY
17 MILLION DOLLARS, SUCH REDUCTION IN PARI-MUTUEL TAX PAYMENTS SHALL BE
18 THIRTY-SEVEN AND ONE-HALF PERCENT; GREATER THAN SIX HUNDRED TWENTY
19 MILLION DOLLARS BUT NOT MORE THAN SIX HUNDRED THIRTY MILLION DOLLARS,
20 SUCH REDUCTION IN PARI-MUTUEL TAX PAYMENTS SHALL BE TWENTY-FIVE PERCENT;
21 GREATER THAN SIX HUNDRED THIRTY MILLION DOLLARS BUT NOT MORE THAN SIX
22 HUNDRED THIRTY-FIVE MILLION DOLLARS, SUCH REDUCTION IN PARI-MUTUEL TAX
23 PAYMENTS SHALL BE SEVENTEEN AND ONE-HALF PERCENT; GREATER THAN SIX
24 HUNDRED THIRTY-FIVE MILLION DOLLARS BUT NOT MORE THAN SIX HUNDRED FORTY
25 MILLION DOLLARS, SUCH REDUCTION IN PARI-MUTUEL TAX PAYMENTS SHALL BE
26 SEVEN AND ONE-HALF PERCENT; AND IN EXCESS OF SIX HUNDRED FORTY MILLION
27 DOLLARS, THERE SHALL BE NO REDUCTION OF PARI-MUTUEL TAX PAYMENTS. THE
28 NEW YORK CITY OFF-TRACK BETTING CORPORATION SHALL MAKE MONTHLY PAYMENTS
29 OF PARI-MUTUEL TAX BASED UPON SUCH FIFTY PERCENT REDUCTION. WITHIN THIR-
30 TY DAYS OF THE END OF THE FISCAL YEAR OF THE CORPORATION, THE CORPO-
31 RATION SHALL PAY THE REMAINDER OF ANY PARI-MUTUEL TAX THAT MAY BE DUE AS
32 A RESULT OF A LOWER ALLOWABLE REDUCTION BASED UPON A CALCULATION OF
33 ANNUAL HANDLE AT THE CLOSE OF NEW YORK CITY OFF-TRACK BETTING CORPO-
34 RATION'S FISCAL YEAR.

35 S 15-a. The racing, pari-mutuel wagering and breeding law is amended
36 by adding a new section 513-a to read as follows:

37 S 513-A. REDUCTIONS IN PARI-MUTUEL TAX PAYMENTS FOR REGIONAL OFF-TRACK
38 BETTING CORPORATIONS. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF THIS
39 CHAPTER OR OF ANY OTHER LAW, RULE OR REGULATION, AN OFF-TRACK BETTING
40 CORPORATION LICENSED PURSUANT TO THIS ARTICLE SHALL REDUCE BY FIFTY
41 PERCENT PAYMENTS DUE FOR PARI-MUTUEL TAXES TO THE DEPARTMENT OF TAXATION
42 AND FINANCE THAT WOULD OTHERWISE BE REQUIRED TO BE MADE PURSUANT TO THE
43 PROVISIONS OF THIS CHAPTER, PROVIDED HOWEVER THAT SUCH REDUCTION SHALL
44 BE DIMINISHED BY TEN PERCENT FOR EACH ADDITIONAL THIRTY MILLION DOLLARS
45 OF HANDLE WAGERED THROUGH SUCH OFF-TRACK BETTING CORPORATION IN EXCESS
46 OF THE AMOUNT WAGERED IN THE CALENDAR YEAR OF TWO THOUSAND EIGHT; IF THE
47 HANDLE WAGERED THROUGH SUCH OFF-TRACK BETTING CORPORATION EXCEEDS ONE
48 HUNDRED FIFTY MILLION DOLLARS OF HANDLE IN EXCESS OF THE AMOUNT WAGERED
49 IN THE CALENDAR YEAR OF TWO THOUSAND, THEN NO REDUCTION IN PARI-MUTUEL
50 TAX SHALL BE ALLOWED. THE OFF-TRACK BETTING CORPORATIONS SHALL MAKE
51 MONTHLY PAYMENTS OF PARI-MUTUEL TAX BASED UPON SUCH FIFTY PERCENT
52 REDUCTION. WITHIN THIRTY DAYS OF THE END OF THE FISCAL YEAR OF THE
53 CORPORATION, THE CORPORATION SHALL PAY THE REMAINDER OF ANY PARI-MUTUEL
54 TAX THAT MAY BE DUE AS A RESULT OF A LOWER ALLOWABLE REDUCTION BASED
55 UPON A CALCULATION OF ANNUAL HANDLE AT THE CLOSE OF THE CORPORATION'S
56 FISCAL YEAR.

