

STATE OF NEW YORK

1570

2017-2018 Regular Sessions

IN SENATE

January 10, 2017

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

AN ACT to amend the tax law, in relation to video lottery gaming in the
counties of Suffolk and Nassau; and to repeal certain provisions of
such law relating thereto

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

1 Section 1. Paragraph 4 of subdivision a of section 1617-a of the tax
2 law is REPEALED.
3 § 2. Clause (G-1) of subparagraph (ii) of paragraph 1 of subdivision b
4 of section 1612 of the tax law is REPEALED.
5 § 3. Subparagraph (iii) of paragraph 1 of subdivision b of section
6 1612 of the tax law, as separately amended by chapters 174 and 175 of
7 the laws of 2013, is amended to read as follows:
8 (iii) less an additional vendor's marketing allowance at a rate of ten
9 percent for the first one hundred million dollars annually and eight
10 percent thereafter of the total revenue wagered at the vendor track
11 after payout for prizes to be used by the vendor track for the marketing
12 and promotion and associated costs of its video lottery gaming oper-
13 ations and pari-mutuel horse racing operations, as long as any such
14 costs associated with pari-mutuel horse racing operations simultaneously
15 encourage increased attendance at such vendor's video lottery gaming
16 facilities, consistent with the customary manner of marketing comparable
17 operations in the industry and subject to the overall supervision of the
18 division; provided, however, that the additional vendor's marketing
19 allowance shall not exceed eight percent in any year for any operator of
20 a racetrack located in the county of Westchester or Queens; provided,
21 however, a vendor track that receives a vendor fee pursuant to clause
22 (G) of subparagraph (ii) of this paragraph shall not receive the addi-
23 tional vendor's marketing allowance; provided, however, except for a

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

LBD01290-01-7

1 vendor track located west of State Route 14 from Sodus Point to the
2 Pennsylvania border within New York shall continue to receive a market-
3 ing allowance of ten percent on total revenue wagered at the vendor
4 track after payout for prizes in excess of one hundred million dollars
5 annually [~~provided, however, a vendor that receives a vendor fee pursu-~~
6 ~~ant to clause (G-1) of subparagraph (ii) of this paragraph shall receive~~
7 ~~an additional marketing allowance at a rate of ten percent of the total~~
8 ~~revenue wagered at the video lottery gaming facility after payout for~~
9 ~~prizes. In establishing the vendor fee,].~~

10 § 4. Paragraph 2 of subdivision b of section 1612 of the tax law, as
11 amended by section 1 of part 00 of chapter 59 of the laws of 2014, is
12 amended to read as follows:

13 2. As consideration for the operation of a video lottery gaming facil-
14 ity, the division, shall cause the investment in the racing industry of
15 a portion of the vendor fee received pursuant to paragraph one of this
16 subdivision in the manner set forth in this subdivision. With the
17 exception of Aqueduct racetrack [~~or a facility in the county of Nassau~~
18 ~~or Suffolk operated by a corporation established pursuant to section~~
19 ~~five hundred two of the racing, pari-mutuel wagering and breeding law]~~,
20 each such track shall dedicate a portion of its vendor fees, received
21 pursuant to clause (A), (B), (C), (D), (E), (F), or (G) of subparagraph
22 (ii) of paragraph one of this subdivision, for the purpose of enhancing
23 purses at such track, in an amount equal to eight and three-quarters
24 percent of the total revenue wagered at the vendor track after pay out
25 for prizes. One percent of the gross purse enhancement amount, as
26 required by this subdivision, shall be paid to the gaming commission to
27 be used exclusively to promote and ensure equine health and safety in
28 New York. Any portion of such funding to the gaming commission unused
29 during a fiscal year shall be returned to the video lottery gaming oper-
30 ators on a pro rata basis in accordance with the amounts originally
31 contributed by each operator and shall be used for the purpose of
32 enhancing purses at such track. One and one-half percent of the gross
33 purse enhancement amount at a thoroughbred track, as required by this
34 subdivision, shall be paid to an account established pursuant to section
35 two hundred twenty-one-a of the racing, pari-mutuel wagering and breed-
36 ing law to be used exclusively to provide health insurance for jockeys.
37 In addition, with the exception of Aqueduct racetrack or a facility in
38 the county of Nassau or Suffolk operated by a corporation established
39 pursuant to section five hundred two of the racing, pari-mutuel wagering
40 and breeding law, one and one-quarter percent of total revenue wagered
41 at the vendor track after pay out for prizes, received pursuant to
42 clause (A), (B), (C), (D), (E), (F), or (G) of subparagraph (ii) of
43 paragraph one of this subdivision, shall be distributed to the appropri-
44 ate breeding fund for the manner of racing conducted by such track.

45 Provided, further, that nothing in this paragraph shall prevent each
46 track from entering into an agreement, not to exceed five years, with
47 the organization authorized to represent its horsemen to increase or
48 decrease the portion of its vendor fee dedicated to enhancing purses at
49 such track during the years of participation by such track, or to race
50 fewer dates than required herein.

51 § 5. Subdivision f-1 of section 1612 of the tax law is REPEALED.

52 § 6. This act shall take effect immediately.