

STATE OF NEW YORK

7639

IN SENATE

February 3, 2020

Introduced by Sen. 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 racing, pari-mutuel wagering and breeding law, the general municipal law, the alcoholic beverage control law and the administrative code of the city of New York, in relation to implementing technical changes contemplated by section 10 of part A of chapter 60 of the laws of 2012 and making further technical changes

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

1 Section 1. Legislative findings. 1. The legislature recognizes that
2 section 10 of part A of chapter 60 of the laws of 2012 provides as
3 follows:

4 (a) Wherever the term "racing and wagering board", "state racing
5 commission" or "state harness racing commission" appears in the execu-
6 tive law, the general municipal law, article 34 of the tax law or the
7 racing, pari-mutuel wagering and breeding law or otherwise in the
8 consolidated or unconsolidated laws of this state, such term is hereby
9 changed to "state gaming commission".

10 (b) Wherever the term "chairman of the racing and wagering board"
11 appears in the consolidated or unconsolidated laws of this state, such
12 term is hereby changed to "chair of the state gaming commission".

13 (c) The legislative bill drafting commission is hereby directed to
14 effectuate this provision, and shall be guided by a memorandum of
15 instruction setting forth the specific provisions of law to be amended.
16 Such memorandum shall be transmitted to the legislative bill drafting
17 commission within sixty days of the effective date of this provision.
18 Such memorandum shall be issued jointly by the governor, the temporary
19 president of the senate and the speaker of the assembly, or by the dele-
20 gate of each.

21 2. In lieu of the memorandum of instruction referred to in paragraph
22 (c) of section 10 of part A of chapter 60 of the laws of 2012, the
23 legislature intends for this bill to set forth all changes to consol-
24 idated law directed by paragraphs (a) and (b) of section 10 of part A of

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

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chapter 60 of the laws of 2012. The legislature does not intend for subdivision (a) of section 10 of part A of chapter 60 of the laws of 2012 to apply to racing, pari-mutuel wagering and breeding law sections 107, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 129 and paragraph b of subdivision 8 of section 212, each of which make specific reference to "former" entities, for which references should not be amended.

§ 2. The opening paragraph of section 101 of the racing, pari-mutuel wagering and breeding law, as added by section 1 of part A of chapter 60 of the laws of 2012, is amended to read as follows:

As used in this ~~[article]~~ chapter, the following terms shall have the following meanings, unless the context requires otherwise:

§ 3. Subdivision (b) of section 201 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

(b) Approval. No certificate of incorporation under this section wherein the right to conduct running or steeplechase race meetings is claimed, shall hereafter be filed without the approval of the ~~[state racing and wagering board]~~ commission, indorsed thereon or annexed thereto, stating that, in its opinion, the purposes of this article and the public interest will be promoted by such incorporation, and that such incorporation will be conducive to the interests of legitimate racing; nor shall any certificate amending the said certificate of incorporation in any particular or any certificate of merger affecting said corporation be filed without the approval of the ~~[state racing and wagering board]~~ commission, indorsed thereon or annexed thereto stating that, in its opinion, the purposes of this article and the public interest will be promoted by such amendment or by such merger and that such amendment or such merger will be conducive to the interests of legitimate racing.

§ 4. Section 202 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 549 of the laws of 2013, is amended to read as follows:

§ 202. Restriction upon commencement of business. No business corporation organized under the provisions of this article shall engage in the prosecution or management of its business until the whole of its capital stock shall have been subscribed, nor until it shall have filed in the offices where certificates of incorporation were filed, a further certificate stating that the whole of its capital stock has been in good faith subscribed, executed and acknowledged by its president or vice-president and treasurer or secretary, and verified by them to the effect that the statements contained in it are true.

Notwithstanding the foregoing, corporations organized pursuant to section two hundred one of the not-for-profit corporation law as charitable corporations as defined in paragraph (a) of section one hundred two (Definitions) of the not-for-profit corporation law shall not engage in the prosecution or management of its business until its certificate of incorporation has been accepted for filing by the secretary of state and such confirmation of filing has been filed with the ~~[board]~~ commission and the franchise oversight board.

§ 5. Section 204 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

§ 204. Certificate of payment of stock. Except as provided in this article, no business corporation hereafter organized under this article or heretofore organized in pursuance of law for any purpose authorized by this article, shall have any of the powers conferred by section two

1 hundred three of this article until [~~it~~] such corporation shall have
2 filed in the office or offices where its certificate of incorporation
3 was filed, a further certificate stating that its capital stock has been
4 fully paid in cash, and if claiming the right to conduct running race
5 meetings, that, except as may be authorized by the [~~board~~] commission,
6 it actually maintains a racetrack of not less than five-eighths of one
7 mile in length or circumference, the location of which shall be speci-
8 fied in such certificate. Such certificate shall be executed and
9 acknowledged by [~~its~~] such corporation's president or vice-president and
10 [~~its~~] such corporation's treasurer or secretary, and verified by them to
11 the effect that the statements contained in [~~it~~] such certificate are
12 true. In the case of racing courses to be used for running races or
13 steeplechases, a license from the [~~state racing and wagering board~~]
14 commission must also be obtained in the manner hereinafter provided, and
15 such license be filed with such certificate.

16 § 6. Section 205 of the racing, pari-mutuel wagering and breeding law,
17 as amended by chapter 18 of the laws of 2008, is amended to read as
18 follows:

19 § 205. License for running races and steeplechase meetings. Any non-
20 franchised corporation desiring to obtain the benefits of the provisions
21 of section two hundred three of this article, if proposing to conduct a
22 race course or race meeting for running races or steeplechases, may
23 annually apply to the [~~state racing and wagering board~~] commission for a
24 license to conduct running races and race meetings or steeplechases and
25 steeplechase meetings, as the case may be. If, in the judgment of such
26 [~~board~~] commission the public interest, convenience or necessity will be
27 served thereby and a proper case for the issuance of such license is
28 shown consistent with the purposes of this article and the best interest
29 of racing generally, [~~it~~] the commission may grant such license, for a
30 term within the calendar year, which shall specify the dates and period
31 of time during which, and the place where, the licensee may operate. The
32 fee for such license shall be one hundred dollars for each racing day,
33 payable upon issuance of license. In considering an application for a
34 license under this section, the [~~state racing and wagering board~~]
35 commission may give consideration to the number of licenses already
36 granted and to the location of the tracks previously licensed. Every
37 such license shall contain a condition that all running races or race
38 meetings conducted thereunder shall be subject to such reasonable rules
39 and regulations from time to time prescribed by the [~~board~~] commission,
40 designated as the "rules of racing". Before promulgating such rules of
41 racing or modifying or abrogating any of them, the [~~board~~] commission
42 shall give the jockey club, a corporation organized under the laws of
43 the state of New York, an opportunity to submit recommendations relative
44 to such rules for running races and race meetings, and to the national
45 steeplechase and hunt association, a corporation organized under the
46 laws of the state of New York, an opportunity to submit recommendations
47 relative to such rules for steeplechases and steeplechase meetings, and
48 the [~~board~~] commission may adopt, to the extent that it deems appropri-
49 ate, any rules so submitted by either of such corporations or by any
50 other nationally recognized association or corporation [~~which~~] that has
51 for its purpose the improvement of the breed.

52 § 7. Subdivisions 3, 4, 5, 7 and 8 of section 208 of the racing, pari-
53 mutuel wagering and breeding law, as added by chapter 18 of the laws of
54 2008, are amended to read as follows:

55 3. As a condition of franchise acceptance, the franchised corporation
56 shall make application with the [~~racing and wagering board~~] commission

1 for live thoroughbred racing dates at thoroughbred racing facilities
2 located in Queens county, Saratoga county and jointly located in Nassau
3 and Queens counties in a manner substantially similar to the racing
4 dates presently undertaken.

5 4. As a condition of franchise acceptance, the franchised corporation
6 shall agree that it will conduct running races, steeplechases and race
7 meetings in accordance with the provisions thereof and that all running
8 races, steeplechases or race meetings conducted thereunder shall be
9 subject to such reasonable rules and regulations from time to time
10 prescribed by the [~~state racing and wagering board~~] gaming commission.

11 5. A franchise may be revoked and cancelled by the [~~state racing and~~
12 ~~wagering board~~] commission only for the reasons and in the manner
13 prescribed under the provisions of sections two hundred twelve and two
14 hundred forty-four of this article. The action of the [~~state racing and~~
15 ~~wagering board~~] commission in revoking a franchise shall be reviewable
16 in the supreme court in the manner provided by and subject to the
17 provisions of article seventy-eight of the civil practice law and rules.

18 7. Notwithstanding the provisions of section seven of the general
19 business law, or any other inconsistent provision of general, special or
20 local law, the [~~state racing and wagering board~~] commission shall speci-
21 fy annually the dates on which, and the hour of the first post time for
22 days during which, such franchised corporation may operate at the places
23 and for the full number of days specified in its franchise.

24 8. The [~~state racing and wagering board~~] commission shall permit the
25 franchised corporation to conduct pari-mutuel betting in the manner and
26 subject to the conditions prescribed by this chapter, at the racetracks
27 described in such racing franchise for the duration of such racing fran-
28 chise.

29 § 8. Section 209 of the racing, pari-mutuel wagering and breeding law,
30 as added by chapter 140 of the laws of 2008, is amended to read as
31 follows:

32 § 209. Examination of the books and accounts by the state comptroller.
33 Notwithstanding any other provision of this article, the state comp-
34 troller may from time to time examine the books and accounts of such
35 [~~franchise~~] franchised corporation, including its receipts, disburse-
36 ments, contracts, leases, loans, investments and any other matters
37 relating to its financial operations, including the franchised corpo-
38 ration's calculation of the franchise fee payment pursuant to the
39 provisions of subdivision one of section two hundred eight of this arti-
40 cle and report the results of each audit to the governor, the legisla-
41 ture, the attorney general, the franchise oversight board and the [~~state~~
42 ~~racing and wagering board~~] commission.

43 § 9. Subdivision 1 of section 210-a of the racing, pari-mutuel wager-
44 ing and breeding law, as amended by chapter 18 of the laws of 2008, is
45 amended to read as follows:

46 1. No franchised corporation shall relinquish a franchise granted to
47 it pursuant to section two hundred six of this article at any time with-
48 in the term of any such franchise without giving separate written
49 notification of its intention to effect relinquishment by certified mail
50 return receipt requested to the franchise oversight board and the [~~state~~
51 ~~racing and wagering board~~] commission not less than one hundred eighty
52 days prior to the date such franchised corporation proposes to be the
53 effective date of relinquishment.

54 § 10. Section 211 of the racing, pari-mutuel wagering and breeding law
55 is amended to read as follows:

§ 211. Fair association, when entitled to privileges. Any state, county or other fair association shall be entitled to the privileges conferred by section two hundred four of this ~~chapter~~ article upon filing in the offices wherein its certificate of incorporation is filed, a certificate ~~[which shall set]~~ that sets forth its intention to avail itself of such privileges; and any such state, county or other fair association shall not be required to obtain any license or file any other certificate. State, county and other fair associations entitled to conduct trotting races may also conduct running races in connection therewith, and the provisions of this article requiring a racetrack to be of specified dimensions shall not apply to such association; but no running races shall be conducted for more than five days on any track or grounds, unless the license of the ~~[state racing and wagering board]~~ commission therefor is first obtained.

§ 11. Subdivision 6, subparagraph (iv) of paragraph a and paragraph b of subdivision 8 of section 212 of the racing, pari-mutuel wagering and breeding law, subdivision 6 as amended by chapter 688 of the laws of 2019, subparagraph (iv) of paragraph a and paragraph b of subdivision 8 as added by chapter 18 of the laws of 2008, are amended to read as follows:

6. Within thirty days following the appointment of the members of the franchise oversight board, the members of the oversight board shall establish a local advisory board for each racing operation ~~[comprised of]~~ comprising the following members to meet at least twice yearly:

a. The local advisory board for the Saratoga racetrack facility shall ~~[be comprised of]~~ comprise fifteen members and include five designees from each of the following: the board of supervisors, the mayor of the city of Saratoga and the franchised corporation.

b. The local advisory board for the Aqueduct racetrack facility shall ~~[be comprised of]~~ comprise fifteen members, nine of whom shall be designees of New York City Queens Community Board Ten, three designees of the franchised corporation and three designees of the video lottery gaming operator.

c. The local advisory board for the Belmont racetrack facility shall ~~[be comprised of]~~ comprise fifteen members, to be appointed as follows:

(i) ~~[Five]~~ five members from Nassau county to be appointed by the Nassau county executive. Four of such members must reside in the hamlet of Elmont~~[-]~~;

(ii) ~~[Two]~~ two members from the town of Hempstead to be appointed by the supervisor of the town of Hempstead. Both members must reside in the hamlet of Elmont~~[-]~~;

(iii) ~~[Two]~~ two members to be appointed by the mayor of the village of Floral Park, subject to village board approval~~[-]~~;

(iv) ~~[One]~~ one member to be appointed by the mayor of the village of South Floral Park, subject to village board approval~~[-]~~;

(v) ~~[Three]~~ three members to be appointed by the New York Racing Association, Inc.; and

(vi) ~~[Two]~~ two members to be appointed by the New York City Queens Community Board 13.

The members of the local advisory boards shall serve for a period of two years. In the event of a vacancy occurring during a term of appointment by reason of death, resignation, disqualification or otherwise such vacancy shall be filled for the unexpired term in the same manner as the original appointment. The members of the local advisory board shall serve without compensation, except that each member shall be allowed the

1 necessary and actual expenses incurred in the performance of his or her
2 duties pursuant to this section.

3 (iv) evaluate, review and approve the racing franchisee's selection of
4 a vendor or vendors to contract with the franchised corporation for
5 provision of totalizator services, and manage, subject to the franchised
6 corporation's unilateral right to opt out, directly or indirectly, inte-
7 gration of any offered internet wagering platform. The franchise over-
8 sight board shall consider in its evaluation of any such proposed vendor
9 ~~[their]~~ the ability of such vendor to reduce the totalizator expenses
10 and general development and production costs of any internet wagering
11 platform of an authorized off-track betting corporation and the state
12 racing franchise holder.

13 b. Notwithstanding any other provision of this article, the franchised
14 corporation shall be entitled to make capital expenditures, except those
15 capital expenditures for the Saratoga Racecourse that may, on the advice
16 of the New York state historic preservation office, adversely impact any
17 historic structure that is included in or is eligible for inclusion in
18 the national or state register of historic places, to the physical plant
19 of the racetracks, grandstand, backstretch, parking and public areas set
20 forth in the New York Racing Association's capital expenditure plan
21 ("capital plan") filed with the ~~[racing and wagering board]~~ commission
22 in two thousand seven. Any material modification to the capital plan as
23 determined by the franchise oversight board and each future capital
24 investment plan for the tracks, grandstand, backstretch, parking and
25 public areas of the racetracks operated by the franchised corporation
26 involving the expenditure of more than five million dollars in the
27 aggregate shall require the prior approval of the franchise oversight
28 board. Within five years from the date of commencement of the video
29 lottery terminal operations at Aqueduct, and every five years thereaft-
30 er, the franchised corporation shall submit to the oversight board a
31 capital plan for the ~~[five-year]~~ five-year period commencing on January
32 first of the following year. Such plans shall contain both the intended
33 object of expenditure and the proposed sources of financing. The fran-
34 chised corporation shall report to the franchise oversight board within
35 ninety days following the end of each fiscal year as to the amount spent
36 pursuant to the capital plan.

37 § 12. Subdivision 1 of section 216 of the racing, pari-mutuel wagering
38 and breeding law, as amended by chapter 18 of the laws of 2008, is
39 amended to read as follows:

40 1. Any franchised corporation desiring to grant, give, devise, or sell
41 any assets including tangible and intangible assets, racing facilities
42 and real estate shall apply to the ~~[state racing and wagering board]~~
43 commission and to the franchise oversight board for approval of such
44 disposition, provided, however, that the approval of such ~~[boards]~~
45 commission and such board shall not be necessary for the sale of proper-
46 ty, other than real property, ~~[which]~~ that is appropriately, customarily
47 and usually sold by the association in the normal course of its busi-
48 ness. If in the judgment of ~~[each-such]~~ the commission and the franchise
49 oversight board, acting individually, the public interest, convenience
50 or necessity and the best interest of racing will be served thereby,
51 ~~[each-such]~~ the commission and franchise oversight board shall each
52 enter an order granting approval of such disposition and of the terms
53 thereof.

54 § 13. Section 217 of the racing, pari-mutuel wagering and breeding
55 law, as amended by chapter 18 of the laws of 2008, is amended to read as
56 follows:

§ 217. Revocation of licenses. If any corporation to which a license shall be granted shall fail or refuse to comply with the provisions of this chapter, or with the terms and conditions of its license, or if for any other reason the continuance of such license shall not be deemed conducive to the interests of legitimate racing, the ~~[board]~~ commission, upon its own initiative or upon complaint of the jockey club, in the case of race courses to be used for running races, or upon the complaint of the national steeplechase and hunt association in the case of race courses to be used for steeplechases, shall have the power to cancel and revoke such license. Written notice of such complaint shall be given to such corporation by ~~[said board]~~ the commission within five days after receiving such complaint, or after determining to take action, which notice shall specify a time and place of hearing thereon. If the ~~[board]~~ commission cancels and revokes such license, then all powers exercised under section two hundred three of this article by the corporation to which such license was granted shall cease and determine.

§ 14. Section 218 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 140 of the laws of 2008, is amended to read as follows:

§ 218. Stewards at race meetings. There shall be three stewards to supervise each running race meeting conducted pursuant to sections two hundred five and two hundred six of this article. One of such stewards shall be the official steward of the ~~[board]~~ commission, one shall be appointed by the jockey club or by the national steeplechase and hunt association as may be appropriate, and one shall be appointed by the corporation conducting such race meeting. Such stewards shall exercise such powers and perform such duties at each race meeting as may be prescribed by the rules of the ~~[state racing and wagering board]~~ commission. During the absence or inability to act of an official steward of the ~~[board]~~ commission, or in the event of the failure or inability to appoint either of the other two stewards, the powers and duties of such steward shall be exercised and performed without compensation by a member of the ~~[board]~~ commission designated by the ~~[board]~~ commission for that purpose.

§ 15. Section 219 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

§ 219. Advertising or promotional material. Notwithstanding any other provision of law, rule or regulation nothing herein shall be deemed to authorize the stewards or the ~~[racing and wagering board]~~ commission to promulgate any rule or regulation ~~[which]~~ that would prohibit a jockey from wearing any advertising or promotional material on his or her clothing. The wearing of such advertising or promotional material ~~[will]~~ shall be permitted only when the owner of a horse for whom such jockey is riding provides the jockey with prior written authorization. Notwithstanding the foregoing, when a corporation, company or any other entity sponsors a race or race day at any franchised corporation or any racing association or corporation, such racing association may prohibit a jockey from wearing advertising material that represents a competitor of such sponsoring corporation, company or other entity.

§ 16. Subdivisions 1, 2 and 3 of section 220 of the racing, pari-mutuel wagering and breeding law, subdivision 1 as amended by chapter 140 of the laws of 2008 and subdivisions 2 and 3 as amended by chapter 18 of the laws of 2008, are amended to read as follows:

1. For the purpose of maintaining a proper control over race meetings conducted pursuant to sections two hundred five and two hundred six of

1 this article, the [~~state racing and wagering board~~] commission shall
2 license owners, which term shall be deemed to include [~~part-owners~~]
3 part-owners and lessees, trainers, assistant trainers and jockeys, jock-
4 ey agents, stable employees, and such other persons as the [~~board~~]
5 commission may by rule prescribe at running races and at steeplechases,
6 provided, however, that no such license shall be required for seasonal
7 employees hired solely to work for no longer than six weeks during the
8 summer meet at Saratoga racetrack. In the event that a proposed licensee
9 is other than a natural person, the [~~board~~] commission shall require by
10 regulation disclosure of the names and addresses of all owners of an
11 interest in such entity. The [~~board~~] commission may retain, employ or
12 appoint such officers, employees and agents, as it may deem necessary to
13 receive, examine and make recommendations, for the consideration of the
14 [~~board~~] commission, in respect of applications for such licenses;
15 prescribe their duties in connection therewith, and fix their compen-
16 sation therefor within the limitations prescribed by law. Each applicant
17 for a license shall pay to the [~~board~~] commission an annual license fee
18 as follows: owner's license, if a renewal, fifty dollars, and if an
19 original application, one hundred dollars; trainer's license, thirty
20 dollars; assistant trainer's license, thirty dollars; jockey's license,
21 fifty dollars; jockey agent's license, twenty dollars; and stable
22 employee's license, five dollars. Each applicant may apply for a [~~two~~
23 year] two-year or [~~three-year~~] three-year license by payment to the
24 [~~board~~] commission of the appropriate multiple of the annual fee. The
25 [~~board~~] commission may by rule fix the license fees to be paid by other
26 persons required to be licensed by the rules of the [~~board~~] commission,
27 not to exceed thirty dollars per category. The application for the
28 license shall be in writing in such form as the [~~board~~] commission may
29 prescribe, and contain such information as the [~~board~~] commission may
30 require. The [~~board~~] commission shall henceforth cause all applicants
31 for licenses to be photographed and fingerprinted and may issue iden-
32 tification cards to licensees. Such fingerprints shall be submitted to
33 the division of criminal justice services for a state criminal history
34 record check, as defined in subdivision one of section three thousand
35 thirty-five of the education law, and may be submitted to the federal
36 bureau of investigation for a national criminal history record check. A
37 fee equal to the actual cost of issuance shall be charged for the
38 initial issuance of such identification cards. Each such license unless
39 revoked for cause shall be for the period of no more than one, two or
40 three years, determined by rule of the [~~board~~] commission, expiring on
41 the applicant's birth date. Licenses current on the effective date of
42 this provision shall not be reduced in duration by this provision. An
43 applicant who applies for a license that, if issued, would take effect
44 less than six months prior to the applicant's birth date may, by payment
45 of a fifty percent higher fee, receive a license which shall not expire
46 until the applicant's second succeeding birth date. All receipts of the
47 [~~board~~] commission derived from the operation of this section shall be
48 paid by it into the state treasury on or before the tenth day of each
49 month. All officials connected with the actual conduct of racing shall
50 be [~~approved~~] subject to approval by the [~~board~~] commission.

51 2. If the [~~state racing and wagering board shall find~~] commission
52 finds that the financial responsibility, experience, character and
53 general fitness of the applicant are such that the participation of such
54 person will be consistent with the public interest, convenience or
55 necessity and with the best interests of racing generally in conformity
56 with the purposes of this article, [~~it~~] the commission shall thereupon

1 grant a license. If the [~~board shall find~~] commission finds that the
2 applicant fails to meet any of said conditions, it shall not grant such
3 license and it shall notify the applicant of the denial.

4 The [~~board~~] commission may refuse to issue or renew a license, or may
5 suspend or revoke a license issued pursuant to this section, if [~~it~~
6 ~~shall find~~] the commission finds that the applicant, or any person who
7 is a partner, agent, employee or associate of the applicant, has been
8 convicted of a crime in any jurisdiction, or is or has been associating
9 or consorting with any person who has or persons who have been convicted
10 of a crime or crimes in any jurisdiction or jurisdictions or is consort-
11 ing or associating with or has consorted or associated with bookmakers,
12 touts, or persons of similar pursuits, or has himself or herself engaged
13 in similar pursuits, or is financially irresponsible, or has been guilty
14 of or attempted any fraud or misrepresentation in connection with
15 racing, breeding, or otherwise, or has violated or attempted to violate
16 any law with respect to racing in any jurisdiction or any rule, regu-
17 lation or order of the [~~board~~] commission, or shall have violated any
18 rule of racing which shall have been approved or adopted by the [~~board~~]
19 commission, or has been guilty of or engaged in similar, related or like
20 practices.

21 3. No license shall be revoked unless such revocation is by [~~board~~]
22 commission determination upon a meeting of the [~~board~~] commission. Prior
23 to revocation or suspension of license a licensee shall be entitled to a
24 hearing on notice except that summary suspension where emergency action
25 is required in accordance with subdivision three of section four hundred
26 one of the state administrative procedure act may be ordered. In the
27 conduct of such hearing the [~~board~~] commission shall not be bound by
28 technical rules of evidence but all evidence offered before the [~~board~~]
29 commission shall be reduced to writing, and such evidence together with
30 the exhibits, if any, and the findings of the [~~board~~] commission, shall
31 be permanently preserved and shall constitute the record of the [~~board~~]
32 commission in such case. Such hearing may be presided over by the
33 [~~chairman~~] chair of the [~~board~~] commission or by any member or by an
34 officer of the [~~board~~] commission designated by the [~~chairman~~] chair in
35 writing to act as hearing officer and such person or persons may issue
36 subpoenas for witnesses and administer oaths to witnesses. The hearing
37 officer, at the conclusion of the hearing shall make findings [~~which~~]
38 that, if concurred in by [~~two members~~] a majority of the [~~board~~] commis-
39 sion, shall become the findings of the [~~board~~] commission. The action of
40 the [~~board~~] commission in refusing, suspending or in revoking a license
41 shall be reviewable in the supreme court in the manner provided by the
42 provisions of article seventy-eight of the civil practice law and rules.

43 § 17. Section 221 of the racing, pari-mutuel wagering and breeding
44 law, as amended by chapter 325 of the laws of 2004 and as renumbered by
45 chapter 18 of the laws of 2008, paragraph a of subdivision 2 as amended
46 by chapter 18 of the laws of 2008, paragraph b of subdivision 2 as added
47 by chapter 325 of the laws of 2004, subdivision 6 as amended by section
48 1 of part SS of chapter 59 of the laws of 2017, the opening paragraph of
49 subdivision 7 as amended by section 1 of part ZZ of chapter 59 of the
50 laws of 2019, subdivision 7 as amended by section 2 of part SS of chap-
51 ter 59 of the laws of 2017 and subdivision 12 as amended and subdivi-
52 sions 13 and 14 as added by section 3 of part SS of chapter 59 of the
53 laws of 2017, is amended to read as follows:

54 § 221. New York Jockey Injury Compensation Fund, Inc. 1. There is
55 created a not-for-profit corporation to be known as The New York Jockey
56 Injury Compensation Fund, Inc. and referred to in this section as "the

1 fund". To the extent that the provisions of the not-for-profit corpo-
2 ration law do not conflict with the provisions of this article, or the
3 plan of operation of the fund hereunder, the not-for-profit corporation
4 law shall apply to the fund and the fund shall be a type C corporation
5 pursuant to the not-for-profit corporation law. If an applicable
6 provision of this article or the plan of operation of the fund hereunder
7 relates to a matter embraced in a provision of the not-for-profit corpo-
8 ration law but is not in conflict therewith, both provisions shall
9 apply. The fund shall perform its functions under the plan of operation
10 established and approved under this section and shall exercise its
11 powers through a board of directors established under this section.

12 2. a. The board of directors shall consist of seven members, six of
13 whom are to be selected from the general membership of the fund in a
14 manner and for terms to be prescribed by the initial fund board. For the
15 purposes of establishing and organizing the fund, at least one hundred
16 fifty days prior to the date that this article shall take effect, the
17 boards of directors of the horsemen's organizations representing at
18 least fifty-one percent of the horsemen utilizing the facilities of any
19 racing corporation, shall designate six members who shall serve as the
20 initial board of directors of the fund. The seventh member shall be
21 elected every two years on the second Tuesday of June, or as designated
22 by the fund, pursuant to paragraph b of this subdivision by a vote of
23 jockeys and apprentice jockeys duly licensed pursuant to this article or
24 article four of this chapter. The members of the board shall elect annu-
25 ally from the members a chairperson and a vice-chairperson who shall act
26 as chairperson in the absence of the chairperson. Each member of the
27 board of directors shall have equal voting rights with the others.

28 b. (i) The election of the seventh board member shall be conducted by
29 an election administrator selected by the fund no later than November
30 fifteenth of the year preceding the election. The fund shall inform the
31 ~~[state racing and wagering board]~~ commission of its selection thereof.
32 The fund shall enter into a contract with the election administrator at
33 least one hundred twenty days prior to the date of the election. The
34 fund shall be responsible for costs associated with the contract with
35 the election administrator.

36 (ii) The election administrator may be the individual, organization,
37 or corporation under contract with the fund to provide management
38 services as of November fifteenth of the year preceding the election.
39 The election administrator shall devise and provide nominating petitions
40 to candidates, shall validate such petitions upon submittal by verifying
41 the eligibility of the jockeys and apprentice jockeys to sign such
42 petitions, and shall be responsible for the printing, dissemination,
43 validation, and tabulation of ballots for such election. The ~~[state~~
44 ~~racing and wagering board]~~ commission shall provide a list of all duly
45 licensed jockeys and apprentice jockeys to the fund for purposes of
46 validating nominating petitions and ballots. The election administrator
47 shall report the results of the election to the ~~[state racing and wager-~~
48 ~~ing board]~~ commission, which shall then certify the election of the
49 seventh board member.

50 (iii) Any individual seeking election pursuant to this subdivision
51 shall provide a nominating petition containing the signatures of no
52 fewer than ten duly licensed jockeys or apprentice jockeys eligible to
53 sign such petition. To be eligible to sign such petition, a jockey or
54 apprentice jockey shall possess a valid jockey's license as of March
55 first in the year of the election. Such petitions may be signed by
56 eligible jockeys or apprentice jockeys beginning April first of an

1 election year and shall be returned to the election administrator for
2 validation no later than the first Monday of May of an election year. If
3 a jockey's license expires between March second and the first Monday of
4 May and has not been renewed by the latter date, the election adminis-
5 trator shall invalidate such jockey's signature on the nominating peti-
6 tion so submitted.

7 (iv) To be eligible to vote in the election, jockeys and apprentice
8 jockeys must possess a valid jockey's license at least thirty days prior
9 to the date of the election. If such jockey's license expires during the
10 thirty days preceding the election and such license has not been renewed
11 as of the date of the election, such jockey shall not be eligible to
12 vote.

13 (v) If, following an election of the seventh board member, such member
14 is unable to discharge his or her duties as a board member or is other-
15 wise unable to complete his or her term, the fund's chairperson shall
16 offer the seventh board member's position to the candidate who received
17 the highest total number of votes following that received by the elected
18 board member during the election. If such candidate declines to accept
19 such position, the chairperson shall offer the position to each remain-
20 ing candidate in descending order of the total number of votes received
21 by each such candidate during the election until a candidate has
22 accepted the position. If none of the remaining candidates has accepted
23 the position, the chairperson may appoint an interim member to the posi-
24 tion for such time as intervenes until a new seventh board member is
25 elected.

26 3. Members of the board of directors shall serve without compensation
27 for their services, but shall be entitled to reimbursement for actual
28 and necessary expenses incurred in the performance of their official
29 duties.

30 4. Members of the board of directors, except as otherwise provided by
31 law, may engage in private employment, or in a profession or business.

32 5. The affirmative vote of four members of the board of directors
33 shall be necessary for the transaction of any business or the exercise
34 of any power or function of the fund. The fund may delegate to one or
35 more of its members, or its officers, agents or employees, such powers
36 and duties as it may deem proper.

37 6. (a) The fund shall secure workers' compensation insurance coverage
38 on a blanket basis for the benefit of all jockeys, apprentice jockeys
39 and exercise persons licensed pursuant to this article or article four
40 of this chapter who are employees under section two of the workers'
41 compensation law, and may elect, with the approval of the [gaming]
42 commission, to secure workers' compensation insurance for employees of
43 licensed trainers or owners. In the event the fund elects, with the
44 approval of the [gaming] commission, to secure workers' compensation
45 insurance for employees of licensed trainers or owners, the fund may
46 discontinue to secure workers' compensation insurance for employees of
47 licensed trainers or owners only upon prior approval of the [gaming]
48 commission.

49 (b) The fund may elect, with the approval of the [gaming] commission,
50 to secure workers' compensation insurance coverage through a form of
51 self-insurance, provided that the fund has met the requirements of the
52 workers' compensation board, including, without limitation, subdivision
53 three of section fifty of the workers' compensation law.

54 7. In order to pay the costs of the insurance required by this section
55 and by the workers' compensation law and to carry out its other powers
56 and duties and to pay for any of its liabilities under section four-

teen-a of the workers' compensation law, the New York Jockey Injury Compensation Fund, Inc. shall ascertain the total funding necessary and establish the sums that are to be paid by all owners and trainers licensed or required to be licensed under section two hundred twenty of this article, to obtain the total funding amount required annually. In order to provide that any sum required to be paid by an owner or trainer is equitable, the fund shall establish payment schedules ~~[which]~~ that reflect such factors as are appropriate, including where applicable, the geographic location of the racing corporation at which the owner or trainer participates, the duration of such participation, the amount of any purse earnings, the number of horses involved, or such other factors as the fund shall determine to be fair, equitable and in the best interests of racing. In no event shall the amount deducted from an owner's share of purses exceed two ~~[per centum]~~ percent; provided, however, for two thousand nineteen the New York Jockey Injury Compensation Fund, Inc. may use up to two million dollars from the account established pursuant to subdivision nine of section two hundred eight of this article to pay the annual costs required by this section and the funds from such account shall not count against the two ~~[per centum]~~ percent of purses deducted from an owner's share of purses. The amount deducted from an owner's share of purses shall not exceed one ~~[per centum]~~ percent after April first, two thousand twenty. In the cases of multiple ownerships and limited racing appearances, the fund shall equitably adjust the sum required.

The ~~[gaming]~~ commission shall, as a condition of racing, require any racing corporation or any quarterhorse racing association or corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat, to require that each trainer ~~[utilizing]~~ using the facilities of such association or corporation and each owner racing a horse shall place or have placed on deposit with the horsemen's bookkeeper of such racing association or corporation, an amount to be established and paid in a manner to be determined by the fund.

Should the fund determine that the amount ~~[which]~~ that has been collected in the manner prescribed is inadequate to pay the annual costs required by this section, it shall notify the ~~[gaming]~~ commission of the deficiency and the amount of the additional sum or sums necessary to be paid by each owner and/or trainer in order to cover such deficiency. The ~~[gaming]~~ commission shall, as an additional condition of racing, direct any racing corporation or any quarterhorse racing association or corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat, to require each trainer and owner to place such additional sum or sums on deposit with the respective horsemen's bookkeeper.

All amounts collected by a horsemen's bookkeeper pursuant to this section shall be transferred to the fund created under this section and shall be used by the fund to purchase workers' compensation insurance for jockeys, apprentice jockeys and exercise persons licensed pursuant to this article or article four of this chapter who are employees under section two of the workers' compensation law, and at the election of the fund, with the approval of the ~~[gaming]~~ commission, to secure workers' compensation insurance for employees of licensed trainers or owners to pay for any of its liabilities under section fourteen-a of the workers' compensation law and to administer the workers' compensation program for such jockeys, apprentice jockeys and exercise persons and, if approved by the ~~[gaming]~~ commission, employees of licensed trainers or owners required by this section and the workers' compensation law.

1 In the event the fund elects, with the approval of the [~~gaming~~]
2 commission, to secure workers' compensation insurance for employees of
3 licensed trainers or owners, the fund may elect to have the sum required
4 to be paid by an owner or trainer pursuant to this section be subject to
5 an examination of workers' compensation claims attributable under the
6 fund to each such owner or trainer, including the frequency and severity
7 of accidents and injuries.

8 8. a. The fund shall submit to the [~~state racing and wagering board~~]
9 commission a plan of operation and any amendments thereto necessary or
10 suitable to assure the fair, reasonable and equitable administration of
11 the fund. Such amendments, if any, relating to the assessment of the
12 costs of insurance for the subsequent year, other than deficiency
13 assessments, shall be submitted to the [~~board~~] commission no later than
14 November fifteenth of each year. The plan of operation and any amend-
15 ments thereto shall become effective upon approval in writing by the
16 [~~board~~] commission, and shall be published by the fund upon such
17 approval in one or more trade publications likely to be obtained by
18 owners and trainers.

19 b. If the fund fails to submit a suitable plan of operation within one
20 hundred eighty days following the effective date of this section or if
21 at any time thereafter the fund fails to submit suitable amendments to
22 the plan, the [~~board~~] commission shall, after notice and hearing, adopt
23 and promulgate such reasonable rules as are necessary or advisable to
24 effectuate the provisions of this article. Such rules shall continue in
25 force until modified by the [~~board~~] commission or superseded by a plan
26 submitted by the fund and approved by the [~~board~~] commission.

27 c. The plan of operation shall constitute the by-laws of the fund and
28 shall, in addition to requirements enumerated elsewhere in this article:

29 (i) [~~Establish~~] establish procedures for handling the assets of the
30 fund~~[-]~~;

31 (ii) [~~Establish~~] establish regular places and times for meetings of
32 the board of directors~~[-]~~;

33 (iii) [~~Establish~~] establish procedures for records to be kept of all
34 financial transactions of the fund, its agents and the board of direc-
35 tors~~[-]~~;

36 (iv) [~~Establish~~] establish a formula for determining the appropriate
37 amount of the assessments under this section~~[-]~~;

38 (v) [~~Establish~~] establish the rules and procedures to govern the
39 conduct of an election held pursuant to paragraph b of subdivision two
40 of this section~~[-]~~; and

41 (vi) [~~Contain~~] contain such additional provisions as the [~~board~~]
42 commission or fund may deem necessary or proper for the execution of the
43 powers and duties of the fund.

44 9. The fund shall be subject to examination and regulation by the
45 [~~board~~] commission. The fund shall submit to the [~~board~~] commission not
46 later than May first of each year, a financial report for the preceding
47 calendar year in a form approved by the [~~board~~] commission and a report
48 of its activities during the preceding calendar year.

49 10. The fund shall be exempt from payment of all fees and all taxes
50 levied by this state or any of its subdivisions, except taxes levied on
51 real property.

52 11. The fund shall purchase such insurance as necessary to protect any
53 director, officer, agent or other representative from liability.

54 12. For purposes of this section, the term "employees of licensed
55 trainers or owners" shall have the same meaning as subdivision twenty-
56 four of section two of the workers' compensation law.