1 S 16. The racing, pari-mutuel wagering and breeding law is amended by
2 adding a new section 623-a to read as follows:

3 S 623-A. FILING OF PETITIONS BY THE NEW YORK CITY OFF-TRACK BETTING
4 CORPORATION. NOTWITHSTANDING ANY LAW, RULE, REGULATION OR EXECUTIVE
5 ORDER TO THE CONTRARY, IT IS HEREBY DECLARED TO BE THE POLICY OF THE
6 STATE OF NEW YORK THAT THE NEW YORK CITY OFF-TRACK BETTING CORPORATION
7 SHALL NOT BE AUTHORIZED TO FILE ANY PETITION AFTER THE EFFECTIVE DATE OF
8 THIS SECTION WITH ANY UNITED STATES DISTRICT COURT OR COURT OF BANKRUPT-
9 CY UNDER ANY PROVISION OF THE LAWS OF THE UNITED STATES FOR THE COMPOSI-
10 TION OR ADJUSTMENT OF MUNICIPAL INDEBTEDNESS.

11 S 17. Section 624 of the racing, pari-mutuel wagering and breeding
12 law, as amended by chapter 115 of the laws of 2008, is amended to read
13 as follows:

14 S 624. Termination of the corporation; ASSUMPTION OF MANAGEMENT OF THE
15 CORPORATION. 1. The corporation and its corporate existence shall
16 continue until terminated by law; provided, however, that no such law
17 shall take effect so long as the corporation shall have bonds, notes or
18 other obligations outstanding, INCLUDING BUT NOT LIMITED TO A LICENSE
19 AND MANAGEMENT AGREEMENT AS PROVIDED FOR IN SUBDIVISION TWO OF THIS
20 SECTION. Upon termination of the existence of the corporation all of its
21 rights, property, assets and funds shall thereupon vest in and be
22 possessed by the state.

23 2. SHOULD THE CORPORATION: (A) FAIL TO PAY ANY COMMISSIONS DUE TO THE
24 IN-STATE RACE TRACKS WHICH SHALL BE DUE NOT LATER THAN SIXTY DAYS FROM
25 THE LAST DAY OF THE MONTH IN WHICH SUCH COMMISSIONS ACCRUED, PLUS AN
26 ADDITIONAL THIRTY DAY CURE PERIOD; OR (B) FAIL TO ACHIEVE POSITIVE EARN-
27 INGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION IN ANY TWO
28 CONSECUTIVE FISCAL YEARS; OR (C) FAIL TO HAVE A BALANCED BUDGET, AS
29 DETERMINED BY THE DIRECTOR OF THE STATE BUDGET IN ACCORDANCE WITH
30 SECTION SIX HUNDRED TEN OF THIS ARTICLE IN ANY FISCAL YEAR; THEN THE NEW
31 YORK RACING NETWORK, INC. MAY ASSUME, PURSUANT TO A LICENSE AND MANAGE-
32 MENT AGREEMENT, THE LENGTH OF THE TERM OF WHICH SHALL BE SUBJECT TO THE
33 APPROVAL OF THE RACING AND WAGERING BOARD, THE MANAGEMENT AND OPERA-
34 TIONAL CONTROL OF THE BUSINESS ACTIVITIES OF THE CORPORATION. IN THE
35 EVENT THAT THE NEW YORK RACING NETWORK, INC. AGREES TO ASSUME MANAGEMENT
36 AND OPERATIONAL CONTROL OF THE CORPORATION, THE FRANCHISED CORPORATION
37 AND THE HARNESS TRACK LOCATED IN WESTCHESTER COUNTY SHALL BE JOINTLY
38 RESPONSIBLE FOR THE MANAGEMENT AND OPERATIONAL CONTROL OF THE BUSINESS
39 ACTIVITIES OF THE CORPORATION ON BEHALF OF THE NEW YORK RACING NETWORK,
40 INC., PROVIDED, HOWEVER, THAT NEITHER SHALL DIRECTLY RECEIVE ADDITIONAL
41 COMPENSATION FOR PROVIDING SUCH MANAGEMENT SERVICES. IN THE EVENT OF
42 THE ASSUMPTION OF THE MANAGEMENT AND OPERATIONAL CONTROL OF THE CORPO-
43 RATION BY THE NEW YORK RACING NETWORK, INC., PURSUANT TO THIS SECTION,
44 THE CORPORATION WILL CONTINUE TO BE GOVERNED AND OWNED IN A FORM
45 CONSISTENT WITH GOVERNANCE AND OWNERSHIP EXISTING AT THE TIME OF THE
46 TRANSFER OF MANAGEMENT. ASSUMPTION BY NEW YORK RACING NETWORK, INC., OF
47 THE MANAGEMENT AND OPERATIONAL CONTROL OF THE CORPORATION SHALL NOT
48 ALTER THE TERMS AND CONDITIONS OF EMPLOYMENT OF THE WORKFORCE, AND ANY
49 CURRENT COLLECTIVE BARGAINING AGREEMENTS WITH ITS EMPLOYEE ORGANIZATIONS
50 SHALL REMAIN IN FULL FORCE AND EFFECT.

