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2011-2012 Regular Sessions

I N A S S E M B L Y

January 10, 2011

Introduced by M. of A. TEDISCO -- read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law, in relation to the video lottery gaming facilities aid formula

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

1 Section 1. Section 54-l of the state finance law, as amended by
2 section 1 of part KK of chapter 56 of the laws of 2009, is amended to
3 read as follows:
4 S 54-l. State assistance to eligible cities and eligible municipalities
5 in which a video lottery gaming facility is located. 1. Definitions. When used in this section, unless otherwise expressly stated:
6 a. "Eligible city" shall mean (I) FOR THE FISCAL YEAR COMMENCING APRIL
7 FIRST, TWO THOUSAND SEVEN a city with a population equal to or greater
8 than one hundred twenty-five thousand and less than one million in which
9 a video lottery gaming facility is located [and operating as of January
10 first, two thousand nine] pursuant to section sixteen hundred seventeen-a
11 of the tax law AND (II) FOR THE FISCAL YEAR COMMENCING APRIL
12 FIRST, TWO THOUSAND EIGHT AND FOR EACH STATE FISCAL YEAR THEREAFTER,
13 SHALL MEAN A CITY WITH A POPULATION EQUAL TO OR GREATER THAN ONE HUNDRED
14 TWENTY-FIVE THOUSAND IN WHICH A VIDEO LOTTERY GAMING FACILITY IS LOCATED
15 PURSUANT TO SECTION SIXTEEN HUNDRED SEVENTEEN-A OF THE TAX LAW.
16 b. "Eligible municipality" shall mean [(i) for the fiscal years
17 commencing April first, two thousand seven and April first, two thousand
18 eight] a county, city, town or village in which a video lottery gaming
19 facility is located pursuant to section sixteen hundred seventeen-a of
20 the tax law that is not located in a city with a population equal to or
21 greater than one hundred twenty-five thousand [and (ii) for the fiscal
22 year commencing April first, two thousand nine and for each state fiscal
23 year thereafter, shall mean a county, city, town or village in which a
24 video lottery gaming facility is located and operating as of January
25

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

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1 first, two thousand nine pursuant to section sixteen hundred seventeen-a
2 of the tax law that is not located in a city with a population equal to
3 or greater than one hundred twenty-five thousand and which is located in
4 a county that has a poverty rate equal to or greater than fifty percent
5 of the New York state poverty rate].

6 c. "Estimated net machine income" shall mean the estimated full annual
7 value of total revenue wagered after payout for prizes for games known
8 as "video lottery gaming" as authorized under article thirty-four of the
9 tax law during the state fiscal year in which state aid payments are
10 made pursuant to subdivision two of this section.

11 d. "Population" shall mean population based on the most recent federal
12 decennial census.

13 [e. "Poverty rate" shall mean the percentage of individuals living
14 below the poverty level, as reported in the most recent federal decenni-
15 al census.]

16 2. Within amounts appropriated therefor, BEGINNING IN THE STATE FISCAL
17 YEAR COMMENCING APRIL FIRST, TWO THOUSAND SEVEN, AND IN EACH STATE
18 FISCAL YEAR THEREAFTER, an eligible city and an eligible municipality
19 shall receive a state aid payment as follows:

20 a. An eligible city shall receive[: (i) for the state fiscal years
21 commencing April first, two thousand seven and April first, two thousand
22 eight,] a state aid payment equal to three and one-half percent of the
23 "estimated net machine income" generated by a video lottery gaming
24 facility located in such eligible city. Such state aid payment shall not
25 exceed twenty million dollars per eligible city[; and (ii) for the state
26 fiscal year commencing April first, two thousand nine and for each state
27 fiscal year thereafter, an amount equal to the state aid payment
28 received in the state fiscal year commencing April first, two thousand
29 eight].