13. a. There is created a racing safety committee to review the risk management report submitted to the commission by the fund on or about September thirtieth, two thousand sixteen and to make non-binding recommendations for the implementation of the safety proposals and initiatives set forth in such report. Such committee shall consist of seven members, each to serve a term of three years, with one member each appointed by:

- (i) the fund;
- (ii) the [gaming] commission;
- (iii) the franchised corporation;
- (iv) the racing association or corporation licensed pursuant to this article or article four of this chapter to operate the racing and training facilities at Finger Lakes racetrack;
- (v) the horsemen's organization representing at least fifty-one percent of the owners and trainers using the facilities of the franchised corporation;
- (vi) the horsemen's organization representing at least fifty-one percent of the owners and trainers using the facilities of the Finger Lakes racetrack; and
- (vii) the Jockeys' Guild.

The member of the racing safety committee appointed by the fund shall serve as chairperson and the member of the racing safety committee appointed by the commission shall serve as vice-chairperson. Members of the racing safety committee shall have equal voting rights.

b. The racing safety committee shall meet within ninety days following the effective date of this subdivision to review and discuss the implementation of the recommendations contained in the risk management report submitted to the [gaming] commission by the fund on or about September thirtieth, two thousand sixteen. The racing safety committee shall meet on or after July first, two thousand seventeen, and at least annually thereafter, to review the workers' compensation loss information and the status of safety-related findings and recommendations and to develop an annual strategic plan to address identified safety issues.

c. The members appointed pursuant to subparagraph (iii) and (iv) of paragraph a of this subdivision, in consultation with the other members of the racing safety committee, shall:

(i) Within one hundred eighty days following the effective date of this subdivision, for each track, develop safety rules for training activities to be documented and communicated, in both English and Spanish, to jockeys, apprentice jockeys, and exercise persons licensed pursuant to this article or article four of this chapter who are employees under section two of the workers' compensation law, and at the election of the fund, with the approval of the [gaming] commission, employees of licensed trainers or owners. Such safety rules shall include, but not be limited to, proper usage of personal protective equipment, required response to loose horses, prohibition of cell phone use while mounted on a horse, general requirements for jogging, galloping, breezing, ponying a horse, and starting gate safety protocols. Refresher training related to such safety rules shall be required at the start of each meet.

(ii) Prior to the start of each meet, following the effective date of this subdivision, meet with trainers or their representatives to discuss and address identified safety issues.

(iii) Within one hundred eighty days following the effective date of this subdivision, for each track, develop a written, documented emergency response plan to address response protocols to on-track accidents and

1 incidents, which, at a minimum, shall include detailed information
2 regarding roles and responsibilities for individuals who are responsible
3 for track-related accidents and incidents, including, but not limited
4 to, outriders, emergency medical technicians/paramedics, ambulance driv-
5 ers, security, and veterinary staff and clockers.

6 (iv) Within two hundred ten days following the effective date of this
7 subdivision, communicate the emergency response plan to all on-track
8 personnel as part of new hire orientation and job assignment.

9 (v) Within two hundred ten days following the effective date of this
10 subdivision, and at least once annually thereafter, for each track,
11 conduct a mock emergency response drill for on-track accidents prior to
12 the opening of each race meet. Such emergency response drill shall be
13 filmed and used for education and training purposes for personnel,
14 including in new hire orientation, and to assess the performance of
15 individuals involved in the emergency response.

16 (vi) Within one hundred eighty days following the effective date of
17 this subdivision, upgrade the current level of emergency medical respon-
18 ders from emergency medical technicians to paramedics.

19 14. The fund and the [gaming] commission shall have such power as is
20 necessary to implement the provisions of this section.

21 § 18. Subdivision 1 and the opening paragraph and paragraph f of
22 subdivision 2 of section 221-a of the racing, pari-mutuel wagering and
23 breeding law, as amended by section 1 of part 00 of chapter 60 of the
24 laws of 2016, are amended as follows:

25 1. A franchised corporation shall, as a condition of racing, establish
26 a program to administer the purchase of health insurance for eligible
27 jockeys.

28 Such program shall be funded through the deposit of one and one-half
29 percent of the gross purse enhancement amount from video lottery gaming
30 at a thoroughbred track pursuant to paragraph two of subdivision b and
31 paragraph one of subdivision f of section sixteen hundred twelve of the
32 tax law. The franchised corporation shall establish a segregated account
33 for the receipt of these monies and these monies shall remain separate
34 from any other funds. Any corporation or association licensed pursuant
35 to this article shall pay into such account any amount due within ten
36 days of the receipt of revenue pursuant to section sixteen hundred
37 twelve of the tax law. Any portion of such funding to the account unused
38 during a calendar year, less an amount sufficient to cover anticipated
39 premium liabilities over the next sixty days, shall be returned on a pro
40 rata basis in accordance with the amounts originally contributed and
41 shall be used for the purpose of enhancing purses at such tracks.
42 Provided, however, if a corporation or association licensed pursuant to
43 this article provides an alternative source of funding for this program,
44 an amount equal to this alternative funding, but not in excess of the
45 amount originally contributed during the year from the gross purse
46 enhancement amount from video lottery gaming attributable to such corpo-
47 ration or association, shall be returned to the corporation or associ-
48 ation and used for the purpose of enhancing purses at such track.
49 Provided, further, any such alternative source of funding must be
50 approved by the [gaming] commission.

51 The franchised corporation shall enter into a memorandum of under-
52 standing with the jockey's organization that represents at least fifty-
53 one percent of eligible active jockeys establishing a plan of operation
54 for the program, provided that such memorandum of understanding shall be
55 approved by the [gaming] commission upon a determination that such memo-
56 randum of understanding meets the statutory requirements of this section

1 and is in the best interest of racing and shall include, but not be
2 limited to, the following conditions:

3 f. the ~~[gaming]~~ commission shall have the following powers:

4 (i) to rule on eligibility in the event of a denial of coverage pursu-
5 ant to paragraph e of this subdivision. In the event of a denial of
6 coverage, such individual denied eligibility may appeal to the ~~[gaming]~~
7 commission;

8 (ii) to make a determination if an individual would have qualified
9 pursuant to subparagraph (i) of paragraph e of this subdivision in the
10 event that the individual suffers an injury and contends that he or she
11 would have qualified had they not suffered such injury; and

12 (iii) to audit the books and records of the program.

13 § 19. Section 225 of the racing, pari-mutuel wagering and breeding
14 law, as amended by chapter 18 of the laws of 2008, is amended to read as
15 follows:

16 § 225. Registration of race horses. The true name, sex and age, and
17 also the pedigree, unless such pedigree is unknown, of every horse,
18 mare, gelding, colt or filly shall be registered with the jockey club,
19 United States trotting association, American quarter horse association,
20 the national steeplechase and hunt association or such other entity as
21 the ~~[racing and wagering board]~~ commission may designate before it shall
22 be eligible to compete in any race conducted under a license or fran-
23 chise of the ~~[state racing and wagering board]~~ commission and such name
24 shall continue to be its true name unless and until the same shall be
25 changed according to the rules and regulations of such organization. The
26 class to which any such animal belongs for the purpose of the entry or
27 competition in any race shall be determined by the public performance
28 thereof in former contests or trials of speed, as prescribed by the
29 printed rules of the person, association or corporation sponsoring such
30 race.

31 § 20. Section 228 of the racing, pari-mutuel wagering and breeding
32 law, as amended by chapter 18 of the laws of 2008 and the opening para-
33 graph of subdivision 2 as amended by chapter 122 of the laws of 2019, is
34 amended to read as follows:

35 § 228. Pension plans for backstretch employees. 1. The ~~[state racing~~
36 ~~and wagering board]~~ commission may, as a condition of racing, require
37 all trainers and owners engaged in racing at meetings of any corporation
38 subject to its jurisdiction to participate in a pension plan or trust
39 established, or which may be established, by trainers and owners for the
40 benefit of stable employees (backstretch workers) regularly employed at
41 such meetings; ~~[provided that the board shall find]~~ if the commission
42 finds that participation in the plan by all such owners and trainers is
43 in the best interests of racing and ~~[provided,]~~ further finds, ~~[that the~~
44 ~~board shall find,]~~ based upon certification by the trustees of such
45 plan, that at least eighty percent of such trainers and owners have
46 agreed in writing to participate, or are, in fact, participating there-
47 in.

48 2. The ~~[New York state gaming]~~ commission shall, as a condition of
49 racing, require any franchised corporation and every other corporation
50 subject to its jurisdiction to withhold one percent of all purses,
51 except that for the franchised corporation, starting on September first,
52 two thousand seven and continuing through August thirty-first, two thou-
53 sand twenty, two percent of all purses shall be withheld, and, in the
54 case of the franchised corporation, to pay such sum to the horsemen's
55 organization or its successor that was first entitled to receive
56 payments pursuant to this section in accordance with rules of the

1 commission adopted effective November third, nineteen hundred eighty-
2 three representing at least fifty-one percent of the owners and trainers
3 ~~[utilizing]~~ using the facilities of such franchised corporation, on the
4 condition that such horsemen's organization shall expend as much as is
5 necessary, but not to exceed one-half of one percent of such total sum,
6 to acquire and maintain the equipment required to establish a program at
7 a state college within this state with an approved equine science
8 program to test for the presence of steroids in horses, provided further
9 that the qualified organization shall also, in an amount to be deter-
10 mined by its board of directors, annually include in its expenditures
11 for benevolence programs, funds to support an organization providing
12 services necessary to backstretch employees, and, in the case of every
13 other corporation, to pay such one percent sum of purses to the
14 horsemen's organization or its successor that was first entitled to
15 receive payments pursuant to this section in accordance with rules of
16 the commission adopted effective May twenty-third, nineteen hundred
17 eighty-six representing at least fifty-one percent of the owners and
18 trainers ~~[utilizing]~~ using the facilities of such corporation.

19 In either case, any other horsemen's organization may apply to the
20 ~~[board]~~ commission to be approved as the qualified organization to
21 receive payment of the one percent of all purses by submitting to the
22 ~~[board]~~ commission proof of both, that (i) it represents more than
23 fifty-one percent of all the owners and trainers ~~[utilizing]~~ using the
24 same facilities and (ii) the horsemen's organization previously approved
25 as qualified by the ~~[board]~~ commission does not represent fifty-one
26 percent of all the owners and trainers ~~[utilizing]~~ using the same facil-
27 ities. If the ~~[board]~~ commission is satisfied that the documentation
28 submitted with the application of any other horsemen's organization is
29 conclusive with respect to ~~[items]~~ subparagraphs (i) and (ii) of this
30 paragraph, ~~[it]~~ the commission may approve the applicant as the quali-
31 fied recipient organization.

32 In the best interests of racing, upon receipt of such an application,
33 the ~~[board]~~ commission may direct the payments to the previously quali-
34 fied horsemen's organization to continue uninterrupted, or it may direct
35 the payments to be withheld and placed in interest-bearing accounts for
36 a period not to exceed ninety days, during which time the ~~[board]~~
37 commission shall review and approve or disapprove the application. Funds
38 held in such manner shall be paid to the organization approved by the
39 ~~[board]~~ commission. In no event shall the ~~[board]~~ commission accept
40 more than one such application in any calendar year from the same
41 horsemen's organization.

42 The funds authorized to be paid by the ~~[board]~~ commission are to be
43 used exclusively for the benefit of those horsemen racing in New York
44 state through the administrative purposes of such qualified organiza-
45 tion, benevolent activities on behalf of backstretch employees, and for
46 the promotion of equine research.

47 § 21. Section 229 of the racing, pari-mutuel wagering and breeding
48 law, as amended by chapter 18 of the laws of 2008, is amended to read as
49 follows:

50 § 229. Backstretch employees drug and alcohol rehabilitation eligibil-
51 ity. Any licensed not-for-profit organization providing drug and alcohol
52 rehabilitation services to backstretch employees shall receive informa-
53 tion concerning available funding and existing programs from a coordi-
54 nated effort of the ~~[board]~~ commission and division of substance abuse
55 services.

1 § 22. Section 232 of the racing, pari-mutuel wagering and breeding
2 law, as separately amended by chapter 18 and chapter 530 of the laws of
3 2008, is amended to read as follows:

4 § 232. License to conduct pari-mutuel betting at race meetings for
5 running races or steeplechases. 1. Any corporation, at the time of
6 making application to the [~~state racing and wagering board~~] commission
7 for a license to conduct a race course or a race meeting for running
8 races or steeplechases, or at such subsequent time as the [~~board~~]
9 commission may permit, may apply to such [~~board~~] commission for a
10 license to conduct at such race meeting pari-mutuel betting on the races
11 to be run thereat. The [~~board~~] commission may prescribe the form in
12 which such application shall be made and the information to be furnished
13 by such corporation. If the [~~board be~~] commission is satisfied from such
14 application, or from other sources of information, that the racetrack of
15 such corporation for which such application is made has facilities and
16 equipment sufficient to accommodate its probable number of patrons, [~~it~~]
17 the commission shall issue to such corporation a license to conduct
18 pari-mutuel betting in the manner and subject to the conditions
19 prescribed by this chapter, at the racetrack described in such license
20 on the days specified in such license.

21 2. The refusal of an application for such license shall be preceded by
22 notice and an opportunity to be heard. In the conduct of such hearing
23 the [~~board~~] commission shall not be bound by technical rules of evidence
24 but all evidence offered before the [~~board~~] commission shall be reduced
25 to writing, and such evidence together with the exhibits, if any, and
26 the findings of the [~~board~~] commission, shall be permanently preserved
27 and shall constitute the record of the [~~board~~] commission in such case.
28 Such hearing may be presided over by the [~~chairman~~] chair of the [~~board~~]
29 commission or by any member or by an officer of the [~~board~~] commission
30 designated by the [~~chairman~~] chair in writing to act as hearing officer
31 and such person or persons may issue subpoenas for witnesses and admin-
32 ister oaths to witnesses. The hearing officer, at the conclusion of the
33 hearing shall make findings which, if concurred in by [~~two members~~] a
34 majority of the [~~board~~] commission, shall become the findings of the
35 [~~board~~] commission. The action of the [~~board~~] commission in refusing a
36 license shall be reviewable in the supreme court in the manner provided
37 by the provisions of article seventy-eight of the civil practice law and
38 rules.

39 § 23. Section 233 of the racing, pari-mutuel wagering and breeding
40 law, as amended by chapter 18 of the laws of 2008, is amended to read as
41 follows:

42 § 233. Bond required of corporation conducting pari-mutuel betting. 1.
43 Every corporation franchised or licensed by the [~~state racing and wager-~~
44 ~~ing board~~] commission to conduct pari-mutuel betting, annually and
45 before the opening of any race meeting, shall execute and file with the
46 state comptroller, a bond to the state in a penalty to be fixed by the
47 commissioner of taxation and finance not exceeding five hundred thousand
48 dollars, with sureties approved by the attorney general, that it will
49 keep its books and records and make reports as required by this chapter,
50 that it will pay to the state all taxes imposed by this chapter, that it
51 will distribute to the patrons of pari-mutuel pools conducted by it all
52 sums due upon presentation of winning tickets held by them, and that it
53 will otherwise comply with all the provisions of this chapter in
54 relation to the conduct of races and of pari-mutuel betting on its race-
55 track.

2. In addition hereto, every such corporation first licensed or franchised after January first, nineteen hundred eighty-six, annually and before the opening of any race meeting shall execute and file with the state comptroller, a bond to the state in a penalty to be fixed by the ~~[board]~~ commission not exceeding five hundred thousand dollars, with sureties approved by the attorney general, that ~~[it]~~ such corporation will make all purse payments advertised and offered as premiums, prizes or awards to owners of horses competing in races at such track within one week of such race, or, if such payment is ordered held by the ~~[board]~~ commission pending investigation by it of any race, into a trust account pending completion of such investigation.

§ 24. Section 234 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

§ 234. Place and manner of conducting pari-mutuel betting. Any corporation licensed or franchised to conduct pari-mutuel betting at a horse race meeting shall provide a place or places within the race meeting grounds or enclosure at which such licensee or franchisee shall conduct the pari-mutuel system of betting by its patrons on the results of the horse races at such meeting. Such place or places shall be provided with necessary equipment for issuing or vending pari-mutuel tickets, and adding machine equipment and a device capable of accurate and speedy determination of the amount of money in each pool and on each horse and the amount of award or dividend to winning patrons and displaying the same to its patrons. Such place shall also be equipped with automatic or hand-operated machinery for displaying on a mutuel indicator in plain view of the public, the total amount of sales separately for straight, place and show on every race and on each horse in such race. The machine or mutuel indicator shall also display the approximate straight odds on each horse in any race; the value of a two-dollar winning mutuel ticket, straight, place and show, on the first three horses in any race; the elapsed time of the race; the value of a two-dollar daily double ticket, if a daily double be conducted; and any other information that may be necessary for the guidance of the general public that the ~~[state racing and wagering board]~~ commission may require. All such machines and equipment must be approved by the ~~[board]~~ commission and the department of taxation and finance before being used, but the ~~[board]~~ commission shall not require the installation of any particular make of mechanical or electrical equipment.

§ 25. Section 235 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

§ 235. Rules for the conduct of pari-mutuel betting. 1. The ~~[state racing and wagering board]~~ commission shall make rules regulating the conduct of pari-mutuel betting, as authorized pursuant to this chapter.

2. The rules shall provide that all winning pari-mutuel tickets must be presented for payment before April first of the year following the year of their purchase and failure to present any such ticket within the prescribed period of time shall constitute a waiver of the right to participate in the award or dividend.

3. The department of taxation and finance is hereby charged with the financial administration of pari-mutuel betting as herein described and as supplemented by the rules and regulations of the ~~[state racing and wagering board]~~ commission. The department of taxation and finance shall have authority to prescribe the forms and the system of accounting to be employed and through its representatives shall at all times have

1 access to the issuing or vending machines, the adding machines and all
2 other pari-mutuel betting equipment.

3 § 26. Subdivisions 1, 2 and 3 of section 236 of the racing, pari-mutu-
4 el wagering and breeding law, subdivision 1 as amended by section 1 of
5 part BB of chapter 60 of the laws of 2016, and subdivisions 2 and 3 as
6 amended by chapter 18 of the laws of 2008, are amended to read as
7 follows:

8 1. Every corporation authorized under this chapter to conduct pari-mu-
9 tuel betting at a race meeting on races run thereat, except as provided
10 in section two hundred thirty-eight of this article with respect to the
11 franchised corporation, shall distribute all sums deposited in any pari-
12 mutuel pool to the holders of winning tickets therein, providing such
13 tickets be presented for payment before April first of the year follow-
14 ing the year of their purchase, less an amount that shall be established
15 and retained by such racing corporation of between fourteen to twenty
16 percent of the total deposits in pools resulting from regular on-track
17 bets and less sixteen to twenty-two percent of the total deposits in
18 pools resulting from multiple on-track bets and less twenty to thirty
19 percent of the total deposits in pools resulting from exotic on-track
20 bets and less twenty to thirty-six percent of the total pools resulting
21 from super exotic on-track bets, plus the breaks. The retention rate to
22 be established is subject to the prior approval of the [gaming] commis-
23 sion. Such rate may not be changed more than once per calendar quarter
24 to be effective on the first day of the calendar quarter. "Exotic bets"
25 and "multiple bets" shall have the meanings set forth in section five
26 hundred nineteen of this chapter and breaks are hereby defined as the
27 odd cents over any multiple of five for payoffs greater than one dollar
28 five cents but less than five dollars, over any multiple of ten for
29 payoffs greater than five dollars but less than twenty-five dollars,
30 over any multiple of twenty-five for payoffs greater than twenty-five
31 dollars but less than two hundred fifty dollars, or over any multiple of
32 fifty for payoffs over two hundred fifty dollars. "Super exotic bets"
33 shall have the meaning set forth in section three hundred one of this
34 chapter. Of the amount so retained there shall be paid by such corpo-
35 ration to the department of taxation and finance as a reasonable tax by
36 the state for the privilege of conducting pari-mutuel betting on the
37 races run at the race meeting held by such corporation, which tax is
38 hereby levied, the following percentages of the total pool, plus fifty-
39 five percent of the breaks; the applicable rates for regular and multi-
40 ple bets shall be one and one-half percent; the applicable rates for
41 exotic bets shall be six and three-quarter percent and the applicable
42 rate for super exotic bets shall be seven and three-quarter percent.
43 Effective on and after September first, nineteen hundred ninety-four,
44 the applicable tax rate shall be one percent of all wagers, provided
45 that, an amount equal to one-half the difference between the taxation
46 rate for on-track regular, multiple and exotic bets as of December thir-
47 ty-first, nineteen hundred ninety-three and the rates on such on-track
48 wagers as herein provided shall be used exclusively for purses.
49 Provided, however, that for any twelve-month period beginning on April
50 first in nineteen hundred ninety and any year thereafter, each of the
51 applicable rates set forth above shall be increased by one-quarter of
52 one percent on all on-track bets of any such racing corporation that did
53 not expend an amount equal to at least one-half of one percent of its
54 on-track bets during the immediately preceding calendar year for
55 enhancements consisting of capital improvements as defined by section
56 two hundred thirty-seven of this article, repairs to its physical plant,

1 structures, and equipment used in its racing or wagering operations as
2 certified by the [gaming] commission to the commissioner of taxation and
3 finance no later than eighty days after the close of such calendar year,
4 and five special events at each track in each calendar year, not other-
5 wise conducted in the ordinary course of business, the purpose of which
6 shall be to encourage, attract and promote track attendance and encour-
7 age new and continued patronage, which events shall be subject to the
8 prior approval of the [gaming] commission for purposes of this subdivi-
9 sion. In the determination of the amounts expended for such enhance-
10 ments, the [gaming] commission may consider the immediately preceding
11 twelve-month calendar period or the average of the two immediately
12 preceding twelve-month calendar periods. Provided further, however, that
13 of the portion of the increased amounts retained by such corporation
14 above those amounts retained in nineteen hundred eighty-four, an amount
15 of such increase shall be distributed to purses in the same proportion
16 as commissions and purses were distributed during nineteen hundred
17 eighty-four as certified by the [gaming] commission. Such corporation in
18 the second zone shall receive a credit against the daily tax imposed by
19 this subdivision in an amount equal to four-tenths of one percent of
20 total daily pools resulting from the simulcast of such corporation's
21 races to licensed facilities operated by regional off-track betting
22 corporations in accordance with section one thousand eight of this chap-
23 ter, provided however, that sixty percent of the amount of such credit
24 shall be used exclusively to increase purses for overnight races
25 conducted by such corporation; and, provided further, that in no event
26 shall such total daily credit exceed four-tenths of one percent of the
27 total daily pool of such corporation.

28 Such corporation shall pay to the New York state thoroughbred breeding
29 and development fund one-half of one percent of the total daily on-track
30 pari-mutuel pools from regular, multiple and exotic bets, and three
31 percent of super exotic bets. The corporation shall receive credit as a
32 reduction of the tax by the state for the privilege of conducting pari-
33 mutuel betting for the amounts, except amounts paid from super exotic
34 betting pools, paid to the New York state thoroughbred breeding and
35 development fund after January first, nineteen hundred seventy-eight.

36 Such corporation shall distribute to purses an amount equal to fifty
37 percent of any compensation it receives from simulcasting or from wager-
38 ing conducted outside the United States. Such corporation shall pay to
39 the [gaming] commission as a regulatory fee, which fee is hereby levied,
40 six-tenths of one percent of the total daily on-track pari-mutuel pools
41 of such corporation.

42 2. The balance of the retained percentage of such pool and of the
43 breaks shall be held by such corporation for its own use and purposes,
44 except that in addition to any payments to purses provided for in subdivi-
45 sion one of this section, an amount equal to two and one-half [~~per~~
46 ~~centum~~] percent of the total pools resulting from on-track regular bets
47 and exotic bets and an amount equal to three and one-half [~~per-centum~~]
48 percent of the total pools resulting from on-track multiple bets and an
49 amount equal to twelve [~~per-centum~~] percent of on-track super exotic
50 bets shall be used exclusively for the purpose of increasing purses
51 (including stakes, premiums and prizes) awarded to horses in races
52 conducted by such corporation. Such two and one-half [~~per-centum~~]
53 percent and three and one-half [~~per-centum~~] percent shall be in addition
54 to (i) four and one-half [~~per-centum~~] percent of such total pools
55 resulting from regular and multiple wagers and five and one-half [~~per~~
56 ~~centum~~] percent of such total pools resulting from exotic wagers, or

(ii) the percentage of such total pools used for purses (including stakes, premiums and prizes) during the year nineteen hundred eighty-two, whichever is larger. Such percentage of the total pools mentioned in this subdivision shall be used for purses (including stakes, premiums and prizes) in races hereafter conducted by such corporation, and any portion not so used during any year shall be so used during the following year, failing which such portion shall be payable to the commissioner of taxation and finance as additional tax. The ~~[racing and wagering board]~~ commission shall report annually, on or before July first, to the director of the budget, the ~~[chairman]~~ chair of the senate finance committee and the ~~[chairman]~~ chair of the assembly ways and means committee the extent to which such corporation ~~[utilized]~~ used and retained percentages and breakage for operations, maintenance, capital improvements, advertising and promotion, administration and general overhead and evaluate the effectiveness and make recommendations with respect to the application of the reduced rates of taxation as provided for in subdivision one of this section in accomplishing the objectives stated therein. Such report shall also specify the amount of such retained percentages and breakage used for investments not directly related to racing activities and such amounts used to declare dividends or other profit distributions, additions to capital stock, its sale and transfer and additions to retained earnings. Such reports shall also include an analysis of any such agreements or proposals to conduct or otherwise expand wagers authorized under article ten of this chapter and present its conclusions with respect to the conduct of such wagering, the nature of such proposals and agreements, and recommendations to ensure the future maintenance of the intent of this article.

3. Tax rates in event of a failure to maintain pari-mutuel racing activity. a. Notwithstanding any other provision of this section to the contrary, for any calendar year commencing on or after January first, nineteen hundred eighty-nine, in which a racing corporation in zone two does not conduct a minimum number of pari-mutuel programs and pari-mutuel races at its facilities equal to at least ninety ~~[per centum]~~ percent of the programs and races so conducted during nineteen hundred eighty-five or during nineteen hundred eighty-six, whichever is less, in lieu of the tax rates set forth in subdivision one of this section the applicable pari-mutuel tax rates for such corporation with respect to on-track pari-mutuel betting pools during such year shall be increased by one ~~[per centum]~~ percent of regular, multiple and exotic betting pools. Notwithstanding the foregoing, no increase shall be proposed unless such corporation has been afforded notice and opportunity to be heard. The ~~[racing and wagering board]~~ commission shall promulgate rules and regulations to implement the provisions relating to notice and hearing.

b. The provisions of this subdivision shall not apply to a corporation for any calendar year for which the ~~[state racing and wagering board]~~ commission certifies to the commissioner of taxation and finance:

(i) by December fifteenth of the year immediately preceding such year, that such corporation has been assigned for such year, from the programs and races it requested, at least the minimum number of programs and races prescribed in paragraph a of this subdivision, or, if fewer than such number were assigned for such year, that the assignment of such lesser number was for good cause due to factors beyond the control of such corporation or because the ~~[board]~~ commission found that it would be uneconomical or impractical for such corporation to be assigned the prescribed number; and

(ii) by January thirty-first of the year immediately subsequent to such year, that such corporation did conduct such number of programs and races as were certified pursuant to subparagraph (i) of this paragraph, or if it failed to conduct such number that such failure was for good cause due to factors beyond its control or because the ~~[board]~~ commission found it uneconomical or impractical for such corporation to conduct such a number.

c. For any calendar year for which the ~~[state racing and wagering board]~~ commission does not certify pursuant to the provisions of subparagraph (i) of paragraph b of this subdivision with respect to a corporation, the tax imposed by this section shall be computed by substituting the provisions of paragraph a of this subdivision for the provisions of subdivision one of this section and shall pay the tax so computed to the commissioner of taxation and finance. In such computation and payment, all other provisions of this section shall apply as if the provisions of this paragraph and of paragraph a of this subdivision had been incorporated in whole in subdivision one of this section.

d. For any calendar year for which the ~~[state racing and wagering board]~~ commission does not certify pursuant to the provisions of subparagraph (ii) of paragraph b of this subdivision with respect to a corporation, the tax required to be paid hereunder for such year shall be equal to the difference between the tax imposed pursuant to paragraph a of this subdivision and the tax imposed pursuant to the provisions of subdivision one of this section less one-half of such difference in recognition of purses ~~[which]~~ that were required to be paid, plus an additional amount equal to ten ~~[per centum]~~ percent of such tax in the event of a willful failure to comply with the provisions of subparagraph (ii) of paragraph b of this subdivision, and such corporation shall pay the tax so computed to the commissioner of taxation and finance on or before March fifteenth of the following year. Notwithstanding the provisions of this subdivision, in the event that upon appeal from the determination of the ~~[state racing and wagering board]~~ commission that the certification provided in paragraph b of this subdivision will not be made, it is finally determined that ~~[such board was erroneous]~~ the commission erred in failing to so certify and that any moneys received by the commissioner of taxation and finance under paragraph c of this subdivision were paid in error, the same shall be refunded at the rate of interest of six percent per annum. Payment of such balance of tax due, or the anticipation of such payment, shall not affect the determination of purses in the year in which such tax arises or in the year in which such payment is made nor shall such payment in any other manner be considered in any statutory or contractual calculation of purse obligations.

e. Written notice of the certification of the ~~[board]~~ commission pursuant to the provisions of paragraph b of this subdivision shall be given by the ~~[board]~~ commission to the applicable corporation by the dates therein specified. In like manner, written notice that such certification will not be made shall be given by the ~~[board]~~ commission to the commissioner of taxation and finance and the applicable corporation by such dates.

§ 27. Section 237 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

§ 237. Capital improvements. 1. ~~[Definitions.]~~ For the purposes of this section, ~~[the following terms shall have the meanings set forth unless the context requires a different meaning:]~~

1 ~~a. "Board" shall mean the New York state racing and wagering board.~~

2 ~~b. "Capital]~~ "capital improvement" shall mean any addition to,
3 replacement of or remodeling of the physical plant, structures and
4 equipment now or hereafter owned or leased by a racing corporation
5 ~~[which]~~ that is used or is to be used by such corporation in connection
6 with the conduct of horse race meetings, and shall include improvements
7 to land but not land itself.

8 2. (a) Any non-franchised corporation authorized under this chapter to
9 conduct pari-mutuel betting at a race meeting on races run thereat, may
10 elect upon thirty days written notice to the ~~[racing and wagering board]~~
11 commission to withhold from the pari-mutuel pool in addition to any
12 other amounts required by this section, one ~~[per centum]~~ percent of the
13 total deposits in pools resulting from regular and multiple on-track
14 bets; provided, however, that any such corporation withholding pursuant
15 to this subdivision shall use at least fifty percent of such one ~~[per~~
16 ~~centum]~~ percent exclusively for capital improvements as defined in
17 subdivision one of this section subject to the rules and regulations of
18 the ~~[racing and wagering board]~~ commission. An amount, not to exceed
19 fifty percent of such one ~~[per centum]~~ percent, may be used for adver-
20 tising and promotion expenses subject to the rules and regulations of
21 the ~~[board]~~ commission. For the purposes of this paragraph the term
22 "advertising" shall be limited to paid advertising through radio, tele-
23 vision, the print media, direct mail or billboards. Promotions shall
24 mean activities ~~[which]~~ that are intended to increase the attendance at,
25 or visibility of, any such corporation and shall include premium ~~[give-~~
26 ~~aways]~~ giveaways, prizes, free admission, free parking, free programs,
27 additional monies for purses or other activities of a promotional nature
28 ~~[which]~~ that stimulate ~~[on-track]~~ on-track attendance. In no event shall
29 this section be construed to permit the payment of salaries to employees
30 of any such corporation who are engaged in advertising or promotional
31 activities, provided, however, that monies credited to such capital
32 improvement account on or before July first, nineteen hundred ninety-
33 six, as certified by the ~~[board]~~ commission, shall not be expended for
34 any such advertising and promotion as defined herein. Such election
35 shall terminate upon thirty days written notice to the ~~[board]~~ commis-
36 sion.

37 (b) At least once annually, prior to approving any plan for the
38 expenditure of such capital improvement funds pursuant to this section,
39 the ~~[board]~~ commission shall, together with the track operator and
40 representatives of the horsemen's organization representing owners and
41 trainers ~~[utilizing]~~ using the facility and representatives of the jock-
42 eys organization representing licensed jockeys and apprentice jockeys
43 regularly riding or exercising at such facility, inspect the entire
44 facility, including the area commonly referred to as the backstretch, in
45 order to determine whether the capital improvement plan submitted by the
46 corporation for ~~[board]~~ commission approval includes adequate provision
47 for expenditures relating to the continued health, safety and well-being
48 of patrons, jockeys, backstretch personnel and the horses in their care.
49 After such inspection, if the ~~[board]~~ commission shall determine that
50 such proposed plan does not include adequate provision for repairs and
51 improvements necessary to correct any conditions that it has determined
52 to be unsafe or otherwise deleterious to the health and safety of
53 patrons, jockeys, employees or horses, the ~~[board]~~ commission shall
54 require the track operator to modify its capital improvement plan to
55 provide for the expenditure of funds for such repairs and improvements.

3. On or after July first, nineteen hundred ninety such amounts as may be withheld for the purposes of this section shall be deposited in a trust fund, kept and maintained by such corporation and administered by a trustee approved by the ~~[racing and wagering board]~~ commission for the purpose of lending such sums and any interest thereon on an unsecured basis to such corporation exclusively for capital improvements as defined in subdivision one of this section. All such amounts borrowed by such corporation from such trust shall be forgiven and deemed satisfied according to a schedule of depreciation deductions for federal and New York state income tax purposes for such related capital improvements. It is further provided that at such time as such corporation shall surrender its pari-mutuel license or franchise or fail to apply for a pari-mutuel license for the succeeding year by December thirty-first of the preceding year that the ~~[racing and wagering board]~~ commission may declare the trust fund at an end and all sums therein deposited plus all sums due or owing from such corporation to such trust shall be disposed of in accordance with provisions of law to be enacted for such purpose. Such trust shall be established and administered pursuant to the rules and regulations of the ~~[racing and wagering board]~~ commission.

§ 28. Subdivision 1 and paragraph c of subdivision 2 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, paragraph (a) of subdivision 1 as amended by section 9 of part HH of chapter 59 of the laws of 2019, paragraph (d) of subdivision 1 as amended by section 2 of part BB of chapter 60 of the laws of 2016 and subparagraph (i) of paragraph (d) of subdivision 1 as amended by section 3 of part NN of chapter 59 of the laws of 2017, are amended to read as follows:

1. (a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets ~~[be]~~ are presented for payment before April first of the year following the year of their purchase, less an amount ~~[which]~~ that shall be established and retained by such franchised corporation of between twelve to seventeen ~~[per centum]~~ percent of the total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one ~~[per centum]~~ percent of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five ~~[per centum]~~ percent of the total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six ~~[per centum]~~ percent of the total deposits in pools resulting from on-track super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the ~~[gaming]~~ commission.

Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the

1 commissioner of taxation and finance, as a reasonable tax by the state
2 for the privilege of conducting pari-mutuel betting on the races run at
3 the race meetings held by such franchised corporation, the following
4 percentages of the total pool for regular and multiple bets five [~~per~~
5 ~~centum~~] percent of regular bets and four [~~per~~ ~~centum~~] percent of multi-
6 ple bets plus twenty [~~per~~ ~~centum~~] percent of the breaks; for exotic
7 wagers seven and one-half [~~per~~ ~~centum~~] percent plus twenty [~~per~~ ~~centum~~]
8 percent of the breaks, and for super exotic bets seven and one-half [~~per~~
9 ~~centum~~] percent plus fifty [~~per~~ ~~centum~~] percent of the breaks.

10 For the period [~~June first, nineteen hundred ninety five through~~
11 ~~September ninth, nineteen hundred ninety nine, such tax on regular~~
12 ~~wagers shall be three per centum and such tax on multiple wagers shall~~
13 ~~be two and one-half per centum, plus twenty per centum of the breaks.~~
14 ~~For the period September tenth, nineteen hundred ninety nine through~~
15 ~~March thirty first, two thousand one, such tax on all wagers shall be~~
16 ~~two and six tenths per centum and for the period~~] April first, two thou-
17 sand one through December thirty-first, two thousand twenty, such tax on
18 all wagers shall be one and six-tenths [~~per~~ ~~centum~~] percent, plus, in
19 each such period, twenty [~~per~~ ~~centum~~] percent of the breaks. Payment to
20 the New York state thoroughbred breeding and development fund by such
21 franchised corporation shall be one-half of one [~~per~~ ~~centum~~] percent of
22 total daily on-track pari-mutuel pools resulting from regular, multiple
23 and exotic bets and three [~~per~~ ~~centum~~] percent of super exotic bets
24 [~~provided, however, that for the period September tenth, nineteen~~
25 ~~hundred ninety nine through March thirty first, two thousand one, such~~
26 ~~payment shall be six tenths of one per centum of regular, multiple and~~
27 ~~exotic pools~~] and for the period April first, two thousand one through
28 December thirty-first, two thousand twenty, such payment shall be
29 seven-tenths of one [~~per~~ ~~centum~~] percent of [~~such~~] regular, multiple and
30 exotic pools.

31 (b) An amount equal to fifty [~~per~~ ~~centum~~] percent of any compensation
32 received by a franchised corporation from simulcasting or from wagering
33 conducted outside the United States or outside New York state and within
34 the United States shall be distributed to purses, except with respect to
35 such compensation received from Connecticut which shall be computed as a
36 percentage of wagering handle in a manner approved by the [~~state racing~~
37 ~~and wagering board~~] commission.

38 (c) An amount equal to fifty [~~per~~ ~~centum~~] percent of any compensation
39 received by the franchised corporation from simulcasting or from wager-
40 ing conducted outside the United States shall be distributed to purses.