51 S 18. The racing, pari-mutuel wagering and breeding law is amended by
52 adding a new article 6-A to read as follows:

53 ARTICLE 6-A
54 NEW YORK RACING NETWORK, INC.

1 SECTION 625. NEW YORK RACING NETWORK, INC.
2 626. DISTRIBUTION OF REVENUES.

3 S 625. NEW YORK RACING NETWORK, INC. NOTWITHSTANDING ANY OTHER LAW,
4 RULE OR REGULATION TO THE CONTRARY, A CORPORATION WHICH SHALL BE NAMED
5 THE NEW YORK RACING NETWORK, INC. SHALL BE INCORPORATED BY THE FRAN-
6 CHISED CORPORATION, A THOROUGHBRED RACING CORPORATION AND ONE OR MORE
7 HARNESS RACING CORPORATIONS WHICH ARE MEMBERS OF THE OFFICIAL COMMITTEE
8 OF CREDITORS OF THE NEW YORK CITY OFF-TRACK BETTING CORPORATION UNDER
9 CHAPTER NINE OF THE UNITED STATES BANKRUPTCY CODE PURSUANT TO EITHER THE
10 BUSINESS CORPORATION LAW OR THE LIMITED LIABILITY COMPANY LAW. THE NEW
11 YORK RACING NETWORK, INC. SHALL BE AUTHORIZED TO CONDUCT OFF-TRACK
12 PARI-MUTUEL WAGERING UNDER THIS CHAPTER AND TO DISPLAY THE SIMULCAST OF
13 HORSE RACES INCLUDING BUT NOT LIMITED TO THROUGH IN-HOME SIMULCAST AND
14 VIDEO STREAMING OF RACES ON THE INTERNET ON WHICH PARI-MUTUEL BETTING
15 SHALL BE PERMITTED SUBJECT TO ARTICLE TEN OF THIS CHAPTER. THE NEW YORK
16 RACING NETWORK, INC. SHALL ISSUE SHARES TO THE FRANCHISED CORPORATION, A
17 THOROUGHBRED RACING CORPORATION AND ONE OR MORE HARNESS RACING CORPO-
18 RATIONS ON A PRO-RATA BASIS BASED ON THE AGGREGATE AMOUNT OF SUCH CORPO-
19 RATION'S PRE-PETITION AND POST-PETITION CLAIMS IN A BANKRUPTCY PROCEED-
20 ING FILED BY THE NEW YORK CITY OFF-TRACK BETTING CORPORATION UNDER
21 CHAPTER NINE OF THE BANKRUPTCY CODE IN THE SOUTHERN DISTRICT OF NEW
22 YORK. THE NEW YORK RACING NETWORK, INC. SHALL BE AUTHORIZED TO APPLY FOR
23 A SIMULCAST LICENSE PURSUANT TO SECTION ONE THOUSAND THREE OF THIS CHAP-
24 TER. UNLESS OTHERWISE SPECIFICALLY PROVIDED, THE NEW YORK RACING
25 NETWORK, INC. SHALL BE SUBJECT TO ALL REQUIREMENTS OF LAW AND REGU-
26 LATIONS APPLICABLE TO NEW YORK STATE PARI-MUTUEL BETTING OPERATORS,
27 INCLUDING APPROVAL OF A PLAN OF OPERATION BY THE RACING AND WAGERING
28 BOARD. THE SHARES OR MEMBERSHIP INTERESTS IN THE NEW YORK RACING
29 NETWORK, INC. SHALL NOT BE TRANSFERRED TO PARTIES OTHER THAN THE
30 ORIGINAL INCORPORATING INTERESTS WITHOUT THE PRIOR WRITTEN APPROVAL OF
31 THE RACING AND WAGERING BOARD. THE SIMULCAST LICENSE FOR THE NEW YORK
32 RACING NETWORK, INC. SHALL INCLUDE THE AUTHORIZATION TO SIMULCAST INTO
33 RESIDENCES, HOMES OR OTHER AREAS THOROUGH EITHER A CABLE TELEVISION
34 SIGNAL, VIDEO STREAMING USING THE INTERNET OR SIMILAR TECHNOLOGY FOR
35 TRANSMISSION OF SUCH SIMULCAST SIGNAL WHICH ARE WITHIN THE CITY OF NEW
36 YORK. NO AGREEMENT OR OTHER WRITTEN CONSENT WITH OR FROM NEW YORK CITY
37 OFF-TRACK BETTING SHALL BE REQUIRED TO AUTHORIZE THE AFORESAID SIMUL-
38 CASTING.

