

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

3980--A

2011-2012 Regular Sessions

I N S E N A T E

March 11, 2011

Introduced by Sen. ADAMS -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering -- recommitted to the Committee on Racing, Gaming and Wagering in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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

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

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

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

LBD06966-03-1

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

1 T. "MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER" MEANS A BUSINESS
2 ENTITY LOCATED IN A STATE OTHER THAN THE STATE OF NEW YORK, WHICH IS
3 LICENSED BY SUCH OTHER STATE TO OFFER PARI-MUTUEL ACCOUNT WAGERING ON
4 RACES SUCH PROVIDER SIMULCASTS AND OTHER RACES IT OFFERS IN ITS WAGERING
5 MENU TO PERSONS LOCATED IN OR OUT OF THE STATE ISSUING SUCH LICENSE.

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

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

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

26 S 3. Section 1003 of the racing, pari-mutuel wagering and breeding
27 law, as added by chapter 363 of the laws of 1984, subdivision 1 as sepa-
28 rately amended by chapters 2 and 70 of the laws of 1995, paragraph (a)
29 of subdivision 1 as amended by section 1 of part S of chapter 61 of the
30 laws of 2011, the opening paragraph of paragraph a of subdivision 2 as
31 amended by chapter 538 of the laws of 1999, subdivision 5 as amended by
32 chapter 287 of the laws of 1985, is amended to read as follows:

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

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

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

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

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

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

1 (vii) the amount and source of revenues needed for financing the
2 simulcast facility;
3 (viii) the probable impact of the proposed operation on revenues to
4 local government;
5 b. The security measures to be employed to protect the facility, to
6 control crowds, to safeguard the transmission of the simulcast signals
7 and to control the transmission of wagering data to effectuate common
8 wagering pools;
9 c. The type of data processing, communication and transmission equip-
10 ment to be utilized;
11 d. The description of the management groups responsible for the opera-
12 tion of the simulcast facility;
13 e. The system of accounts to maintain a separate record of revenues
14 collected by the simulcast facility, the distribution of such revenues
15 and the accounting of costs relative to the simulcast operation;
16 f. The location of the facility and a written confirmation from appro-
17 priate local officials that the location of such facility and the number
18 of patrons expected to occupy such facility are in compliance with all
19 applicable local ordinances;
20 g. The written agreements and letters of consent between specified
21 parties pursuant to sections one thousand seven, one thousand eight and
22 one thousand nine of this article.

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

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

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

55 6. NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO PROHIBIT ANY RACING
56 ASSOCIATION OR FRANCHISED CORPORATION FROM TELEVISIONING HORSE RACES INTO

1 INDIVIDUAL OR GROUP RESIDENCES, HOMES OR OTHER AREAS IN THE STATE, OR TO
2 PROHIBIT ANY OFF-TRACK BETTING CORPORATION OR ACCOUNT WAGERING LICENSEE
3 FROM TELEVISIONING INTO INDIVIDUAL OR GROUP RESIDENCES, HOMES OR OTHER
4 AREAS IN THE STATE SUCH HORSE RACES FOR WHICH THE OFF-TRACK BETTING
5 CORPORATION OR ACCOUNT WAGERING LICENSEE HAS RECEIVED WRITTEN CONSENT
6 FROM THE HOST TRACK.

7 S 4. Section 1012 of the racing, pari-mutuel wagering and breeding
8 law, as amended by chapter 18 of the laws of 2008, subdivision 4-b as
9 added by chapter 402 of the laws of 2011, and subdivision 5 as amended
10 by section 10 of part S of chapter 61 of the laws of 2011, is amended to
11 read as follows:

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

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

25 B. THE DISTRIBUTION OF REVENUES TO PURSES MADE BY ANY FRANCHISED
26 CORPORATION, OR HARNESS, THOROUGHBRED, QUARTER HORSE RACING ASSOCIATION
27 OR CORPORATION FROM ACCOUNT WAGERS PLACED ON RACES RUN AT A QUEST FACIL-
28 ITY SHALL BE DETERMINED PURSUANT TO A WRITTEN AGREEMENT BETWEEN SUCH
29 ASSOCIATION OR CORPORATION AND ITS REPRESENTATIVE HORSEMEN'S ORGANIZA-
30 TION AS APPROVED BY THE BOARD.

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

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

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

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

47 6. ACCOUNT WAGERING LICENSEES MAY ENGAGE IN INTERSTATE WAGERING TRANS-
48 ACTIONS ONLY WHERE THERE IS COMPLIANCE WITH CHAPTER FIFTY-SEVEN OF TITLE
49 FIFTEEN OF THE UNITED STATES CODE, COMMONLY REFERRED TO AS THE "INTER-
50 STATE HORSERACING ACT".