41 (d) (i) The pari-mutuel tax rate authorized by paragraph (a) of this
42 subdivision shall be effective so long as a franchised corporation noti-
43 fies the [~~gaming~~] commission by August fifteenth of each year that such
44 pari-mutuel tax rate is effective of its intent to conduct a race meet-
45 ing at Aqueduct racetrack during the months of December, January, Febru-
46 ary, March and April. For purposes of this paragraph such race meeting
47 shall consist of not less than ninety-five days of racing unless other-
48 wise agreed to in writing by the New York Thoroughbred Breeders Inc.,
49 the New York thoroughbred horsemen's association (or such other entity
50 as is certified and approved pursuant to section two hundred twenty-
51 eight of this article) and approved by the commission. Not later than
52 May first of each year that such pari-mutuel tax rate is effective, the
53 [~~gaming~~] commission shall determine whether a race meeting at Aqueduct
54 racetrack consisted of the number of days as required by this paragraph.
55 In determining the number of race days, cancellation of a race day
56 because of an act of God that the [~~gaming~~] commission approves or

1 because of weather conditions that are unsafe or hazardous [~~which~~] that
2 the [~~gaming~~] commission approves shall not be construed as a failure to
3 conduct a race day. Additionally, cancellation of a race day because of
4 circumstances beyond the control of such franchised corporation for
5 which the [~~gaming~~] commission gives approval shall not be construed as a
6 failure to conduct a race day. If the [~~gaming~~] commission determines
7 that the number of days of racing as required by this paragraph have not
8 occurred then the pari-mutuel tax rate in paragraph (a) of this subdivi-
9 sion shall revert to the pari-mutuel tax rates in effect prior to Janu-
10 ary first, nineteen hundred ninety-five.

11 (ii) Such franchised corporation shall pay to the [~~gaming~~] commission
12 as a regulatory fee, which fee is hereby levied, six-tenths of one
13 percent of the total daily on-track pari-mutuel pools of such franchised
14 corporation.

15 c. An amount equal to three [~~per centum~~] percent of the total pools
16 resulting from on-track regular bets and an amount equal to [~~four per~~
17 ~~centum~~] five and ninety-four hundredths percent of the total pools
18 resulting from on-track multiple and exotic bets, and twelve [~~per~~
19 ~~centum~~] percent of the total pools resulting from super exotic bets
20 shall be used exclusively for purses (including stakes, premiums and
21 prizes) awarded in races conducted by such franchised corporation
22 [~~provided, however, that during the period June first, nineteen hundred~~
23 ~~ninety-five through September ninth, nineteen hundred ninety-nine, such~~
24 ~~amounts for on-track regular and on-track multiple bets shall be two and~~
25 ~~thirty-five hundredths per centum and five and one half per centum,~~
26 ~~respectively. During the period September tenth, nineteen hundred nine-~~
27 ~~ty-nine through March thirty-first, two thousand one, such amounts for~~
28 ~~on-track regular, multiple and exotic bets shall be five and four~~
29 ~~hundredths per centum and for the period April first, two thousand one~~
30 ~~through July twenty-fourth, two thousand one and after June thirtieth,~~
31 ~~two thousand four, such amount for such bets shall be five and ninety-~~
32 ~~four hundredths per centum and on and after July twenty-fifth, two thou-~~
33 ~~sand one through June thirtieth, two thousand four, such amounts for all~~
34 ~~on-track bets shall be five and forty hundredths per centum~~]. Any
35 portion of such [~~per centum~~] percent not so used during any year shall
36 be so used during the following year, failing which [~~it~~] such portion
37 shall be payable to the commissioner as additional tax. Such additional
38 tax shall be payable on or before April first in the year following the
39 year in which [~~it~~] such portion is not so used and the provisions of
40 paragraph a of this subdivision shall be applicable thereto except as to
41 the time of payment.

42 § 29. Section 240 of the racing, pari-mutuel wagering and breeding
43 law, as amended by chapter 18 of the laws of 2008, is amended to read as
44 follows:

45 § 240. Yearly audit. 1. The franchised corporation shall, at its own
46 expense, cause its annual financial statements to be audited in accord-
47 ance with generally accepted auditing standards by a qualified independ-
48 ent certified public accountant approved by the franchise oversight
49 board. The annual financial statements shall be prepared on a compar-
50 ative basis for the current and prior fiscal year and shall present the
51 financial position and results of operations in conformity with general-
52 ly accepted accounting principles. Three manually-signed copies of the
53 audited financial statements, together with the report thereon of the
54 franchised corporation's independent certified public accountant shall
55 be filed: one with the franchise oversight board, one with such fran-
56 chised corporation and one with the office of the attorney general, not

1 later than ninety days following the end of the fiscal year. All such
2 annual financial statements and yearly audits shall be subject to audit
3 by the state comptroller and shall be public records.

4 2. The franchised corporation shall require the independent certified
5 public accountant to render the following additional reports:

6 a. a report on material weakness in accounting, internal controls, and
7 business and management practices discovered in the ordinary course of
8 preparing such audited financial statements. Whenever in the opinion of
9 the independent certified public accountant there exists no material
10 weaknesses in accounting, internal controls and business and management
11 practices, no report [~~will~~] shall be required; and

12 b. a report expressing the opinion of the independent certified public
13 accountant that based on his or her examination of the financial state-
14 ments the franchised corporation has followed, in all material respects,
15 during the period covered by his or her examination, the system of
16 accounting and internal control as filed with the franchise oversight
17 board. Whenever in the opinion of the independent certified public
18 accountant the franchised corporation has deviated from the system of
19 accounting and internal controls filed with the franchise oversight
20 board or the accounts, records, and control procedures examined are not
21 maintained by the franchised corporation in accordance with generally
22 accepted accounting standards the report shall enumerate such devi-
23 ations. The independent certified public accountant shall also report on
24 areas of the system no longer considered effective, and shall make
25 recommendations in writing regarding improvements in the system of
26 accounting and internal controls.

27 3. If the independent certified public accountant who was previously
28 engaged to audit the franchised corporation's financial statements
29 resigns or is dismissed as the franchised corporation's auditor, or
30 another independent certified public accountant is engaged as auditor,
31 the franchised corporation shall file a report with the franchise over-
32 sight board within ten days following the end of the month in which such
33 event occurs, setting forth the following:

34 a. the date of such resignation, dismissal, or engagement;

35 b. whether in connection with the audits of the two most recent years
36 preceding such resignation, dismissal, or engagement there were any
37 disagreements with the former accountant on any matter of accounting
38 principles or practices, financial statement disclosure, or auditing
39 scope or procedure, which disagreements if not resolved to the satisfac-
40 tion of the former accountant would have caused [~~him~~] such accountant to
41 make reference in connection with [~~his~~] such accountant's report to the
42 subject matter of the disagreement; including a description of each such
43 disagreement. The disagreements to be reported include those resolved
44 and those not resolved; and

45 c. whether the former accountant's report on the financial statements
46 for any of the past two years contained an adverse opinion or disclaimer
47 of opinion or was qualified. The nature of such adverse opinion,
48 disclaimer of opinion, or qualification shall be described.

49 4. Upon direction of the franchise oversight board, the franchised
50 corporation shall, at its own expense, cause its business and managerial
51 practices to be audited.

52 § 30. Section 242 of the racing, pari-mutuel wagering and breeding
53 law, as amended by chapter 18 of the laws of 2008, is amended to read as
54 follows:

55 § 242. Races for horses bred in the state. The [~~state racing and~~
56 ~~wagering board~~] commission in granting a license to a corporation to

1 conduct running or steeplechase races at its racetrack, if ~~[it]~~ the
2 commission deems such requirement practicable, may require such corpo-
3 ration to provide for at least one race during the racing season in
4 which the entries shall be exclusively horses foaled in this state.

5 § 31. Section 243 of the racing, pari-mutuel wagering and breeding
6 law, as amended by chapter 370 of the laws of 2011, is amended to read
7 as follows:

8 § 243. Free or reduced fee passes, cards or badges. A corporation
9 licensed or franchised to conduct pari-mutuel betting on races run on
10 its racetrack may issue free passes, cards or badges to any qualified
11 person. A qualified person shall include, but need not be limited to,
12 officers and employees of the corporation conducting the race meeting,
13 members, officers and employees of the ~~[state racing and wagering board]~~
14 commission, members and employees of the jockey club, members and
15 employees of the national steeplechase and hunt association, members of
16 turf organizations of other states and foreign countries, public offi-
17 cers engaged in the performance of their duties, persons actually
18 employed and accredited by the press to attend such meetings, owners,
19 stable managers, trainers, jockeys, jockey managers, grooms, concessio-
20 naires, spouses, domestic partners and children of owners, trainers and
21 jockeys, other persons whose actual duties require their presence at
22 such racetrack, and any other person or guest deemed appropriate by such
23 corporation. In addition, free or reduced fee passes, cards or badges
24 may be issued to the general public or segments of the general public in
25 connection with any promotional campaign or marketing program sponsored
26 by such corporation to increase attendance at live race meets. The issu-
27 ance of free passes, cards or badges shall be under the rules and regu-
28 lations of the ~~[state racing and wagering board]~~ commission.

29 § 32. Section 244 of the racing, pari-mutuel wagering and breeding
30 law, as amended by chapter 18 of the laws of 2008, is amended to read as
31 follows:

32 § 244. Revocation of license or franchise. The ~~[state racing and~~
33 ~~wagering board]~~ commission may revoke a license issued by it under this
34 chapter or a franchise granted pursuant to section two hundred six of
35 this article if the corporation to which such license or franchise shall
36 have been issued, or its officers or directors, shall not conduct racing
37 at its track, including pari-mutuel betting on races thereat, in accord-
38 ance with the terms and conditions of such license or franchise, with
39 the rules of ~~[such board]~~ the commission and with the provisions of this
40 chapter; or if such corporation or its officers or directors shall know-
41 ingly permit on its grounds or within the enclosure of its racetrack,
42 lotteries, pool selling or bookmaking, or any other kind of gambling, in
43 violation of this chapter or of the penal law.

44 § 33. Section 245 of the racing, pari-mutuel wagering and breeding
45 law, as amended by chapter 18 of the laws of 2008, is amended to read as
46 follows:

47 § 245. Hearing on refusal or revocation of license or franchise. If
48 the ~~[state racing and wagering board shall refuse]~~ commission refuses to
49 grant a license applied for under this ~~[chapter]~~ article, or ~~[shall~~
50 ~~determine]~~ determines to revoke such a license granted by it or a fran-
51 chise pursuant to sections two hundred twelve and two hundred forty-four
52 of this article, the ~~[board]~~ commission shall give to the applicant or
53 licensee notice of a time and place for a hearing before the ~~[board]~~
54 commission, at which the ~~[board]~~ commission will hear such applicant,
55 licensee or franchise corporation in reference thereto. The ~~[board]~~
56 commission may continue such hearing from time to time for the conven-

1 ience of all parties. Any of the parties affected by such hearing may be
2 represented by counsel, and the [board] commission may be represented by
3 the attorney general or an assistant attorney general. In the conduct of
4 such hearing the [board] commission shall not be bound by technical
5 rules of evidence, but all evidence offered before the [board] commis-
6 sion shall be reduced to writing, and such evidence together with the
7 exhibits, if any, and the findings of the [board] commission, shall be
8 permanently preserved and shall constitute the record of the [board]
9 commission in such case. In connection with such hearing, each member of
10 the [board] commission shall have the power to administer oaths and
11 examine witnesses, and may issue subpoenas to compel the attendance of
12 witnesses, and the production of all necessary reports, books, papers,
13 documents, correspondence and other evidence. The [board] commission
14 may, if occasion shall require, by order, refer to one or more of its
15 members, the duty of taking testimony in such matter, and to report
16 thereon to the [board] commission, but no determination shall be made
17 therein except by the [board] commission. Within thirty days after such
18 hearing, the [board] commission shall make a final determination. If
19 [it] the commission determines that such license shall not be granted,
20 or that a license issued by [it] the commission shall be revoked, or a
21 franchise revoked pursuant to sections two hundred twelve and two
22 hundred forty-four of this article, [it] the commission shall make an
23 order accordingly, and shall cause such order to be entered on [its] the
24 commission's minutes and a copy thereof served on such applicant, licen-
25 see or franchised corporation, as the case may be. The action of the
26 [board] commission in refusing to grant a license, or in revoking a
27 license, or in revoking a franchise pursuant to sections two hundred
28 twelve and two hundred forty-four of this article, shall be reviewable
29 in the supreme court in the manner provided by the provisions of article
30 seventy-eight of the civil practice law and rules.

31 § 34. Section 246 of the racing, pari-mutuel wagering and breeding
32 law, as amended by chapter 18 of the laws of 2008, is amended to read as
33 follows:

34 § 246. Approval of plans of corporation. The ~~[state racing and wager-~~
35 ~~ing board]~~ commission shall not grant to a corporation hereafter formed
36 pursuant to this chapter, a license to conduct a running or steeplechase
37 race meeting within the state until such corporation shall have submit-
38 ted to the [board] commission a statement of the location of its
39 proposed grounds and racetrack, together with a plan of such racetrack,
40 and plans of all buildings, seating stands and other structures, in such
41 form as the [board] commission may prescribe, and such plans shall have
42 been approved by the [board] commission. The [board] commission at the
43 expense of the applicant may order such engineering examination thereof
44 as the [board] commission may deem necessary. Alterations of buildings,
45 seating stands or other structures, and the erection of new or addi-
46 tional buildings, seating stands or other structures on the grounds of
47 any corporation heretofore or hereafter formed pursuant to this chapter
48 may be made only with the approval of the [board] commission and after
49 examination and inspection of the plans thereof and the issuance of a
50 permit therefor by such [board] commission. The approval of the certif-
51 icate of incorporation of such corporation shall not be deemed to vest
52 in it the right to a license to conduct running or steeplechase race
53 meetings at such race course or racetrack unless such grounds, track,
54 buildings, seating stands and other structures ~~[shall be]~~ are completed
55 in accordance with the plans approved by the [board] commission.

1 § 35. Section 247 of the racing, pari-mutuel wagering and breeding
2 law, as amended by chapter 18 of the laws of 2008, is amended to read as
3 follows:

4 § 247. Racing zones. There are hereby created two racing zones to be
5 known as the first zone and the second zone. The first zone shall
6 include all of the counties in the first, second, ninth, tenth, eleventh
7 and twelfth judicial districts. The second zone shall include all the
8 other counties of the state. Not more than six corporations shall here-
9 after be licensed by the [~~state racing and wagering board~~] commission or
10 franchised by the state to conduct a race course or race meeting for
11 running races or steeplechases at which pari-mutuel betting shall be
12 authorized within the first zone, and not more than three of such corpo-
13 rations shall hereafter be so licensed within the second zone. The
14 [~~state racing and wagering board~~] commission shall not hereafter approve
15 the incorporation of such a corporation for conducting a race course or
16 race meeting within the second zone if the location of the proposed race
17 course of such corporation is within seventy-five miles of the race
18 course of another such corporation.

19 § 36. Section 248 of the racing, pari-mutuel wagering and breeding
20 law, as amended by chapter 18 of the laws of 2008, is amended to read as
21 follows:

22 § 248. Racing season; allotment of dates for racing. In the assignment
23 of dates by the [~~state racing and wagering board~~] commission to corpo-
24 rations for conducting running races or steeplechases no conflict shall
25 be deemed to exist by reason of duplication of dates as between race
26 meetings in the first zone and race meetings in the second zone, nor as
27 between race meetings within a zone if the race courses at which such
28 meetings are held are at least thirty-five miles apart in the first zone
29 and at least seventy-five miles apart in the second zone, except that a
30 minimum of thirty-six days of racing shall be assigned exclusively to
31 the second zone unless the governor determines that a sufficient emer-
32 gency exists for reducing such number of days of racing, in which event
33 the [~~state racing and wagering board~~] commission is then authorized to
34 assign a lesser number of days of racing to the second zone. The [~~state~~
35 ~~racing and wagering board~~] commission may separately apportion to the
36 several corporations licensed or franchised to conduct running races or
37 steeplechases as many of the racing days for the season, not to exceed
38 the maximum number of racing days permitted by law.

39 § 37. Section 250 of the racing, pari-mutuel wagering and breeding
40 law, as amended by chapter 240 of the laws of 2010, is amended to read
41 as follows:

42 § 250. Power of [~~state racing and wagering board~~] commission to impose
43 penalties. [~~In~~] The commission, in addition to its power to suspend or
44 revoke occupational licenses, licenses to conduct running races and race
45 meetings or steeplechases and steeplechase meetings and licenses to
46 conduct pari-mutuel betting at a race course or race meeting for running
47 races or steeplechases issued by [~~it~~] the commission, [~~the state racing~~
48 ~~and wagering board~~] is [~~hereby~~] authorized to impose civil penalties
49 upon any such licensee or franchisee for a violation of any provision of
50 this chapter or the rules and regulations promulgated pursuant thereto,
51 not exceeding [~~twenty-five thousand dollars for each violation~~] the
52 amounts set forth in section one hundred sixteen of this chapter, which
53 penalties shall be paid into the state treasury. Each day upon which
54 such violation continues may be considered by the [~~board~~] commission as
55 a separate violation in assessing the amount of civil penalty to be
56 imposed. Any penalty so imposed shall be sued for by the attorney gener-

1 al in the name of the people of the state of New York, if so directed by
2 the ~~[board]~~ commission. The amount of the penalty collected by the
3 ~~[board]~~ commission or recovered in any such action, or paid to the
4 ~~[board]~~ commission upon a compromise as hereinafter provided, shall be
5 paid by the ~~[board]~~ commission into the state treasury and credited to
6 the general fund. The ~~[board]~~ commission, for cause shown and in its
7 discretion, may extend the time for the payment of such penalty and, by
8 compromise may accept less than the amount of such penalty as imposed in
9 settlement thereof. The powers granted by this section shall not be
10 affected by the circumstances that any such license ~~[shall have]~~ has
11 expired by its terms prior to the imposition of such penalty.

12 § 38. Subdivision 7 of section 251 of the racing, pari-mutuel wagering
13 and breeding law, as amended by chapter 18 of the laws of 2008, is
14 amended to read as follows:

15 7. "Races." Races upon which pari-mutuel wagering is conducted at
16 thoroughbred race meetings of racing corporations as authorized by the
17 ~~[state racing and wagering board]~~ commission.

18 § 39. Paragraph b of subdivision 1 and the opening paragraph and para-
19 graph d of subdivision 2 of section 254 of the racing, pari-mutuel
20 wagering and breeding law, paragraph b of subdivision 1 as added and the
21 opening paragraph and paragraph d of subdivision 2 as amended by chapter
22 18 of the laws of 2008, and subparagraph (i) of paragraph d of subdivi-
23 sion 2 as amended by chapter 123 of the laws of 2013, are amended to
24 read as follows:

25 b. The fund is authorized to receive one and one-half percent of the
26 total wagered after payout of prizes for the ~~[first year of]~~ operation
27 of video lottery gaming at Aqueduct racetrack~~[, one and one-quarter~~
28 ~~percent of the total wagered after payout of prizes for the second year~~
29 ~~of operation, and one and one-half percent of the total wagered after~~
30 ~~payout of prizes for the third year of operation and thereafter,]~~ for an
31 appropriate breeding fund for the manner of racing conducted at Aqueduct
32 racetrack, Belmont Park racetrack and Saratoga race course.

33 The fund is authorized to dispose and distribute the moneys received
34 by it pursuant to this chapter and in accordance with distribution sche-
35 dules promulgated by the fund and adopted in the rules and regulations
36 of the ~~[board]~~ commission. Such schedules shall be developed and based
37 on reasonable estimates of fund income for the fiscal year of the fund
38 and made available prior to January first of each year. In formulating
39 distribution schedules, the board of directors of the fund may determine
40 that for those New York-breds foaled after December thirty-first, nine-
41 teen hundred eighty-seven, the amounts to be made available in awards to
42 the breeders and owners of such New York-breds ~~[which]~~ that have been
43 sired by registered New York stallions may exceed the amounts to be made
44 available to the breeders and owners of such New York-breds sired by
45 other than registered New York stallions. Such schedules may be
46 adjusted, from time to time, by majority vote of the board of directors
47 of the fund, for the following purposes and no other:

48 d. (i) An amount as shall be determined by the fund but not in excess
49 of forty-four percent to provide purse moneys exclusively for New York-
50 bred entered in all races, the conditions of which have been approved
51 by the fund~~[. Provided;]~~ provided, however, that the fund shall set
52 aside forty percent of the funds allotted under this subdivision to
53 tracks operated by corporations licensed or franchised in accordance
54 with the provisions of section two hundred five or section two hundred
55 six of this article except that in addition to the other amounts allot-
56 ted by the fund under this paragraph, seventy-five percent of fund

1 revenues derived from payments received in accordance with subdivision
2 one of section five hundred twenty-seven of this chapter shall be allot-
3 ted exclusively to purses at a track operated by a corporation licensed
4 under the provisions of section two hundred five of this article.

5 (ii) The fund may direct a portion or portions of revenues allocated
6 in this paragraph and dedicated to a racing corporation licensed in
7 accordance with section two hundred five of this article to pari-mutuel
8 races at such track ~~[which]~~ that are not restricted to New York-breds
9 provided that the revenues so allocated shall ~~[only]~~ be used only to
10 enrich any purses awarded to New York-breds finishing first, second,
11 third, fourth or fifth in such non-restricted races.

12 § 40. Section 301 of the racing, pari-mutuel wagering and breeding
13 law, the section heading as separately amended by chapter 363 and chap-
14 ter 678 of the laws of 1984, paragraphs a, b and c of subdivision 2 as
15 relettered by chapter 211 of the laws of 1999, subdivision 4 as amended
16 by section 5 of part F3 of chapter 62 of the laws of 2003 and subdivi-
17 sion 5 as added by chapter 116 of the laws of 2001, is amended to read
18 as follows:

19 § 301. General powers of ~~[state racing and wagering board]~~ commission;
20 harness racing defined; super exotic bet defined, authorized. 1. Pursu-
21 ant to the provisions of sections two hundred twenty-two through seven
22 hundred five of this chapter, the ~~[state racing and wagering board]~~
23 commission shall have power to supervise generally all harness race
24 meetings in this state at which pari-mutuel betting is conducted. The
25 ~~[board]~~ commission may adopt rules and regulations not inconsistent with
26 sections two hundred twenty-two through seven hundred five of this chap-
27 ter to carry into effect its purposes and provisions and to prevent
28 circumvention or evasion thereof. In order that the rules of harness
29 horse racing may be uniform throughout the United States, the ~~[board]~~
30 commission may adopt the rules and regulations of the United States
31 Trotting Association, in whole or in part, and may adopt such other or
32 different rules as ~~[it]~~ the commission deems necessary to carry into
33 effect the purposes and provisions of sections two hundred twenty-two
34 through seven hundred five of this chapter.

35 2. Without limiting the generality of the foregoing, and in addition
36 to its other powers:

37 a. The ~~[state racing and wagering board]~~ commission shall prescribe
38 rules and regulations for effectually preventing the use of improper
39 devices, the administration of drugs or stimulants or other improper
40 acts for the purpose of affecting the speed of harness horses in races
41 in which they are about to participate.

42 b. The rules of the ~~[board]~~ commission shall also provide that all
43 winning pari-mutuel tickets must be presented for payment before April
44 first of the year following the year of their purchase and failure to
45 present any such ticket within the prescribed period of time shall
46 constitute a waiver of the right to participate in the award or divi-
47 dend.

48 c. The ~~[board]~~ commission shall have power in its discretion, consist-
49 ent with the powers of ~~[the state tax commission]~~ department of taxation
50 and finance, to prescribe uniform methods of keeping accounts, records
51 and books to be observed by associations or corporations licensed under
52 the provisions of this article or by any association or corporation
53 ~~[which]~~ that owns stock in, or shares in the profits, or participates in
54 the management or affairs of, such licensed association or corporation,
55 or by any person, firm, association or corporation holding any conces-
56 sion, right or privilege to perform any service or sell any article at

1 any track at which pari-mutuel harness racing meets are conducted. The
2 [board] commission may also in its discretion, consistent with the
3 powers of the state tax commission, prescribe by order forms of
4 accounts, records and memoranda to be kept by such persons, firms, asso-
5 ciations or corporations. The [board] commission shall have power to
6 visit, investigate, and place expert accountants, or such other persons
7 as it may deem necessary, in the offices, tracks or other places of
8 business of any such person, firm, association or corporation for the
9 purpose of seeing that the provisions of sections two hundred twenty-two
10 through seven hundred five of this chapter and the rules and regulations
11 issued by the [board] commission thereunder are strictly complied with.
12 Such persons, firms, associations or corporations shall annually file
13 with the [board] commission, on such date as the [board] commission
14 shall prescribe, a report showing their financial condition and finan-
15 cial transactions during the fiscal year, including a balance sheet and
16 a profit and loss statement, verified by the oath of at least two of its
17 principal officers, if it be an association or corporation having offi-
18 cers, and by one or more of the owners or proprietors thereof if not an
19 association or corporation. The report shall be in such form and contain
20 such other matters as the [board] commission may determine from time to
21 time to be necessary to disclose accurately the financial condition and
22 operation of such persons, firms, associations or corporations during
23 the preceding fiscal year. The [board] commission may for good cause
24 shown grant a reasonable extension of time for the filing of any such
25 report.

26 3. The term "racing", as used in this article, shall be construed to
27 mean only horse racing in which the horses participating are harnessed
28 to a sulky, carriage, or similar vehicle, and shall not include any form
29 of horse racing in which the horses participating are mounted by a jock-
30 ey.

31 4. The term "super exotic bet" or "super exotic wager", as used in
32 this chapter, shall mean a single bet or wager on six or more horses,
33 evidenced by a single ticket and representing an interest in a betting
34 pool hereby authorized to be conducted by licensed racing associations
35 or corporations or regional off-track betting corporations pursuant to
36 rules and regulations of the [~~state racing and wagering board~~] commis-
37 sion. Such rules and regulations shall provide the manner in which
38 winning tickets in such pool shall be determined and may provide that a
39 portion only of the amounts otherwise available to winners of such pools
40 be paid to holders of consolation tickets combining the most winning
41 horses as provided in such rules and regulations and that the balance of
42 amounts otherwise available to winners from such pool be carried forward
43 and deposited in any subsequent super exotic pools. Such rules and regu-
44 lations shall also provide that an amount not to exceed six [~~per centum~~]
45 percent of the total wagers in each super exotic pool may be used or
46 accumulated to reimburse any such association or corporation conducting
47 such pool for the cost of assuring an advertised winning pay-out for
48 winning wagers or for a capital improvement fund or to reimburse any
49 such association or corporation for amounts it has contributed to the
50 amounts otherwise available for winning wagers to increase the pay-out
51 therefor. Such rules and regulations may further provide that all of the
52 amounts available for winning tickets and accumulations therefor shall
53 be distributed periodically to holders of tickets combining the most
54 winners in a pool conducted upon a date specified by the [board] commis-
55 sion and, in any event, shall provide for complete disposition of all
56 amounts available for winning tickets and accumulations therefor before

1 the end of the licensed meet during which such super exotic pools are
2 conducted. Notwithstanding the foregoing or any other provisions of
3 law, all distributions, taxes and regulatory fees on super exotic bets
4 shall be distributed as though the bet were an exotic bet, except that a
5 balance may be retained and deposited in subsequent pools.

6 5. The ~~[board]~~ commission shall have the power to issue licenses to
7 western regional off-track betting corporation or to a subsidiary of
8 said western regional off-track betting corporation for the purpose of
9 conducting harness race meetings at Batavia Downs race track and to make
10 capital improvements to said track, provided that such corporation
11 otherwise meets the terms and conditions for licensure as provided under
12 this article. Notwithstanding the provisions of articles five and five-a
13 of this chapter, said corporation shall be deemed to be a harness racing
14 corporation with respect to pari-mutuel wagering conducted at said track
15 pursuant to this chapter, except that net revenues derived from such
16 pari-mutuel wagering shall be distributed among the counties that
17 participate in such corporation on the basis of population, as defined
18 as the total population in each participating county shown by the latest
19 preceding decennial federal census completed and published as a final
20 population count by the United States bureau of the census preceding the
21 commencement of the calendar year in which such distribution is to be
22 made.

23 § 41. Section 302 of the racing, pari-mutuel wagering and breeding
24 law, subdivision 5 as amended by chapter 687 of the laws of 1983, is
25 amended to read as follows:

26 § 302. Incorporation. Any number of persons, not less than five, may
27 become a corporation for the purpose of conducting harness horse race
28 meetings at which pari-mutuel betting will be conducted, with all the
29 general powers of corporations created under the laws of this state, by
30 making, signing, acknowledging and filing a certificate ~~[which]~~ that
31 shall contain the:

- 32 1. ~~[The]~~ name of the proposed corporation~~[-]~~;
- 33 2. ~~[The]~~ objects for which ~~[it]~~ the corporation is to be formed and
34 the location at which it is proposed to conduct its business~~[-]~~;
- 35 3. ~~[The]~~ amount and description of the capital stock~~[-]~~;
- 36 4. ~~[The]~~ location of ~~[its]~~ the corporation's principal business
37 office~~[-]~~;
- 38 5. ~~[Its]~~ duration~~[-]~~ of the corporation;
- 39 6. ~~[The]~~ number of ~~[its]~~ the corporation's directors, not less than
40 five nor more than thirteen~~[-]~~;
- 41 7. ~~[The]~~ names and post office addresses of the directors for the
42 first year~~[-]~~; and
- 43 8. ~~[The]~~ post office addresses of the subscribers and a statement of
44 the number of shares of stock ~~[which]~~ that each agrees to take in the
45 corporation.

46 No certificate of incorporation under this section shall hereafter be
47 filed without the approval of the ~~[state racing and wagering board]~~
48 commission indorsed thereon or annexed thereto.

49 No corporation organized pursuant to this article or operating a
50 harness horse race meet pursuant to the provisions of section three
51 hundred four of this article, shall have or be given the right or power
52 to conduct any harness horse race meet pursuant to this article except
53 at the location designated in its certificate of incorporation as the
54 place at which it was proposed to conduct its business, or at the place
55 or places where it is presently licensed to conduct a harness horse race
56 meet or meetings by the ~~[state racing and wagering board]~~ commission;

1 provided, however, that this restriction shall not apply to any such
2 corporation or association whose racing plant or the usefulness thereof
3 or of any material part thereof, in the discretion of the [~~board~~]
4 commission, shall, for any reason beyond the control of such corporation
5 or association, be totally destroyed or so substantially interfered with
6 or damaged as to render same unfit for continued operation. Pending the
7 rebuilding, or restoration of its usefulness or the making of the
8 required repairs to said plant or the part thereof so destroyed or
9 damaged, the [~~state racing and wagering board~~] commission may license
10 such corporation or association to conduct its harness horse race meet-
11 ings at any other suitable location.

12 § 42. Section 303 of the racing, pari-mutuel wagering and breeding law
13 is amended to read as follows:

14 § 303. Filing of information concerning stock transfers; necessity for
15 [~~board's~~] commission approval. 1. Whenever a transfer of stock of any
16 association or corporation [~~which~~] that is licensed under this article,
17 or of any association or corporation [~~which~~] that leases to such licen-
18 see the track at which it conducts pari-mutuel harness races, or [~~which~~]
19 that owns twenty-five percent or more of the stock of such licensee
20 shall be made, there shall be filed simultaneously with the association
21 or corporation [~~which~~] that issued such stock the following:

22 a. In duplicate, an affidavit executed by the transferee stating that
23 [~~he~~] the affiant is to be the sole beneficial owner thereof, and whether
24 or not [~~he~~] the affiant has (i) [~~has~~] been convicted of a crime involv-
25 ing moral turpitude, (ii) [~~has~~] been engaged in bookmaking or other
26 forms of illegal gambling, (iii) [~~has~~] been found guilty of any fraud or
27 misrepresentation in connection with racing or breeding, (iv) [~~has~~] been
28 guilty of any violation or attempt to violate any law, rule or regu-
29 lation of any racing jurisdiction for which suspension from racing might
30 be imposed in such jurisdiction, or (v) [~~has~~] violated any rule, regu-
31 lation or order of the [~~board~~] commission; if the transferee is not, or
32 is not to be, the sole beneficial owner thereof, then there shall be
33 annexed to said affidavit of the transferee, and expressly stated in
34 such affidavit to be deemed a part thereof, a true and complete copy, or
35 if oral, a complete statement of all the terms, of the agreement or
36 understanding pursuant to which the stock is to be so held by the trans-
37 feree, including a detailed statement of the interest therein of each
38 person who is to have any interest therein; and at the same time.

39 b. In duplicate, an affidavit executed by each person for whom [~~the~~]
40 said such stock, or any interest therein, is to be held by said trans-
41 feree, setting forth whether or not the affiant has (i) [~~has~~] been
42 convicted of a crime involving moral turpitude, (ii) [~~has~~] engaged in
43 bookmaking or other forms of illegal gambling, (iii) [~~has~~] been found
44 guilty of any fraud or misrepresentation in connection with racing or
45 breeding, (iv) [~~has~~] been guilty of any violation or attempt to violate
46 any law, rule or regulation of any racing jurisdiction for which suspen-
47 sion from racing might be imposed in such jurisdiction, or (v) [~~has~~]
48 violated any rule, regulation or order of the [~~board~~] commission; to
49 each of which affidavits shall be annexed, and expressly stated in such
50 affidavit to be deemed a part thereof, a true and complete copy, or if
51 oral, a complete statement of all the terms, of the agreement or under-
52 standing pursuant to which the stock is to be so held by the transferee,
53 including a detailed statement of the interest therein of each person
54 who is to have any interest therein.

55 c. Said association or corporation shall forthwith file with the
56 [~~board~~] commission one of each of said duplicate affidavits.

1 2. If, after the filing of any affidavit [~~hereinabove~~] required to be
2 filed by subdivision one of this section, there [~~be~~] is any change in
3 the status of any such affiant with respect to any of the matters set
4 forth in subparagraph (i), (ii), (iii), (iv) or (v) of paragraph a of
5 subdivision one of this section of the affidavit theretofore filed by
6 him or her, such affiant shall forthwith file with the association or
7 corporation with which [~~his~~] the affiant's affidavit was so filed a new
8 affidavit, executed [~~by him~~] in duplicate, setting forth such change of
9 status, and the association or corporation shall forthwith file one of
10 said affidavits with the [~~board~~] commission.

11 3. Whenever any change [~~shall be~~] is made in the amount, nature, or
12 otherwise, of the interest of any person having an interest in stock of
13 any such association or corporation, or any new interest [~~shall be~~] is
14 created therein, without a transfer [~~thereof~~] of such interest as
15 [~~hereinabove~~] provided in subdivisions one and two of this section, the
16 record owner of such stock, and each person whose interest therein has
17 been so attempted to be changed or created, shall file with the associ-
18 ation or corporation [~~which~~] that issued such stock, in duplicate, affi-
19 davits as provided by paragraphs a and b of subdivision one of this
20 section, except that such affidavits need not include the matters
21 referred to in subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph
22 a of subdivision one of this section, unless then required pursuant to
23 subdivision two of this section, and one copy thereof shall forthwith be
24 filed by the association or corporation with the [~~board~~] commission.

25 4. The [~~board~~] commission may, upon application to it for good cause
26 shown, waive compliance with subdivisions one, two and three of this
27 section.

28 5. If the [~~board~~] commission determines that it is inconsistent with
29 the public interest, convenience or necessity, or with the best inter-
30 ests of racing generally, that any person continue to be a stockholder
31 of record, or the beneficial owner of any interest in stock standing in
32 the name of another, in any association or corporation licensed under
33 this article, or of any association or corporation [~~which~~] that leases
34 to such licensee the track at which it conducts pari-mutuel harness
35 racing or [~~which~~] that owns twenty-five percent or more of the stock of
36 such licensee, the [~~board~~] commission shall have full power and authori-
37 ty to order or direct each such stockholder or beneficial owner irre-
38 spective of the time when such stockholder or beneficial owner acquired
39 his or her stock or interest therein to dispose of such stock or inter-
40 est within a period of time to be specified by the [~~board~~] commission,
41 which period the [~~board~~] commission shall have full power and authority
42 to extend from time to time.

43 6. If the [~~board~~] commission shall make any order or direction as
44 provided in subdivision five of this section, the person aggrieved
45 thereby shall be given notice of the time and place of a hearing before
46 the [~~board~~] commission at which the [~~board~~] commission will hear such
47 person in reference thereto. The action of the [~~board~~] commission in
48 making any such order or direction shall be reviewable in the courts of
49 this state in the manner provided by, and subject to the provisions of
50 article seventy-eight of the civil practice law and rules.

51 7. Upon application of the [~~board~~] commission, the supreme court of
52 this state shall have jurisdiction to issue final orders, on notice and
53 after hearing, commanding any person to comply with the provisions of
54 the orders or directions issued by the [~~board~~] commission under subdivi-
55 sion five of this section.

1 8. In case of conflict between this section and article eight of the
2 uniform commercial code, this section shall control.

3 § 43. Subdivision (b) and the closing paragraph of section 303-a of
4 the racing, pari-mutuel wagering and breeding law, as added by chapter
5 281 of the laws of 1994, are amended to read as follows:

6 (b) Non-managing owners. There shall be no restriction on the number
7 of non-managing owners of a race horse except that no horse shall be
8 entered or started ~~[which]~~ that is owned by thirty-five or fewer owners
9 unless all such owners are licensed; in the event that a horse is owned
10 by more than thirty-five owners, only those individuals having a three
11 percent or greater property interest in such horse shall be required to
12 be licensed as an owner.

13 The ~~[board]~~ commission shall adopt rules and regulations regarding
14 ownership of horses not inconsistent with this section.

15 § 44. Section 304 of the racing, pari-mutuel wagering and breeding law
16 is amended to read as follows:

17 § 304. Right to hold harness race meetings and races. Any corporation
18 formed under the provisions of sections two hundred twenty-two through
19 seven hundred five of this chapter, and any corporation or association
20 which shall have conducted harness horse race meetings during two years
21 prior to March thirty-first, nineteen hundred forty, and any town or
22 county fair association or other fair association shall have the power
23 and the right to hold one or more harness horse race meetings in each
24 year and to hold, maintain and conduct harness races at such meetings.
25 At such harness race meetings the corporation or association, or the
26 owners of horses engaged in such races, or others who are not partic-
27 ipants in the race, may contribute purses, prizes, premiums or stakes to
28 be contested for, but no person or persons other than the owner or
29 owners of a horse or horses contesting in a race shall have any pecuni-
30 ary interest in a purse, prize, premium or stake contested for in such
31 race, or be entitled to or receive any portion thereof after such race
32 is finished, and the whole of such purse, prize, premium or stake shall
33 be allotted in accordance with the terms and conditions of such race.
34 Such meeting shall not be held except during the period extending from
35 the first day of January to the thirty-first day of December inclusive
36 in each year. In counties having a population of two hundred fifty thou-
37 sand or less, the ~~[state racing and wagering board]~~ commission may,
38 however, permit the holding of one or more harness horse race meetings
39 and the conduct of harness races at such meetings on a day or days not
40 during such period if the ~~[board]~~ commission is satisfied that a special
41 occasion makes the holding of such meetings and the conduct of such
42 races on such day or days proper or necessary; but in no event shall
43 such meetings or races be held or conducted on the twenty-fifth day of
44 December. Such power and right, however, shall not include the right to
45 conduct pari-mutuel betting at such harness horse race meetings except
46 pursuant to license granted by the ~~[state racing and wagering board]~~
47 commission pursuant to sections two hundred twenty-two through seven
48 hundred five of this chapter.