39 S 626. DISTRIBUTION OF REVENUES. NOTWITHSTANDING ANY LAW, RULE OR
40 REGULATION TO THE CONTRARY, THE NEW YORK RACING NETWORK, INC. SHALL
41 DISTRIBUTE ALL SUMS DEPOSITED IN ANY PARI-MUTUEL POOL THROUGH THE NEW
42 YORK RACING NETWORK, INC. TO THE HOLDERS OF WINNING TICKETS THEREIN,
43 PROVIDING SUCH TICKETS ARE PRESENTED FOR PAYMENT PRIOR TO APRIL FIRST OF
44 THE YEAR FOLLOWING THE YEAR OF THEIR PURCHASE. IN THE CASE OF TOTAL
45 DEPOSITS IN POOLS RESULTING FROM REGULAR, MULTIPLE, EXOTIC OR SUPER
46 EXOTIC BETS ON THE RACING PROGRAMS OF THE FRANCHISED CORPORATION, A
47 THOROUGHBRED CORPORATION OR A HARNESS RACING CORPORATION WHICH ARE
48 SHAREHOLDERS OF THE NEW YORK RACING NETWORK, INC., SUCH BETS SHALL BE
49 TREATED AS POOLS FOR AN ON-TRACK BET AT SUCH ENTITY AS PROVIDED FOR IN
50 THIS CHAPTER, EXCEPT THAT ONE PERCENT OF THE TOTAL TAKEOUT IN SUCH POOLS
51 SHALL BE RETAINED BY THE NEW YORK RACING NETWORK, INC. AS A MANAGEMENT
52 FEE. IN THE CASE OF TOTAL DEPOSITS IN POOLS RESULTING FROM REGULAR,
53 MULTIPLE, EXOTIC OR SUPER EXOTIC BETS ON TRACKS LOCATED IN NEW YORK
54 STATE WHICH ARE NOT SHAREHOLDERS IN NEW YORK RACING NETWORK, INC. OR
55 ARE MADE ON OUT-OF-STATE OR OUT-OF-COUNTRY RACES SUCH BETS SHALL BE
56 TREATED AS IF MADE AT A NEW YORK CITY OFF-TRACK BETTING FACILITY WITH

1 RESPECT TO RETENTION OF TOTAL DEPOSITS IN THE POOL AND PAYMENTS THERE-
2 FROM.

3 S 19. Subdivisions 4-a and 5 of section 1012 of the racing, pari-mutu-
4 el wagering and breeding law, subdivision 4-a as amended by chapter 18
5 of the laws of 2008 and subdivision 5 as amended by section 11 of part C
6 of chapter 134 of the laws of 2010, are amended to read as follows:

7 4-a. For the purposes of this section, "telephone betting accounts"
8 and "telephone wagering" shall mean and include all those wagers which
9 utilize any wired or wireless communications device, including but not
10 limited to wireline telephones, wireless telephones, and the internet,
11 to DISPLAY LIVE RACES AND SPECIAL EVENTS, AND, NOTWITHSTANDING ANY LAW,
12 RULE OR REGULATION TO THE CONTRARY, WITH RESPECT TO NEW YORK RACING
13 NETWORK, INC., IF INTERNET WAGERING IS PROVIDED PURSUANT TO THIS
14 SECTION, IT SHALL INCLUDE NEW YORK STATE TRACKS WHICH ARE CONDUCTING A
15 RACE MEET AND A VIDEOSTREAM OF THEIR RACES SHALL BE MADE AVAILABLE TO
16 transmit the placement of wagers on races and special events offered by
17 any regional off-track betting corporation, and any harness, thorough-
18 bred, quarter horse racing association or corporation licensed or fran-
19 chised to conduct pari-mutuel racing in New York state.

20 5. The provisions of this section shall [expire and be of no further
21 force and effect after June thirtieth, two thousand eleven] NOT BE
22 SUBJECT TO THE PROVISIONS OF SECTION ONE THOUSAND THREE OF THIS ARTICLE.

23 S 20. The racing, pari-mutuel wagering and breeding law is amended by
24 adding a new section 1013-a to read as follows:

25 S 1013-A. SIMULCAST SIGNAL OF RACES. UPON THE EFFECTIVE DATE OF THIS
26 SECTION AND THEREAFTER, THE SIMULCAST SIGNAL OF ALL RACES RUN AT THE
27 TRACKS OPERATED BY THE FRANCHISED CORPORATION SHALL BE PROVIDED AT NO
28 COST TO THE NEW YORK CITY OFF-TRACK BETTING CORPORATION FOR DISPLAY FOR
29 WAGERING PURPOSES IN ITS SIMULCAST FACILITIES. THE OFF-TRACK BETTING
30 CORPORATIONS LICENSED PURSUANT TO ARTICLE FIVE OF THIS CHAPTER SHALL NOT
31 BE CHARGED ANY ADDITIONAL REMUNERATION FOR THE DISPLAY OF THE SIGNAL OF
32 A FRANCHISED CORPORATION.