30 b. Eligible municipalities shall receive[: (i) for the state fiscal
31 years commencing April first, two thousand seven and April first, two
32 thousand eight,] a share of three and one-half percent of the "estimated
33 net machine income" generated by a video lottery gaming facility located
34 within such eligible municipality as follows: [(1)] (I) twenty-five
35 percent shall be apportioned and paid to the county; and [(2)] (II)
36 seventy-five percent shall be apportioned and paid on a pro rata basis
37 to eligible municipalities, other than the county, based upon the popu-
38 lation of such eligible municipalities. Such state aid payment shall not
39 exceed twenty-five percent of an eligible municipality's total expendi-
40 tures as reported in the statistical report of the comptroller in the
41 preceding state fiscal year pursuant to section thirty-seven of the
42 general municipal law[; and (ii) for the state fiscal year commencing
43 April first, two thousand nine and for each state fiscal year thereaft-
44 er: (1) for an eligible municipality which is located in a county that
45 has a poverty rate equal to or greater than seventy-five percent of the
46 New York state poverty rate, an amount equal to the state aid payment
47 received in the state fiscal year commencing April first, two thousand
48 eight; and (2) for an eligible municipality which is located in a county
49 that has a poverty rate less than seventy-five percent of the New York
50 state poverty rate, an amount equal to fifty percent of the state aid
51 payment received in the state fiscal year commencing April first, two
52 thousand eight].

53 3. a. State aid payments made to an eligible city pursuant to para-
54 graph a of subdivision two of this section shall be used to increase
55 support for public schools in such city.

1 b. State aid payments made to an eligible municipality pursuant to
2 paragraph b of subdivision two of this section shall be used by such
3 eligible municipality to: (i) defray local costs associated with a video
4 lottery gaming facility, or (ii) minimize or reduce real property taxes.

5 4. A. ON OR BEFORE JUNE FIRST OF EACH STATE FISCAL YEAR, BEGINNING IN
6 THE STATE FISCAL YEAR COMMENCING APRIL FIRST, TWO THOUSAND NINE, AT THE
7 REQUEST OF THE DIRECTOR OF THE DIVISION OF THE BUDGET, THE DIRECTOR OF
8 THE DIVISION OF THE LOTTERY SHALL TRANSMIT A SCHEDULE OF PAYMENTS
9 REQUIRED PURSUANT TO THIS SECTION TO THE DIRECTOR OF THE DIVISION OF THE
10 BUDGET. IN DETERMINING SUCH SCHEDULE OF PAYMENTS, THE DIRECTOR OF THE
11 DIVISION OF THE LOTTERY SHALL INCLUDE A RECONCILIATION OF THE STATE AID
12 PAID IN THE PRECEDING FISCAL YEAR. SUCH RECONCILIATION SHALL ADJUST FOR
13 THE DIFFERENCE BETWEEN THE STATE AID PAID IN THE PRECEDING FISCAL YEAR
14 AND WHAT THE STATE AID PAYMENT WOULD HAVE BEEN IF THE ACTUAL FULL ANNUAL
15 VALUE OF NET MACHINE INCOME HAD BEEN USED IN THE CALCULATION OF STATE
16 AID. SUCH RECONCILIATION SHALL BE SUBJECT TO THE MAXIMUM AMOUNTS IDENTI-
17 FIED IN SUBDIVISION TWO OF THIS SECTION FOR THE YEAR BEING RECONCILED.

18 B. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, IN THE
19 EVENT ANY ELIGIBLE CITY OR ELIGIBLE MUNICIPALITY RECEIVES ANY PAYMENT
20 UNDER SUBDIVISION TWO OF THIS SECTION THAT HAS BEEN RECOMMENDED TO BE
21 RECONCILED BY THE DIRECTOR OF THE DIVISION OF THE LOTTERY AS SET FORTH
22 IN THIS SUBDIVISION, AND THE AMOUNTS PAYABLE PURSUANT TO SUBDIVISION TWO
23 OF THIS SECTION ARE INSUFFICIENT TO SUPPORT SUCH RECONCILIATION, THE
24 COMPTROLLER SHALL DEDUCT FROM ANY MONEYS PAYABLE TO SUCH ELIGIBLE CITY
25 OR ELIGIBLE MUNICIPALITY THE AMOUNT REQUIRED FOR SUCH RECONCILIATION
26 UPON RECEIPT OF A CERTIFICATION OF THE RECONCILIATION AMOUNT FROM THE
27 DIRECTOR OF THE DIVISION OF THE LOTTERY.

28 5. Payments of state aid pursuant to this section shall be made on or
29 before June thirtieth of each state fiscal year to the chief fiscal
30 officer of each eligible city and each eligible municipality on audit
31 and warrant of the state comptroller out of moneys appropriated by the
32 legislature for such purpose to the credit of the local assistance fund
33 in the general fund of the state treasury.

34 S 2. This act shall take effect immediately and shall be deemed to
35 have been in full force and effect on and after April 1, 2009.