49 § 45. Section 305 of the racing, pari-mutuel wagering and breeding law
50 is amended to read as follows:

51 § 305. Pari-mutuel betting at harness races. No more than eight
52 corporations or associations shall be licensed by the ~~[state racing and~~
53 ~~wagering board]~~ commission in any one year to conduct a pari-mutuel meet
54 or meets. Said pari-mutuel betting conducted at such meetings shall be
55 under the general supervision and control of the ~~[state racing and~~
56 ~~wagering board]~~ commission which shall make rules regulating the conduct

1 of such pari-mutuel betting in accordance with the provisions of
2 sections two hundred twenty-two through seven hundred five of this chap-
3 ter. The [~~state tax commission~~] department of taxation and finance is
4 charged with the financial administration of pari-mutuel betting as
5 prescribed in this article and as supplemented by the rules and regu-
6 lations of the [~~state racing and wagering board~~] commission. The [~~state~~
7 ~~tax commission~~] department of taxation and finance shall have authority
8 to prescribe the forms and the system of accounting to be employed, and
9 through its representatives shall at all times have power of access to
10 and examination of any equipment relating to such betting.

11 § 46. Section 307 of the racing, pari-mutuel wagering and breeding
12 law, subdivision 5-a as amended by chapter 18 of the laws of 2008,
13 subdivision 5-b as added by chapter 542 of the laws of 1999 and subdivi-
14 sion 10 as added by chapter 530 of the laws of 2008, is amended to read
15 as follows:

16 § 307. Licenses for harness race meetings. 1. Any association or
17 corporation desiring to conduct harness race meetings at which pari-mu-
18 tuel betting shall be permitted may apply annually to the [~~state racing~~
19 ~~and wagering board~~] commission for a license so to do. If, in the judg-
20 ment of the [~~state racing and wagering board~~] commission the public
21 interest, convenience or necessity will be served thereby and a proper
22 case for the issuance of such license is shown consistent with the
23 purposes of sections two hundred twenty-two through seven hundred five
24 of this chapter and the best interests of racing generally, it may grant
25 such license for a term ending not later than the thirty-first day of
26 December next succeeding the granting thereof, specifying dates and
27 hours during which and the place where the licensee may operate;
28 provided, however, that any harness racetrack which applies to the
29 [~~state racing and wagering board~~] commission for permission to make one
30 or more capital improvements may, in connection with such application or
31 before or after such application, also apply to the [~~state racing and~~
32 ~~wagering board~~] commission for, and the [~~state racing and wagering~~
33 ~~board~~] commission shall, as an inducement for or in recognition of the
34 making of such capital improvement, grant a capital improvement license,
35 which may be conditioned on the completion of the capital improvement if
36 not yet made, for a period of not more than twenty-five years, but in no
37 event for a period longer than is necessary to amortize any loan for
38 capital improvements and shall specify for each year of the term of said
39 license the minimum number of days on which, and the minimum number of
40 hours on each such day, and the places where said licensee may conduct
41 such harness race meetings at which pari-mutuel betting shall be permit-
42 ted. Such a capital improvement license shall be issued if in the judg-
43 ment of the [~~state racing and wagering board~~] commission the public
44 interest, convenience or necessity will be served thereby and a proper
45 case for the issuance of such a license is shown consistent with the
46 purposes of sections two hundred twenty-two through seven hundred five
47 of this chapter and the best interests of racing generally, and in
48 determining the period and other terms of such capital improvement
49 license, the [~~state racing and wagering board~~] commission shall be guid-
50 ed by the nature of the capital improvement and the cost thereof. Such
51 capital improvement license shall automatically expire, irrespective of
52 the term thereof, when the loan of funds upon which it has been issued,
53 has been paid off by the licensee. Where a capital improvement license
54 is granted, the [~~state racing and wagering board~~] commission shall spec-
55 ify annually the dates on which, but not beyond the thirty-first day of
56 December, and hours during which such licensee may operate, at the plac-

1 es and for the full number of days and hours specified in its capital
2 improvement license.

3 2. Every such license shall be issued upon condition:

4 a. ~~[That]~~ that every harness horse race meeting at which pari-mutuel
5 betting is conducted shall be subject to the supervision of and to the
6 reasonable rules and regulations from time to time prescribed by the
7 ~~[state racing and wagering board]~~ commission, and

8 b. ~~[That]~~ that pari-mutuel betting conducted thereunder shall also be
9 subject to the supervision of and to the reasonable regulations from
10 time to time prescribed by the ~~[state tax commission]~~ department of
11 taxation and finance. Any such license may also be issued upon any other
12 condition that the ~~[state racing and wagering board]~~ commission shall
13 determine to be necessary or desirable to insure that the public inter-
14 est, convenience or necessity is served.

15 3. Applications for licenses shall be in such form as may be
16 prescribed by the ~~[board]~~ commission and shall contain such information
17 or other material or evidence as the ~~[board]~~ commission may require.
18 Each application for renewal of a license shall be deemed to be an
19 application for a new license. The fee for such licenses shall be one
20 hundred dollars for each racing day payable in installments in advance
21 of each week's racing which sums shall be paid into the general fund of
22 the state treasury by the ~~[board]~~ commission. The term "racing week"
23 shall include those days as defined by the rules and regulations of the
24 ~~[racing and wagering board]~~ commission.

25 4. In considering an application for a license under this section the
26 ~~[state racing and wagering board]~~ commission may give consideration to
27 the number of licenses already granted and to the location of the tracks
28 previously licensed. No such license shall be granted to any track which
29 has not conducted pari-mutuel harness racing during at least ten calen-
30 dar years and which is located within ten miles of a state, county or
31 town fair conducting harness racing for the three consecutive years
32 immediately preceding April second, nineteen hundred fifty-three, which
33 license shall be operative during the racing dates of such fair, unless
34 the association, corporation or society conducting such fair shall
35 affirmatively waive objection to the issuance of such license for dates
36 within such period. No such license shall be granted to any track
37 located within the corporate limits of a city of the first class. No
38 such license shall be granted to any harness horse racetrack located
39 within twenty-five miles of any track already licensed for the same
40 dates and hours except with the consent of the licensee located within
41 such twenty-five mile area.

42 5. The ~~[board]~~ commission may refuse to grant a license to an associ-
43 ation or corporation if it shall determine that:

44 a. Any officer, director, member or stockholder of such association or
45 corporation applying for a license, or of any association or corporation
46 ~~[which]~~ that owns stock in or shares in the profits, or participates in
47 the management, of the affairs of such applicant, or ~~[which]~~ that leases
48 to such applicant the track where ~~[it shall]~~ such applicant will operate
49 has:

- 50 (i) ~~[has]~~ has been convicted of a crime involving moral turpitude;
51 (ii) ~~[has]~~ has engaged in bookmaking or other forms of illegal gambling;
52 (iii) ~~[has]~~ has been found guilty of any fraud or misrepresentation in
53 connection with racing or breeding;
54 (iv) ~~[has]~~ has been guilty of any violation or attempt to violate any law,
55 rule or regulation of any racing jurisdiction for which suspension from
56 racing might be imposed in such jurisdiction;

1 (v) [~~has~~] violated any rule, regulation or order of the [~~board~~]
2 commission; or

3 b. The experience, character or general fitness of any officer, direc-
4 tor or stockholder of any of the aforesaid associations or corporations
5 is such that the participation of such person in harness racing or
6 related activities would be inconsistent with the public interest,
7 convenience or necessity or with the best interests of racing generally;
8 but if the [~~board~~] commission determines that the interest of any stock-
9 holder referred to in this paragraph or in paragraph a of this subdivi-
10 sion is insufficient in the opinion of the [~~board~~] commission to affect
11 adversely the conduct of pari-mutuel harness racing by such association
12 or corporation in accordance with the provisions of this article, the
13 [~~board~~] commission may disregard such interest in determining whether or
14 not to grant a license to such association or corporation; or

15 c. The applicant is not the owner of the track at which it will
16 conduct pari-mutuel harness racing pursuant to the license applied for,
17 or that any person, firm, association or corporation other than the
18 applicant shares, or will share, in the profits of the applicant, other
19 than by dividends as a stockholder, or participates or will participate
20 in the management of the affairs of the applicant.

21 5-a. The [~~board~~] commission shall not issue a license pursuant to this
22 section to any harness racing association or corporation [~~which~~] that
23 does not apply to conduct at its facilities a minimum number of pari-mu-
24 tuel programs and pari-mutuel races at its facilities equal to at least
25 seventy-five [~~per centum~~] percent of the programs and races so conducted
26 during nineteen hundred eighty-five or during nineteen hundred eighty-
27 six, or one hundred [~~per centum~~] percent of the programs and races so
28 conducted during two thousand, whichever is greater; provided, however,
29 that for a harness racing association or corporation located in West-
30 chester and Erie counties, such minimum number of pari-mutuel programs
31 and pari-mutuel races at its facilities shall equal at least one hundred
32 [~~per centum~~] percent of the programs and races conducted during two
33 thousand. If the track did not conduct races during two thousand, such
34 minimum number of pari-mutuel programs and pari-mutuel races at its
35 facilities shall equal at least ninety [~~per centum~~] percent of the
36 programs and races conducted during two thousand at Buffalo raceway, in
37 the town of Hamburg and county of Erie, unless cancellation of a race
38 day because of an act of God, [~~which~~] that the [~~board~~] commission
39 approves or because of weather conditions that are unsafe or hazardous
40 [~~which~~] that the [~~board~~] commission approves shall not be construed as a
41 failure to conduct a race day; provided further, the [~~board~~] commission
42 shall not grant a license to such association or corporation upon appli-
43 cation unless such programs and races are conducted during the same
44 calendar year period as were conducted during the applicable period
45 above [~~utilized~~] used to measure the minimum number of pari-mutuel
46 programs and pari-mutuel races, as approved by the [~~board~~] commission.
47 Nothing in the foregoing paragraph shall affect any agreement in effect
48 on or before the effective date of this paragraph. The [~~board~~] commis-
49 sion may grant a license to such association or corporation to conduct
50 fewer such programs and races for good cause shown due to factors beyond
51 the control of such association or corporation, and upon consent of the
52 representative horsemen's association, as determined pursuant to section
53 three hundred eighteen of this article.

54 5-b. Notwithstanding any inconsistent provision of subdivision five-a
55 of this section and article ten of this chapter, where the [~~board~~]
56 commission certifies by December first of the proceeding year that the

1 number of standardbred horses eligible for competition is less than that
2 of the base year as defined in subdivision five-a of this section, and
3 only if the authorized horsemen's association concurs as evidenced by a
4 written agreement between the track and the horsemen's association, a
5 licensee pursuant to this section may submit and the [board] commission
6 may accept a license application requesting a reduced number of race
7 dates where it is in the best interest of racing within this state and
8 provided that the licensee shall not be penalized or required by the
9 [board] commission to diminish simulcasting activities or incur an
10 increased tax liability as a result of a [~~board-sanctioned~~] commission-
11 sanctioned reduction in its live racing activity under this subdivision.

12 6. The [board] commission shall also have power to refuse to grant a
13 license:

14 a. [~~To~~] to any association or corporation, the charter or certificate
15 of incorporation of which [~~shall fail~~] fails to contain a provision
16 requiring any stockholder, upon written demand of the association or
17 corporation, to sell his, her or its stock to the association or corpo-
18 ration at a price to be fixed in the manner otherwise provided by law,
19 provided such demand be made pursuant to written direction of the
20 [board] commission; and from and after the date of the making of such
21 demand, prohibiting the transfer of such certificate of stock, except to
22 the association or corporation; or

23 b. [~~To~~] to any association or corporation [~~which~~] that, having been a
24 licensee, has failed in the opinion of the [board] commission to proper-
25 ly maintain its track and plant in good condition or has failed to make
26 adequate provision for rehabilitation and capital improvements to its
27 track and plant.

28 7. Pending final determination of any question under this section, the
29 [board] commission may issue a temporary license upon such terms and
30 conditions as it may deem necessary, desirable or proper to effectuate
31 the provisions of sections two hundred twenty-two through seven hundred
32 five of this chapter.

33 8. Notwithstanding any other provision of this article, the [~~state~~
34 ~~racing and wagering board~~] commission may, no more than once in any
35 calendar year, grant a license to any authorized harness racing associ-
36 ation or corporation to hold and conduct one additional harness race
37 meeting of not more than seven days duration, with pari-mutuel betting,
38 on any mile track within this state, to enable said authorized harness
39 racing association or corporation to conduct a special stakes race not
40 limited to the Hambletonian stakes and associated events.

41 9. The [board] commission shall have power to direct that every
42 certificate of stock of an association or corporation licensed under the
43 provisions of sections two hundred twenty-two through seven hundred five
44 of this chapter shall bear a legend plainly and prominently imprinted
45 upon the face of the certificate reading: "This certificate of stock is
46 transferable only subject to the provisions of section three hundred
47 three of the racing, pari-mutuel wagering and breeding law".

48 10. Notwithstanding the provisions of section three hundred twenty-one
49 of this [~~chapter~~] article, the refusal of an application for such
50 license shall be preceded by notice and an opportunity to be heard. In
51 the conduct of such hearing the [board] commission shall not be bound by
52 technical rules of evidence but all evidence offered before the [board]
53 commission shall be reduced to writing, and such evidence together with
54 the exhibits, if any, and the findings of the [board] commission, shall
55 be permanently preserved and shall constitute the record of the [board]
56 commission in such case. Such hearing may be presided over by the

1 [chairman] chair of the [board] commission or by any member or by an
2 officer of the [board] commission designated by the [chairman] chair in
3 writing to act as hearing officer and such person or persons may issue
4 subpoenas for witnesses and administer oaths to witnesses. The hearing
5 officer, at the conclusion of the hearing shall make findings which, if
6 concurred in by [two—members] a majority of the [board] commission,
7 shall become the findings of the [board] commission. The action of the
8 [board] commission in refusing a license shall be reviewable in the
9 supreme court in the manner provided by the provisions of article seven-
10 ty-eight of the civil practice law and rules.

11 § 47. The section heading and subdivision (a) of section 307-a of the
12 racing, pari-mutuel wagering and breeding law, as amended by chapter 284
13 of the laws of 2017, are amended to read as follows:

14 New ~~[York-bred]~~ York-bred or wholly owned harness races. (a) Any asso-
15 ciation or corporation licensed to conduct harness race meetings at
16 which pari-mutuel betting is permitted may, if in its sole discretion
17 such association or corporation determines that it would be beneficial,
18 offer non-stakes races [which] that are limited to New ~~[York-bred]~~ York-
19 bred horses or horses wholly owned by New York state residents. These
20 races may be written on such terms and conditions as any other race
21 authorized pursuant to law or regulation of the commission, notwith-
22 standing any preference date requirements.

23 § 48. Subdivisions 1, 2 and 4 of section 308 of the racing, pari-mutu-
24 el wagering and breeding law, as amended by section 1 of part CC of
25 chapter 60 of the laws of 2016, are amended to read as follows:

26 1. At all harness race meetings licensed by the [gaming] commission in
27 accordance with the provisions of sections two hundred twenty-two
28 through seven hundred five of this chapter qualified judges and starters
29 shall be designated by the [gaming] commission. Such officials shall
30 enforce the rules and regulations of the [gaming] commission and shall
31 render regular written reports of the activities and conduct of such
32 race meetings to the [gaming] commission.

33 2. The licensed racing corporations shall reimburse the [gaming]
34 commission for the per diem cost to the commission to employ one associ-
35 ate judge and the starter to serve at harness race meetings. The commis-
36 sion shall notify each such licensed racing corporation of the per diem
37 cost of the associate judge and the starter at the track of such
38 licensed racing corporation within sixty days of the end of each month.
39 Payment of the reimbursement required by this section shall be made to
40 the commission by each entity required to make such payments within
41 thirty days of such notification by the commission and shall cover all
42 the costs incurred during that month. A penalty of five percent of
43 payment due, and interest at the rate of one percent per month calcu-
44 lated from such date that payment is due to the date of the payment of
45 the per diem cost shall be payable in case any per diem cost imposed by
46 this subdivision is not paid when due. The commission shall promulgate
47 rules and regulations to ensure the proper reimbursement of such costs.

48 4. Any associate judge and starter whose per diem costs are reimbursed
49 by a licensed racing corporation shall remain employees of the [gaming]
50 commission and shall retain all the rights and privileges of their
51 current civil service jurisdictional classification and status and
52 collective bargaining unit representation.

53 § 49. Section 309 of the racing, pari-mutuel wagering and breeding
54 law, subdivision 1 as amended by chapter 164 of the laws of 2003, is
55 amended to read as follows:

§ 309. Licenses for participants and employees at harness race meetings. 1. For the purpose of maintaining a proper control over harness race meetings conducted pursuant to sections two hundred twenty-two through seven hundred five of this chapter, the ~~[state racing and wagering board]~~ commission may license drivers and such other persons participating in harness horse race meets, as the ~~[board]~~ commission may by rule prescribe, including, if the ~~[board deem]~~ commission deems it necessary so to do, owners, and some or all persons exercising their occupation or employed at harness race meets, provided, however, that no such license shall be required for seasonal employees hired solely to work for no longer than six weeks during the summer meet at the Syracuse mile. Each applicant for a license shall pay to the ~~[board]~~ commission an annual license fee as follows: owner's license, if a renewal, fifty dollars, and if an original application, one hundred dollars; trainer's license, twenty dollars; assistant trainer's license, twenty dollars; driver's license, twenty dollars; farrier's license, twenty dollars; and stable employee's license, five dollars. Such fees shall be paid to the ~~[board]~~ commission and by it paid into the state treasury. The ~~[board]~~ commission may by rule fix the license fees to be paid by other persons required to be licensed by the rules of the ~~[board]~~ commission, not to exceed twenty dollars per category. All such licenses, unless revoked for cause shall be for the period of no more than one, two or three years, as determined by rule of the ~~[board]~~ commission, expiring on the applicant's birth date. Licenses current on the effective date of this provision shall not be reduced in duration by this provision. An applicant who applies for a license that, if issued, would take effect less than six months prior to the applicant's birth date may, by payment of a fifty percent higher fee, receive a license ~~[which]~~ that shall not expire until the applicant's second succeeding birth date. For each category of license, the applicant may apply for a two or three year license by payment to the ~~[board]~~ commission of the appropriate multiple of the annual fee. The applications for licenses shall be in writing, accompanied by fingerprints and a photograph of the applicant, and shall be in such form, and contain such other information, as the ~~[board]~~ commission may require. Such fingerprints shall be submitted to the division of criminal justice services for a state criminal history record check, as defined in subdivision one of section three thousand thirty-five of the education law, and may be submitted to the federal bureau of investigation for a national criminal history record check.

Every person employed after May first, nineteen hundred fifty-four, by such association or corporation, including officers and directors thereof, whether or not such person be licensed, shall file fingerprints and a photograph with the ~~[board]~~ commission within ten days after such employment. The fingerprints so obtained from applicants for licenses and from employees not to be licensed shall be forthwith transmitted by the ~~[board]~~ commission to the division of criminal justice services and may also be submitted to the federal bureau of investigation or any other government agency having facilities for checking fingerprints for the purpose of establishing the identity and the previous criminal record, if any, of such person and such agency shall promptly report its findings to the ~~[board]~~ commission in writing.

2. If the ~~[state racing and wagering board shall find]~~ commission finds that the experience, character and general fitness of the applicant are such that the participation of such person in harness horse race meets will be consistent with the public interest, convenience and necessity and with the best interests of racing generally in conformity

1 with the purposes of sections two hundred twenty-two through seven
2 hundred five of this chapter, ~~[it]~~ the commission may thereupon grant a
3 license.

4 Without limiting the generality of the foregoing, the ~~[board]~~ commis-
5 sion may refuse to issue a license, pursuant to this section, if ~~[it]~~
6 ~~shall find~~ the commission finds that the applicant has:

- 7 a. ~~[Has]~~ been convicted of a crime involving moral turpitude;
- 8 b. ~~[Has]~~ engaged in bookmaking or other form of illegal gambling;
- 9 c. ~~[Has]~~ been found guilty of any fraud or misrepresentation in
10 connection with racing or breeding;
- 11 d. ~~[Has]~~ been found guilty of any violation or attempt to violate any
12 law, rule or regulation of racing in any jurisdiction for which suspen-
13 sion from racing might be imposed in such jurisdiction; or
- 14 e. ~~[Who has]~~ violated any rule, regulation or order of the ~~[board]~~
15 commission. The ~~[board]~~ commission may suspend or revoke a license
16 issued pursuant to this section if ~~[it shall determine]~~ the commission
17 determines that (i) the applicant or licensee has (1) ~~[has]~~ been
18 convicted of a crime involving moral turpitude; (2) ~~[has]~~ engaged in
19 bookmaking or other form of illegal gambling; (3) ~~[has]~~ been found guil-
20 ty of any fraud in connection with racing or breeding; (4) ~~[has]~~ been
21 guilty of any violation or attempt to violate any law, rule or regu-
22 lation of any racing jurisdiction for which suspension from racing might
23 be imposed in such jurisdiction; or (5) ~~[who has]~~ violated any rule,
24 regulation or order of the ~~[board]~~ commission, or (ii) ~~[that]~~ the expe-
25 rience, character or general fitness of any applicant or licensee is
26 such that the participation of such person in harness racing or related
27 activities would be inconsistent with the public interest, convenience
28 or necessity or with the best interests of racing generally.

29 3. Pending final determination of any question under this section, the
30 ~~[board]~~ commission may issue a temporary license upon such terms and
31 conditions as it may deem necessary, desirable or proper to effectuate
32 the provisions of sections two hundred twenty-two through seven hundred
33 five of this chapter.

34 § 50. Section 310 of the racing, pari-mutuel wagering and breeding
35 law, as amended by chapter 240 of the laws of 2010, is amended to read
36 as follows:

37 § 310. Power of the ~~[state racing and wagering board]~~ commission to
38 impose fines and penalties. ~~[In]~~ The commission, in addition to its
39 power to suspend or revoke licenses granted by ~~[it]~~ the commission, ~~[the~~
40 ~~state racing and wagering board]~~ is ~~[hereby]~~ authorized and empowered to
41 impose monetary fines upon any corporation, association or person
42 participating in any way in any harness race meet at which pari-mutuel
43 betting is conducted, other than as a patron, and whether licensed by
44 the ~~[board]~~ commission or not, for a violation of any provision of this
45 chapter or the rules promulgated by the ~~[board]~~ commission pursuant
46 thereto, not exceeding ~~[twenty-five thousand dollars for each violation]~~
47 the amounts set forth in section one hundred sixteen of this chapter.
48 The ~~[board]~~ commission is further authorized and empowered to impose
49 monetary fines, not exceeding ~~[twenty-five thousand dollars for each~~
50 ~~violation]~~ the amounts set forth in section one hundred sixteen of this
51 chapter, upon any such corporation, association or person for a
52 violation of any order issued by the ~~[board]~~ commission pursuant to the
53 provisions of this chapter or the rules promulgated by the ~~[board]~~
54 commission pursuant thereto, provided that a copy of such order shall
55 have been served, either personally or by registered mail, upon the
56 corporation, association or person to whom the same was directed, prior

1 to the occurrence of the violation for which such fine is imposed. Such
2 fines shall be paid into the treasury of the state. The action of the
3 ~~[board]~~ commission in imposing any monetary fine shall be reviewable in
4 the supreme court in the manner provided by and subject to the
5 provisions of article seventy-eight of the civil practice law and rules.

6 § 51. Section 311 of the racing, pari-mutuel wagering and breeding law
7 is amended to read as follows:

8 § 311. Refunds. Moneys received by the ~~[board]~~ commission pursuant to
9 this article may within one year from the receipt thereof be refunded to
10 the party for whose account the same were received on proof satisfactory
11 to the ~~[board]~~ commission that:

12 1. ~~[Such]~~ such moneys were in excess of the amount required by law~~[-]~~;

13 2. ~~[The]~~ the license for which application was made has been refused
14 by the ~~[board-]~~ commission;

15 3. ~~[Such]~~ such moneys were received as a fine and the ~~[board]~~ commis-
16 sion has after review reduced the amount of such fine~~[-]~~; or

17 4. ~~[Upon appeal, the court]~~ upon judicial review, a court of competent
18 jurisdiction reduced or remitted the fine imposed.

19 Such refunds shall, upon approval by the ~~[board]~~ commission and after
20 audit by the comptroller, be paid from any moneys in the custody of the
21 department received pursuant to this article.

22 § 52. Subdivision 2 of section 312 of the racing, pari-mutuel wagering
23 and breeding law, as amended by chapter 476 of the laws of 2018, is
24 amended to read as follows:

25 2. Any appointment of a special police officer under this section
26 shall ~~[only]~~ be made only with the approval of the ~~[state racing and~~
27 ~~wagering board]~~ commission. Application for such approval shall be in
28 such form as may be prescribed by the ~~[board]~~ commission and shall
29 contain such other information or material or evidence as the ~~[board]~~
30 commission shall require. In acting on an application for such approval
31 the ~~[board]~~ commission shall consider the background, experience, integ-
32 rity, and competence of the candidate for appointment, the public inter-
33 est, convenience or necessity and the interests of harness racing gener-
34 ally. The ~~[board]~~ commission in its discretion may set the term of any
35 such appointment, terminate any existing appointment at any time and
36 prescribe conditions and rules for the conduct of such office.

37 § 53. Section 313 of the racing, pari-mutuel wagering and breeding law
38 is amended to read as follows:

39 § 313. Place and manner of conducting pari-mutuel betting. Any corpo-
40 ration or association licensed to conduct pari-mutuel betting at a
41 harness race meeting shall provide a place or places within race meeting
42 grounds or enclosure at which such licensee shall conduct the pari-mutu-
43 el system of betting by its patrons on the result of the harness horse
44 races at such meetings. Such licensee shall cause to be erected a sign
45 or board upon which shall be displayed the approximate straight odds on
46 each horse in any race; the total amount wagered upon each horse in each
47 pool; the value of a ~~[two-dollar]~~ two-dollar winning mutuel ticket,
48 straight, place or show on the first three horses in any race; the
49 elapsed time of the race; the value of a ~~[two-dollar]~~ two-dollar winning
50 daily double ticket, if a daily double be conducted, and any other
51 information that the ~~[state racing and wagering board]~~ commission may
52 deem necessary for the guidance of the general public. All machines and
53 equipment used for pari-mutuel betting or for the display of the forego-
54 ing information must be approved by the ~~[state racing and wagering~~
55 ~~board]~~ commission and the ~~[state tax commission]~~ department of taxation
56 and finance before being used, but neither the ~~[board]~~ commission nor

1 the [~~commission~~] department of taxation and finance shall require the
2 installation of any particular make of mechanical or electrical equip-
3 ment.

4 § 54. Subdivision 2 of section 314 of the racing, pari-mutuel wagering
5 and breeding law is amended to read as follows:

6 2. Notwithstanding the provisions of any general or special statute of
7 this state or of any local law or ordinance of any municipality within
8 the state, whether such provision or provisions be penal in character or
9 otherwise, the provisions of sections two hundred twenty-two through
10 seven hundred five of this chapter and the rules, regulations and
11 requirements of the [~~state racing and wagering board~~] commission relat-
12 ing to the time when and place where or manner in which the harness
13 races shall be conducted in this state and the control of the grounds
14 and structures erected or to be erected thereon upon and at which such
15 racing is conducted and the activities conducted thereat and thereon in
16 connection with any trial or contest of speed or power of endurance of
17 harness horses shall be construed and deemed to be exclusive of and
18 shall supersede any provisions of such other general or special statute,
19 local law or ordinance in any wise relating thereto, insofar as the same
20 affect or relate to trotting or harness racing, nor shall the provisions
21 of article two hundred twenty-five of the penal law be deemed to apply
22 to pari-mutuel betting conducted pursuant to sections two hundred twen-
23 ty-two through seven hundred five of this chapter.

24 § 55. Section 315 of the racing, pari-mutuel wagering and breeding law
25 is amended to read as follows:

26 § 315. Bond required of corporation or association conducting pari-mu-
27 tuel betting. Every corporation or association licensed by the [~~state~~
28 ~~racing and wagering board~~] commission to conduct harness horse race
29 meetings at which pari-mutuel betting shall be permitted, annually and
30 before the opening of any race meeting shall execute and file with the
31 state comptroller a bond to this state in a penalty to be fixed by the
32 [~~state tax commission~~] department of taxation and finance not exceeding
33 two hundred fifty thousand dollars, with sureties approved by the attor-
34 ney general, that it will keep its books and records and make reports as
35 required by sections two hundred twenty-two through seven hundred five
36 of this chapter, that it will pay to the state all taxes imposed by this
37 chapter, that it will distribute to the patrons of pari-mutuel pools
38 conducted by it all sums due upon presentation of winning tickets held
39 by them, and that it will otherwise comply with all of the provisions of
40 sections two hundred twenty-two through seven hundred five of this chap-
41 ter and with the rules and regulations prescribed by the [~~state racing~~
42 ~~and wagering board~~] commission and the [~~state tax commission~~] department
43 of taxation and finance.

44 § 56. Section 317 of the racing, pari-mutuel wagering and breeding law
45 is amended to read as follows:

46 § 317. Filing of certain agreements with the [~~state racing and wager-~~
47 ~~ing board~~] commission. Every association or corporation licensed to
48 conduct harness race meetings at which pari-mutuel betting is permitted
49 shall promptly after entering into any lease, agreement concerning any
50 concession, labor management relations, the hiring of designated classes
51 of officers, employees or contractors specified by the [~~board~~] commis-
52 sion or any such other contract, agreement or arrangement as the [~~state~~
53 ~~racing and wagering board~~] commission may from time to time prescribe,
54 file with the [~~state racing board~~] commission a true and correct copy,
55 or an accurate summary, if oral, thereof.

§ 57. Subdivisions 1 and 5 of section 318 of the racing, pari-mutuel wagering and breeding law, the opening paragraph of subdivision 1 as amended by section 6 of part F3 of chapter 62 of the laws of 2003, the second undesignated paragraph of subdivision 1, the opening paragraph of paragraph a of subdivision 1 and subparagraphs (i) and (ii) of paragraph a of subdivision 1 as amended and subparagraph (iv) of paragraph b of subdivision 1 as added by chapter 281 of the laws of 1994, paragraphs a, b and c of subdivision 1 as amended and subdivision 5 as added by chapter 261 of the laws of 1988, subparagraph (iii) of paragraph a of subdivision 1 and subparagraph (i) of paragraph b of subdivision 1 as amended by chapter 280 of the laws of 2001, subparagraph (ii) of paragraph b of subdivision 1 as amended by chapter 484 of the laws of 2000, paragraph d of subdivision 1 as amended by section 3 of part BB of chapter 60 of the laws of 2016 and paragraph d of subdivision 5 as amended by chapter 503 of the laws of 1989, are amended to read as follows:

1. Except as otherwise provided by law, every association or corporation authorized under this article to conduct pari-mutuel betting at a harness horse race meeting on races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment prior to April first of the year following the year of their purchase, less an amount ~~[which]~~ that shall be established and retained by such racing association or corporation of between fourteen and twenty ~~[per centum]~~ percent of the total deposits in pools resulting from regular bets, less sixteen to twenty-two ~~[per centum]~~ percent of the total deposits in pools resulting from multiple bets, less twenty to thirty ~~[per centum]~~ percent of the total deposits in pools resulting from exotic bets, and less twenty to thirty-six ~~[per centum]~~ percent of the total betting deposits in pools resulting from super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the ~~[racing and wagering board]~~ commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter.

"Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter, "super exotic bets" shall have the meaning set forth in subdivision four of section three hundred one of this article and "the breaks" are hereby defined as the odd cents over any multiple of ten for regular and multiple bets, or for exotic bets, over any multiple of fifty, or for super exotic bets, over any multiple of one hundred calculated on the basis of one dollar and otherwise payable to a patron, provided however, that effective after October fifteenth, nineteen hundred ninety-four breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars.

a. Of the sum so retained from on-track pari-mutuel betting pools, such association or corporation authorized to operate in Westchester or Nassau county: (i) shall pay to the commissioner of taxation and finance as a reasonable tax for the privilege of conducting pari-mutuel betting at races run at race meetings held by such corporation or association, a tax, which is hereby levied, at the ~~[following rates:]~~ rate of ~~[total daily on-track pools resulting from regular bets, one and six tenths per centum; of the total daily on-track pools resulting from multiple bets,~~

1 ~~one and thirty five hundredths per centum; of total daily on-track pools~~
2 ~~resulting from exotic bets, four and eighty five hundredths per centum;~~
3 ~~and of total daily on-track pools resulting from super exotic bets,~~
4 ~~seven per centum, plus fifty per centum of the breaks. Effective Septem-~~
5 ~~ber first, nineteen hundred ninety four, such tax shall be]~~ one-half of
6 one [~~per centum~~] percent of all wagers from total daily on-track pools.
7 Such association or corporation shall receive credit as a reduction of
8 the daily tax by the state for the privilege of conducting pari-mutuel
9 betting of amounts equal to [~~one and one-half per centum~~] four-tenths
10 percent of total daily pools resulting from the simulcast of such asso-
11 ciation's or corporation's races to licensed facilities operated by
12 regional off-track betting corporations in accordance with section one
13 thousand eight of this chapter; provided, however, that in no event
14 shall total daily credit exceed [~~one and one-half per centum~~] four-
15 tenths percent of the total daily pool of such association or corpo-
16 ration. [~~Provided, however, that on and after September first, nineteen~~
17 ~~hundred ninety four, such credit shall be four tenths percent of total~~
18 ~~daily pools resulting from such simulcasting and that in no event shall~~
19 ~~such total daily credit exceed four tenths percent of the total daily~~
20 ~~pool of such association or corporation.~~] An amount equal to fifty [~~per~~
21 ~~centum~~] percent of such credit shall be used to increase purses[~~-~~
22 ~~Provided~~]; provided, however, that for any [~~twelve-month~~] twelve-month
23 period beginning on April first in nineteen hundred ninety and any year
24 thereafter, each of the applicable rates set forth above shall be
25 increased by one-half of one [~~per centum~~] percent on all on-track bets
26 of any such racing association or corporation that did not expend an
27 amount equal to at least one-half of one [~~per centum~~] percent of its
28 on-track bets during the immediately preceding calendar year for
29 enhancements consisting of capital improvements as defined by section
30 three hundred nineteen of this [~~chapter~~] article, repairs to its phys-
31 ical plant, structures, and equipment used in its racing or wagering
32 operations, as certified by the [~~state racing and wagering board~~]
33 commission to the commissioner of taxation and finance no later than
34 eighty days after the close of such calendar year, and five special
35 events at each track in each calendar year, not otherwise conducted in
36 the ordinary course of business, the purpose of which shall be to
37 encourage, attract and promote track attendance and encourage new and
38 continued patronage, which events shall be [~~approved by the racing and~~
39 ~~wagering board~~] subject to the approval of the commission for purposes
40 of this subdivision. In the determination of the amounts expended for
41 such enhancements, the [~~board~~] commission shall consider the average of
42 the two immediately preceding [~~twelve-month~~] twelve-month calendar peri-
43 ods. Notwithstanding the foregoing no increase shall be imposed unless
44 such corporation or association has been afforded notice and opportunity
45 to be heard. The [~~racing and wagering board~~] commission shall promulgate
46 rules and regulations to implement the provisions relating to notice and
47 hearing.