33 S 21. Paragraph h of subdivision 1 of section 1014 of the racing,
34 pari-mutuel wagering and breeding law is REPEALED.

35 S 22. Clause (E) of subparagraph 5 and clause (F) of subparagraph 6 of
36 paragraph b of subdivision 1 of section 1016 of the racing, pari-mutuel
37 wagering and breeding law are REPEALED.

38 S 23. Subdivision 2 of section 1017 of the racing, pari-mutuel wager-
39 ing and breeding law, as amended by chapter 18 of the laws of 2008, is
40 amended to read as follows:

41 2. a. Maintenance of effort. Any off-track betting corporation, OTHER
42 THAN THE NEW YORK CITY OFF-TRACK BETTING CORPORATION, which engages in
43 accepting wagers on the simulcasts of thoroughbred races from out-of-
44 state or out-of-country as permitted under subdivision one of this
45 section shall submit to the board, for its approval, a schedule of
46 payments to be made in any year or portion thereof, that such off-track
47 corporation engages in nighttime thoroughbred simulcasting. In order to
48 be approved by the board, the payment schedule shall be identical to the
49 actual payments and distributions of such payments to tracks and purses
50 made by such off-track corporation pursuant to the provisions of section
51 one thousand fifteen of this article during the year two thousand two,
52 as derived from out-of-state harness races displayed after 6:00 P.M. If
53 approved by the board, such scheduled payments shall be made from reven-
54 ues derived from any simulcasting conducted pursuant to this section and
55 section one thousand fifteen of this article.

1 b. Additional payments. During each calendar year, to the extent, and
2 at such time in the event, that aggregate statewide wagering handle
3 after 7Labor P.M. on out-of-state and out-of-country thoroughbred races,
4 EXCLUDING THE AMOUNT OF SUCH HANDLE ATTRIBUTABLE TO THE NEW YORK CITY
5 OFF-TRACK BETTING CORPORATION, exceeds [one hundred] THIRTY-FIVE million
6 dollars, each off-track betting corporation, OTHER THAN THE NEW YORK
7 CITY OFF-TRACK BETTING CORPORATION, conducting such simulcasting shall
8 pay to its regional harness track or tracks, an amount equal to two
9 percent of its proportionate share of such excess handle. In any region
10 where there are two or more regional harness tracks, such two percent
11 shall be divided between or among the tracks in a proportion equal to
12 the proportion of handle on live harness races conducted at such tracks
13 during the preceding calendar year. Fifty percent of the sum received by
14 each track pursuant to this paragraph shall be used exclusively for
15 increasing purses, stakes and prizes at that regional harness track.

16 S 24. Clause (H) of subparagraph (ii) of paragraph 1 of subdivision b
17 of section 1612 of the tax law, as amended by section 6 of part K of
18 chapter 57 of the laws of 2010, is amended to read as follows:

19 (H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of
20 this subparagraph, the track operator of a vendor track shall be eligi-
21 ble for a vendor's capital award of up to four percent of the total
22 revenue wagered at the vendor track after payout for prizes pursuant to
23 this chapter, which shall be used exclusively for capital project
24 investments to improve the facilities of the vendor track which promote
25 or encourage increased attendance at the video lottery gaming facility
26 including, but not limited to hotels, other lodging facilities, enter-
27 tainment facilities, retail facilities, dining facilities, events
28 arenas, parking garages and other improvements that enhance facility
29 amenities; provided that such capital investments shall be approved by
30 the division, in consultation with the state racing and wagering board,
31 and that such vendor track demonstrates that such capital expenditures
32 will increase patronage at such vendor track's facilities and increase
33 the amount of revenue generated to support state education programs. The
34 annual amount of such vendor's capital awards that a vendor track shall
35 be eligible to receive shall be limited to two million five hundred
36 thousand dollars, except for Aqueduct racetrack, for which there shall
37 be no vendor's capital awards. PROVIDED, HOWEVER, A VENDOR TRACK THAT
38 RECEIVED A VENDOR FEE PURSUANT TO CLAUSE (F) OF THIS SUBPARAGRAPH AS OF
39 JANUARY FIRST, TWO THOUSAND TEN SHALL ONLY BE ELIGIBLE TO RECEIVE A
40 CAPITAL AWARD FOR APPROVED CAPITAL EXPENDITURES ON OR AFTER MAY FIRST,
41 TWO THOUSAND TWELVE, IN AN AMOUNT NOT TO EXCEED ONE AND ONE-HALF PERCENT
42 OF THE TOTAL REVENUE WAGERED AT SUCH TRACK AFTER PAYOUT FOR PRIZES.
43 Except for tracks having less than one thousand one hundred video gaming
44 machines, each track operator shall be required to co-invest an amount
45 of capital expenditure equal to its cumulative vendor's capital award
46 FOR ANY CAPITAL INVESTMENTS APPROVED BY THE DIVISION ON OR BEFORE OCTO-
47 BER THIRTY-FIRST, TWO THOUSAND TEN, AND NO CO-INVESTMENT SHALL BE
48 REQUIRED FOR A CAPITAL AWARD FOR ANY CAPITAL INVESTMENTS APPROVED BY THE
49 DIVISION ON OR AFTER NOVEMBER FIRST, TWO THOUSAND TEN. For all tracks,
50 except for Aqueduct racetrack, the amount of any vendor's capital award
51 that is not used during any one year period may be carried over into
52 subsequent years ending before April first, two thousand thirteen. Any
53 amount attributable to a capital expenditure approved prior to April
54 first, two thousand thirteen and completed before April first, two thou-
55 sand fifteen shall be eligible to receive the vendor's capital award. In
56 the event that a vendor track's capital expenditures, approved by the

