

2011-2012 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 5, 2011

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

AN ACT to amend the tax law, in relation to capital awards to vendor tracks

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

1 Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivi-
2 sion b of section 1612 of the tax law, as amended by section 6 of part K
3 of chapter 57 of the laws of 2010, is amended to read as follows:
4 (H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of
5 this subparagraph, the track operator of a vendor track shall be eligi-
6 ble for a vendor's capital award of up to four percent of the total
7 revenue wagered at the vendor track after payout for prizes pursuant to
8 this chapter, which shall be used exclusively for capital project
9 investments to improve the facilities of the vendor track which promote
10 or encourage increased attendance at the video lottery gaming facility
11 including, but not limited to hotels, other lodging facilities, enter-
12 tainment facilities, retail facilities, dining facilities, events
13 arenas, parking garages and other improvements that enhance facility
14 amenities; provided that such capital investments shall be approved by
15 the division, in consultation with the state racing and wagering board,
16 and that such vendor track demonstrates that such capital expenditures
17 will increase patronage at such vendor track's facilities and increase
18 the amount of revenue generated to support state education programs. The
19 annual amount of such vendor's capital awards that a vendor track shall
20 be eligible to receive shall be limited to two million five hundred
21 thousand dollars, except for Aqueduct racetrack, for which there shall
22 be no vendor's capital awards. Except for tracks having less than one
23 thousand one hundred video gaming machines, each track operator shall be
24 required to co-invest an amount of capital expenditure equal to its

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

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1 cumulative vendor's capital award. For all tracks, except for Aqueduct
2 racetrack, the amount of any vendor's capital award that is not used
3 during any one year period may be carried over into subsequent years
4 ending before April first, two thousand thirteen. Any amount attribut-
5 able to a capital expenditure approved prior to April first, two thou-
6 sand thirteen and completed before April first, two thousand fifteen
7 shall be eligible to receive the vendor's capital award. In the event
8 that a vendor track's capital expenditures, approved by the division
9 prior to April first, two thousand thirteen and completed prior to April
10 first, two thousand fifteen, exceed the vendor track's cumulative capi-
11 tal award during the five year period ending April first, two thousand
12 thirteen, the vendor shall continue to receive the capital award after
13 April first, two thousand thirteen until such approved capital expendi-
14 tures are paid to the vendor track subject to any required co-invest-
15 ment. In no event shall any vendor track that receives a vendor fee
16 pursuant to clause [(F) or] (G) of this subparagraph be eligible for a
17 vendor's capital award under this section. Any operator of a vendor
18 track which has received a vendor's capital award, choosing to divest
19 the capital improvement toward which the award was applied, prior to the
20 full depreciation of the capital improvement in accordance with general-
21 ly accepted accounting principles, shall reimburse the state in amounts
22 equal to the total of any such awards. Any capital award not approved
23 for a capital expenditure at a video lottery gaming facility by April
24 first, two thousand thirteen shall be deposited into the state lottery
25 fund for education aid; and

26 S 2. This act shall take effect immediately.