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

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2011-2012 Regular Sessions

I N  A S S E M B L Y

January 26, 2011

Introduced by M. of A. PRETLOW, REILLY, SPANO -- 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 account wagering on simulcast horse races

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

Section 1. Section 1001 of the racing, pari-mutuel wagering and breeding law, as added by chapter 363 of the laws of 1984, subdivisions n, o and p as added by chapter 445 of the laws of 1997, is amended to read as follows:

S 1001. Definitions. As used in this article, the following terms shall have the following meanings:

a. "Simulcast" means the telecast of live audio and visual signals of running, harness or quarter horse races [conducted in the state] for the purposes of pari-mutuel wagering;

b. "Track" means the grounds or enclosures within which horse races are conducted by any person, association or corporation lawfully authorized to conduct such races in accordance with the terms and conditions of this chapter OR THE LAWS OF ANOTHER JURISDICTION;

c. "Sending track" means any track from which simulcasts originate;

d. "Receiving track" means any track where simulcasts originated from another track are displayed;

e. "Applicant" means any association or corporation applying for a simulcast license in accordance with the provisions of this article;

f. "Operator" means any association or corporation operating a simulcast facility in accordance with the provisions of this article;

g. "Regional track or tracks" means any or all tracks located within a region defined as an off-track betting region, except that for the purposes of section one thousand eight of this article any track located 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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deemed a regional track for all regions located in district one, as defined in this section;

h. "[The board]BOARD" means the state racing and wagering board;

i. "Branch office" means an establishment maintained and operated by an off-track betting corporation, where off-track pari-mutuel betting on horse races may be placed in accordance with the terms and conditions of this chapter and rules and regulations issued pursuant thereto;

j. "Simulcast facility" means those facilities within the state that are authorized pursuant to the provisions of this article to display simulcasts for pari-mutuel wagering purposes;

k. "Off-track betting region" means those regions as defined in section five hundred nineteen of this chapter;

l. "Simulcast theater" means a simulcast facility which is also a public entertainment and wagering facility, and which may include any or all of the following: a large screen television projection and display unit, a display system for odds, pools, and payout prices, areas for viewing and seating, a food and beverage facility, and any other convenience currently provided at racetracks and not inconsistent with local zoning ordinances;

m. "Simulcast districts" means one or more of the following named districts comprised of the counties within which pari-mutuel racing events are conducted as follows:

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|---|---|
| District 1 | New York City, Suffolk, Nassau, and Westchester counties |
| District 2 | Sullivan county |
| District 3 | Saratoga county |
| District 4 | Oneida county |
| District 5 | Erie, Genesee and Ontario counties |

n. "Initial out-of-state thoroughbred track" means the track commencing full-card simulcasting to New York prior to any other out-of-state thoroughbred track after 1:00 PM on any calendar day.

o. "Second out-of-state thoroughbred track" means the track (or subsequent track or tracks where otherwise authorized by this article) conducting full-card simulcasting to New York after the race program from the initial out-of-state thoroughbred track that has commenced simulcasting on any calendar day.

p. "Mixed meeting" means a race meeting which has a combination of thoroughbred, quarter horse, Appaloosa, paint, and/or Arabian racing on the same race program.

Q. "ACCOUNT WAGERING" MEANS A FORM OF PARI-MUTUEL WAGERING IN WHICH A PERSON ESTABLISHES AN ACCOUNT WITH AN ACCOUNT WAGERING LICENSEE AND SUBSEQUENTLY COMMUNICATES VIA TELEPHONE OR OTHER ELECTRONIC MEDIA TO THE ACCOUNT WAGERING LICENSEE WAGERING INSTRUCTIONS CONCERNING THE FUNDS IN SUCH PERSON'S ACCOUNT AND WAGERS TO BE PLACED ON THE ACCOUNT OWNER'S BEHALF.

R. "ACCOUNT WAGERING LICENSEE" MEANS RACING ASSOCIATIONS, OFF-TRACK BETTING CORPORATIONS, AND BOARD APPROVED MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDERS THAT HAVE BEEN AUTHORIZED BY THE BOARD TO OFFER ACCOUNT WAGERING.

S. "DORMANT ACCOUNT" MEANS AN ACCOUNT WAGERING ACCOUNT HELD BY AN ACCOUNT WAGERING LICENSEE IN WHICH THERE HAS BEEN NO WAGERING ACTIVITY FOR THREE YEARS.