48 (ii) except as otherwise provided in this paragraph an amount equal to
49 six and eight-tenths [~~per centum~~] percent of the total pool resulting
50 from on-track regular bets, an amount equal to seven and ninety-five one
51 hundredths [~~per centum~~] percent of the total pool resulting from
52 on-track multiple bets, an amount equal to ten and one-half [~~per centum~~]
53 percent of the total pool resulting from on-track exotic bets, an amount
54 equal to fifteen and one-half [~~per centum~~] percent of the total daily
55 pool resulting from on-track super exotic bets shall be used exclusively
56 for purses, of which an amount of not less than ninety [~~per centum~~]

1 ~~percent~~ shall be used exclusively for purses for overnight races
2 conducted by such association or corporation. Such amounts may be
3 reduced upon an application approved by the ~~[board]~~ commission and an
4 agreement between the licensed harness racing corporation or association
5 and the representative horsemen's organization as a condition to reduce
6 the amounts of retained percentages as provided for in this section.
7 However, of the total amount available for purses, an amount as deter-
8 mined by contractual obligations between an organization representing at
9 least fifty-one ~~[per centum]~~ percent of the owners and trainers ~~[utiliz-~~
10 ~~ing]~~ using the facilities of such association or corporation for racing,
11 training or stabling purposes and the association or corporation, shall
12 be used for the administrative purposes of said organization and for
13 such welfare and medical plans for regularly employed backstretch
14 employees principally employed at the facilities of such corporation or
15 association as provided by said organization, provided, however, that
16 eligibility for benefits in such plans shall not be conditioned upon
17 membership in such organization by any employee or employer thereof, and
18 any denial of eligibility for benefits in such plans which, upon inves-
19 tigation and review by the ~~[board]~~ commission, is determined to have
20 resulted from a person, firm, association, corporation or organization
21 knowingly aiding in or permitting eligibility for benefits being condi-
22 tioned upon membership in such organization shall subject such organiza-
23 tion to the penalties imposed under sections three hundred ten and three
24 hundred twenty-one of this article but the ratio between the amounts
25 actually expended for such welfare and medical plans and the cost actu-
26 ally incurred in administering such welfare and medical plans for fiscal
27 years of such corporation or association, on or after July twenty-
28 fourth, nineteen hundred eighty-one, shall not be less than the ratio
29 between such amounts actually expended and such costs actually incurred
30 for the fiscal year immediately prior to such date. Such organization
31 shall annually on or before July first certify to the ~~[state racing and~~
32 ~~wagering board]~~ commission that it represents at least fifty-one ~~[per~~
33 ~~centum]~~ percent of such owners and trainers and provide copies of such
34 certification to such association or corporation. Any other organization
35 claiming to represent at least fifty-one ~~[per centum]~~ percent of such
36 owners and trainers may file a challenge with the ~~[state racing and~~
37 ~~wagering board]~~ commission within fifteen days of such original certif-
38 ication. The ~~[state racing and wagering board]~~ commission shall examine
39 such claim and may undertake studies and conduct hearings to determine
40 the validity of such claim. Within sixty days of receiving such chal-
41 lenge and based upon the findings of such studies and hearings, the
42 ~~[state racing and wagering board]~~ commission shall render a decision on
43 the validity of such claim and advise such organizations and association
44 or corporation of its determination. Upon receipt of such original
45 certification by such organization, the association or corporation shall
46 make such payments to said organization and, in the event of a challenge
47 brought to any other organization, such payments shall continue to be
48 made until such time as the ~~[state racing and wagering board]~~ commission
49 renders its decision on such challenge; and
50 (iii) the balance of the retained percentage of such pools and the
51 balance of the breaks may be held by such association or corporation for
52 its own use and purposes except as provided in paragraph c of this
53 subdivision and in subdivision four of section three hundred one of this
54 article, provided, however, that the ~~[board]~~ commission shall report
55 annually, on or before July first, to the director of the budget, the
56 ~~[chairman]~~ chair of the senate finance committee and the ~~[chairman]~~

1 ~~chair~~ of the assembly ways and means committee the extent to which such
2 corporations and associations ~~[utilized]~~ used such retained percentages
3 and breakage for operations, maintenance, capital improvements, adver-
4 tising and promotion, administration and general overhead and evaluate
5 the effectiveness and make recommendations with respect to the applica-
6 tion of the reduced rates of taxation as provided for in subparagraph
7 (i) of this paragraph in accomplishing the objectives stated therein.
8 Such report shall also specify the amounts of such retained percentages
9 and breakage used for investments not directly related to racing activ-
10 ities and such amounts used to declare dividends or other profit
11 distributions, additions to capital stock, its sale and transfer and
12 additions to retained earnings. Such reports shall also include an
13 analysis of any such agreements or proposals to conduct or otherwise
14 expand wagers authorized under article ten of this chapter and present
15 its conclusions with respect to the conduct of such wagering, the nature
16 of such proposals and agreements, and recommendations to ensure the
17 future maintenance of the intent of this article and article ten of this
18 chapter.

19 b. (i) Of the sums retained by any other licensed harness racing asso-
20 ciation or corporation other than those described in paragraph a of this
21 subdivision, the applicable tax rates for regular bets shall be six-
22 tenths of one ~~[per centum]~~ percent; for multiple bets shall be one and
23 one-tenth ~~[per centum]~~ percent; for exotic bets shall be five and six-
24 tenths ~~[per centum]~~ percent and for super exotic bets shall be seven
25 ~~[per centum]~~ percent, plus fifty ~~[per centum]~~ percent of the breaks.
26 Effective September first, nineteen hundred ninety-four, for all
27 licensed harness racing associations and corporations ~~[which]~~ that have
28 entered into a contract with their representative horsemen's association
29 on and after such date, such tax shall be one-half of one ~~[per centum]~~
30 percent of all wagers, plus fifty ~~[per centum]~~ percent of the breaks.

31 Provided, however, that for any ~~[twelve month]~~ twelve-month period
32 beginning on April first in nineteen hundred ninety and any year there-
33 after, each of the applicable rates set forth above shall be increased
34 by one-quarter of one ~~[per centum]~~ percent on all on-track bets of any
35 such racing association or corporation that did not expend an amount
36 equal to at least one-half of one ~~[per centum]~~ percent of its on-track
37 bets during the immediately preceding calendar year for enhancements
38 consisting of capital improvements as defined by section three hundred
39 nineteen of this article, repairs to its physical plant, structures, and
40 equipment used in its racing or wagering operations, as certified by the
41 ~~[state racing and wagering board]~~ commission to the commissioner of
42 taxation and finance no later than eighty days after the close of such
43 calendar year, and five special events at each track in each calendar
44 year, not otherwise conducted in the ordinary course of business, the
45 purpose of which shall be to encourage, attract and promote track
46 attendance and encourage new and continued patronage, which events shall
47 be ~~[approved by the racing and wagering board]~~ subject to the approval
48 of the commission for purposes of this subdivision. In this regard,
49 expenditures by a county agricultural society pursuant to section three
50 hundred nineteen of this article shall be credited to the applicable
51 harness racing association or corporation for this purpose. In the
52 determination of the amounts expended for such enhancements, the ~~[board]~~
53 commission may consider the immediately preceding ~~[twelve month]~~ twelve-
54 month calendar period or the average of the two immediately preceding
55 ~~[twelve month]~~ twelve-month calendar periods. Notwithstanding the fore-
56 going no increase shall be imposed unless such corporation or associ-

1 ation has been afforded a notice and opportunity to be heard [~~and no~~
2 ~~increase shall be imposed during nineteen hundred ninety five on the~~
3 ~~authorized harness racing association conducting a special seven day~~
4 ~~harness race meeting that did not make such required expenditures during~~
5 ~~nineteen hundred ninety four~~]. The [~~racing and wagering board~~] commis-
6 sion shall promulgate rules and regulations to implement the provisions
7 relating to notice and hearing.

8 Such associations or corporations shall receive credit as a reduction
9 of the daily tax by the state for the privilege of conducting pari-mutuel
10 betting of amounts equal to [~~one per centum~~] four-tenths percent of
11 total daily pools resulting from the simulcast of such association's or
12 corporation's races to licensed facilities operated by regional off-
13 track betting corporations in accordance with section one thousand eight
14 of this chapter, provided however, that in no event shall the total
15 daily credit exceed [~~one per centum~~] four-tenths percent of the total
16 daily pool of such association or corporation which tax is hereby levied
17 and shall be paid to the commissioner of taxation and finance as a
18 reasonable tax imposed by the state for the privilege of conducting
19 pari-mutuel betting at races run at race meetings held by such associ-
20 ation or corporation. [~~Provided, however, that on and after September~~
21 ~~first, nineteen hundred ninety four such credit shall be four tenths~~
22 ~~percent of total daily pools resulting from such simulcasting and that~~
23 ~~in no event shall such total daily credit exceed four tenths percent of~~
24 ~~the total daily pool of such association or corporation.~~] The [~~racing~~
25 ~~and wagering board~~] commission shall report annually, before July first,
26 to the director of the budget, the [~~chairman~~] chair of the senate
27 finance committee and the [~~chairman~~] chair of the assembly ways and
28 means committee the extent to which such corporations and associations
29 [~~utilized~~] used such retained percentages and breakage for operations,
30 maintenance, capital improvements, advertising and promotion, adminis-
31 tration and general overhead and evaluate the effectiveness and make
32 recommendations with respect to the application of the reduced rates of
33 taxation as provided for in this subparagraph in accomplishing the
34 objectives stated therein. Such report shall also specify the amounts of
35 such retained percentages and breakage used for investments not directly
36 related to racing activities and such amounts used to declare dividends
37 or other profit distributions, additions to capital stock, its sale and
38 transfer and additions to retained earnings. Such reports shall also
39 include an analysis of any such agreements or proposals to conduct or
40 otherwise expand wagers authorized under article ten of this chapter and
41 present its conclusions with respect to the conduct of such wagering,
42 the nature of such proposals and agreements, and recommendations to
43 ensure the future maintenance of the intent of this article.

44 (ii) Of the sums retained by such association or corporation, an
45 amount equal to one and three-quarters [~~per centum~~] percent of the total
46 pool resulting from on-track regular, multiple and exotic bets shall be
47 used exclusively for the purpose of increasing purses awarded in over-
48 night races conducted by such association or corporation. Such amounts
49 shall be in addition to purse moneys otherwise provided pursuant to
50 existing contractual obligations. In this regard an amount equal to
51 twelve [~~per centum~~] percent of the total bets in super exotic pools
52 shall be used for purses in lieu of any such contractual obligations
53 [~~which~~] that might otherwise apply to purses to be awarded on super
54 exotic bets. Any portion of such amount not so used during any year
55 shall be so used during the following year, failing which such portion
56 shall be payable to the commissioner of taxation and finance as addi-

1 tional tax. In addition to the amounts required in this paragraph, fifty
2 percent of all additional sums retained, as a result of tax reductions
3 provided in this section after September first, nineteen hundred nine-
4 ty-four to qualified licensed harness racing associations, shall be used
5 exclusively for purposes of increasing purses awarded in overnight races
6 conducted by such association or corporation, provided that such associ-
7 ation or corporation has entered into a written agreement with its
8 representative horsemen's organization on and after September first,
9 nineteen hundred ninety-four. Notwithstanding anything contained herein
10 to the contrary, in a harness special betting district the amount to be
11 used for purses or the methodology for calculating the amount to be used
12 for purses may be specified in a written contract between a harness
13 racing association or corporation and its representative horsemen's
14 association. The balance of the retained percentage of such pool may be
15 held by such corporation or association for its own use and purposes.

16 (iii) Of the amount of the breaks from on-track regular, multiple,
17 exotic and super exotic bets such association or corporation shall pay
18 fifty [~~per centum~~] percent to the commissioner of taxation and finance.
19 The balance of such breaks may be held by such association or corpo-
20 ration for its own use and purposes.

21 (iv) The [~~state racing and wagering board~~] commission shall as a
22 condition of racing require an association authorized to operate in
23 areas other than Westchester or Nassau county to withhold one percent of
24 all purses and to pay such sum to the horsemen's organization represent-
25 ing the owners and trainers [~~utilizing~~] using the facilities of such
26 association which had a contract with the association governing the
27 conditions of racing on January first, nineteen hundred ninety-two, as
28 determined by the [~~board~~] commission.

29 Any other horsemen's organization may apply to the [~~board~~] commission
30 to be approved as the qualified organization to receive payment of the
31 one percent of all purses by submitting to the [~~board~~] commission proof
32 of both, that (i) [~~it~~] such organization represents more than fifty-one
33 percent of all the owners and trainers [~~utilizing~~] using the same facil-
34 ities and (ii) the horsemen's organization previously approved as quali-
35 fied by the [~~board~~] commission does not represent fifty-one percent of
36 all the owners and trainers [~~utilizing~~] using the same facilities. If
37 the [~~board~~] commission is satisfied that the documentation submitted
38 with the application of any other horsemen's organization is conclusive
39 with respect to subparagraphs (i) and (ii) [~~above~~] of this paragraph,
40 [~~it~~] the commission may approve the applicant as the qualified recipient
41 organization.

42 In the best interests of racing, upon receipt of such an application,
43 the [~~board~~] commission may direct the payments to the previously quali-
44 fied horsemen's organization to continue uninterrupted, or it may direct
45 the payments to be withheld and placed in interest-bearing accounts for
46 a period not to exceed ninety days, during which time the [~~board~~]
47 commission shall review and approve or disapprove the application. Funds
48 held in such manner shall be paid to the organization approved by the
49 [~~board~~] commission. In no event shall the [~~board~~] commission accept more
50 than one such application in any calendar year from the same horsemen's
51 organization.

52 The funds authorized to be paid by the [~~board~~] commission are to be
53 used exclusively for the benefit of those horsemen racing in New York
54 state through the administrative purposes of such qualified organiza-
55 tion, benevolent activities on behalf of backstretch employees, and for
56 the promotion of equine research.

1 c. Of the sums retained by any harness racing association or corpo-
2 ration, an amount equal to ~~[three-fifths of]~~ one ~~[per centum]~~ percent of
3 the total pools resulting from on-track regular, multiple and exotic
4 bets and an amount equal to three ~~[per centum]~~ percent of the total
5 pools resulting from on-track super exotic bets shall be paid to the
6 agriculture and New York state horse breeding development fund~~[,~~
7 ~~provided, however, that after April first, nineteen hundred eighty six,~~
8 ~~the amount to be paid to the agriculture and New York state horse breed-~~
9 ~~ing development fund shall equal one per centum of the total pools~~
10 ~~resulting from on track regular, multiple and exotic bets and an amount~~
11 ~~equal to three per centum of the total pools resulting from super exotic~~
12 ~~bets]~~.

13 d. Every harness racing association or corporation shall pay to the
14 ~~[gaming]~~ commission as a regulatory fee, which fee is hereby levied,
15 six-tenths of one percent of the total daily on-track pari-mutuel pools
16 of such association or corporation.

17 5. Tax rates in event of failure to maintain pari-mutuel racing activ-
18 ity. a. Notwithstanding any other provision of this section to the
19 contrary, for any calendar year commencing on or after January first,
20 nineteen hundred eighty-nine, in which a harness racing association or
21 corporation does not conduct a minimum number of pari-mutuel programs
22 and pari-mutuel races at its facilities equal to at least ninety ~~[per~~
23 ~~centum]~~ percent of the programs and races so conducted during nineteen
24 hundred eighty-five or during nineteen hundred eighty-six, whichever is
25 less, in lieu of the tax rates set forth in subdivision one of this
26 section the applicable pari-mutuel tax rates for such association or
27 corporation with respect to on-track pari-mutuel betting pools during
28 such year shall be as follows:

29 (i) For such an association or corporation authorized to operate in
30 Westchester or Nassau county: of total daily on-track pools resulting
31 from regular bets, three and seventy-five hundredths ~~[per centum]~~
32 percent of the first five hundred thousand dollars comprising such pools
33 and five and twenty-five hundredths ~~[per centum]~~ percent of the amount
34 in excess of five hundred thousand dollars, plus fifty ~~[per centum]~~
35 percent of the breaks; of total daily on-track pools resulting from
36 multiple bets, four and seventy-five hundredths ~~[per centum]~~ percent of
37 the first three hundred thousand dollars comprising such pools and six
38 and twenty-five hundredths ~~[per centum]~~ percent of the amount in excess
39 of three hundred thousand dollars, plus fifty ~~[per centum]~~ percent of
40 the breaks; of total daily on-track pools resulting from exotic bets,
41 eight and seventy-five hundredths ~~[per centum]~~ percent of the first two
42 hundred thousand dollars comprising such pools, and ten and twenty-five
43 hundredths ~~[per centum]~~ percent of the amount in excess of two hundred
44 thousand dollars, plus fifty ~~[per centum]~~ percent of the breaks; and of
45 total daily on-track pools resulting from super exotic bets, seven ~~[per~~
46 ~~centum]~~ percent, plus fifty ~~[per centum]~~ percent of the breaks; and

47 (ii) For any harness racing association or corporation other than one
48 described in subparagraph (i) of this paragraph: of total daily on-track
49 pools resulting from regular bets, one and one-half ~~[per centum]~~
50 percent, plus fifty ~~[per centum]~~ percent of the breaks; of total daily
51 on-track pools resulting from multiple bets, two ~~[per centum]~~ percent,
52 plus fifty ~~[per centum]~~ percent of the breaks; of total daily on-track
53 pools resulting from exotic bets, six and one-half ~~[per centum]~~ percent,
54 plus fifty ~~[per centum]~~ percent of the breaks; and of total daily
55 on-track pools resulting from super exotic bets, seven ~~[per centum]~~
56 percent, plus fifty ~~[per centum]~~ percent of the breaks.

1 b. The provisions of this subdivision shall not apply to an associ-
2 ation or corporation for any calendar year for which the [~~state racing~~
3 ~~and wagering board~~] commission certifies to the commissioner of taxation
4 and finance:

5 (i) by December fifteenth of the year immediately preceding such year,
6 that such association or corporation has been assigned for such year,
7 from the programs and races it requested, at least the minimum number of
8 programs and races prescribed in paragraph a of this subdivision, or, if
9 fewer than such number were assigned for such year, that the assignment
10 of such lesser number was for good cause due to factors beyond the
11 control of such association or corporation or because the [~~board~~]
12 commission found that it would be uneconomical or impractical for such
13 association or corporation to be assigned the prescribed number; and

14 (ii) by January thirty-first of the year immediately subsequent to
15 such year, that such association or corporation did conduct such number
16 of programs and races as were certified pursuant to subparagraph (i) of
17 this paragraph, or if it failed to conduct such number that such failure
18 was for good cause due to factors beyond its control or because the
19 [~~board~~] commission found it uneconomical or impractical for such associ-
20 ation or corporation to conduct such a number.

21 c. For any calendar year for which the [~~state racing and wagering~~
22 ~~board~~] commission does not certify pursuant to the provisions of subpar-
23 agraph (i) of paragraph b of this subdivision with respect to an associ-
24 ation or corporation, the tax imposed by this section shall be computed
25 by substituting the provisions of paragraph a of this subdivision for
26 the provisions of paragraph a or b, whichever is applicable, of subdivi-
27 sion one of this section and shall pay the tax so computed to the
28 commissioner of taxation and finance. In such computation and payment,
29 all other provisions of this section shall apply as if the provisions of
30 this paragraph and of paragraph a of this subdivision had been incorpo-
31 rated in whole in paragraph a or b, whichever is applicable, of subdivi-
32 sion one of this section.

33 d. For any calendar year for which the [~~state racing and wagering~~
34 ~~board~~] commission does not certify pursuant to the provisions of subpar-
35 agraph (ii) of paragraph b of this subdivision with respect to an asso-
36 ciation or corporation, the tax required to be paid hereunder for such
37 year shall be equal to the difference between the tax imposed pursuant
38 to the provisions of paragraph a of this subdivision and the tax imposed
39 pursuant to the provisions of paragraph a or b, whichever is applicable,
40 of subdivision one of this section, less one-half of such difference in
41 recognition of purses [~~which~~] that were required to be paid, plus an
42 additional amount equal to ten [~~per centum~~] percent of such tax in the
43 event of a willful failure to comply with the provisions of subparagraph
44 (ii) of paragraph b of this subdivision and such association or corpo-
45 ration shall pay the tax so computed to the commissioner of taxation and
46 finance on or before March fifteenth of the following year. Notwith-
47 standing the provisions of this subdivision, in the event that upon
48 appeal from the determination of the [~~state racing and wagering board~~]
49 commission that the certification provided in paragraph b of this subdivi-
50 sion will not be made, it is finally determined that [~~such board was~~
51 ~~erroneous~~] the commission erred in failing to so certify and that any
52 moneys received by the commissioner of taxation and finance under para-
53 graph c of this subdivision were paid in error, the same shall be
54 refunded at the rate of interest of six percent per annum. Payment of
55 such tax due, or the anticipation of such payment, shall not affect the
56 determination of purses in the year in which such tax arises or in the

1 year in which such payment is made nor shall such payment in any other
2 manner be considered in any statutory or ~~[contractural]~~ contractual
3 calculation of purse obligations.

4 e. Written notice of the certification of the ~~[board]~~ commission
5 pursuant to the provisions of paragraph b of this subdivision shall be
6 given by the ~~[board]~~ commission to the ~~[applicable]~~ applicable associ-
7 ation or corporation by the dates therein specified. In like manner,
8 written notice that such certification will not be made shall be given
9 by the ~~[board]~~ commission to the commissioner of taxation and finance
10 and the applicable association or corporation by such dates.

11 § 58. Section 319 of the racing, pari-mutuel wagering and breeding
12 law, as added by chapter 687 of the laws of 1983, subdivision 2 as
13 amended by chapter 532 of the laws of 1989, paragraph (a) of subdivision
14 2 as amended by chapter 2 of the laws of 1995 and subdivision 3 as
15 amended by chapter 116 of the laws of 2001, is amended to read as
16 follows:

17 § 319. Capital improvements. 1. ~~[Definitions.]~~ For the purposes of
18 this section, ~~[the following terms shall have the meanings set forth~~
19 ~~unless the context requires a different meaning:]~~

20 a. ~~"Board" shall mean the New York state racing and wagering board.~~

21 b. ~~"Capital]~~ "capital improvement" shall mean any addition to,
22 replacement of or remodeling of the physical plant, structures and
23 equipment now or hereafter owned or leased by a racing corporation or
24 association ~~[which]~~ that is used or is to be used by such corporation or
25 association in connection with the conduct of horse race meetings, and
26 shall include improvements to land but not land itself.

27 2. (a) Notwithstanding the provisions of section three hundred eigh-
28 teen of this article, a harness track, may elect upon thirty days writ-
29 ten notice to the ~~[racing and wagering board]~~ commission to withhold, in
30 addition to any other amounts required by this section, one ~~[per centum]~~
31 percent of the total deposits in pools resulting from regular and multi-
32 ple bets, provided, however, that any harness track withholding pursuant
33 to this subdivision shall use at least fifty percent of such one ~~[per~~
34 centum] percent exclusively for capital improvements as defined in
35 subdivision one of this section subject to the rules and regulations of
36 the ~~[racing and wagering board]~~ commission. An amount, not to exceed
37 fifty percent of such one ~~[per centum]~~ percent, may be used for adver-
38 tising and promotion expenses subject to the rules and regulations of
39 the ~~[board]~~ commission. Provided further, however, that if the harness
40 track was owned prior to December thirty-first, nineteen hundred eight-
41 y-five, by a nonprofit county agricultural society and leased by a
42 racing association such one ~~[per centum]~~ percent shall be paid by the
43 association to the society as additional rent. Such society shall use
44 such one ~~[per centum]~~ percent exclusively for capital improvements as
45 defined in subdivision one of this section subject to the rules and
46 regulations of the ~~[racing and wagering board]~~ commission. The capital
47 improvements shall be determined by a committee of the society composed
48 of the executive director of the society, the ~~[chairman]~~ chair of the
49 board of directors of the racing association, or his or her designee,
50 and the general manager of the racing association. For the purposes of
51 this paragraph the term "advertising" shall be limited to paid advertis-
52 ing through radio, television, the print media, direct mail or bill-
53 boards. Promotions shall mean activities ~~[which]~~ that are intended to
54 increase the attendance at, or visibility of, a harness track and shall
55 include premium ~~[give-aways]~~ giveaways, prizes, free admission, free
56 parking, free programs, additional monies for purses or other activities

1 of a promotional nature which stimulate on track attendance. In no event
2 shall this section be construed to permit the payment of salaries to
3 employees of such a harness track who are engaged in advertising or
4 promotional activities.

5 (b) At least once annually, prior to approving any plan for the
6 expenditure of such capital improvement funds pursuant to this section,
7 the ~~[board]~~ commission shall, together with the track operator and
8 representatives of the horsemen's organization representing owners and
9 trainers ~~[utilizing]~~ using the facility, inspect the entire facility,
10 including the area commonly referred to as the backstretch, in order to
11 determine whether the capital improvement plan submitted by the associ-
12 ation or corporation for ~~[board]~~ commission approval includes adequate
13 provision for expenditures relating to the continued health, safety and
14 well-being of patrons, backstretch personnel and the horses in their
15 care. After such inspection, if the ~~[board]~~ commission shall determine
16 that such proposed plan does not include adequate provision for repairs
17 and improvements necessary to correct any conditions that it has deter-
18 mined to be unsafe or otherwise deleterious to the health and safety of
19 patrons, employees or horses, the ~~[board]~~ commission shall require the
20 track operator to modify its capital improvement plan to provide for the
21 expenditure of funds for such repairs and improvements.

22 3. On or after July first, nineteen hundred ninety for a harness track
23 other than a harness track authorized to operate in Westchester or
24 Nassau county or a harness track owned by a non-profit county agricul-
25 tural society and leased by a harness racing association such amounts as
26 may be withheld for the purposes of this section shall be deposited in a
27 trust fund, kept and maintained by such corporation or association and
28 administered by a trustee approved by the ~~[racing and wagering board]~~
29 commission for the purpose of lending such sums and any interest thereon
30 on an unsecured basis to such corporation or association exclusively for
31 capital improvements as defined in subdivision one of this section. All
32 such amounts borrowed by such corporation or association from such trust
33 shall be forgiven and deemed satisfied according to a schedule of depre-
34 ciation deductions for federal and New York state income tax purposes
35 for such related capital improvements. It is further provided that at
36 such time as such corporation or association shall surrender its pari-
37 mutuel license or fail to apply for a pari-mutuel license for the
38 succeeding year by December thirty-first of the preceding year that the
39 ~~[racing and wagering board]~~ commission may declare the trust fund at an
40 end and all sums therein deposited plus all sums due or owing from such
41 corporation or association to such trust shall be disposed of in accord-
42 ance with provisions of law to be enacted for such purpose; except that
43 the ~~[racing and wagering board]~~ commission shall direct that such sums
44 therein deposited and all sums due and owing from such corporation or
45 association be transferred to the credit of a successor in interest to
46 such corporation or association upon the licensing of such successor in
47 interest by the ~~[board]~~ commission. Such trust shall be established and
48 administered pursuant to the rules and regulations of the ~~[racing and~~
49 ~~wagering board]~~ commission.

50 § 59. Section 320 of the racing, pari-mutuel wagering and breeding law
51 is amended to read as follows:

52 § 320. Revocation of license. The ~~[state racing and wagering board]~~
53 commission may revoke or suspend a license for the conduct of harness
54 race meetings at which pari-mutuel betting is conducted:

55 a. For any cause ~~[which]~~ that would permit or require its refusal to
56 issue a license, or

1 b. If it shall determine that: the corporation or association to which
2 such license shall have been issued, or its officers or directors, fail
3 to conduct racing at its track, including pari-mutuel betting on the
4 races thereat, in accordance with the terms and conditions of such
5 license, the rules of ~~[such board]~~ the commission or of the ~~[state tax~~
6 ~~commission]~~ department of taxation and finance, or the provisions of
7 sections two hundred twenty-two through seven hundred five of this chap-
8 ter, or if such corporation or association or its officers or directors
9 shall knowingly permit on its grounds or within the enclosure of its
10 racetrack, lotteries, pool-selling or bookmaking, or any other kind of
11 gambling, in violation of sections two hundred twenty-two through seven
12 hundred five of this chapter or of the penal law.

13 § 60. Section 321 of the racing, pari-mutuel wagering and breeding law
14 is amended to read as follows:

15 § 321. Hearing of refusal or revocation of license. If the ~~[state~~
16 ~~racing and wagering board shall refuse]~~ commission refuses to grant a
17 license applied for under sections two hundred twenty-two through seven
18 hundred five of this chapter, or ~~[shall revoke]~~ revokes or ~~[suspend]~~
19 suspends such a license granted by it, or ~~[shall impose]~~ imposes a mone-
20 tary fine upon a participant in harness racing the applicant or licensee
21 or party fined may demand, within ten days after notice of ~~[the said]~~
22 such act of the ~~[board]~~ commission, a hearing before the ~~[board]~~ commis-
23 sion and the ~~[board]~~ commission shall give prompt notice of a time and
24 place for such hearing at which the ~~[board]~~ commission will hear such
25 applicant or licensee or party fined in reference thereto. Pending such
26 hearing and final determination ~~[thereon]~~, the action of the ~~[board]~~
27 commission in refusing to grant or in revoking or suspending a license
28 or in imposing a monetary fine shall remain in full force and effect.
29 The ~~[board]~~ commission may continue such hearing from time to time for
30 the convenience of any of the parties. Any of the parties affected by
31 such hearing may be represented by counsel, and the ~~[board]~~ commission
32 may be represented by the attorney general, a deputy attorney general or
33 its counsel. In the conduct of such hearing the ~~[board]~~ commission shall
34 not be bound by technical rules of evidence, but all evidence offered
35 before the ~~[board]~~ commission shall be reduced to writing, and such
36 evidence together with the exhibits, if any, and the findings of the
37 ~~[board]~~ commission, shall be permanently preserved and shall constitute
38 the record of the ~~[board]~~ commission in such case. In connection with
39 such hearing, each member of the ~~[board]~~ commission shall have the power
40 to administer oaths and examine witnesses, and may issue subpoenas to
41 compel attendance of witnesses, and the production of all material and
42 relevant reports, books, papers, documents, correspondence and other
43 evidence. The ~~[board]~~ commission may, if occasion shall require, by
44 order, refer to one or more of its members or officers, the duty of
45 taking testimony in such matter, and to report thereon to the ~~[board]~~
46 commission, but no determination shall be made therein except by the
47 ~~[board]~~ commission. Within thirty days after the conclusion of such
48 hearing, the ~~[board]~~ commission shall make a final order in writing,
49 setting forth the reasons for the action taken by it and a copy thereof
50 shall be served on such applicant or licensee or party fined, as the
51 case may be. The action of the ~~[board]~~ commission in refusing to grant a
52 license or in revoking or suspending a license or in imposing a monetary
53 fine shall be reviewable in the supreme court in the manner provided by
54 the provisions of article seventy-eight of the civil practice law and
55 rules.

1 § 61. Section 322 of the racing, pari-mutuel wagering and breeding
2 law, as amended by chapter 18 of the laws of 2008, is amended to read as
3 follows:

4 § 322. Approval of plans of corporation or association. The [~~state~~
5 ~~racing and wagering board~~] commission shall not grant to a corporation
6 or association hereafter formed pursuant to sections two hundred twen-
7 ty-two through seven hundred five of this chapter, a license to conduct
8 a harness race meeting at which pari-mutuel betting may be conducted
9 within the state until such corporation or association shall have
10 submitted to the [~~board~~] commission a statement of the location of its
11 proposed grounds and racetrack, together with a plan of such racetrack,
12 and plans of all buildings, seating stands and other structures in such
13 form as the [~~board~~] commission may prescribe, and such plans shall have
14 been approved in writing by the [~~board~~] commission. Such plans shall
15 show that its paddock and barn areas can accommodate and serve the needs
16 of horses and horse trainers that participate in live racing at such
17 facility. Alterations or discontinuance of existing buildings, seating
18 stands and other structures, and the erection of new or additional
19 buildings, seating stands or other structures may be made only with the
20 prior written approval of the [~~board~~] commission and after examination
21 and inspection of the plans thereof and the issuance of a permit there-
22 for by the [~~state racing and wagering board~~] commission. The [~~board~~]
23 commission at the expense of the applicant may order such engineering
24 examination thereof as the [~~board~~] commission may deem necessary. The
25 approval of the certificate of incorporation of such corporation or
26 association shall not be deemed to vest in it the right to a license to
27 conduct harness race meetings at such race course or racetrack unless
28 such grounds, track, buildings, seating stands and other structures
29 shall be completed in accordance with the plans approved by the [~~board~~]
30 commission.

31 § 62. Section 324 of the racing, pari-mutuel wagering and breeding
32 law, as amended by chapter 370 of the laws of 2011, is amended to read
33 as follows:

34 § 324. Free or reduced fee passes, cards or badges. A corporation or
35 association licensed to conduct pari-mutuel betting on harness horse
36 races run at its racetrack may issue free passes, cards or badges to any
37 qualified person. A qualified person shall include, but need not be
38 limited to, officers and employees of the corporation or association
39 conducting the race meeting, members, officers, and employees of the
40 [~~state racing and wagering board~~] commission, members of harness racing
41 associations of other states and foreign countries, public officers
42 engaged in the performance of their duties, persons actually employed
43 and accredited by the press to attend such meetings, owners, stable
44 managers, trainers, drivers, concessionaires, spouses, domestic partners
45 and children of owners, trainers and drivers, other persons whose actual
46 duties require their presence at such racetrack, and any other person or
47 guest deemed appropriate by such corporation or association. In addi-
48 tion, free or reduced fee passes, cards or badges may be issued to the
49 general public or segments of the general public in connection with any
50 promotional campaign or marketing program sponsored by such corporation
51 or association to increase attendance at live race meets. The issuance
52 of free passes, cards or badges shall be under the rules and regulations
53 of the [~~state racing and wagering board~~] commission.

54 § 63. Subdivisions 1 and 2 of section 330 of the racing, pari-mutuel
55 wagering and breeding law, subdivision 1 as amended and subdivision 2 as

1 added by section 12 of part A of chapter 60 of the laws of 2012, are
2 amended to read as follows:

3 1. There is hereby created within the state gaming commission the
4 "agriculture and New York state horse breeding development fund". Such
5 fund shall be a body corporate and politic constituting a public benefit
6 corporation. It shall be administered by a board of directors consisting
7 of the ~~[chairman]~~ chair of the ~~[state-gaming]~~ commission or his or her
8 designee, the commissioner of agriculture and markets, and three members
9 appointed by the governor, all of whom are experienced or have been
10 actively engaged in the breeding of standardbred horses in New York
11 state, one upon the recommendation of the temporary president of the
12 senate and one upon the recommendation of the speaker of the assembly.
13 The governor shall designate the chair from among the sitting members of
14 such board of directors, who shall serve as such at the pleasure of the
15 governor. Appointed members shall serve for a term of four years and
16 shall continue to hold office until their successors are appointed and
17 qualified. The members of the board of directors of the fund shall
18 receive no compensation from the fund for their services as such members
19 but shall be reimbursed by the fund for the expenses actually and neces-
20 sarily ~~[incurred by them]~~ they incur in the performance of their duties
21 under sections two hundred twenty-two through seven hundred five of this
22 chapter. Such fund shall have perpetual existence and shall exercise all
23 powers authorized by this chapter and reasonably necessary for accom-
24 plishing its purposes. Such powers shall be exercised in the name of the
25 fund.

26 2. The board of directors of the fund may delegate to one or more of
27 the members or officers of the fund such powers and duties as it may
28 deem proper and shall ~~[utilize]~~ use, pursuant to a contract or memoran-
29 dum of understanding approved by the director of the budget, the service
30 employees of the ~~[state-gaming]~~ commission and the state office of
31 racing promotion and development.

32 § 64. Section 401 of the racing, pari-mutuel wagering and breeding law
33 is amended to read as follows:

34 § 401. General powers of ~~[state racing and wagering board]~~ commission.

35 1. Pursuant to the provisions of sections two hundred twenty-two through
36 seven hundred five of this chapter, the ~~[state racing and wagering~~
37 ~~board]~~ commission shall have power to supervise generally all quarter
38 horse race meetings in this state at which pari-mutuel betting is
39 conducted. The ~~[board]~~ commission may adopt rules and regulations not
40 inconsistent with sections two hundred twenty-two through seven hundred
41 five of this chapter to carry into effect its purposes and provisions
42 and to prevent circumvention or evasion thereof. In order that the rules
43 of quarter horse racing may be uniform throughout the United States, the
44 ~~[board]~~ commission may adopt the rules and regulations of the American
45 Quarter Horse Association, in whole or in part, and may adopt such other
46 or different rules as it deems necessary to carry into effect the
47 purposes and provisions of sections two hundred twenty-two through seven
48 hundred five of this chapter.

49 2. Without limiting the generality of the foregoing, and in addition
50 to its other powers:

51 a. The ~~[state racing and wagering board]~~ commission shall have power
52 to fix minimum and maximum charges for admission to quarter horse race
53 meetings at which pari-mutuel betting is conducted provided, however,
54 that the ~~[state racing and wagering board]~~ commission shall have power
55 to fix the charge for admission of members of the armed forces of the

1 United States in uniform at one-half of the amount fixed for such admis-
2 sion generally under authority of this section.

3 b. The [~~state racing and wagering board~~] commission shall prescribe
4 rules and regulations for effectually preventing the use of improper
5 devices, the administration of drugs or stimulants or other improper
6 acts for the purpose of affecting the speed of quarter horses in any
7 race in which they are about to participate.

8 c. The rules of the [~~board~~] commission shall also provide that all
9 winning pari-mutuel tickets must be presented for payment before April
10 first of the year following the year of their purchase and failure to
11 present any such ticket within the prescribed period of time shall
12 constitute a waiver of the right to participate in the award or divi-
13 dend.

14 d. The [~~board~~] commission shall have power in its discretion, consist-
15 ent with the powers of the [~~state tax commission~~] department of taxation
16 and finance, to prescribe uniform methods of keeping accounts, records
17 and books to be observed by associations or corporations licensed under
18 the provisions of this article or by any association or corporation
19 [~~which~~] that owns stock in, or shares in the profits, or participates in
20 the management or affairs of, such licensed association or corporation,
21 or by any person, firm, association or corporation holding any conces-
22 sion, right or privilege to perform any service or sell any article at
23 any track at which pari-mutuel quarter horse racing meets are conducted.
24 The [~~board~~] commission may also in its discretion, consistent with the
25 powers of the [~~state tax commission~~] department of taxation and finance,
26 prescribe by order forms of accounts, records and memoranda to be kept
27 by such persons, firms, associations or corporations. The [~~board~~]
28 commission shall have power to visit, investigate, and place expert
29 accountants, or such other persons as it may deem necessary, in the
30 offices, tracks or other places of business of any such person, firm,
31 association or corporation for the purpose of seeing that the provisions
32 of sections two hundred twenty-two through seven hundred five of this
33 chapter and rules and regulations issued by the [~~board~~] commission ther-
34 eunder are strictly complied with. Such persons, firms, associations or
35 corporations shall annually file with the [~~board~~] commission, on such
36 date as the [~~board~~] commission shall prescribe, a report showing their
37 financial condition and financial transactions during the fiscal year,
38 including a balance sheet and a profit and loss statement, verified by
39 the oath of at least two of its principal officers, if it be an associ-
40 ation or corporation having officers, and by one or more of the owners
41 or proprietors thereof if not an association or corporation. The report
42 shall be in such form and contain such other matters as the [~~board~~]
43 commission may determine from time to time to be necessary to disclose
44 accurately the financial condition and operation of such persons, firms,
45 associations or corporations during the preceding fiscal year. The
46 [~~board~~] commission may for good cause shown grant a reasonable extension
47 of time for the filing of any such report.

48 § 65. The second undesignated paragraph of section 402 of the racing,
49 pari-mutuel wagering and breeding law is amended to read as follows:

50 No certificate of incorporation under this section shall hereafter be
51 filed without the approval of the [~~state racing and wagering board~~]
52 commission indorsed thereon or annexed thereto.

