

# STATE OF NEW YORK

8866

## IN SENATE

May 30, 2018

Introduced by Sens. YOUNG, GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to requiring certain disclosures by gaming facilities for eligibility for certain tax reductions, public assistance and benefits

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. The legislature hereby finds and  
2 declares that the intent of the upstate New York gaming economic devel-  
3 opment act of 2013 was to aid the economic development of upstate New  
4 York by increasing employment opportunities and investment into these  
5 host communities. The legislature further finds that public resources  
6 ought not be used to assist gaming facilities. Any assistance to gaming  
7 facilities must be conditioned on full financial disclosure and an inde-  
8 pendent audit of the gaming facilities in order to show how this assist-  
9 ance would be necessary to benefit and protect the workforce of the  
10 gaming facilities and the host municipality and nearby municipalities of  
11 each gaming facility. Any assistance shall prevent self-dealing by the  
12 officers and shareholders of the gaming facility and shall not be  
13 utilized to unduly benefit or enrich the officers, shareholders, inves-  
14 tors, and lenders of any gaming facility, its holding company, interme-  
15 diary companies, subsidiaries, or affiliates.

16 § 2. Section 1351 of the racing, pari-mutuel wagering and breeding law  
17 is amended by adding three new subdivisions 2, 3 and 4 to read as  
18 follows:

19 2. Disclosure. Before being eligible to apply for and qualify for any  
20 reduction in taxes in subdivision one of this section, or any other  
21 public assistance or benefits, a gaming facility shall disclose the  
22 following information to the commission:

23 (a) the names and payments made to all casino key employees in excess  
24 of one hundred thousand dollars for calendar year two thousand seventeen  
25 to present;

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

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1 (b) the names and payments made to all independent contractors in  
2 excess of one hundred thousand dollars for calendar year two thousand  
3 seventeen to present;

4 (c) all payments in excess of one hundred thousand dollars to inves-  
5 tors, casino vendor enterprises, junket enterprises, close associates,  
6 and affiliates for calendar year two thousand seventeen to present;

7 (d) all payments in calendar year two thousand seventeen to present  
8 made to the board of directors, or to the board of directors of its  
9 holding company, intermediary companies, subsidiaries, affiliates or  
10 close associates;

11 (e) all contractual arrangements for debt and encumbrances entered  
12 into by the gaming facility, its holding company, close associates,  
13 intermediary companies, subsidiaries or affiliates which provide financ-  
14 ing for the construction, repair, maintenance and operation of the  
15 gaming facility; and

16 (f) notwithstanding any provision of law to the contrary, all disclo-  
17 sures made to the commission pursuant to paragraph (a), (b), (c), (d) or  
18 (e) of this subdivision shall be made fully available by the commission  
19 for public review and inspection.

20 3. Further disclosure. Before being eligible to apply for and qualify  
21 for any reduction in taxes in subdivision one of this section, or any  
22 other public assistance or benefits, a gaming facility shall further  
23 disclose and make available to the commission all quarterly financial  
24 reports and the annual audit required to be filed, pursuant to paragraph  
25 (o) of subdivision two of section thirteen hundred seven of this article  
26 for the twelve months prior to the effective date of this subdivision.  
27 Notwithstanding any provision of law to the contrary, such reports and  
28 audits shall be made fully available by the commission for public review  
29 and inspection.

30 4. Appointment of independent financial monitor. Before being eligible  
31 to apply for and qualify for any reduction in taxes in subdivision one  
32 of this section, or any other public assistance or benefits, the gaming  
33 facility shall agree to the appointment of an independent financial  
34 monitor selected by the gaming commission. The monitor's salary and  
35 expenses shall be paid by the gaming facility. The monitor shall have  
36 access to all the financial records of the gaming facility and shall  
37 report its findings to the commission. Notwithstanding any laws to the  
38 contrary, the reports of the monitor shall be made fully available for  
39 public review and inspection. The monitor's duties shall terminate on  
40 February first, two thousand twenty. The monitor shall have the follow-  
41 ing duties:

42 (a) issue biannual reports commencing with a report at the conclusion  
43 of the two thousand eighteen calendar year;

44 (b) publish in such reports the information required by subdivision  
45 two of this section for calendar years two thousand eighteen and two  
46 thousand nineteen;

47 (c) report on any material weakness in accounting, internal controls,  
48 and business and management practices at the gaming facility;

49 (d) review and make recommendations concerning the gaming facility's  
50 operating revenues and the establishment of a financial plan;

51 (e) review such gaming facility's overall compliance with the laws,  
52 rules and regulations applicable to its activities;

53 (f) monitor the hiring of gaming employees at the gaming facility. The  
54 monitor shall notify the commission any time that the number of gaming  
55 employees is lower than ninety-five percent of the number that were on

1 staff of the gaming facility on the date that the bill was passed by  
2 both houses of the legislature; and  
3 (g) evaluate the overall financial position of the gaming facility.  
4 § 3. This act shall take effect immediately.