T. "MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER" MEANS A BUSINESS ENTITY LOCATED IN A STATE OTHER THAN THE STATE OF NEW YORK, WHICH IS LICENSED BY SUCH OTHER STATE TO OFFER PARI-MUTUEL ACCOUNT WAGERING ON

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

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

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

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

S 3. Section 1003 of the racing, pari-mutuel wagering and breeding law, as added by chapter 363 of the laws of 1984, subdivision 1 as separately amended by chapters 2 and 70 of the laws of 1995, paragraph (a) of subdivision 1 as amended by section 1 of part C of chapter 134 of the laws of 2010, the opening paragraph of paragraph a of subdivision 2 as amended by chapter 538 of the laws of 1999 and subdivision 5 as amended by chapter 287 of the laws of 1985, is amended to read as follows:

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

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

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

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

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

(i) the number of simulcast races to be displayed;

(ii) the types of wagering to be offered;

(iii) the level of attendance expected and the area from which such attendance will be drawn;

(iv) the level of anticipated wagering activity;

(v) the source and amount of revenues expected from other than pari-mutuel wagering;

(vi) the cost of operating the simulcast facility and the identification of costs to be amortized and the method of amortization of such costs;

(vii) the amount and source of revenues needed for financing the simulcast facility;

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

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

c. The type of data processing, communication and transmission equipment to be utilized;

d. The description of the management groups responsible for the operation of the simulcast facility;

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

f. The location of the facility and a written confirmation from appropriate local officials that the location of such facility and the number of patrons expected to occupy such facility are in compliance with all applicable local ordinances;

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

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

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

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

6. NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO PROHIBIT ANY RACING ASSOCIATION FROM TELEVISING HORSE RACES INTO INDIVIDUAL OR GROUP RESIDENCES, HOMES OR OTHER AREAS IN THE STATE, OR TO PROHIBIT ANY OFF-TRACK BETTING CORPORATION OR ACCOUNT WAGERING LICENSEE FROM TELEVISING 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, subdivision 5 as amended by section 11 of part C of chapter 134 of the laws of 2010, 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.] 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. 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 NON-PROFIT RACING ASSOCIATION, OR HARNESS, THOROUGHBRED, QUARTER HORSE RACING ASSOCIATION OR CORPORATION FROM ACCOUNT WAGERS PLACED ON RACES RUN AT A GUEST FACILITY SHALL BE DETERMINED PURSUANT TO A WRITTEN AGREEMENT BETWEEN SUCH ASSOCIATION 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 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: A. 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 B. 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 HORSE RACING 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 ACCOUNT WAGERING LICENSEE OR ITS AGENT BY THE ACCOUNT HOLDER IF THE USE OF THE CARD HAS BEEN APPROVED BY THE ACCOUNT WAGERING LICENSEE.

8. A. EACH WAGER SHALL BE IN THE NAME OF A NATURAL PERSON AND SHALL NOT BE IN THE NAME OF ANY BENEFICIARY, CUSTODIAN, JOINT TRUST, CORPORATION, PARTNERSHIP OR OTHER ORGANIZATION OR ENTITY.

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

C. THE PROSPECTIVE ACCOUNT HOLDER SHALL SUBMIT THE COMPLETED APPLICATION TO THE ACCOUNT WAGERING LICENSEE. THE ACCOUNT WAGERING LICENSEE MAY ACCEPT OR REJECT AN APPLICATION AFTER RECEIPT AND REVIEW OF THE APPLICATION AND CERTIFICATION, OR OTHER PROOF, OF AGE AND RESIDENCY FOR COMPLIANCE WITH THIS SECTION.

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

9. A WAGERING ACCOUNT SHALL NOT BE ASSIGNABLE OR OTHERWISE TRANSFERABLE.

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

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

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

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

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

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

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

[4-a.] 16. For the purposes of this section, "telephone [betting] WAGERING accounts" [and "telephone wagering"] shall mean and include all those wagers which utilize any wired or wireless communications device,

including but not limited to wireline telephones, wireless telephones[,] and the internet[,] to transmit the placement of wagers on races and special events offered by any regional off-track betting corporation, and any harness, thoroughbred, quarter horse racing association or corporation licensed or franchised to conduct pari-mutuel racing in [New York] THIS state.

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

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

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

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

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

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

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

F. WAGERS PLACED WITH THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL RESULT IN THE COMBINATION OF ALL WAGERS PLACED AT THE HOST TRACK 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 AT A HOST TRACK OR AT A MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER;

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

H. IN ADDITION, FOR EACH ACCOUNT WAGER ACCEPTED FROM PERSONS RESIDENT IN NEW YORK, THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL PAY TO THE COUNTY OF RESIDENCE OF THE ACCOUNT HOLDER A FEE OF ONE-HALF

OF ONE PERCENT OF SUCH ACCOUNT WAGER. IF THE COUNTY OF RESIDENCE IS WITHIN A CITY WITH A POPULATION IN EXCESS OF ONE MILLION, THE FEE SHALL BE PAID TO SUCH CITY. IN COUNTIES THAT ARE MEMBERS OF AN OFF-TRACK BETTING CORPORATION, THE PAYMENT SHALL BE MADE TO THE OFF-TRACK BETTING CORPORATION. THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL BE ENTITLED TO DEDUCT FROM THE PARI-MUTUEL TAX PAYABLE BY IT UNDER PARAGRAPH G OF THIS SUBDIVISION SUCH AMOUNTS THAT THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER IS OBLIGATED TO PAY PURSUANT TO THIS PARAGRAPH.

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

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

S 6. This act shall take effect immediately.