53 § 66. Section 403 of the racing, pari-mutuel wagering and breeding law
54 is amended to read as follows:

55 § 403. Filing of information concerning stock transfers; necessity for
56 [~~board's~~] commission approval. 1. Whenever there is a transfer of stock

1 of any association or corporation [~~which~~] that is licensed under this
2 article, or of any association or corporation [~~which~~] that leases to
3 such licensee the track at [~~which~~] that it conducts pari-mutuel quarter
4 horse races, or which owns twenty-five percent or more of the stock of
5 such licensee [~~shall be made~~], there shall be filed simultaneously with
6 the association or corporation [~~which~~] that issued such stock the
7 following:

8 a. In duplicate, an affidavit executed by the transferee stating that
9 he or she is to be the sole beneficial owner thereof, and whether or not
10 he or she (i) has been convicted of a crime involving moral turpitude,
11 (ii) has been engaged in bookmaking or other forms of illegal gambling,
12 (iii) has been found guilty of any fraud or misrepresentation in
13 connection with racing or breeding, (iv) has been guilty of any
14 violation or attempt to violate any law, rule or regulation of any
15 racing jurisdiction for which suspension from racing might be imposed in
16 such jurisdiction, or (v) has violated any rule, regulation or order of
17 the [~~board~~] commission; if the transferee is not, or is not to be, the
18 sole beneficial owner thereof, then there shall be annexed to said affi-
19 davit of the transferee, and expressly stated in such affidavit to be
20 deemed a part thereof, a true and complete copy, or if oral, a complete
21 statement of all the terms, of the agreement or understanding pursuant
22 to which the stock is to be so held by the transferee, including a
23 detailed statement of the interest therein of each person who is to have
24 any interest therein; and at the same time.

25 b. In duplicate, an affidavit executed by each person for whom the
26 said stock, or any interest therein, is to be held by said transferee,
27 setting forth whether or not the affiant (i) has been convicted of a
28 crime involving moral turpitude, (ii) has engaged in bookmaking or other
29 forms of illegal gambling, (iii) has been found guilty of any fraud or
30 misrepresentation in connection with racing or breeding, (iv) has been
31 guilty of any violation or attempt to violate any law, rule or regu-
32 lation of any racing jurisdiction for which suspension from racing might
33 be imposed in such jurisdiction, or (v) has violated any rule, regu-
34 lation or order of the [~~board~~] commission; to each of which affidavits
35 shall be annexed, and expressly stated in such affidavit to be deemed a
36 part thereof, a true and complete copy, or if oral, a complete statement
37 of all the terms of the agreement or understanding pursuant to which the
38 stock is to be so held by the transferee, including a detailed statement
39 of the interest therein of each person who is to have any interest ther-
40 ein.

41 c. Said association or corporation shall forthwith file with the
42 [~~board~~] commission one of each of said duplicate affidavits.

43 2. If, after the filing of any affidavit [~~hereinabove~~] required to be
44 filed by subdivision one of this section, there [~~be~~] is any change in
45 the status of any such affiant with respect to any of the matters set
46 forth in [~~subparagraph (i), (ii), (iii), (iv) or (v)~~] paragraph a or b
47 of subdivision one of this section, of the affidavit [~~theretofore~~] filed
48 by [~~him~~] such affiant, then such affiant shall forthwith file with the
49 association or corporation with which his or her affidavit was so filed
50 a new affidavit, executed by him or her in duplicate, setting forth such
51 change of status, and the association or corporation shall forthwith
52 file one of said affidavits with the [~~board~~] commission.

53 3. Whenever any change shall be made in the amount, nature, or other-
54 wise, of the interest of any person having an interest in stock of any
55 such association or corporation, or any new interest shall be created
56 therein, without a transfer thereof as [~~hereinabove~~] provided in this

1 section, the record owner of such stock, and each person whose interest
2 therein has been so attempted to be changed or created, shall file with
3 the association or corporation ~~[which]~~ that issued such stock, in dupli-
4 cate, affidavits as provided by paragraphs a and b of subdivision one of
5 this section, except that such affidavits need not include the matters
6 referred to in ~~[subparagraphs (i), (ii), (iii), (iv) and (v)]~~ paragraph
7 a or b of subdivision one of this section, unless then required pursuant
8 to subdivision two of this section, and one copy thereof shall forthwith
9 be filed by the association or corporation with the ~~[board]~~ commission.

10 4. The ~~[board]~~ commission may, upon application to it for good cause
11 shown, waive compliance with subdivisions one, two and three of this
12 section.

13 5. If the ~~[board]~~ commission determines that it is inconsistent with
14 the public interest, convenience or necessity, or with the best inter-
15 ests of racing generally, that any person continue to be a stockholder
16 of record or the beneficial owner of any interest in stock standing in
17 the name of another, in any association or corporation licensed under
18 this article, or of any association or corporation ~~[which]~~ that leases
19 to such licensee the track at which it conducts pari-mutuel quarter
20 horse racing or ~~[which]~~ that owns twenty-five percent or more of the
21 stock of such licensee, the ~~[board]~~ commission shall have full power and
22 authority to order or direct each such stockholder or beneficial owner
23 irrespective of the time when such stockholder or beneficial owner
24 acquired his or her stock or interest therein to dispose of such stock
25 or interest within a period of time to be specified by the ~~[board]~~
26 commission, which period the ~~[board]~~ commission shall have full power
27 and authority to extend from time to time.

28 6. If the ~~[board]~~ commission shall make any order or direction as
29 provided in subdivision five of this section, the person aggrieved
30 thereby shall be given notice of the time and place of a hearing before
31 the ~~[board]~~ commission at which the board will hear such person in
32 reference thereto. The action of the ~~[board]~~ commission in making any
33 such order or direction shall be reviewable in the courts of this state
34 in the manner provided by, and subject to the provisions of article
35 seventy-eight of the civil practice law and rules.

36 7. Upon application of the ~~[board]~~ commission, the supreme court of
37 this state shall have jurisdiction to issue final orders, on notice and
38 after hearing, commanding any person to comply with the provisions of
39 the orders or directions issued by the ~~[board]~~ commission under subdivi-
40 sion five of this section.

41 8. In case of conflict between this section and article eight of the
42 uniform commercial code, this section shall control.

43 § 67. Section 404 of the racing, pari-mutuel wagering and breeding law
44 is amended to read as follows:

45 § 404. Right to hold quarter horse race meetings and races. Any corpo-
46 ration formed under the provisions of the pari-mutuel revenue law, and
47 any corporation and association ~~[which]~~ that shall have conducted quar-
48 ter horse race meetings during two years prior to the enactment of the
49 pari-mutuel revenue law, and any town or county fair association or
50 other fair association shall have the power and the right to hold one or
51 more quarter horse race meetings in each year and to hold, maintain and
52 conduct quarter horse races at such meetings. At such quarter horse race
53 meetings the corporation or association, or the owners of horses engaged
54 in such races, or others who are not participants in the race, may
55 contribute purses, prizes, premiums or stakes to be contested for, but
56 no person or persons other than the owner or owners of a horse or horses

1 contesting in a race shall have any pecuniary interest in a purse,
2 prize, premium or stake contested for in such race, or be entitled to or
3 receive any portion thereof after such race is finished, and the whole
4 of such purse, prize, premium or stake shall be allotted in accordance
5 with the terms and conditions of such race. [~~Such meeting shall not be~~
6 ~~held except during the period extending from the first day of January to~~
7 ~~the thirty-first day of December, inclusive in each year.~~] Such power
8 and right, however, shall not include the right to conduct pari-mutuel
9 betting at such quarter horse race meetings except pursuant to license
10 granted by the [~~state racing and wagering board~~] commission pursuant to
11 sections two hundred twenty-two through seven hundred five of this chap-
12 ter.

13 § 68. Section 405 of the racing, pari-mutuel wagering and breeding law
14 is amended to read as follows:

15 § 405. Pari-mutuel betting at quarter horse races. No more than five
16 corporations or associations shall be licensed by the [~~state racing and~~
17 ~~wagering board~~] commission in any one year to conduct a pari-mutuel meet
18 or meets. Said pari-mutuel betting conducted at such meetings shall be
19 under the general supervision and control of the [~~state racing and~~
20 ~~wagering board~~] commission which shall make rules regulating the conduct
21 of such pari-mutuel betting in accordance with the provisions of
22 sections two hundred twenty-two through seven hundred five of this chap-
23 ter. The [~~state tax commission~~] department of taxation and finance is
24 charged with the financial administration of pari-mutuel betting as
25 prescribed in this article and as supplemented by the rules and regu-
26 lations of the [~~board~~] commission. The [~~state tax commission~~] department
27 of taxation and finance shall have authority to prescribe the forms and
28 the system of accounting to be employed, and through its representatives
29 shall at all times have power of access to and examination of any equip-
30 ment relating to such betting.

31 § 69. Section 407 of the racing, pari-mutuel wagering and breeding law
32 is amended to read as follows:

33 § 407. Licenses for quarter horse race meetings. 1. Any association or
34 corporation desiring to conduct quarter horse race meetings at which
35 pari-mutuel betting shall be permitted may apply annually to the [~~state~~
36 ~~racing and wagering board~~] commission for a license so to do. If, in the
37 judgment of [~~such board~~] the commission the public interest, convenience
38 or necessity will be served thereby and a proper case for the issuance
39 of such license is shown consistent with the purposes of sections two
40 hundred twenty-two through seven hundred five of this chapter and the
41 best interests of racing generally, [~~it~~] the commission may grant such
42 license for a time ending not later than the thirty-first day of Decem-
43 ber next, specifying dates and hours during which and the place where
44 the licensee may operate.

45 2. Every such license shall be issued upon condition:

46 a. [~~That~~] that every quarter horse race meeting at which pari-mutuel
47 betting is conducted shall be subject to the supervision of and to the
48 reasonable rules and regulations from time to time prescribed by the
49 [~~state racing and wagering board~~] commission, and

50 b. [~~That~~] that pari-mutuel betting conducted thereunder shall also be
51 subject to the supervision of and to the reasonable regulations from
52 time to time prescribed by the [~~state tax commission~~] department of
53 taxation and finance. Any such license may also be issued upon any other
54 condition that the [~~state racing and wagering board~~] commission shall
55 determine to be necessary or desirable to insure that the public inter-
56 est, convenience or necessity is served.

1 3. Applications for licenses shall be in such form as may be
2 prescribed by the ~~[board]~~ commission and shall contain such information
3 or other material or evidence as the ~~[board]~~ commission may require.
4 Each application for renewal of a license shall be deemed to be an
5 application for a new license. The fee for such licenses shall be one
6 hundred dollars for each racing day payable in installments in advance
7 of each week's racing which sums shall be paid into the general fund of
8 the state treasury by the ~~[board]~~ commission. The term "racing week"
9 shall include those days as defined by the rules and regulations of the
10 ~~[state racing and wagering board]~~ commission.

11 4. In considering an application for a license under this section the
12 ~~[state racing and wagering board]~~ commission may give consideration to
13 the number of licenses already granted and to the location of the tracks
14 previously licensed. No such license shall be granted to any track
15 located within the corporate limits of a city of the first class. No
16 such license shall be granted to any quarter horse racetrack located
17 within fifty miles of any existing harness, thoroughbred or quarter
18 horse track except with the consent of the licensee located within such
19 ~~[fifty-mile]~~ fifty-mile area, provided, however, that in the counties of
20 Suffolk, Niagara and Albany such license shall be granted to any quarter
21 horse racetrack located more than thirty-five miles from any existing
22 harness, thoroughbred or quarter horse track, except with the consent of
23 the licensee located within such thirty-five mile area.

24 5. The ~~[board]~~ commission may refuse to grant a license to an associ-
25 ation or corporation if ~~[it shall determine]~~ the commission determines
26 that:

27 a. any officer, director, member or stockholder of such association or
28 corporation applying for a license, or of any association or corporation
29 ~~[which]~~ that owns stock or shares in the profits or participates in the
30 management, of the affairs of such applicant, or ~~[which]~~ that leases to
31 such applicant the track where ~~[it]~~ such applicant shall operate has:

- 32 (i) ~~[has]~~ has been convicted of a crime involving moral turpitude;
33 (ii) ~~[has]~~ has engaged in bookmaking or other forms of illegal gambling;
34 (iii) ~~[has]~~ has been found guilty of any fraud or misrepresentation in
35 connection with racing or breeding;
36 (iv) ~~[has]~~ has been guilty of any violation or attempt to violate any law,
37 rule or regulation of any racing jurisdiction for which suspension from
38 racing might be imposed in such jurisdiction; or
39 (v) ~~[has]~~ has violated any rule, regulation or order of the ~~[board]~~
40 commission; or

41 b. the experience, character or general fitness of any officer, direc-
42 tor or stockholder of any of the aforesaid associations or corporations
43 is such that the participation of such person in quarter horse racing or
44 related activities would be inconsistent with the public interest,
45 convenience or necessity or with the best interests of racing generally;
46 but if the ~~[board]~~ commission determines that the interest of any stock-
47 holder referred to in this paragraph or in paragraph a of this subdivi-
48 sion is insufficient in the opinion of the ~~[board]~~ commission to affect
49 adversely the conduct of pari-mutuel quarter horse racing by such asso-
50 ciation or corporation in accordance with the provisions of this arti-
51 cle, the ~~[board]~~ commission may disregard such interest in determining
52 whether or not to grant a license to such association or corporation; or

53 c. the applicant is not the owner of the track at which it will
54 conduct pari-mutuel quarter horse racing pursuant to the license applied
55 for, or that any person, firm, association or corporation other than the
56 applicant shares, or will share, in the profits of the applicant, other

1 than by dividends as a stockholder, or participates or will participate
2 in the management of the affairs of the applicant.

3 6. The [~~board~~] commission shall also have power to refuse to grant a
4 license:

5 a. to any association or corporation, the charter or certificate of
6 incorporation of which shall fail to contain a provision requiring any
7 stockholder, upon written demand of the association or corporation, to
8 sell his or her stock to the association or corporation at a price to be
9 fixed in the manner provided in article five of the business corporation
10 law, provided such demand be made pursuant to written direction of the
11 [~~board~~] commission; and from and after the date of the making of such
12 demand, prohibiting the transfer of such certificate of stock, except to
13 the association or corporation; or

14 b. to any association or corporation [~~which~~] that, having been a
15 licensee, has failed in the opinion of the [~~board~~] commission to proper-
16 ly maintain its track and plant in good condition or has failed to make
17 adequate provision for rehabilitation and capital improvements to its
18 track and plant.

19 7. Pending final determination of any question under this section, the
20 [~~board~~] commission may issue a temporary license upon such terms and
21 conditions as it may deem necessary, desirable or proper to effectuate
22 the provisions of sections two hundred twenty-two through seven hundred
23 five of this chapter.

24 8. Notwithstanding any other provision of this article, the [~~state~~
25 ~~racing and wagering board~~] commission may grant a license to any author-
26 ized quarter horse racing association or corporation to hold and conduct
27 one additional quarter horse race meeting of not more than one racing
28 week's duration, with pari-mutuel betting, on any quarter mile track
29 within this state.

30 9. The [~~board~~] commission shall have power to direct that every
31 certificate of stock of any association or corporation licensed under
32 the provisions of sections two hundred twenty-two through seven hundred
33 five of this chapter shall bear a legend plainly and prominently
34 imprinted upon the face of the certificate reading: "This certificate of
35 stock is transferable only subject to the provisions of section four
36 hundred three of the racing, pari-mutuel wagering and breeding law".

37 § 70. Section 408 of the racing, pari-mutuel wagering and breeding law
38 is amended to read as follows:

39 § 408. Officials at quarter horse race meetings. At all quarter horse
40 race meetings licensed by the [~~state racing and wagering board~~] commis-
41 sion in accordance with provisions of sections two hundred twenty-two
42 through seven hundred five of this chapter, qualified judges and start-
43 ers shall be designated by the [~~state racing and wagering board~~] commis-
44 sion. Such officials shall enforce the rules and regulations of the
45 [~~state racing and wagering board~~] commission and shall render regular
46 written reports of the activities and conduct of such race meetings to
47 the [~~state racing and wagering board~~] commission.

48 § 71. Section 409 of the racing, pari-mutuel wagering and breeding
49 law, subdivision 1 as amended by chapter 164 of the laws of 2003, is
50 amended to read as follows:

51 § 409. Licenses for participants and employees at quarter horse race
52 meetings. 1. For the purpose of maintaining a proper control over quar-
53 ter horse race meetings conducted pursuant to sections two hundred twen-
54 ty-two through seven hundred five of this chapter, the [~~state racing and~~
55 ~~wagering board~~] commission may license jockeys or riders and such other
56 persons participating in quarter horse race meets, as the [~~board~~]

1 ~~commission~~ may by rule prescribe, including, if the ~~[board-deem]~~ commis-
2 sion deems it necessary ~~[so]~~ to do so, owners, and some or all persons
3 exercising their occupation or employed at quarter horse race meets.
4 Each applicant for a license shall pay to the ~~[board]~~ commission an
5 annual license fee as follows: owner's license, if a renewal, fifty
6 dollars, and if an original application, one hundred dollars; trainer's
7 license, twenty dollars; assistant trainer's license, twenty dollars;
8 jockey's license, fifty dollars; jockey agent's license, twenty dollars;
9 farrier's license, twenty dollars; and stable employee's license, five
10 dollars. Such fees shall be paid to the ~~[board]~~ commission and by it
11 paid into the state treasury. The ~~[board]~~ commission may by rule fix the
12 license fees to be paid by other persons required to be licensed by the
13 rules of the ~~[board]~~ commission, not to exceed twenty dollars per cate-
14 gory. All such licenses, unless revoked for cause, shall be for the
15 period of no more than one, two or three years, as determined by rule of
16 the ~~[board]~~ commission, expiring on the applicant's birth date. Licenses
17 current on the effective date of this provision shall not be reduced in
18 duration by this provision. An applicant who applies for a license that,
19 if issued, would take effect less than six months prior to the appli-
20 cant's birth date may, by payment of a fifty percent higher fee, receive
21 a license ~~[which]~~ that shall not expire until the applicant's second
22 succeeding birth date. For each category of license, the applicant may
23 apply for a ~~[two]~~ two- or ~~[three-year]~~ three-year license by payment to
24 the ~~[board]~~ commission of the appropriate multiple of the annual fee.
25 The applications for licenses shall be in writing, accompanied by fing-
26 erprints and a photograph of the applicant, and shall be in such form,
27 and contain such other information, as the ~~[board]~~ commission may
28 require. Such fingerprints shall be submitted to the division of crimi-
29 nal justice services for a state criminal history record check, as
30 defined in subdivision one of section three thousand thirty-five of the
31 education law, and may be submitted to the federal bureau of investi-
32 gation for a national criminal history record check.

33 Every person employed by such association or corporation licensed to
34 conduct pari-mutuel quarter horse racing, including officers and direc-
35 tors thereof, whether or not such person be licensed, shall file finger-
36 prints and a photograph with the ~~[board]~~ commission within thirty days
37 after being so employed or taking such office. Every person employed
38 after January first, nineteen hundred seventy-one, by such association
39 or corporation, including officers and directors thereof, whether or not
40 such person be licensed, shall file fingerprints and a photograph with
41 the ~~[board]~~ commission within ten days after such employment or after
42 taking such office. The fingerprints so obtained from applicants for
43 licenses and from employees not to be licensed shall be forthwith trans-
44 mitted by the ~~[board]~~ commission to the division of criminal justice
45 services and may also be submitted to the federal bureau of investi-
46 gation or any other government agency having facilities for checking
47 fingerprints for the purpose of establishing the identity and the previ-
48 ous criminal record, if any, of such person and such agency shall
49 promptly report its findings to the ~~[board]~~ commission in writing.

50 2. If the ~~[board-shall-find]~~ commission finds that the experience,
51 character and general fitness of the applicant are such that the partic-
52 ipation of such person in quarter horse race meets will be consistent
53 with the public interest, convenience and necessity and with the best
54 interests of racing generally in conformity with the purposes of
55 sections two hundred twenty-two through seven hundred five of this chap-
56 ter, ~~[it]~~ the commission may ~~[thereupon]~~ grant a license.

1 Without limiting the generality of the foregoing, the ~~[board]~~ commis-
2 sion may refuse to issue a license, pursuant to this section, if ~~[it~~
3 ~~shall find]~~ the commission finds that the applicant has:

4 a. ~~[Has]~~ been convicted of a crime involving moral turpitude;
5 b. ~~[Has]~~ engaged in bookmaking or other form of illegal gambling;
6 c. ~~[Has]~~ been found guilty of any fraud or misrepresentation in
7 connection with racing or breeding;

8 d. ~~[Has]~~ been found guilty of any violation or attempt to violate any
9 law, rule or regulation of racing in any jurisdiction for which suspen-
10 sion from racing might be imposed in such jurisdiction; or

11 e. ~~[Who has]~~ violated any rule, regulation or order of the ~~[board]~~
12 commission. The ~~[board]~~ commission may suspend or revoke a license
13 issued pursuant to this section if ~~[it shall determine]~~ the commission
14 determines that (i) the applicant or licensee (1) has been convicted of
15 a crime involving moral turpitude; (2) has engaged in bookmaking or
16 other form of illegal gambling; (3) has been found guilty of any fraud
17 in connection with racing or breeding; (4) has been guilty of any
18 violation or attempt to violate any law, rule or regulation of any
19 racing jurisdiction for which suspension from racing might be imposed in
20 such jurisdiction; or (5) ~~[who]~~ has violated any rule, regulation or
21 order of the ~~[board]~~ commission, or (ii) ~~[that]~~ the experience, charac-
22 ter or general fitness of any applicant or licensee is such that the
23 participation of such person in quarter horse racing or related activ-
24 ities would be inconsistent with the public interest, convenience or
25 necessity or with the best interests of racing generally.

26 3. Pending final determination of any question under this section, the
27 ~~[board]~~ commission may issue a temporary license upon such terms and
28 conditions as ~~[it]~~ the commission may deem necessary, desirable or prop-
29 er to effectuate the provisions of sections two hundred twenty-two
30 through seven hundred five of this chapter.

31 § 72. Section 410 of the racing, pari-mutuel wagering and breeding
32 law, as amended by chapter 240 of the laws of 2010, is amended to read
33 as follows:

34 § 410. Power of ~~[state racing and wagering board]~~ commission to impose
35 fines and penalties. ~~[In]~~ The commission, in addition to its powers to
36 suspend or revoke licenses granted by it, ~~[the state racing and wagering~~
37 ~~board]~~ is hereby authorized and empowered to impose monetary fines upon
38 any corporation, association or person participating in any way in any
39 quarter horse race meet at which pari-mutuel betting is conducted, other
40 than as a patron, and whether licensed by the ~~[board]~~ commission or not,
41 for a violation of any provision of this chapter or the rules promulgat-
42 ed by the ~~[board]~~ commission pursuant thereto, not exceeding ~~[twenty-~~
43 ~~five thousand dollars for each violation]~~ the amounts set forth in
44 section one hundred sixteen of this chapter. The ~~[board]~~ commission is
45 further authorized and empowered to impose monetary fines, not exceeding
46 ~~[twenty-five thousand dollars for each violation]~~ the amounts set forth
47 in section one hundred sixteen of this chapter, upon any such corpo-
48 ration, association or person for a violation of any order issued by the
49 ~~[board]~~ commission pursuant to the provisions of this chapter or the
50 rules promulgated by the ~~[board]~~ commission pursuant thereto, provided
51 that a copy of such order shall have been served, either personally or
52 by registered mail, upon the corporation, association or person to whom
53 the same was directed, prior to the occurrence of the violation for
54 which such fine is imposed. Such fines shall be paid into the treasury
55 of the state. The action of the ~~[board]~~ commission in imposing any mone-
56 tary fine shall be reviewable in the supreme court in the manner

1 provided by and subject to the provisions of article seventy-eight of
2 the civil practice law and rules.

3 § 73. Section 411 of the racing, pari-mutuel wagering and breeding law
4 is amended to read as follows:

5 § 411. Refunds. Moneys received by the ~~[board]~~ commission pursuant to
6 this article may within one year from the receipt thereof be refunded to
7 the party for whose account the same were received on proof satisfactory
8 to the ~~[board]~~ commission that:

9 1. ~~[Such]~~ such moneys were in excess of the amount required by law~~[-]~~;

10 2. ~~[The]~~ the license for which application was made has been refused
11 by the ~~[board-]~~ commission;

12 3. ~~[Such]~~ such moneys were received as a fine and the ~~[board]~~ commis-
13 sion has after review reduced the amount of such fine~~[-]~~; or

14 4. ~~[Upon appeal, the court]~~ upon judicial review, a court of competent
15 jurisdiction reduced or remitted the fine imposed.

16 Such refunds shall, upon approval by the ~~[board]~~ commission and after
17 audit by the comptroller, be paid from any moneys in the custody of the
18 department of taxation and finance received pursuant to this article.

19 § 74. Subdivision 2 of section 412 of the racing, pari-mutuel wagering
20 and breeding law, as amended by chapter 476 of the laws of 2018, is
21 amended to read as follows:

22 2. Any appointment of a special police officer under this section,
23 shall ~~[only]~~ be made only with the approval of the ~~[state racing and~~
24 ~~wagering board]~~ commission. Application for such approval shall be in
25 such form as may be prescribed by the ~~[board]~~ commission and shall
26 contain such other information or material or evidence as the ~~[board]~~
27 commission shall require. In acting on an application for such approval
28 the ~~[board]~~ commission shall consider the background, experience, integ-
29 rity, and competence of the candidate for appointment, the public inter-
30 est, convenience or necessity and the interests of quarter horse racing
31 generally. The ~~[board]~~ commission in its discretion may set the term of
32 any such appointment, terminate any existing appointment at any time and
33 prescribe conditions and rules for the conduct of such office.

34 § 75. Section 413 of the racing, pari-mutuel wagering and breeding law
35 is amended to read as follows:

36 § 413. Place and manner of conducting pari-mutuel betting. Any corpo-
37 ration or association licensed to conduct pari-mutuel betting at a quar-
38 ter horse race meeting shall provide a place or places within race meet-
39 ing grounds or enclosure at which such licensee shall conduct the
40 pari-mutuel system of betting by its patrons on the result of the quar-
41 ter horse races at such meetings. Such licensee shall cause to be
42 erected a sign or board upon which shall be displayed the approximate
43 straight odds on each horse in any race; the total amount wagered upon
44 each horse in each pool; the value of a ~~[two-dollar]~~ two-dollar winning
45 mutuel ticket, straight, place or show on the first three horses in any
46 race; the elapsed time of the race; the value of a ~~[two-dollar]~~ two-dol-
47 lar winning daily double ticket, if a daily double ~~[be]~~ is conducted,
48 and any other information that the ~~[state racing and wagering board]~~
49 commission may deem necessary for the guidance of the general public.
50 All machines and equipment used for pari-mutuel betting or for the
51 display of the foregoing information must be approved by the ~~[state~~
52 ~~racing and wagering board]~~ commission and the ~~[state tax commission]~~
53 department of taxation and finance before being used, but neither the
54 ~~[board]~~ commission nor the ~~[commission]~~ department of taxation and
55 finance shall require the installation of any particular make of mechan-
56 ical or electrical equipment.

1 § 76. Section 415 of the racing, pari-mutuel wagering and breeding law
2 is amended to read as follows:

3 § 415. Bond required of corporation or association conducting pari-mu-
4 tuel betting. Every corporation or association licensed by the [~~state~~
5 ~~racing and wagering board~~] commission to conduct quarter horse race
6 meetings at which pari-mutuel betting shall be permitted, annually and
7 before the opening of any race meeting shall execute and file with the
8 state comptroller a bond to this state in a penalty to be fixed by the
9 [~~state tax commission~~] department of taxation and finance not exceeding
10 two hundred fifty thousand dollars, with sureties approved by the attor-
11 ney general, that it will keep its books and records and make reports as
12 required by sections two hundred twenty-two through seven hundred five
13 of this chapter, that it will pay to the state all taxes imposed by
14 sections two hundred twenty-two through seven hundred five of this chap-
15 ter, that it will distribute to the patrons of pari-mutuel pools
16 conducted by it all sums due upon presentation of winning tickets held
17 by them, and that it will otherwise comply with all of the provisions of
18 sections two hundred twenty-two through seven hundred five of this chap-
19 ter and with the rules and regulations prescribed by the [~~state racing~~
20 ~~and wagering board~~] commission and the [~~state tax commission~~] department
21 of taxation and finance.

22 § 77. Section 417 of the racing, pari-mutuel wagering and breeding law
23 is amended to read as follows:

24 § 417. Filing of certain agreements with [~~state racing and wagering~~
25 ~~board~~] commission. Every association or corporation licensed to conduct
26 quarter horse race meetings at which pari-mutuel betting is permitted
27 shall promptly after entering into any lease, agreement concerning any
28 concession, labor management relations, the hiring of designated classes
29 of officers, employees or contractors specified by the [~~board~~] commis-
30 sion or any such other contract, agreement or arrangement as the [~~board~~]
31 commission may from time to time prescribe file with the [~~board~~] commis-
32 sion a true and correct copy, or an accurate summary, if oral, thereof.

33 § 78. Section 418 of the racing, pari-mutuel wagering and breeding
34 law, subdivision 4 as added by chapter 286 and paragraph a of subdivi-
35 sion 4 as amended by chapter 287 of the laws of 1985, is amended to read
36 as follows:

37 § 418. Disposition of pari-mutuel pools. 1. Every association or
38 corporation authorized under sections two hundred twenty-two through
39 seven hundred five of this chapter to conduct pari-mutuel betting at a
40 quarter horse race meeting on races run thereat shall distribute all
41 sums deposited in any pari-mutuel pool to the holders of winning tickets
42 therein provided such tickets be presented for payment before April
43 first of the year following the year of their purchase, less seventeen
44 [~~per centum~~] percent of the total deposits in pools resulting from regu-
45 lar on-track bets and less nineteen [~~per centum~~] percent of the total
46 deposits in pools resulting from multiple bets and less twenty-five [~~per~~
47 ~~centum~~] percent of the total deposits in pools resulting from exotic
48 on-track bets, plus the breaks. "Multiple bet" or "multiple wager" shall
49 mean a single bet or wager on two horses, evidenced by a single ticket
50 and representing an interest in a single betting pool. "Exotic bet" or
51 "exotic wager" shall mean a single bet or wager on three or more horses,
52 evidenced by a single ticket and representing an interest in a single
53 betting pool. The breaks for regular bets and multiple bets are hereby
54 defined as the odd cents over any multiple of ten or for exotic bets,
55 over any multiple of fifty calculated on the basis of one dollar and
56 otherwise payable to a patron. Of the sum so retained the applicable tax

1 rates for regular bets shall be three ~~[per centum]~~ percent; the applica-
2 ble tax rates for multiple bets shall be three and one-half ~~[per centum]~~
3 percent; the applicable tax rates for exotic bets shall be eight ~~[per~~
4 ~~centum]~~ percent, plus sixty-five ~~[per centum]~~ percent of the amount of
5 the breaks from on-track regular, multiple and exotic bets shall be paid
6 by such corporation or association to the ~~[state tax commission]~~ depart-
7 ment of taxation and finance as a reasonable tax by the state for the
8 privilege of conducting pari-mutuel betting on the races run at the
9 quarter horse race meetings held by such corporation or association,
10 which tax is hereby levied, and the balance of the retained percentage
11 of such pool and of the breaks may be held by such corporation or asso-
12 ciation for its own use and purposes. The payment of such state tax
13 shall be made to the ~~[state tax commission]~~ department of taxation and
14 finance at such regular intervals as the ~~[said tax commission]~~ depart-
15 ment of taxation and finance may require, and shall be accompanied by a
16 report under oath showing the total of all such contributions together
17 with such other information as the ~~[said tax commission]~~ department of
18 taxation and finance may require. A penalty of five ~~[per centum]~~ percent
19 and interest at the rate of one ~~[per centum]~~ percent per month from the
20 date the report is required to be filed to the date of payment of the
21 tax shall be payable in case any tax imposed by this section is not paid
22 when due. If the ~~[state tax commission]~~ department of taxation and
23 finance determines that any moneys received under this section were paid
24 in error, it may cause the same to be refunded without interest out of
25 any moneys collected thereunder, provided an application therefor is
26 filed with it within one year from the time the erroneous payment was
27 made. Such taxes, interest and penalties when collected, after the
28 deduction of refunds of taxes erroneously paid, shall be paid by the
29 ~~[state tax commission]~~ department of taxation and finance into the
30 general fund of the state treasury. Ten ~~[per centum]~~ percent of the
31 breaks shall be paid to the New York state quarter horse breeding and
32 development fund.

33 2. Except as may be authorized by the legislature, no county, city,
34 town, village or other political subdivision of the state may impose,
35 levy or collect a tax on admission fees or tax on admission, on wagers
36 made by patrons in the form of purchases of pari-mutuel tickets or upon
37 such tickets, on pari-mutuel pools, on breaks, on dividends or payments
38 made to winning bettors, or on that part of the pari-mutuel pools or
39 breaks to be retained by quarter horse racing corporations or associ-
40 ations under this section.

41 3. The sums paid by any corporation or association to the ~~[state tax~~
42 ~~commission]~~ department of taxation and finance shall be determined by
43 multiplying each applicable rate for total daily pools from on-track
44 regular bets by the percentage ~~[which]~~ that on-track regular bets is of
45 the total on-track daily pool and by multiplying each applicable rate
46 for total daily pools on on-track exotic bets by the percentage ~~[which]~~
47 that exotic bets is of total daily pool, then combining the two deter-
48 mined percentages and applying the result to the appropriate level of
49 the total daily pool from on-track regular and exotic bets.

50 ~~[4. Notwithstanding the provisions of subdivision one of this section,~~
51 ~~prior to April first, nineteen hundred eighty nine, the applicable tax~~
52 ~~rates shall be as follows:~~

53 ~~a. From April first, nineteen hundred eighty six through March thir-~~
54 ~~ty first, nineteen hundred eighty seven, of the sum retained the appli-~~
55 ~~cable tax rates for regular bets shall be three quarters of one per~~
56 ~~centum; the applicable rates for multiple, exotic bets shall be seven-~~

~~eighths of one per centum; plus sixteen and one quarter per centum of the breaks from all bets.~~

~~b. After April first, nineteen hundred eighty-seven of the sum retained the applicable tax rates for all bets shall be one per centum of all wagers, plus twenty per centum of the breaks.]~~

§ 79. Section 419 of the racing, pari-mutuel wagering and breeding law is amended to read as follows:

§ 419. Revocation of license. The [~~state racing and wagering board~~] commission may revoke or suspend a license for the conduct of quarter horse race meetings at which pari-mutuel betting is conducted[-]:

1. [~~For~~] for any cause [~~which~~] that would permit or require [~~its refusal~~] the commission to refuse to issue a license, or

2. [~~If it shall determine~~] if the commission determines that[+] the corporation or association to which such license [~~shall have~~] has been issued, or its officers or directors, [~~fail~~] fails to conduct racing at its track, including pari-mutuel betting on the races [~~thereat~~] at such track, in accordance with the terms and conditions of such license, the rules of [~~such board~~] the commission or of the [~~state tax commission~~] department of taxation and finance, or the provisions of sections two hundred twenty-two through seven hundred five of this chapter, or if such corporation or association or its officers or directors shall knowingly permit on its grounds or within the enclosure of its racetrack, lotteries, pool-selling or bookmaking, or any other kind of gambling, in violation of sections two hundred twenty-two through seven hundred five of this chapter or of the penal law.

§ 80. Section 420 of the racing, pari-mutuel wagering and breeding law is amended to read as follows:

§ 420. Hearing of refusal or revocation of license. If the [~~state racing and wagering board shall refuse~~] commission refuses to grant a license applied for under sections two hundred twenty-two through seven hundred five of this chapter, or [~~shall revoke~~] revokes or [~~suspend~~] suspends such license granted by it, or [~~shall impose~~] imposes a monetary fine upon a participant in quarter horse racing, then the applicant or licensee or party fined may demand, within ten days after notice of [~~the said~~] such act of the [~~board~~] commission, a hearing before the [~~board~~] commission and the [~~board~~] commission shall give prompt notice of a time and place for such hearing at which the [~~board~~] commission will hear such applicant or licensee or party fined in reference thereto. Pending such hearing and final determination [~~thereon~~] of such matter, the action of the [~~board~~] commission in refusing to grant or in revoking or suspending a license or in imposing a monetary fine shall remain in full force and effect. The [~~board~~] commission may continue such hearing from time to time, for the convenience of any of the parties. Any of the parties affected by such hearing may be represented by counsel, and the [~~board~~] commission may be represented by the attorney general, a deputy attorney general or its counsel. In the conduct of such hearing the [~~board~~] commission shall not be bound by technical rules of evidence, but all evidence offered before the [~~board~~] commission shall be reduced to writing, and such evidence together with the exhibits, if any, and the findings of the [~~board~~] commission, shall be permanently preserved and shall constitute the record of the [~~board~~] commission in such case. In connection with such hearing, each member of the [~~board~~] commission shall have the power to administer oaths and examine witnesses, and may issue subpoenas to compel attendance of witnesses, and the production of all material and relevant reports, books, papers, documents, correspondence and other evidence. The [~~board~~]

1 commission may, if occasion shall require, by order, refer to one or
2 more of its members or officers, the duty of taking testimony in such
3 matter, and to report thereon to the ~~[board]~~ commission, but no determi-
4 nation shall be made therein except by the ~~[board]~~ commission. Within
5 thirty days after the conclusion of such hearing, the ~~[board]~~ commission
6 shall make a final order in writing, setting forth the reasons for the
7 action taken by it and a copy thereof shall be served on such applicant
8 or licensee or party fined, as the case may be. The action of the
9 ~~[board]~~ commission in refusing to grant a license or in revoking or
10 suspending a license or in imposing a monetary fine shall be reviewable
11 in the supreme court in the manner provided by and subject to the
12 provisions of article seventy-eight of the civil practice law and rules.