1 division prior to April first, two thousand thirteen and completed prior
2 to April first, two thousand fifteen, exceed the vendor track's cumula-
3 tive capital award during the five year period ending April first, two
4 thousand thirteen, the vendor shall continue to receive the capital
5 award after April first, two thousand thirteen until such approved capi-
6 tal expenditures are paid to the vendor track subject to any required
7 co-investment. In no event shall any vendor track that receives a vendor
8 fee pursuant to clause [(F) or] (G) of this subparagraph be eligible for
9 a vendor's capital award under this section. Any operator of a vendor
10 track which has received a vendor's capital award, choosing to divest
11 the capital improvement toward which the award was applied, prior to the
12 full depreciation of the capital improvement in accordance with general-
13 ly accepted accounting principles, shall reimburse the state in amounts
14 equal to the total of any such awards. Any capital award not approved
15 for a capital expenditure at a video lottery gaming facility by April
16 first, two thousand thirteen shall be deposited into the state lottery
17 fund for education aid; and

18 S 25. Subparagraph (ii) of paragraph 1 of subdivision b of section
19 1612 of the tax law is amended by adding a new clause (I) to read as
20 follows:

21 (I) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, SUBSIDIZED FREE
22 PLAY CREDITS AUTHORIZED PURSUANT TO SUBDIVISION F OF SECTION SIXTEEN
23 HUNDRED SEVENTEEN-A OF THIS ARTICLE SHALL NOT BE INCLUDED IN THE CALCU-
24 LATION OF THE TOTAL AMOUNT WAGERED ON VIDEO LOTTERY GAMES, THE TOTAL
25 AMOUNT WAGERED AFTER PAYOUT OF PRIZES, THE VENDOR FEES PAYABLE TO THE
26 OPERATORS OF VIDEO LOTTERY FACILITIES, VENDOR'S CAPITAL AWARDS, VENDOR'S
27 MARKETING ALLOWANCES, FEES PAYABLE TO THE DIVISION'S VIDEO LOTTERY
28 GAMING EQUIPMENT CONTRACTORS, OR RACING SUPPORT PAYMENTS.

29 S 26. Section 1617-a of the tax law is amended by adding a new subdi-
30 vision f to read as follows:

31 F. SUBSIDIZED FREE PLAY. 1. THE DIVISION MAY PROMULGATE RULES AND
32 REGULATIONS OR ISSUE INSTRUCTIONS TO THE VIDEO LOTTERY FACILITY OPERA-
33 TORS GOVERNING THE ADMINISTRATION AND OPERATION OF A PROGRAM OF SUBSI-
34 DIZED FREE PLAY CREDITS TO BE OFFERED TO PLAYERS OR PROSPECTIVE PLAYERS
35 OF VIDEO LOTTERY GAMES FOR THE PURPOSE OF INCREASING REVENUES EARNED BY
36 THE VIDEO LOTTERY PROGRAM FOR THE SUPPORT OF EDUCATION. FOR THE PURPOSES
37 OF THIS SUBDIVISION, "SUBSIDIZED FREE PLAY CREDIT" MEANS A SPECIFIED
38 DOLLAR AMOUNT THAT (I) MAY BE USED BY A PLAYER TO PLAY A VIDEO LOTTERY
39 GAME WITHOUT PAYING ANY OTHER CONSIDERATION, AND (II) IS NOT USED IN THE
40 CALCULATION OF TOTAL REVENUE WAGERED AFTER PAYOUT OF PRIZES AND THERE-
41 FORE SUBSIDIZES THE PROMOTION OF THE VIDEO LOTTERY PROGRAM.

42 2. FOR EACH VIDEO LOTTERY FACILITY, THE DIVISION SHALL AUTHORIZE THE
43 USE OF SUBSIDIZED FREE PLAY CREDITS IF THE OPERATOR OF SUCH FACILITY
44 SUBMITS A WRITTEN PLAN FOR THE USE OF SUBSIDIZED FREE PLAY CREDITS THAT
45 THE DIVISION DETERMINES IS DESIGNED TO INCREASE THE AMOUNT OF REVENUE
46 EARNED BY VIDEO LOTTERY GAMING AT SUCH FACILITY FOR THE SUPPORT OF
47 EDUCATION.