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

54 A. CASH GIVEN TO THE ACCOUNT WAGERING LICENSEE;

1 B. CHECK, MONEY ORDER, NEGOTIABLE ORDER OF WITHDRAWAL, OR WIRE OR
2 ELECTRONIC TRANSFER, PAYABLE AND REMITTED TO THE ACCOUNT WAGERING LICEN-
3 SEE; OR

4 C. CHARGES MADE TO AN ACCOUNT HOLDER'S DEBIT OR CREDIT CARD UPON THE
5 ACCOUNT HOLDER'S DIRECT AND PERSONAL INSTRUCTION, WHICH INSTRUCTION MAY
6 BE GIVEN BY TELEPHONE COMMUNICATION OR OTHER ELECTRONIC MEANS TO THE
7 ACCOUNT WAGERING LICENSEE OR ITS AGENT BY THE ACCOUNT HOLDER IF THE USE
8 OF THE CARD HAS BEEN APPROVED BY THE ACCOUNT WAGERING LICENSEE.

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

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

18 C. THE PROSPECTIVE ACCOUNT HOLDER SHALL SUBMIT THE COMPLETED APPLICA-
19 TION TO THE ACCOUNT WAGERING LICENSEE. THE ACCOUNT WAGERING LICENSEE MAY
20 ACCEPT OR REJECT AN APPLICATION AFTER RECEIPT AND REVIEW OF THE APPLICA-
21 TION AND CERTIFICATION, OR OTHER PROOF, OF AGE AND RESIDENCY FOR COMPLI-
22 ANCE WITH THIS SECTION.

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

26 9. A WAGERING ACCOUNT SHALL NOT BE ASSIGNABLE OR OTHERWISE TRANSFERA-
27 BLE.

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

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

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

39 [2.] 13. a. Any regional off-track betting corporation may suspend
40 collection of the surcharge imposed under section five hundred thirty-
41 two of this chapter on winning wagers placed in [telephone] WAGERING
42 accounts maintained by such regional corporation.

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

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

1 [4.] 15. The maintenance and operation of such [telephone] WAGERING
2 accounts provided for in this section shall be subject to rules and
3 regulations of the [state racing and wagering] board. The board shall
4 include in such regulation a requirement that [telephone] WAGERING
5 account information pertaining to surcharge and nonsurcharge [telephone]
6 WAGERING accounts shall be separately reported.

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

16 [4-b.] 17. Every racing association, off-track betting corporation,
17 franchised corporation, harness, thoroughbred, quarter horse racing
18 association or corporation or other entity licensed in this state to
19 conduct pari-mutuel racing and wagering, or authorized to conduct races
20 within the state, which operates an account wagering platform for the
21 acceptance of wagers, shall locate the call center where such wagers are
22 received within the state of New York.

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

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

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

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

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

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

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

49 F. WAGERS PLACED WITH THE MULTI-JURISDICTIONAL ACCOUNT WAGERING
50 PROVIDER SHALL RESULT IN THE COMBINATION OF ALL WAGERS PLACED AT THE
51 HOST TRACK SO AS TO PRODUCE COMMON PARI-MUTUEL BETTING POOLS FOR THE
52 CALCULATION OF ODDS AND THE DETERMINATION OF PAYOUTS FROM SUCH POOL,
53 WHICH PAYOUT SHALL BE THE SAME FOR ALL WINNING TICKETS, IRRESPECTIVE OF
54 WHETHER A WAGER IS PLACED AT A HOST TRACK OR AT A MULTI-JURISDICTIONAL
55 ACCOUNT WAGERING PROVIDER;

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

15 H. IN ADDITION, FOR EACH ACCOUNT WAGER ACCEPTED FROM PERSONS RESIDENT
16 IN NEW YORK, THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL
17 PAY TO THE COUNTY OF RESIDENCE OF THE ACCOUNT HOLDER A FEE OF ONE-HALF
18 OF ONE PERCENT OF SUCH ACCOUNT WAGER. IF THE COUNTY OF RESIDENCE IS
19 WITHIN A CITY WITH A POPULATION IN EXCESS OF ONE MILLION, THE FEE SHALL
20 BE PAID TO SUCH CITY. IN COUNTIES THAT ARE MEMBERS OF AN OFF-TRACK
21 BETTING CORPORATION, THE PAYMENT SHALL BE MADE TO THE OFF-TRACK BETTING
22 CORPORATION. THE MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDER SHALL BE
23 ENTITLED TO DEDUCT FROM THE PARI-MUTUEL TAX PAYABLE BY IT UNDER PARA-
24 GRAPH G OF THIS SUBDIVISION SUCH AMOUNTS THAT THE MULTI-JURISDICTIONAL
25 ACCOUNT WAGERING PROVIDER IS OBLIGATED TO PAY PURSUANT TO THIS PARA-
26 GRAPH.

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

29 12-A. TO ENTER INTO, AMEND, CANCEL AND TERMINATE AGREEMENTS FOR THE
30 PERFORMANCE AMONG THEMSELVES, LICENSED RACING ASSOCIATIONS AND
31 MULTI-JURISDICTIONAL ACCOUNT WAGERING PROVIDERS, AS DEFINED IN SECTION
32 ONE THOUSAND ONE OF THIS CHAPTER, OF THEIR RESPECTIVE FUNCTIONS, POWERS
33 AND DUTIES ON A COOPERATIVE OR CONTRACT BASIS.

34 S 6. This act shall take effect immediately.