13 § 81. Section 421 of the racing, pari-mutuel wagering and breeding law
14 is amended to read as follows:

15 § 421. Approval of plans of corporation or association. The ~~[state~~
16 ~~racing and wagering board]~~ commission shall not grant to a corporation
17 or association hereafter formed pursuant to sections two hundred twen-
18 ty-two through seven hundred five of this chapter, a license to conduct
19 a quarter horse race meeting at which pari-mutuel betting may be
20 conducted within the state until such corporation or association shall
21 have submitted to the ~~[board]~~ commission a statement of the location of
22 its proposed grounds and racetrack, together with a plan of such race-
23 track, and plans of all buildings, seating stands and other structures
24 in such form as the ~~[board]~~ commission may prescribe, and such plans
25 shall have been approved in writing by the ~~[board]~~ commission. Alter-
26 ations of existing buildings, seating stands and other structures, and
27 the erection of new or additional buildings, seating stands or other
28 structures may be made only with the written approval of the ~~[board]~~
29 commission and after examination and inspection of the plans thereof and
30 the issuance of a permit therefor by the ~~[state racing and wagering~~
31 ~~board]~~ commission. The ~~[board]~~ commission at the expense of the appli-
32 cant may order such engineering examination thereof as the ~~[board]~~
33 commission may deem necessary. The approval of the certificate of incor-
34 poration of such corporation or association shall not be deemed to vest
35 in it the right to a license to conduct quarter horse race meetings at
36 such race course or racetrack unless such grounds, track, buildings,
37 seating stands and other structures shall be completed in accordance
38 with the plans approved by the ~~[board]~~ commission.

39 § 82. Section 422 of the racing, pari-mutuel wagering and breeding
40 law, as amended by chapter 370 of the laws of 2011, is amended to read
41 as follows:

42 § 422. Free or reduced fee passes, cards or badges. A corporation or
43 association licensed to conduct pari-mutuel betting on quarter horse
44 races run at its racetrack may issue free passes, cards or badges to any
45 qualified person. A qualified person shall include, but need not be
46 limited to, officers and employees of the corporation or association
47 conducting the race meeting, members, officers, and employees of the
48 ~~[state racing and wagering board]~~ commission, members of quarter horse
49 racing associations of other states and foreign countries, public offi-
50 cers engaged in the performance of their duties, persons actually
51 employed and accredited by the press to attend such meetings, owners,
52 stable managers, trainers, jockeys, concessionaires, spouses, domestic
53 partners and children of owners, trainers and jockeys, other persons
54 whose actual duties require their presence at such racetrack, and any
55 other person or guest deemed appropriate by such corporation or associ-
56 ation. In addition, free or reduced fee passes, cards or badges may be

1 issued to the general public or segments of the general public in
2 connection with any promotional campaign or marketing program sponsored
3 by such corporation or association to increase attendance at live race
4 meets. The issuance of free passes, cards or badges shall be under the
5 rules and regulations of the [~~state racing and wagering board~~] commis-
6 sion.

7 § 83. Section 428 of the racing, pari-mutuel wagering and breeding law
8 is amended to read as follows:

9 § 428. Construction. Notwithstanding the provisions of any general,
10 special, or local law or ordinance, the provisions of sections two
11 hundred twenty-two through seven hundred five of this chapter and the
12 rules and regulations and requirements of the [~~state racing and wagering~~
13 ~~board~~] commission relating to the time when and place where or manner in
14 which the quarter horse races shall be conducted in this state and the
15 control of the grounds and structures erected or to be erected thereon
16 upon and at which such racing is conducted and the activities conducted
17 thereat and thereon in connection with any trial or contest of speed or
18 power of endurance of quarter horses shall be construed and deemed to be
19 exclusive of and shall supersede any provisions of such other general,
20 special or local law or ordinance in any wise relating thereto, nor
21 shall the provisions of article two hundred twenty-five of the penal law
22 be deemed to apply to pari-mutuel betting conducted pursuant to sections
23 two hundred twenty-two through seven hundred five of this chapter.

24 § 84. Subdivisions 3 and 7 of section 430 of the racing, pari-mutuel
25 wagering and breeding law are amended to read as follows:

26 3. "New York-bred." A quarter horse foaled in New York state and
27 registered in the registry administered by quarter horse breeding asso-
28 ciations in this state designated by the [~~state racing and wagering~~
29 ~~board~~] commission.

30 7. "Races." Races upon which pari-mutuel wagering is conducted at
31 quarter horse race meetings of racing associations or corporations as
32 authorized by the [~~state racing and wagering board~~] commission.

33 § 85. Subdivisions 1 and 3 of section 431 of the racing, pari-mutuel
34 wagering and breeding law, subdivision 1 as amended by chapter 197 of
35 the laws of 2007, subdivision 3 as amended by section 8 of part A of
36 chapter 60 of the laws of 2012, is amended to read as follows:

37 1. A corporation to be known as the "New York state quarter horse
38 breeding and development fund corporation" is hereby created. Such
39 corporation shall be a body corporate and politic constituting a public
40 benefit corporation, the objective of which shall be to encourage the
41 breeding of quarter horses and the development of the quarter horse
42 industry in this state. It shall be administered by a board of directors
43 consisting of the [~~chairman~~] chair of the [~~state racing and wagering~~
44 ~~board~~] commission or his or her designee, who shall be [~~chairman~~] chair
45 of the board of directors of the corporation, the commissioner of agri-
46 culture and markets, and the members of the [~~state racing and wagering~~
47 ~~board~~] commission.

48 3. The [~~board~~] commission may delegate to one or more of the directors
49 or officers of the fund such powers and duties as it may deem proper and
50 shall [~~utilize~~] use, pursuant to a contract approved by the director of
51 the budget, the service employees of the [~~state gaming~~] commission and
52 the state office of racing promotion and development.

53 § 86. Paragraph e of subdivision 2 of section 433 of the racing, pari-
54 mutuel wagering and breeding law is amended to read as follows:

55 e. Five percent or such lower proportion as the [~~state racing and~~
56 ~~wagering board~~] commission may prescribe based upon the operational

1 experience and objectives of the fund, for the administration and
2 management of the fund. If the ~~[board]~~ commission shall reduce the
3 proportion of the fund's resources applicable to administration, the
4 proportions otherwise applicable shall be increased accordingly. All
5 moneys of the fund in excess of twenty-five thousand dollars on hand at
6 the end of each calendar year shall be remitted to and vest in the
7 state.

8 § 87. Section 501 of the racing, pari-mutuel wagering and breeding
9 law, is amended to read as follows:

10 § 501. Definitions. As used in this article, in addition to the defi-
11 nitions set forth in section one hundred one of this chapter, the
12 following terms shall mean and include:

13 1. ~~["State board." The state racing and wagering board.]~~

14 ~~2.]~~ "Board of directors." The board of directors of a corporation as
15 such board is constituted pursuant to section five hundred two of this
16 article.

17 ~~[3]~~ 2. "Corporation." Each regional off-track betting corporation, as
18 created by section five hundred two of this article.

19 ~~[4]~~ 3. "Participating county." Any of the counties in a region which
20 have elected to join a corporation in the manner provided for in section
21 five hundred two of this article.

22 ~~[5]~~ 4. "Bonds and notes." Bonds and notes, respectively, authorized
23 and issued by the corporation pursuant to this article.

24 ~~[6]~~ 5. "Cost of corporation's functions." All costs and expenses
25 incurred by the corporation in connection with carrying out the func-
26 tions as described by this article, including, but not limited to, oper-
27 ating expenses of the corporation, the costs of acquisition,
28 construction or equipment of branch offices and other facilities of the
29 corporation, and interest and principal on bonds, notes or other obli-
30 gations of the corporation issued to finance the acquisition,
31 construction or equipment of such offices, facilities or premises.

32 ~~[7]~~ 6. "Region." The several regions defined by subdivision one of
33 section five hundred nineteen of this chapter.

34 ~~[8]~~ 7. "Track." The grounds or enclosure within which horse races are
35 conducted by any person, association or corporation lawfully authorized
36 to conduct such races.

37 ~~[9]~~ 8. "Governing body." The appropriate county legislative body.

38 ~~[10]~~ 9. "Branch office." An establishment maintained and operated by
39 the corporation, where off-track, pari-mutuel betting on horse races may
40 be placed in accordance with the terms and conditions of this article
41 and the rules and regulations issued pursuant thereto.

42 ~~[11]~~ 10. "Enabling legislation." A local law, ordinance or resolution
43 subject to a permissive referendum pursuant to the municipal home rule
44 law.

45 § 88. Subdivisions 2, 3 and 4, paragraph a of subdivision 5 and subdivi-
46 sion 7 and 16 of section 502 of the racing, pari-mutuel wagering and
47 breeding law, subdivision 4 as amended by chapter 346 of the laws of
48 1990, and subdivision 16 as added by chapter 908 of the laws of 1990,
49 are amended to read as follows:

50 2. A city with a population of ~~[over]~~ more than one hundred fifty
51 thousand, according to the last federal census, may elect to participate
52 in the management and revenues of a regional corporation if the county
53 in which such city is located has elected to become a participating
54 county. Such election shall be by enabling legislation. Upon such
55 election, such city shall participate in the amount of any loans or
56 contributions made or to be made by the participating county containing

1 the city to the corporation, pursuant to section five hundred six of
2 this article, in the proportion that such city will participate in net
3 revenues payable to such county or such other equitable arrangement as
4 shall be approved by the [~~board~~] commission.

5 3. Upon the passage of enabling legislation by the governing body of
6 not less than three counties within a region representing not less than
7 thirty percent of the population of such region, as determined by the
8 last federal census, or in the case of the Suffolk region, upon the
9 passage of enabling legislation by the governing body of Suffolk county,
10 or in the case of the Nassau region, upon the passage of enabling legis-
11 lation by the governing body of Nassau county, or in the case of the
12 Mid-Hudson region upon the passage of enabling legislation by the
13 governing body of the county of Westchester and of the governing body of
14 one other county in such region, and following the appointment of
15 members of the board of directors, such corporation shall file with the
16 secretary of state and with the [~~state—racing and wagering board~~]
17 commission a certificate setting forth:

- 18 a. The date of passage of the enabling legislation;
19 b. The name of the agency, which shall be the name of the region
20 followed by the words "regional off-track betting corporation"; and
21 c. The names of the members of the board of directors and the [~~chair-~~
22 ~~man~~] chair.

23 4. Each of the counties of the region that [~~have~~] has not become a
24 participating [~~counties~~] county at the time of filing of the certificate
25 required by subdivision three of this section may do so by enacting
26 enabling legislation, a duly certified copy of which must be filed with
27 the board of directors, the [~~state-board~~] commission, the secretary of
28 state and the county clerk of each participating county. In the event
29 that a county elects to participate after June first, nineteen hundred
30 ninety, the effective date of approval by the [~~state-board~~] commission
31 shall not be earlier than the date that branch offices are established
32 and operating. If, at the time of such election, the [~~state-board~~]
33 commission has approved a plan of operation for the corporation, a coun-
34 ty may not become a participating county without approval by the [~~state~~
35 ~~board~~] commission of a modified feasibility study and amended plan of
36 operation which shall be submitted by the corporation to the [~~state~~
37 ~~board~~] commission pursuant to section five hundred twenty-one of this
38 chapter.

39 If the participating counties in the region have contributed or loaned
40 funds or other consideration to the corporation, the board of directors
41 may require that any county subsequently electing to become a partic-
42 ipating county make such contributions in the same proportion, if any,
43 as may have governed such contributions or loans by participating coun-
44 ties. Any dispute as to the value of consideration or as to a contrib-
45 ution required by the board of directors shall be resolved by the [~~state~~
46 ~~board~~] commission.

47 a. If the certificate required by subdivision three of this section is
48 not filed by December thirty-first, nineteen hundred seventy-five, the
49 corporate existence of a corporation shall terminate, but otherwise,
50 each corporation and its corporate existence shall continue until termi-
51 nated by law; provided, however, that no such law shall take effect so
52 long as the corporation shall have bonds, notes or other obligations
53 outstanding. Upon termination of the existence of the corporation all of
54 its rights, property, assets and funds shall thereupon vest in and be
55 possessed by the participating counties in the same proportion such
56 property, assets and funds may have been contributed by each county or

1 according to the manner in which the revenues of the corporation are
2 distributed pursuant to section five hundred sixteen of this article, or
3 any combination of both such methods, as the [~~state-board~~] commission
4 shall determine.

5 7. The directors shall be removable for cause by the [~~state-board~~]
6 commission, upon charges and after a hearing.

7 16. Notwithstanding any inconsistent provision of this chapter or any
8 other law, any director, administrator, or other employee of a corpo-
9 ration may be issued and hold any license issued by the [~~state-board~~]
10 commission.

11 § 89. The opening paragraph, subdivisions 4 and 10 and paragraph c of
12 subdivision 11 of section 503 of the racing, pari-mutuel wagering and
13 breeding law, subdivision 10 as amended by chapter 116 of the laws of
14 2001, are amended to read as follows:

15 Subject to the general and specific limitations of sections two
16 hundred twenty-two through seven hundred five of this chapter and the
17 authority of the [~~state-board~~] commission pursuant to articles one and
18 five-a of this chapter, each corporation shall have power:

19 4. To acquire, in the name of the corporation, by purchase, condemna-
20 tion, gift, grant or devise or otherwise, and to use, real property
21 [~~which~~] that is necessary or convenient for carrying out its corporate
22 purposes; provided that the corporation shall not condemn any real prop-
23 erty without first having obtained the consent of the chief elected
24 official in the jurisdiction in which such real property is located. All
25 real property acquired by the corporation by condemnation shall be
26 acquired in the manner provided by law for the condemnation of real
27 property in the jurisdiction in which the real property is located;

28 10. In the manner and subject to the provisions of sections two
29 hundred twenty-two through seven hundred five of this chapter, and
30 subject to the rules and regulations of the [~~state-board~~] commission, to
31 establish and conduct within the region a system of off-track pari-mutuel
32 betting on horse races, and, if licensed to do so under article three
33 of this chapter, conduct harness race meetings;

34 c. Any violation of any rule or regulation, filed with the county
35 clerk of each county in which such corporation operates and designated
36 by the letter "R" by resolution of the board of directors of the corpo-
37 ration, shall be a violation and shall be punishable by imprisonment for
38 not more than three months, or by a fine of not more than one thousand
39 dollars, or by both such imprisonment and fine. All such fines collected
40 shall be payable to the county comptroller in the county in which the
41 violation occurred and shall be paid by [~~him~~] such county comptroller
42 into the general fund of such county. Any such rule shall be effective,
43 notwithstanding that any act or omission made an offense or punishable
44 thereby may be a crime or violation or punishable under any other
45 provision of law;

46 § 90. Subdivision 1 of section 503-a of the racing, pari-mutuel wager-
47 ing and breeding law, as added by section 2 of part II of chapter 58 of
48 the laws of 2012, is amended to read as follows:

49 1. In addition to the powers enumerated in section five hundred three
50 of this article, financially insolvent regional off-track betting corpo-
51 rations, as determined by the [~~racing and wagering board~~] commission
52 upon review of certified financial statements, are hereby authorized and
53 may file any petition with any United States district court or court of
54 bankruptcy under any provision of laws of the United States for the
55 composition or adjustment of municipal indebtedness, provided such
56 corporation is authorized by a resolution adopted by a majority of the

1 participating counties to such region, or, for a corporation wholly
2 contained within one county, by a resolution adopted by such county. The
3 provisions of this subdivision shall not apply to the Suffolk regional
4 off-track betting corporation until April first, two thousand fourteen.

5 § 91. Subdivision 2 of section 504 of the racing, pari-mutuel wagering
6 and breeding law, as amended by chapter 476 of the laws of 2018, is
7 amended to read as follows:

8 2. Any appointment of a special police officer under this section,
9 shall ~~[only]~~ be made only with the approval of the ~~[state racing and~~
10 ~~wagering board]~~ commission. Application for such approval shall be in
11 such form as may be prescribed by the ~~[board]~~ commission and shall
12 contain such other information or material or evidence as ~~[it shall~~
13 ~~require]~~ the commission requires. In acting on an application for such
14 approval the ~~[board]~~ commission shall consider the background, experi-
15 ence, integrity, and competence of the candidate for appointment, the
16 public interest, convenience or necessity and the interests of legalized
17 wagering generally. The ~~[board]~~ commission in its discretion may set the
18 term of any such appointment, terminate any existing appointment at any
19 time and prescribe conditions and rules for the conduct of such office.

20 § 92. Paragraph j of subdivision 4 of section 508 of the racing, pari-
21 mutuel wagering and breeding law is amended to read as follows:

22 j. Any other matters of like or different character~~[, which]~~ that in
23 any way affect the security or protection of the holders of the bonds or
24 notes.

25 § 93. Paragraph c of subdivision 1 of section 509 of the racing, pari-
26 mutuel wagering and breeding law is amended to read as follows:

27 c. Any other moneys ~~[which]~~ that may be made available to the corpo-
28 ration for the purpose of such capital reserve fund from any other
29 source or sources. All moneys held in the capital reserve fund, except
30 as hereinafter provided, shall be used solely for the payment of the
31 principal of bonds of the corporation, the payment of interest on such
32 bonds, or the payment of any redemption premium required to be paid when
33 such bonds are redeemed prior to maturity; provided, however, that
34 moneys in such capital reserve fund shall not be withdrawn therefrom at
35 any time in such amount as would reduce the amount of such fund to less
36 than the maximum amount of principal and interest maturing and becoming
37 due in any succeeding fiscal year of the corporation on all bonds of the
38 corporation then outstanding, except for the purpose of paying principal
39 of and interest on such bonds of the corporation maturing and becoming
40 due and for the payment of which other moneys of the corporation are not
41 available. Any income or interest earned by, or increment to, the capi-
42 tal reserve fund due to the investment thereof may be transferred to
43 other funds or accounts to the extent it does not reduce the amount of
44 the capital reserve fund below the maximum amount of principal and
45 interest maturing and becoming due in any such succeeding fiscal year on
46 all bonds of the corporation then outstanding.

47 § 94. Subdivisions 1 and 2 of section 512 of the racing, pari-mutuel
48 wagering and breeding law are amended to read as follows:

49 1. In the event that a corporation ~~[shall default]~~ defaults in the
50 payment of the principal of or interest on any issue of bonds or notes
51 after the same ~~[shall become]~~ becomes due, whether at maturity or upon
52 call for redemption, and such default ~~[shall continue]~~ continues for a
53 period of thirty days, or in the provisions of this article, or ~~[shall~~
54 ~~default]~~ defaults in any agreement made with the holders of any issue of
55 the bonds or notes, the holders of twenty-five ~~[per centum]~~ percent in
56 aggregate principal amount of the bonds or notes of such issue then

1 outstanding, by instrument or instruments filed in the office of the
2 clerk of any county in which the corporation operates and approved or
3 acknowledged in the same manner as a deed to be recorded, may appoint a
4 trustee to represent the holders of such bonds or notes for the purposes
5 herein provided.

6 2. Such trustee may, and upon written request of the holders of twenty-five
7 ~~[per centum]~~ percent in principal amount of such bonds or notes
8 then outstanding shall, in his, her or its own name:

9 a. ~~[By]~~ by suit, action or special proceedings enforce all rights of
10 the holders of the bonds or notes, including the right to require the
11 corporation to carry out any agreements with such holders and to perform
12 its duties under this title;

13 b. ~~[Bring]~~ bring suit upon such bonds or notes;

14 c. ~~[By]~~ by action or suit, require the corporation to account as if it
15 were the trustee of an express trust for the holders of such bonds or
16 notes;

17 d. ~~[By]~~ by action or suit, enjoin any acts or things ~~[which]~~ that may
18 be unlawful or in violation of the rights of the holders of such bonds
19 or notes; and

20 e. ~~[Declare]~~ declare all such bonds or notes due and payable, and if
21 all defaults shall be made good, then, with the consent of the holders
22 of twenty-five ~~[per centum]~~ percent of the principal amount of such
23 bonds or notes then outstanding, annul such declaration and its consequences.
24

25 § 95. Paragraph a of subdivision 2 of section 514 of the racing, pari-
26 mutuel wagering and breeding law is amended to read as follows:

27 a. The name and post office address of each claimant, and of his or
28 her attorney if any;

29 § 96. Section 517 of the racing, pari-mutuel wagering and breeding law
30 is amended to read as follows:

31 § 517. Annual reports. In addition to the reports required by article
32 five-a of this chapter, within one hundred twenty days after the end of
33 the fiscal year of the corporation, the directors thereof shall submit
34 to the participating counties, the ~~[state board]~~ commission, and the
35 state comptroller a complete and detailed audited report setting forth:

36 1. ~~[Its]~~ its operations and accomplishments during such fiscal year;

37 2. ~~[Its]~~ its receipts and expenditures during such fiscal year in
38 accordance with categories or classifications established by the corporation
39 for its own operating and capital outlay purposes;

40 3. ~~[Its]~~ its assets and liabilities at the end of such fiscal year
41 including a schedule of its bonds, notes or other obligations and the
42 status of reserves, depreciations, special, sinking or other funds;

43 4. ~~[Details]~~ details of branch offices being planned or in the process
44 of being constructed or otherwise established and branch offices that
45 have been constructed or established; and

46 5. ~~[Such]~~ such other information relating to the operations of the
47 corporation as shall be deemed pertinent by the directors, the participating
48 counties, the ~~[state board]~~ commission, and the state comptroller.
49

50 § 97. Section 518 of the racing, pari-mutuel wagering and breeding law
51 is amended to read as follows:

52 § 518. Off-track pari-mutuel betting; objectives. In the exercise of
53 the power vested in it by subdivision one of section nine of article one
54 of the state constitution, the legislature hereby prescribes that off-
55 track pari-mutuel betting on horse races, conducted under the administration
56 of the ~~[state racing and wagering board]~~ commission in the

1 manner and subject to the conditions provided for in this article, shall
2 be lawful, notwithstanding the provisions of any other law, general,
3 special or local, including any law prohibiting or restricting
4 lotteries, pool-selling or bookmaking or any other kind of gambling; it
5 being the purpose of this article to derive from such betting, as
6 authorized by this article, a reasonable revenue for the support of
7 government, and to prevent and curb unlawful bookmaking and illegal
8 wagering on horse races. It is also the intention of this article to
9 ensure that off-track betting is conducted in a manner compatible with
10 the well-being of the horse racing and breeding industries in this
11 state, which industries are and should continue to be major sources of
12 revenue to state and local government and sources of employment for
13 thousands of state residents.

14 § 98. Section 520 of the racing, pari-mutuel wagering and breeding law
15 is amended to read as follows:

16 § 520. General jurisdiction. 1. The [~~state racing and wagering board~~]
17 commission shall have general jurisdiction over the operation of all
18 off-track betting facilities within the state[~~, and the board~~]. The
19 commission shall issue rules and regulations in accordance with the
20 provisions of this article in order to ensure the accomplishment of the
21 purposes set out in section five hundred eighteen of this article.

22 2. The [~~board~~] commission shall own or lease all communication and
23 transmission facilities [~~utilized~~] used to transmit wagering information
24 between regions, as provided by and subject to the exceptions in section
25 five hundred twenty-five of this article and may establish a data proc-
26 essing center, within the amounts appropriated therefor, and provide
27 data processing services to regional corporations, on a transaction fee
28 basis.

29 3. Without limiting the generality of the foregoing, the [~~board~~]
30 commission shall establish such general regulations to limit the access
31 to off-track betting establishments of persons not permitted to bet
32 therein, the availability or [~~utilization~~] use of publications, written
33 materials or communications equipment therein as the [~~board~~] commission
34 determines to be in the interest of public order and the furtherance of
35 the objectives of this article and shall prohibit the sale of food and
36 beverages in all facilities where bets may be placed. The [~~board~~]
37 commission shall also provide for the methods for the results of races
38 to be communicated to regional corporations and disseminated thereby.

39 § 99. Section 521 of the racing, pari-mutuel wagering and breeding
40 law, the opening paragraph as amended by chapter 18 of the laws of 2008,
41 and subdivision 8 as amended by chapter 306 of the laws of 1984, is
42 amended to read as follows:

43 § 521. Approval of plans of operation; amendments. In order to accom-
44 plish the objectives of this article, the [~~board~~] commission shall have
45 the power, subject to the provisions of this article but without limit-
46 ing the generality of any provision of this chapter, to approve a plan
47 of operation submitted by any regional corporation created under article
48 five of this chapter.

49 1. Before [~~it~~] the commission may grant such approval, the [~~board~~]
50 commission must review and approve a feasibility study submitted by such
51 corporation, including but not limited to the following subjects:

52 a. [~~The~~] the overall practicability of establishing and operating an
53 efficient and profitable system of off-track betting in such region or
54 in such counties that have elected to participate in the corporation;

55 b. [~~The~~] the potential market;

56 c. [~~The~~] the estimated costs of operation;

1 d. ~~[The]~~ the probable types of wagering and number of opportunities
2 required for successful operation; and

3 e. ~~[The]~~ the probable impact of the proposed operation upon on-track
4 attendance and pari-mutuel betting within the region. The ~~[board]~~
5 commission may, within the time provided for approval, request addi-
6 tional information from the corporation. Disapproval of the feasibility
7 study shall be accompanied by a statement of the reasons therefor and
8 shall be treated as disapproval of a plan under subdivision three of
9 this section.

10 2. The plan of operation shall include the following:

11 a. ~~[The]~~ the organizational structure of the corporation including the
12 approximate number and compensation of employees;

13 b. ~~[A]~~ a narrative description of the system;

14 c. ~~[The]~~ the types and approximate cost of data processing, communi-
15 cation and transmission facilities that will be ~~[utilized]~~ used, includ-
16 ing back-up systems;

17 d. ~~[Security]~~ security measures;

18 e. ~~[The]~~ the type and number of betting opportunities to be offered;

19 f. ~~[The]~~ the race tracks and races for which bets will be taken;

20 g. ~~[The]~~ the maximum and minimum number of retail outlets or betting
21 offices to be established;

22 h. ~~[The]~~ the proposed system of accounts; and

23 i. ~~[The]~~ the amount and proposed sources of financing.

24 3. Within ninety days of receipt of the feasibility study and plan,
25 the ~~[board]~~ commission shall issue an order approving the plan, approv-
26 ing it with modifications or denying approval and stating its reasons
27 therefor. Within such period the ~~[board]~~ commission may request addi-
28 tional information or suggest amendments. If the ~~[board]~~ commission
29 fails to approve the plan without modification, the corporation may
30 request a public hearing to be held within thirty days of the issuance
31 of an order approving an application with modifications or denying it.
32 The ~~[board]~~ commission shall issue its final determination within ten
33 days of such hearing. The corporation may submit an amended application
34 no sooner than ninety days after a denial.

35 4. A plan of operation may be amended from time to time at the request
36 of either the corporation or the ~~[board]~~ commission. The corporation
37 shall have the right to be heard concerning any amendment to the plan
38 proposed after implementation and the ~~[board]~~ commission shall dispose
39 of such proposed amendments as expeditiously as practicable, but no
40 later than thirty days following submission by the corporation or, in
41 the case of amendments proposed by the ~~[board]~~ commission, objection by
42 the corporation.

43 5. Any arrangements for telecasts or broadcasts of running races
44 pursuant to contracts with track operators shall constitute a part of
45 the plan of operation, or an amendment thereto, as the case may be.

46 6. The plan of operation of the New York city off-track betting corpo-
47 ration in effect on July first, nineteen hundred seventy-three, shall be
48 deemed approved by the ~~[board]~~ commission, but shall thereafter be
49 subject to the general jurisdiction of the ~~[board]~~ commission in the
50 same manner as are the plans of other regional corporations.

51 7. a. The city of Schenectady may continue to operate off-track pari-
52 mutuel betting within such city, subject to the jurisdiction of the
53 ~~[state racing and wagering board]~~ commission, until the ~~[board]~~ commis-
54 sion approves a plan of operation submitted by the Capital District
55 regional off-track betting corporation and such plan of operation is
56 implemented; provided, however, that during any period that the city of

1 Schenectady continues to operate off-track pari-mutuel betting within
2 such city pursuant to this subdivision, it may accept off-track wagers
3 on races at any harness track within the state which so agrees subject
4 to the approval of the [~~state racing and wagering board~~] commission
5 until such time as the harness track located within the Capital District
6 and the city of Schenectady mutually agree on the provision of appropri-
7 ate space and facilities at such track for such city and such agreement
8 is implemented. Such plan of operation shall make due provision with
9 respect to investments and obligations of the city of Schenectady made
10 or incurred in the operation of off-track pari-mutuel betting. The coun-
11 ty of Schenectady shall reimburse the city of Schenectady on account of
12 lost revenues from the operation of off-track betting. The amount of
13 reimbursement shall be calculated under the rules of the [~~board~~] commis-
14 sion to guarantee that the city shall receive annually an amount equal
15 to the net revenue received from off-track betting for the calendar year
16 nineteen hundred seventy-three or a [~~per-centum~~] percent of the net
17 revenues received by such county obtained by dividing the bets originat-
18 ing in such city by the bets originating in such county during the
19 distribution period, whichever is less. Reimbursement shall continue for
20 a period of ten years and shall be made in substantially equal quarterly
21 payments.

22 b. Until such time as the Capital District regional off-track betting
23 corporation's plan of operation has been approved by the [~~state racing~~
24 ~~and wagering board~~] commission and the county of Schenectady has enacted
25 enabling legislation to join such corporations and such county's partic-
26 ipation has been implemented, the city of Schenectady shall have all the
27 rights, powers, duties and obligations of the county of Schenectady
28 under this chapter, including but not limited to the right to partic-
29 ipate in the formation of such corporation or subsequently to partic-
30 ipate in the operation thereof, as the case may be, except that the
31 geographical boundaries of such city's participation shall be limited to
32 the city of Schenectady.

33 8. The [~~board~~] commission may authorize and approve:

34 a. [~~An~~] an application submitted by the New York city off-track
35 betting corporation to amend its plan of operation, pursuant to the
36 provisions of this section, to provide for the display in no more than
37 two existing facilities within Richmond county of telecasts of live
38 audio and visual signals of harness racing from any harness racing asso-
39 ciation or corporation within its region; provided, however, that

40 (i) the association or corporation conducting such racing has entered
41 into a written agreement for such telecasts with the New York city off-
42 track betting corporation pursuant to section five hundred twenty-seven
43 of this chapter, which agreement shall terminate no later than the thir-
44 tieth day of June, nineteen hundred eighty-five,

45 (ii) all expenses incurred in the implementation of such amendment to
46 its plan of operation for such telecasting shall be the responsibility
47 of the New York city off-track betting corporation, and

48 (iii) the [~~board~~] commission shall submit reports to the governor and
49 the legislature evaluating the results of such experiment on the compat-
50 ibility with the well-being of the horse racing and breeding industries
51 in this state, and its effect on handle and attendance at off-track
52 facilities within Richmond county, and including recommendations regard-
53 ing the future authorization of the telecast of live audio and visual
54 signals into off-track betting facilities; and

55 b. [~~One~~] one other application submitted by an off-track betting
56 corporation, other than the New York city off-track betting corporation,

1 to amend its plan of operation, pursuant to the provisions of this
2 section, to provide for the display in two existing facilities within
3 its region of telecasts of live audio and visual signals of harness
4 racing from any harness racing association or corporation within its
5 region; provided however, that

6 (i) the association or corporation conducting such racing has entered
7 into a written agreement for such telecasts with such off-track betting
8 corporation pursuant to section five hundred twenty-seven of this chap-
9 ter, which agreement shall terminate no later than the thirtieth day of
10 June, nineteen hundred eighty-five,

11 (ii) all expenses incurred in the implementation of such amendment to
12 its plan of operation for such telecasting shall be the responsibility
13 of the off-track betting corporation, and

14 (iii) the [board] commission shall submit reports to the governor and
15 the legislature evaluating the results of such experiment on the compat-
16 ibility with the well-being of the horse racing and breeding industries
17 in this state, and at off-track facilities within its region, and
18 including recommendations regarding the future authorization of the
19 telecast of live audio and visual signals into off-track betting facili-
20 ties.

21 c. [Provided] provided, however, that such audio and visual telecasts
22 into approved facilities shall commence no earlier than sixty days after
23 such telecasts have been approved. During such time, the off-track
24 betting corporation shall provide to the [board] commission daily data,
25 to include but not be limited to, wagers, separately by type of racing
26 and wagers, attendance and promotion expenditures of such facilities in
27 such manner as the [board] commission may require. Such data [will]
28 shall be used as the pre-telecast base to evaluate the impact of such
29 telecasts. In addition, such similar data and information shall also be
30 supplied to the [board] commission during the period that such telecasts
31 are authorized. No change in the types of wagers offered to patrons may
32 be made without prior written approval by the [board] commission of at
33 least thirty days in advance of such requested change.

34 § 100. Section 522 of the racing, pari-mutuel wagering and breeding
35 law, subdivision 1 as amended by chapter 18 of the laws of 2008, subdivi-
36 sion 2 as amended by chapter 38 of the laws of 2006 and subdivision 4
37 as added by chapter 241 of the laws of 2010, is amended to read as
38 follows:

39 § 522. Suspension of approval. 1. The [board] commission may suspend
40 its approval of any plan of operation if the regional corporation whose
41 plan of operation has been approved or its officers or directors [fail]
42 fails to conduct off-track pari-mutuel betting on horse races in accord-
43 ance with the provisions of the plan of operation, with the applicable
44 rules of the [board] commission or with the provisions of this article,
45 article five and article six of this chapter, as the case may be; or if
46 such corporation or its officers or directors shall knowingly permit on
47 any of its premises lotteries, pool-selling or bookmaking or any other
48 kind of gambling, in violation of this chapter or of the penal law.
49 Suspension shall continue for the period necessary to remedy the situ-
50 ation or condition requiring such suspension.

51 2. If the [~~board shall determine to suspend~~] commission suspends
52 approval of any plan of operation [~~it~~] the commission shall give the
53 regional corporation involved notice of the time and place for a hearing
54 before the [board] commission, at which the [~~board will~~] commission
55 shall hear such regional corporation in reference thereto. The [board]
56 commission may continue such hearing from time to time for the conven-

1 ience of all parties. Any of the parties affected by such hearing may be
2 represented by counsel, and the [board] commission may be represented by
3 its own counsel or by the attorney general. In the conduct of such hear-
4 ing the [board] commission shall not be bound by technical rules of
5 evidence, but all evidence offered before the [board] commission shall
6 be reduced to writing, and such evidence together with the exhibits, if
7 any, and the findings of the [board] commission shall be permanently
8 preserved and shall constitute the record of the [board] commission in
9 such case. Within thirty days after such hearing, the [board] commis-
10 sion shall make a final determination. Such hearing may be presided over
11 by the [chairperson] chair of the [board] commission or by any member or
12 an officer of the [board] commission designated by the [chairperson]
13 chair in writing to act as hearing officer and such person or persons
14 may issue subpoenas for witnesses and administer oaths to witnesses. The
15 hearing officer, at the conclusion of the hearing, shall make findings,
16 which, if concurred in by [~~two members~~] a majority of a quorum of the
17 [board] commission, shall become the findings of the [board] commission.
18 If [~~it~~] the commission determines that such approval [~~be~~] is suspended,
19 [~~it~~] the commission shall make an order accordingly[~~7~~] and shall cause
20 such order to be entered on its minutes and a copy thereof served on
21 such regional corporation. The action of the [board] commission in
22 suspending such approval shall be reviewable in the supreme court in the
23 manner provided by the provisions of article seventy-eight of the civil
24 practice law and rules.

25 3. The [board] commission may suspend approval of any plan of opera-
26 tion for a reason set forth in subdivision one of this section as of the
27 delivery to the regional corporation of the notice of hearing required
28 by subdivision two of this section pending final determination of the
29 [board] commission following the hearing; provided, however, that no
30 suspension of approval pursuant to this subdivision shall be for a peri-
31 od longer than twenty days.

32 4. [~~In~~] The commission, in addition to its power to suspend or revoke
33 plans of operation approved or licenses granted by it, [~~the board~~] is
34 hereby authorized and empowered to impose monetary fines upon any corpo-
35 ration, association or person participating in any way in off-track
36 betting on which pari-mutuel betting is conducted, other than as a
37 patron, and whether licensed by the [board] commission or not, for
38 violation of any provisions of this chapter, or the rules promulgated by
39 the [board] commission pursuant thereto, or an approved plan of opera-
40 tion, not exceeding fifty thousand dollars for each violation. The
41 [board] commission is further authorized and empowered to impose mone-
42 tary fines, not exceeding fifty thousand dollars for each violation,
43 upon any such corporation, association or person for a violation of any
44 order issued by the [board] commission pursuant to the provisions of
45 this chapter or the rules promulgated by the [board] commission pursuant
46 thereto, provided that a copy of such order shall have been served
47 either personally or by certified mail, upon the corporation, associ-
48 ation or person to whom the same was directed, prior to the occurrence
49 of the violation for which such fine is imposed. The [board] commission
50 shall impose such monetary fines, subject to the notice and hearing
51 provisions of the state administrative procedure act. Such fines shall
52 be paid into the state treasury. The action of the [board] commission in
53 imposing any monetary fine shall be reviewable in the supreme court in
54 the manner provided by and subject to the provisions of article seven-
55 ty-eight of the civil practice law and rules.

§ 101. The opening paragraph and subdivisions 2, 3, 4, 6, 7 and 9 of section 523 of the racing, pari-mutuel wagering and breeding law, subdivision 4 as amended by chapter 286 of the laws of 1985, paragraph a of subdivision 6 as amended by chapter 346 of the laws of 1990, paragraph b of subdivision 6 as amended by chapter 18 of the laws of 2008, subdivision 7 as amended by chapter 2 of the laws of 1995 and subdivision 9 as added by chapter 281 of the laws of 1994, are amended to read as follows:

The [board] commission shall require that any regional corporation conduct off-track pari-mutuel betting in accordance with this section.

2. Exotic and multiple bets on races run within the state may be approved by the [board] commission without a comparable on-track pool, provided that the corporation or association conducting such races shall have filed with the [board] commission a written consent for such off-track exotic or multiple bets on races held at its track.

3. The [board] commission may approve separate off-track pools on races run in other states subject to the limitations of this section and of subdivision eight of this section in particular.

4. No regional corporation authorized to conduct off-track betting by the [board] commission shall accept off-track wagers on races run at any harness track located without its region while a harness track within its region is conducting a race meeting involving pari-mutuel betting without the approval of the regional operating harness track; provided, however, that for the purposes of this subdivision, the Suffolk region, the Nassau region, the New York city region, and the portion of the Catskill region outside a special betting district shall be considered a single region; and further provided, however, that for the purposes of this subdivision, there shall be created a harness special betting district, consisting of the counties of Cayuga, Chenango, Cortland, Franklin, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Otsego, St. Lawrence and Tompkins in which no off-track betting on races run at a harness track without such special betting district shall be permitted while a harness track within such special betting district is conducting a race meeting involving pari-mutuel betting.