48 3. FOR EACH VIDEO LOTTERY FACILITY, THE VALUE OF THE SUBSIDIZED FREE
49 PLAY CREDITS AUTHORIZED FOR USE ANNUALLY BY THE OPERATOR PURSUANT TO
50 THIS SUBDIVISION SHALL BE AN AMOUNT EQUAL TO SEVEN AND ONE-HALF PERCENT
51 OF THE TOTAL AMOUNT WAGERED ON VIDEO LOTTERY GAMES AFTER PAYOUT OF
52 PRIZES. PROVIDED, HOWEVER, THE VALUE OF THE SUBSIDIZED FREE PLAY CREDITS
53 AUTHORIZED FOR USE ANNUALLY BY A VIDEO LOTTERY FACILITY OPERATOR AT A
54 VENDOR TRACK THAT RECEIVES A VENDOR FEE PURSUANT TO CLAUSE (C) OR (F) OF
55 SUBPARAGRAPH (II) OF PARAGRAPH 1 OF SUBDIVISION B OF SECTION SIXTEEN
56 HUNDRED TWELVE OF THIS ARTICLE SHALL BE AN AMOUNT EQUAL TO TEN PERCENT

1 OF THE TOTAL AMOUNT WAGERED ON VIDEO LOTTERY GAMES AFTER PAYOUT OF
2 PRIZES. PROVIDED, FURTHER, THE VALUE OF THE SUBSIDIZED FREE PLAY CREDITS
3 AUTHORIZED FOR USE ANNUALLY BY A VIDEO LOTTERY FACILITY OPERATOR AT A
4 VENDOR TRACK THAT RECEIVES A VENDOR FEE PURSUANT TO CLAUSE (D) OR (E) OF
5 SUBPARAGRAPH (II) OF PARAGRAPH 1 OF SUBDIVISION B OF SECTION SIXTEEN
6 HUNDRED TWELVE OF THIS ARTICLE AND IS NOT WITHIN FIFTEEN MILES OF A
7 NATIVE AMERICAN CLASS III GAMING FACILITY THAT OPERATED PRIOR TO JANUARY
8 FIRST, TWO THOUSAND TEN, PURSUANT TO A COMPACT THAT INCLUDES EXCLUSIVITY
9 PAYMENTS TO THE STATE SHALL BE AN AMOUNT EQUAL TO TEN PERCENT OF THE
10 TOTAL AMOUNT WAGERED ON VIDEO LOTTERY GAMES AFTER PAYOUT OF PRIZES. A
11 VIDEO LOTTERY FACILITY OPERATOR MAY USE AN AMOUNT OF SUBSIDIZED FREE
12 PLAY CREDITS THAT IS LESS THAN THE TOTAL AUTHORIZED, AND THE DIVISION
13 SHALL ESTABLISH PROCEDURES TO ASSURE THAT SUBSIDIZED FREE PLAY CREDITS
14 DO NOT EXCEED THE MAXIMUM AMOUNT ALLOWED PURSUANT TO THIS SUBDIVISION.

15 4. THE DIVISION, IN CONJUNCTION WITH THE DIRECTOR OF THE BUDGET, MAY
16 SUSPEND UPON NINETY DAYS NOTICE THE USE OF SUBSIDIZED FREE PLAY CREDITS
17 AUTHORIZED PURSUANT TO THIS SUBDIVISION WHENEVER THEY JOINTLY DETERMINE
18 THAT THE USE OF SUBSIDIZED FREE PLAY CREDITS HAS RESULTED IN A YEAR OVER
19 YEAR DECLINE IN THE AMOUNT OF REVENUE EARNED FOR THE SUPPORT OF EDUCA-
20 TION IN THIS STATE BY VIDEO LOTTERY GAMING AT THE VIDEO LOTTERY FACILI-
21 TY, AND SUCH USE MAY NOT BE RESUMED UNLESS THE OPERATOR OF SUCH FACILITY
22 SUBMITS A NEW OR REVISED WRITTEN PLAN FOR THE USE OF SUBSIDIZED FREE
23 PLAY CREDITS THAT THE DIVISION DETERMINES IS DESIGNED MORE EFFECTIVELY
24 TO PRODUCE AN INCREASE IN THE AMOUNT OF REVENUE EARNED BY VIDEO LOTTERY
25 GAMING AT SUCH FACILITY FOR THE SUPPORT OF EDUCATION.

26 5. THE DIVISION, IN CONJUNCTION WITH THE DIRECTOR OF THE BUDGET, MAY
27 REVOKE THE AUTHORITY FOR A VENDOR TRACK TO USE SUBSIDIZED FREE PLAY
28 CREDITS AUTHORIZED PURSUANT TO THIS SUBDIVISION UPON NINETY DAYS NOTICE
29 WHENEVER THEY JOINTLY DETERMINE THAT THE OPERATOR OF A VIDEO LOTTERY
30 FACILITY HAS VIOLATED THE RULES AND REGULATIONS ESTABLISHED OR ANY
31 INSTRUCTIONS ISSUED BY THE DIVISION GOVERNING THE SUBSIDIZED FREE PLAY
32 PROGRAM. THE DIVISION SHALL ESTABLISH CRITERIA TO REINSTATE SUBSIDIZED
33 FREE PLAY AT A VENDOR TRACK FOLLOWING THE REVOCATION OF THE AUTHORITY TO
34 USE SUBSIDIZED FREE PLAY CREDITS.

35 6. NOTHING IN THIS SUBDIVISION SHALL BE DEEMED TO PROHIBIT THE OPERA-
36 TOR OF A VIDEO LOTTERY FACILITY FROM OFFERING NON-SUBSIDIZED FREE PLAY
37 CREDITS TO PLAYERS OR PROSPECTIVE PLAYERS OF VIDEO LOTTERY GAMES WHEN
38 THE VALUE OF SUCH FREE PLAY CREDITS IS INCLUDED IN THE CALCULATION OF
39 THE TOTAL AMOUNT WAGERED ON VIDEO LOTTERY GAMES AND THE TOTAL AMOUNT
40 WAGERED AFTER PAYOUT OF PRIZES, AND THE OPERATOR OF SUCH FACILITY PAYS
41 THE DIVISION THE FULL AMOUNT DUE AS THE RESULT OF SUCH CALCULATIONS.

42 7. THE DIVISION MAY AMEND THE CONTRACT WITH THE PROVIDER OF THE
43 CENTRAL COMPUTER SYSTEM THAT CONTROLS THE VIDEO LOTTERY NETWORK DURING
44 THE TERM OF SUCH CONTRACT IN EFFECT ON THE EFFECTIVE DATE OF THIS SUBDI-
45 VISION TO PROVIDE ADDITIONAL CONSIDERATION TO SUCH PROVIDER IN AN AMOUNT
46 DETERMINED BY THE DIVISION TO BE NECESSARY TO COMPENSATE FOR (I) PROC-
47 ESSING SUBSIDIZED FREE PLAY TRANSACTIONS, AND (II) SYSTEM UPDATES AND
48 MODIFICATIONS OTHERWISE NEEDED AS OF SUCH EFFECTIVE DATE.

49 S 27. The racing, pari-mutuel wagering and breeding law is amended by
50 adding a new section 113 to read as follows:

51 S 113. TELEPHONE AND INTERNET WAGERING. THE STATE RACING AND WAGERING
52 BOARD SHALL DETERMINE WHETHER ELIMINATING OR REGULATING THE AUTHORITY OF
53 OUT-OF-STATE ENTITIES TO ACCEPT A TELEPHONE AND/OR INTERNET WAGERING
54 FROM NEW YORK STATE RESIDENTS PLACED WHILE IN NEW YORK STATE, WOULD BE
55 CONSISTENT WITH THE OBJECTIVES OF OFF-TRACK PARI-MUTUEL BETTING AS
56 DEFINED IN SECTION FIVE HUNDRED EIGHTEEN OF THIS CHAPTER, AND IF SO

1 DETERMINED, THE STATE RACING AND WAGERING BOARD SHALL ESTABLISH SUCH
2 GENERAL REGULATIONS TO ELIMINATE OR REGULATE THE PRACTICE OF
3 OUT-OF-STATE ENTITIES OF ACCEPTING SUCH WAGERS.

4 S 28. Severability. If any clause, sentence, paragraph, subdivision,
5 section or part of this act shall be adjudged by any court of competent
6 jurisdiction to be invalid, such judgment shall not affect, impair, or
7 invalidate the remainder thereof, but shall be confined in its operation
8 to the clause, sentence, paragraph, subdivision, section or part thereof
9 directly involved in the controversy in which the judgment shall have
10 been rendered. It is hereby declared to be the intent of the legisla-
11 ture that this act would have been enacted even if such invalid
12 provisions had not been included herein.

13 S 29. This act shall take effect immediately; provided, however, that
14 sections six, seventeen, twenty-four, twenty-five, and twenty-six of
15 this act shall take effect on the same date as the New York city off-
16 track betting corporation's confirmation of a plan of reorganization in
17 the pending bankruptcy proceeding in the Southern District of New York;
18 provided that the board of directors of the New York city off-track
19 betting corporation shall notify the legislative bill drafting commis-
20 sion upon the occurrence of such confirmation of such plan of reorgan-
21 ization in order that the commission may maintain an accurate and timely
22 effective data base of the official text of the laws of the state of New
23 York in furtherance of effectuating the provisions of section 44 of the
24 legislative law and section 70-b of the public officers law.