6. a. No regional corporation may accept wagers on races run at a thoroughbred or steeplechase track in another state or country while a thoroughbred or steeplechase track within this state is conducting a race meeting involving pari-mutuel betting; provided, however, that notwithstanding any inconsistent provision, the [board] commission may designate no more than fifteen thoroughbred or steeplechase races per year as races of special interest on which off-track pari-mutuel betting may be accepted by regional corporations, provided further that for purposes of this subdivision the acceptance of wagers on a series of races known as the "Breeders' Cup" shall be considered as a single thoroughbred or steeplechase race of special interest and all such races shall be determined in accordance with article nine of this chapter.

b. When a race meeting is not being conducted by a franchised corporation and a thoroughbred race meeting is being conducted at a track located within the thoroughbred special betting district, regional corporations and portions of regional corporations outside such district, shall, in addition to accepting wagers on races at such track, also be permitted to accept wagers on thoroughbred races run in another state. In the event that wagers are accepted on races run at both a track located in the thoroughbred special betting district and at a track located in another state, the balance of the amount payable to tracks within this state pursuant to paragraph f of subdivision one of

section five hundred twenty-seven of this article, but (i) not less than one ~~[per centum]~~ percent on regular and multiple wagering and two ~~[per centum]~~ percent on exotic wagers, shall be paid to the track located within the thoroughbred special betting district running thoroughbred races, and (ii) not less than three-quarters of one ~~[per centum]~~ percent of regular and multiple wagering and one and one-quarter ~~[per centum]~~ percent on exotic wagers shall be paid to the harness track operator conducting racing within the region within which the wagers on such out-of-state races are placed.

c. If as a result of the authorization granted in paragraph b of this subdivision, the average daily distribution to harness track operators from regional off-track betting corporations and attributable to the conduct of off-track betting on thoroughbred races run concurrently by both an in-state and an out-of-state track operator during the period from June first, nineteen hundred seventy-eight through May thirty-first, nineteen hundred seventy-nine and each succeeding ~~[twelve month]~~ twelve-month period thereafter is less than the average daily distribution to such operators from off-track betting corporations and attributable to the conduct of racing by a thoroughbred racing association during the base period of June first, nineteen hundred seventy-seven through May thirty-first, nineteen hundred seventy-eight, such operators shall be entitled to a credit against the state tax imposed upon its pari-mutuel revenues. The tax credit for any ~~[twelve month]~~ twelve-month period shall be an amount calculated by multiplying the shortfall in the average daily distribution by the number of days in each ~~[twelve month]~~ twelve-month period that regional off-track betting corporations conduct betting on thoroughbred races run concurrently by both an in-state and an out-of-state track operator. The ~~[board]~~ commission shall so certify to the ~~[state tax commission]~~ department of taxation and finance the amount of credit applicable to each harness track operator no later than thirty days following the close of each ~~[twelve month]~~ twelve-month period.

7. No regional corporation may accept wagers on races run at a harness track in another state or country while a harness track within this state is conducting a race meeting involving pari-mutuel betting; provided, however, that notwithstanding any inconsistent provisions the ~~[board]~~ commission may designate no more than fifty harness races per year as races of special interest on which off-track pari-mutuel betting may be accepted by regional corporations.

9. ~~[(a)]~~ Notwithstanding any other provision of this article any regional corporation having a missed pool as defined in this subdivision shall dispose of such pool ~~[as follows:]~~

~~(1) Any missed pools of wagers placed at off-track betting parlors subsequent to December thirty-first, nineteen hundred eighty-two and prior to August first, nineteen hundred ninety-four which were not used to calculate payouts to winning bettors because such wagers failed to be transmitted to and were not included in the statewide pari-mutuel betting pool shall be retained by such corporation for its ordinary operating expenses.~~

~~(2) On or before August first, nineteen hundred ninety-four the board shall promulgate~~ according to rules and regulations of the commission, which shall direct ~~[said]~~ such regional corporations and ~~[said]~~ such missed pools to the in-state track conducting the race on which the wager was placed to be used for the next available common pool.

§ 102. Section 524 of the racing, pari-mutuel wagering and breeding law, subdivisions 1 and 4 as amended by chapter 459 of the laws of 2010

1 and subdivision 3 as amended by section 9 of part F-3 of chapter 62 of
2 the laws of 2003, is amended to read as follows:

3 § 524. Reports, accounts, investigations. 1. The ~~[board]~~ commission
4 shall, consistent with the powers of the department of taxation and
5 finance, prescribe uniform methods of keeping accounts, records and
6 books to be observed by regional corporations. The ~~[board]~~ commission
7 shall, consistent with the powers of the department of taxation and
8 finance, prescribe by order forms of accounts, records and memoranda to
9 be kept by such corporations. The ~~[board]~~ commission shall have power to
10 visit, investigate, and place expert accountants, or such other persons
11 as ~~[it]~~ the commission may deem necessary, in the offices, or other
12 places of business of any such corporation for the purpose of seeing
13 that the provisions of this chapter and the rules and regulations issued
14 by the ~~[board]~~ commission thereunder are strictly complied with. Upon a
15 finding by the ~~[board]~~ commission of a reasonable basis to believe that
16 any such ~~[offtrack]~~ off-track betting corporation is not complying with
17 the rules and regulations of the ~~[board]~~ commission or with applicable
18 provisions of law, the ~~[board]~~ commission, after providing a written
19 report setting forth its findings, may by a majority vote direct such
20 corporation to cause ~~[its]~~ such corporation's business and managerial
21 practices to be audited at ~~[its]~~ such corporation's own expense to
22 ensure that such corporation complies with the rules and regulations of
23 the ~~[board]~~ commission or any applicable provision of law.

24 2. Each regional corporation approved by the ~~[board]~~ commission to
25 conduct off-track pari-mutuel betting shall submit daily accounting
26 reports to the ~~[board]~~ commission, within forty-eight hours after each
27 racing day, accounting for all tickets sold and winning tickets cashed
28 or refunds and such other information as the ~~[board]~~ commission may
29 require. Copies of such daily reports shall be submitted to each racing
30 association or corporation conducting races on which off-track wagers
31 were accepted by such regional corporation.

32 3. Quarterly financial statements shall be submitted by each corpo-
33 ration to the ~~[board]~~ commission within fifteen days after the end of
34 each calendar quarter~~[,]~~ and shall include a balance sheet, a statement
35 of revenue net of expenses, statement of cash flow, a breakdown of oper-
36 ating and administrative expenses for the quarter preceding submission
37 of the report and for the year to date. All such reports shall be
38 subject to audit by the state comptroller and shall be public records.

39 4. The reports required under this section shall be in such form and
40 contain such other matters as the ~~[board]~~ commission may determine from
41 time to time to be necessary to disclose accurately the financial condi-
42 tion and operation of such corporations. Each regional corporation shall
43 submit a copy of the corporation's annual budget to the ~~[board]~~ commis-
44 sion no later than twenty days following approval of such budget by the
45 corporation's board of directors. The ~~[board]~~ commission may for good
46 cause shown grant a reasonable extension of time for the filing of any
47 such report.

48 § 103. Section 525 of the racing, pari-mutuel wagering and breeding
49 law, as amended by chapter 538 of the laws of 1999, is amended as
50 follows:

51 § 525. Statewide transmission. Subject to the general limitations of
52 this article, the provisions of its plan of operation and the rules and
53 regulations of the ~~[board]~~ commission, each regional corporation may
54 provide for direct transmission of off-track wagering information to a
55 track within its region for the purpose of creating a joint or combined
56 pool as required by section five hundred twenty-three of this article.

1 § 104. Section 526 of the racing, pari-mutuel wagering and breeding
2 law is amended to read as follows:

3 § 526. Use of track facilities; combined pools. In order to effectuate
4 the general policy of this article that off-track and on-track wagers be
5 combined into single pools to provide uniform odds and payouts, track
6 operators shall be subject to the requirements of this section.

7 1. a. At the request of a regional corporation, a track operator
8 conducting a race meeting at a track in this state, shall, upon such
9 terms and conditions as may be agreed upon by such operator and the
10 corporation subject to the approval of the [board] commission, provide
11 appropriate space and facilities at its track whereby the corporation
12 may perform the functions hereinafter described with respect to the
13 transmission and reception of wagering and racing information; provided,
14 however, that payments to the track operator pursuant to section five
15 hundred twenty-seven of this article shall be deemed adequate consider-
16 ation for the occupancy of vacant space at such track or the use of
17 existing facilities. The terms and conditions shall provide that the
18 corporation shall bear the cost of any additional office space or the
19 installation, leasing, operation, maintenance and servicing of addi-
20 tional facilities or equipment [~~shall be borne by the corporation~~].

21 b. In the event that a corporation and such operator shall be unable
22 to agree upon the space and facilities of such track to be provided to
23 the corporation by such operator, or the terms and conditions of the use
24 and occupancy thereof by the corporation, the [board] commission shall,
25 upon application in writing made either by the corporation or by such
26 operator, determine the appropriate space and facilities to be provided
27 to such corporation and the terms, conditions and costs of its use and
28 occupancy by such corporation.

29 c. Upon the decision of the [board] commission, the corporation shall
30 be entitled to use and occupy immediately the space and facilities
31 prescribed by the [board] commission, upon the terms and conditions
32 established by the [board] commission.

33 2. No track operator shall prevent a regional corporation from using
34 and occupying the space and facilities prescribed according to subdivi-
35 sion one of this section, nor fail to cause off-track wagers to be
36 combined with on-track wagers into single pools, provided off-track
37 wagering information is transmitted to the track in an accurate and
38 timely fashion, nor prevent such transmission of racing information by
39 the regional corporation to its offices as may be consistent with the
40 regulations of the [board] commission.

41 3. The [board] commission shall be entitled to the use and occupancy
42 of space and facilities upon reasonable terms in like manner as a
43 regional corporation whenever [~~it~~] the commission shall so require in
44 order to perform its statewide transmission function pursuant to section
45 five hundred twenty-five of this article. Any claim arising from such
46 occupancy and use shall be determined by the court of claims.

47 4. The [board] commission, on its own behalf or on behalf of a
48 regional corporation, may apply to the supreme court for an injunction
49 directing any track operator to comply with this section. In any such
50 action the [board] commission shall not be required to post bond or
51 security.

52 5. Nothing contained in this section shall be construed as requiring
53 the [board] commission or any regional corporation to pay or deliver to
54 any track operator any sum received from any bettor as a wager or other-
55 wise, but the net amount due from the [board] commission or such
56 regional corporation to the operator, in the event that payments to

1 winning bettors at the track exceed the portion of the pari-mutuel pool
2 attributable to such bettors, or the net amount due from the operator to
3 the [~~board~~] commission or regional corporation, in the event that
4 payments to winning bettors off the track exceed the portion of the
5 pari-mutuel pool attributable to such bettors, as the case may be, shall
6 be paid within seven days of a race.

7 § 105. The opening paragraph of subdivision 1, paragraphs b and c of
8 subdivision 3 and subdivisions 5 and 5-a of section 527 of the racing,
9 pari-mutuel wagering and breeding law, as amended by chapter 18 of the
10 laws of 2008 and the opening paragraph of subdivision 1 as amended by
11 chapter 241 of the laws of 2019, are amended to read as follows:

12 The disposition of the retained commission from pools resulting from
13 regular, multiple or exotic bets, as the case may be, whether placed on
14 races run within a region or outside a region, conducted by racing
15 corporations, harness racing associations or corporations, quarter horse
16 racing associations or corporations or races run outside the state shall
17 be governed by the tables in paragraphs a and b of this subdivision. The
18 rate denominated "state tax" shall represent the rate of a reasonable
19 tax imposed upon the retained commission for the privilege of conducting
20 off-track pari-mutuel betting, which tax is hereby levied and shall be
21 payable in the manner set forth in this section. Each off-track betting
22 corporation shall pay to the [~~gaming~~] commission as a regulatory fee,
23 which fee is hereby levied, six-tenths of one percent of the total daily
24 pools of such corporation. Each corporation shall also pay twenty
25 percent of the breaks derived from bets on harness races and fifty
26 percent of the breaks derived from bets on all other races to the agri-
27 culture and New York State horse breeding and development fund and to
28 the thoroughbred breeding and development fund, the total of such
29 payments to be apportioned fifty percent to each such fund. For the
30 purposes of this section, the New York city, Suffolk, Nassau, and the
31 Catskill regions shall constitute a single region and any thoroughbred
32 track located within the Capital District region shall be deemed to be
33 within such single region. A "regional meeting" shall refer to either
34 harness or thoroughbred meetings, or both, except that a franchised
35 corporation shall not be a regional track for the purpose of receiving
36 distributions from bets on thoroughbred races conducted by a thorough-
37 bred track in the Catskill region conducting a mixed meeting. With the
38 exception of a harness racing association or corporation first licensed
39 to conduct pari-mutuel wagering at a track located in Tioga, Saratoga or
40 Westchester county after January first, two thousand five, racing corpo-
41 rations first licensed to conduct pari-mutuel racing after January
42 first, nineteen hundred eighty-six or a harness racing association or
43 corporation first licensed to conduct pari-mutuel wagering at a track
44 located in Genesee County after January first, two thousand five, and
45 quarter horse tracks shall not be "regional tracks"; if there is more
46 than one harness track within a region, such tracks shall evenly divide
47 payments made pursuant to the tables in paragraphs a and b of this
48 subdivision when neither track is running. In the event a track elects
49 to reduce its retained percentage from any or all of its pari-mutuel
50 pools, the payments to the track holding the race and the regional track
51 required by paragraphs a and b of this subdivision shall be reduced in
52 proportion to such reduction. Nothing in this section shall be construed
53 to authorize the conduct of off-track betting contrary to the provisions
54 of section five hundred twenty-three of this article.

55 b. In addition to any other amount required by this section, of the
56 portion of commissions retained by a regional corporation, an amount

1 equal to one and eighty-five hundredths [~~per centum~~] percent of regular
2 pools and an amount equal to two and thirty-five hundredths [~~per centum~~]
3 percent of multiple pools and two and thirty-five hundredths [~~per~~
4 ~~centum~~] percent of exotic pools derived from wagers on races conducted
5 by a franchised corporation shall be paid to such corporation to be used
6 exclusively for the purpose of increasing purses, including stakes,
7 premiums and prizes. [~~Provided, however, for the period July twenty-~~
8 ~~fifth, two thousand one through June thirtieth, two thousand four, a~~
9 ~~regional corporation for the New York city, Nassau, Suffolk or Catskill~~
10 ~~region shall pay, of the portion of the commissions retained by such~~
11 ~~regional corporation on all pools, an amount equal to six and fifty~~
12 ~~hundredths per centum to such franchised corporation of which three and~~
13 ~~eighty hundredths per centum shall be used exclusively for the purpose~~
14 ~~of increasing purses, including stakes, premiums and prizes. Provided,~~
15 ~~further for the period July twenty fifth, two thousand one through June~~
16 ~~thirtieth, two thousand four a regional corporation for the capital or~~
17 ~~western region shall pay to such franchised corporation of the portion~~
18 ~~of the commissions retained by such regional corporation on all pools~~
19 ~~when there is a regional meeting, an amount equal to three and eighty-~~
20 ~~five hundredths of which two and eighty five hundredths shall be used~~
21 ~~exclusively for the purpose of increasing purses, including stakes,~~
22 ~~premiums and prizes.]~~ An additional two and sixty-five hundredths shall
23 be paid to the regional harness track. When there is no regional meet-
24 ing, an amount equal to four and sixty-five hundredths shall be paid to
25 such nonprofit racing association of which two and [~~ninety hundredths~~]
26 nine tenths shall be used exclusively for the purpose of increasing
27 purses, including stakes, premiums and prizes. An additional one and
28 eighty-five hundredths shall be paid to the regional harness track. In
29 addition to any other amounts required to be paid to a franchised corpo-
30 ration, for the period July twenty-first, nineteen hundred ninety-five
31 through July twenty-fourth, two thousand one, an additional one and
32 twenty-five hundredths [~~per centum~~] percent of multiple pools derived
33 from wagers on races conducted by a franchised corporation shall be paid
34 to such association for its own use and purposes. Any portion of said
35 amount not so used during any year shall be used during the following
36 year, failing which it shall be returned to the regional corporation on
37 or before April first in the year following the year in which it is not
38 so used to be distributed to the participating local governments.

39 c. In addition to any other amount required by this section, of the
40 portion of commissions retained by a regional corporation, an amount
41 equal to one and one-tenth [~~per centum~~] percent of regular and multiple
42 pools and six-tenths of one [~~per centum~~] percent of exotic pools derived
43 from wagers on races conducted by a thoroughbred racing corporation,
44 licensed by the [~~board~~] commission, other than a franchised corporation,
45 shall be paid to such thoroughbred racing corporation to be used exclu-
46 sively for the purpose of increasing purses, including stakes, premiums
47 and prizes. Any portion of [~~said~~] such amount not so used during any
48 year shall be used during the following year, failing which [~~it~~] such
49 amount shall be returned to the regional corporation on or before April
50 first in the year following the year in which it is not so used to be
51 distributed to the participating local governments.

52 5. a. One [~~per centum~~] percent of daily pools derived from bets on
53 harness races shall be paid to the agriculture and New York state breed-
54 ing and development fund except that for super exotic betting pools such
55 amount shall be three [~~per centum~~] percent of such bets.

b. An amount equal to one-half of one ~~[per centum]~~ percent of total daily off-track pari-mutuel pools resulting from regular, multiple and exotic bets and three ~~[per centum]~~ percent of super exotic bets on thoroughbred or steeplechase races shall be paid to the New York state thoroughbred breeding and development fund.

c. From the total breaks retained by a regional corporation, an amount equal to ten ~~[per centum]~~ percent of the breaks derived from bets on quarter horse races shall be paid to the New York state quarter horse breeding and development fund.

5-a. Notwithstanding any other provision of law, a regional corporation shall retain, in addition to those amounts described in the opening paragraph of this section, from regular and multiple bets on races run at tracks electing to withhold pursuant to section two hundred thirty-seven or section three hundred nineteen of this chapter, an amount equal to one ~~[per centum]~~ percent of pools resulting from total wagering at such tracks, one-half of which shall be paid to such tracks or nonprofit county agricultural society, except that the full one ~~[per centum]~~ percent shall be paid to a thoroughbred track in the Catskill region conducting a mixed meeting, to be used exclusively for capital improvements pursuant to sections two hundred thirty-seven and three hundred nineteen of this chapter and subject to the rules and regulations of the ~~[racing and wagering board]~~ commission and one-half to be retained by the regional corporation for its own corporate purposes.

§ 105-a. Paragraph b of subdivision 3 of section 527 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 94 of the laws of 2001, is amended to read as follows:

b. In addition to any other amount required by this section, of the portion of commissions retained by a regional corporation, an amount equal to one and one-quarter ~~[per centum]~~ percent of regular and multiple pools and three-quarters of one ~~[per centum]~~ percent of exotic pools derived from wagers on races conducted by a nonprofit racing association shall be paid to such nonprofit racing association to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. ~~[Provided, however, for the period July twenty-fifth, two thousand one through June thirtieth, two thousand four, if a regional corporation for the New York city, Nassau, Suffolk or Catskill region shall pay, of the portion of the commissions retained by such regional corporation on all pools, an amount equal to six and fifty hundredths per centum to such nonprofit racing association of which three and eighty hundredths per centum shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. Provided, further that for the period July twenty fifth, two thousand one through June thirtieth, two thousand four a regional corporation for the capital or western region shall pay to such nonprofit racing association of the portion of the commissions retained by such regional corporation on all pools when there is a regional meeting, an amount equal to three and eighty five hundredths of which two and fifty hundredths shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes.]~~ An additional two and sixty-five hundredths shall be paid to the regional harness track. When there is no regional meeting, an amount equal to four and sixty-five hundredths shall be paid to such nonprofit racing association of which two and ~~[ninety hundredths]~~ nine-tenths shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. An additional one and eighty-five hundredths shall be paid to the regional harness track. Any portion of said amount not so used during any year shall be used during

1 the following year, failing which it shall be returned to the regional
2 corporation on or before April first in the year following the year in
3 which it is not so used to be distributed to the participating local
4 governments.

5 § 106. Section 528 of the racing, pari-mutuel wagering and breeding
6 law, subdivision 3 as amended by chapter 18 of the laws of 2008, is
7 amended to read as follows:

8 § 528. Agreements involving other states. 1. The ~~[board]~~ commission
9 shall be empowered to conclude agreements with another state or a racing
10 corporation or association in another state, as the case may be, on
11 behalf of any or all regional corporations for the purpose of conducting
12 off-track betting on races run in another state, subject to the other
13 provisions of this article.

14 2. No regional corporation shall conclude such an agreement without
15 the express approval of the ~~[board]~~ commission, which shall be withheld
16 upon a finding that such agreement would be contrary to the purposes of
17 this article or upon the ~~[board's]~~ commission's determination to act
18 directly, pursuant to this section.

19 3. Subdivisions one and two of this section shall apply in like manner
20 to any agreements with another state or any agency, subdivision or enti-
21 ty thereof concerning off-track pari-mutuel betting conducted in another
22 state on races run in this state. No franchised corporation, nor any
23 racing corporation or association licensed by the ~~[board]~~ commission
24 shall enter into such an agreement without the ~~[board's]~~ commission's
25 express approval.

26 § 107. Section 529 of the racing, pari-mutuel wagering and breeding
27 law is amended to read as follows:

28 § 529. Unclaimed winnings and refunds. The ~~[board]~~ commission shall
29 require each regional corporation to establish a non-escrowed account
30 for payment of outstanding winning tickets and for payment of refunds to
31 ticket holders entitled thereto under the rules of the ~~[board]~~ commis-
32 sion.

33 1. All tickets must be presented for payment to the regional corpo-
34 ration from which purchased prior to April first of the year following
35 the year of purchase.

36 2. Ninety-five percent of the balance of such account remaining
37 unclaimed as of the last day of February of such year shall be paid to
38 the ~~[state tax commission]~~ department of taxation and finance by March
39 fifteenth. On or before April tenth of each year the balance of such
40 account and any other unclaimed amounts received in the course of
41 conducting off-track betting shall be paid by such corporation to the
42 ~~[state tax commission]~~ department of taxation and finance. A penalty of
43 five percent and interest at the rate of one percent per month from the
44 due date to the date of payment of the unclaimed balance due March
45 fifteenth or April tenth, as the case may be, shall be payable in case
46 such balance is not paid when due. Such amounts, interest and penalties
47 when collected by the ~~[state tax commission]~~ department of taxation and
48 finance shall be deposited into the general fund of the state treasury.

49 § 108. Section 530 of the racing, pari-mutuel wagering and breeding
50 law, as amended by chapter 18 of the laws of 2008, is amended to read as
51 follows:

52 § 530. Job security for track employees. Plans of operation of
53 regional off-track betting corporations shall include provision for job
54 security for employees of racetracks within each region compatible with
55 and in furtherance of the objectives of this article and subject to the
56 approval of the ~~[state racing and wagering board]~~ commission. Job secu-

1 rity agreements that may be concluded from time to time after July
2 first, nineteen hundred seventy-three between track employee organiza-
3 tions and the New York city off-track betting corporation or any other
4 regional off-track betting corporation shall be subject to the approval
5 of the [~~board~~] commission and when approved shall be deemed a part of
6 the plan of operation of such corporation and any other regional corpo-
7 ration; provided, however, that nothing in this article or any other
8 provision of this chapter shall be construed to require or empower the
9 [~~board~~] commission to abrogate job security agreements between the New
10 York city off-track betting corporation and any track employee organiza-
11 tion, in effect on July first, nineteen hundred seventy-three and any
12 such contracts shall be deemed to be a part of the plan of operation of
13 such corporation.

14 § 109. Section 531 of the racing, pari-mutuel wagering and breeding
15 law is amended to read as follows:

16 § 531. Reduction of local admissions taxes as a pre-condition of off-
17 track betting. 1. Notwithstanding article eight of this chapter[~~7~~] and
18 subdivision twenty-four of section sixty-four of the town law, no local-
19 ly imposed taxes on admissions to harness or running races shall be in
20 the aggregate more than three [~~per centum~~] percent of such admissions on
21 and after the first day that off-track pari-mutuel betting is conducted
22 or continues to be conducted in such locality imposing the tax by a
23 regional corporation, pursuant to this article, established for the
24 region in which such races are conducted.

25 2. A regional corporation, except for such corporations consisting of
26 only one participating county or one city, shall annually reimburse any
27 city or town within such region for any reduction in admissions tax
28 revenues equal to the difference between such revenues for:

29 a. [~~The~~] the twelve months immediately preceding the reduction
30 required by this section, and

31 b. [~~Each~~] each twelve-month period subsequent to July thirty-first,
32 nineteen hundred seventy-eight.

33 § 110. Subdivisions 1, 3 and 4 of section 532 of the racing, pari-mu-
34 tuel wagering and breeding law, subdivision 1 and the opening paragraph
35 of subdivision 3 as amended by chapter 115 of the laws of 2008, subpara-
36 graph (v) of paragraph b of subdivision 3 as added by chapter 286 of the
37 laws of 1985, subparagraph (vi) of paragraph b of subdivision 3 as
38 amended by chapter 201 of the laws of 2017, are amended to read as
39 follows:

40 1. Notwithstanding any other provision of law, each regional off-track
41 betting corporation, or off-track betting operator, including the New
42 York city off-track betting corporation, conducting off-track betting
43 shall impose a surcharge of five [~~per centum~~] percent on the portion of
44 pari-mutuel wagering pools distributable to persons having placed bets
45 at off-track betting facilities located within such region. The revenues
46 derived from such surcharge, plus the breaks, shall be held separate and
47 apart from any amounts otherwise authorized to be retained from pari-mu-
48 tuel pools. Such surcharge is hereby levied subject to the conditions
49 set forth in this subdivision and article ten of this chapter.

50 3. The revenues received from any surcharge imposed by subdivision one
51 of this section, plus the breaks, shall be distributed monthly, as
52 follows:

53 a. [~~Fifty per centum~~] fifty percent to such city, or to the counties
54 and cities entitled to receive revenues from the regional corporation
55 pursuant to section five hundred sixteen of this chapter and in the same
56 proportion as provided therein, or to an off-track betting operator; and

1 b. ~~[The]~~ the balance as follows:

2 (i) where the track conducting the race on which the bet was placed is
3 located within a city with a population in excess of one hundred thou-
4 sand, to such city;

5 (ii) where the track conducting the race on which the bet was placed
6 is not located within a city with a population in excess of one hundred
7 thousand, to the county in which such track is located;

8 (iii) where the track conducting the race on which the bet was placed
9 is located partially within a city with a population in excess of one
10 million and partially within a county, twenty-five ~~[per-centum]~~ percent
11 of such balance to the city and the remainder to the county; ~~[and]~~

12 (iv) where the track conducting the race on which the bet was placed
13 is located outside the state, in the same manner as described in para-
14 graph a of this subdivision~~[-]~~;

15 (v) where the track conducting the race is located in a thoroughbred
16 special betting district and is simulcasting pursuant to section one
17 thousand eight of this chapter outside such special betting district,
18 ninety ~~[per-centum]~~ percent to the off-track betting operator and ten
19 ~~[per-centum]~~ percent to the county in which such track is located~~[-]~~;
20 and

21 (vi) for the period of September first, two thousand seventeen until
22 August thirty-first, two thousand twenty-two and where the track
23 conducting the race on which the bet was placed is a harness track
24 located in the county of Erie, to such track.

25 4. The ~~[state racing and wagering board]~~ commission shall issue regu-
26 lations providing for monthly distribution to cities and counties of the
27 revenues received under this section, through the regional off-track
28 betting corporation in which such cities or counties are located;
29 provided, however, in the event that such cities or counties otherwise
30 entitled to receive such revenues are not participating cities or coun-
31 ties with a regional off-track betting corporation then such monthly
32 distributions shall be payable directly to such cities or counties.
33 Regional off-track betting corporations that receive payments under this
34 subdivision shall distribute such payments to appropriate participating
35 cities and counties within three business days following receipt of such
36 payments. The ~~[board]~~ commission shall also provide for periodic
37 reports by regional off-track betting corporations to ensure that the
38 purposes of this section are carried out.

39 § 111. Paragraphs b and c of subdivision 12 of section 604 of the
40 racing, pari-mutuel wagering and breeding law, as amended by chapter 115
41 of the laws of 2008, are amended to read as follows:

42 b. No rule or regulation promulgated by the corporation pursuant to
43 the provisions of this subdivision shall be effective until a copy ther-
44 eof is filed with the ~~[racing and wagering board]~~ commission.

45 c. Any violation of any rule or regulation, filed with the ~~[racing and~~
46 ~~wagering—board]~~ commission and designated by the letter "R" by resolu-
47 tion of the board of directors of the corporation, shall be an offense
48 triable by a judge of the criminal court of the city, and shall be
49 punishable by imprisonment for not more than six months, or by a fine of
50 not more than one thousand dollars, or by both such imprisonment and
51 fine. All such fines collected shall be paid into the general fund of
52 the state. Any such rule or regulation shall be effective, notwithstand-
53 ing that any act or omission made an offense or punishable thereby may
54 be a crime or offense or punishable under any other provision of law;

§ 112. Subdivision 1 of section 610 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 115 of the laws of 2008, is amended to read as follows:

1. The monetary transactions of the corporation and the keeping of its books and accounts shall be under the supervision of the director of the division of the budget. The chair of the ~~[racing and wagering board]~~ commission may at any time request and shall be provided for review such books and accounts.

§ 113. Subdivisions 4 and 7 of section 611 of the racing, pari-mutuel wagering and breeding law are amended to read as follows:

4. Any resolution or resolutions authorizing any bonds or notes may contain provisions, which shall be a part of the contract or contracts with the holders thereof, as to:

a. ~~[Pledging]~~ pledging all or any part of the moneys or revenues or other assets of the corporation to secure the payment of such bonds or notes;

b. ~~[The]~~ the setting aside of reserves or sinking funds and the regulation or disposition thereof;

c. ~~[Limitations]~~ limitations on the purposes to which the proceeds of the sale of any issue of bonds or notes then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the bonds or notes or any issue thereof;

d. ~~[Limitations]~~ limitations on the issuance of additional bonds or notes; the terms upon which such additional bonds or notes may be issued and secured; the refunding of outstanding bonds or notes;

e. ~~[The]~~ the procedures, if any, by which the terms of any contract with the holders of bonds or notes may be extended or abrogated, the amount of bonds or notes the holders of which must consent thereto and the manner in which such consent may be given;

f. ~~[The]~~ the creation of special funds into which any moneys or revenues of the corporation may be deposited;

g. ~~[Limitations]~~ limitations on the amounts that the corporation may expend for administrative or other expenses thereof;

h. ~~[Vesting]~~ vesting in a trustee such properties, rights, powers and duties in trust as the corporation may determine and limiting or abrogating the right of the holders of the bonds or notes to appoint a trustee under section six hundred sixteen of this chapter;

i. ~~[Defining]~~ defining the acts or omissions to act ~~[which]~~ that shall constitute a default in the obligations and duties of the corporation to the holders of the bonds or notes and providing for the rights and remedies of the holders of the bonds or notes in the event of such default, including as a matter of right the appointment of a receiver; providing, however, that such rights and remedies shall not be inconsistent with the general laws of the state and the other provisions of this article;

and
j. ~~[Any]~~ any other matters, of like or different character, ~~[which]~~ that in any way affect the security or protection of the holders of the bonds or notes.

7. The corporation, subject to such agreements with the holders of bonds or notes as may then exist, shall have the power out of any funds available therefor to purchase any bonds or notes issued by it at a price not exceeding the redemption price thereof, which price shall be:

a. ~~[If]~~ if the bonds or notes are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or

1 b. [~~If~~] ~~if~~ the bonds or notes are not then redeemable, the redemption
2 price applicable on the first date after such purchase upon which bonds
3 or notes become subject to redemption plus accrued interest to such
4 date. All bonds or notes so purchased shall be cancelled.

5 § 114. Subdivision 1 of section 612 of the racing, pari-mutuel wager-
6 ing and breeding law, paragraph a of subdivision 1 as amended by chapter
7 115 of the laws of 2008, is amended as follows:

8 1. The corporation shall create and establish a special fund herein
9 referred to as the capital reserve fund, and shall pay into such capital
10 reserve fund:

11 a. [~~Any~~] ~~any~~ moneys appropriated and made available by the state for
12 the purpose of such capital reserve fund,

13 b. [~~Any~~] ~~any~~ proceeds of sale of bonds or notes to the extent provided
14 in the resolution or resolutions of the corporation authorizing the
15 issuance thereof, and

16 c. [~~Any~~] ~~any~~ other moneys [~~which~~] ~~that~~ may be made available to the
17 corporation for the purpose of such capital reserve fund from any other
18 source or sources. All moneys held in the capital reserve fund, except
19 as hereinafter provided, shall be used solely for the payment of the
20 principal of bonds of the corporation, the payment of interest on such
21 bonds, or the payment of any redemption premium required to be paid when
22 such bonds are redeemed prior to maturity; provided, however, that
23 moneys in such capital reserve fund shall not be withdrawn therefrom at
24 any time in such amount as would reduce the amount of such fund to less
25 than the maximum amount of principal and interest maturing and becoming
26 due in any succeeding fiscal year of the corporation on all bonds of the
27 corporation then outstanding, except for the purpose of paying principal
28 of and interest on such bonds of the corporation maturing and becoming
29 due and for the payment of which other moneys of the corporation are not
30 available. Any income or interest earned by, or increment to, the capi-
31 tal reserve fund due to the investment thereof may be transferred to
32 other funds or accounts to the extent it does not reduce the amount of
33 the capital reserve fund below the maximum amount of principal and
34 interest maturing and becoming due in any such succeeding fiscal year on
35 all bonds of the corporation then outstanding.

36 § 115. Subdivision 2 of section 616 of the racing, pari-mutuel wager-
37 ing and breeding law is amended to read as follows:

38 2. Such trustee may, and upon written request of the holders of twen-
39 ty-five [~~per centum~~] ~~percent~~ in principal amount of such bonds or notes
40 then outstanding shall, in his, ~~her~~ or its own name:

41 a. [~~By~~] ~~by~~ suit, action or special proceedings enforce all rights of
42 the holders of the bonds or notes, including the right to require the
43 corporation to carry out any agreements with such holders and to perform
44 its duties under this article;

45 b. [~~Bring~~] ~~bring~~ suit upon such bonds or notes;

46 c. [~~By~~] ~~by~~ action or suit, require the corporation to account as if it
47 were the trustee of an express trust for the holders of such bonds or
48 notes;

49 d. [~~By~~] ~~by~~ action or suit, enjoin any acts or things [~~which~~] ~~that~~ may
50 be unlawful or in violation of the rights of the holders of such bonds
51 or notes; ~~and~~

52 e. [~~Declare~~] ~~declare~~ all such bonds or notes due and payable, and if
53 all defaults shall be made good, then, with the consent of the holders
54 of twenty-five [~~per centum~~] ~~percent~~ of the principal amount of such
55 bonds or notes then outstanding, annul such declaration and its conse-
56 quences.

§ 116. Subdivisions 1, 4 and 5 of section 619 of the racing, pari-mutuel wagering and breeding law are amended to read as follows:

1. As used in this section the following terms shall mean and include:

a. "Corporation counsel." The corporation counsel of the city.

b. "Employee." Any officer, director or employee of the corporation, a former officer, director or employee of the corporation, his or her estate or judicially appointed personal representative. The term employee shall not include an independent contractor.

4. The duty to defend or indemnify and save harmless prescribed by this section shall be conditioned upon:

a. ~~Delivery~~ delivery to the corporation counsel at the office of the law department of the city by the employee of the original or a copy of any summons, complaint, process, notice, demand or pleading within ten days after he or she is served with such document, and

b. ~~The~~ the full cooperation of the employee in the defense of such action or proceeding and in defense of any action or proceeding against the corporation based upon the same act or omission, and in the prosecution of any appeal. Such delivery shall be deemed a request by the employee that the corporation provide for his or her defense pursuant to this section. In the event that the corporation counsel shall assume an employee's defense and thereafter the employee fails to or refuses to cooperate in the formation or presentation of his or her defense, the court shall permit the corporation counsel to withdraw his or her representation ten days after giving written notice to the employee of his or her intention to discontinue such representation.

5. In the event that the act or omission upon which the court proceeding against the employee is based was or is also the basis of a disciplinary proceeding by the corporation against the employee, representation and indemnification pursuant to this section may be withheld:

a. ~~Until~~ until such disciplinary proceeding has been resolved, and

b. ~~Unless~~ unless the resolution of the disciplinary proceeding exonerated the employee as to such act or omission.

§ 117. The opening paragraph of section 621 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 115 of the laws of 2008, is amended to read as follows:

Within one hundred twenty days after the end of the fiscal year of the corporation, the directors thereof shall submit to the governor, the legislature, the ~~[racing and wagering board]~~ commission and the state comptroller a complete and detailed report setting forth:

§ 118. Section 702 of the racing, pari-mutuel wagering and breeding law is amended to read as follows:

§ 702. Committee. The Harry M. Zweig memorial fund for equine research committee is established for the purpose of administering the funds. The committee ~~[will]~~ shall consist of not less than nine and not more than fifteen members including but not limited to:

1. ~~The chairman~~ the chair of the ~~[state racing and wagering board]~~ commission, or his or her designee~~[-]~~;

2. ~~The~~ the dean of New York state veterinary college at Cornell, or his or her designee~~[-]~~;

3. ~~A~~ a member or the executive director of the agriculture and New York state horse breeding development fund to be nominated by such fund~~[-]~~;

4. ~~A~~ a member or the executive director of the New York state thoroughbred breeding and development fund to be nominated by such fund~~[-]~~; and

1 5. ~~[Other]~~ other bona fide residents of the state who have a cogent
2 interest in the racing and breeding industry in the state of which at
3 least five ~~[will]~~ shall be New York breeders, owners, trainers or veter-
4 inarians in equine practice.

5 The committee as so constituted pursuant to rules and regulations of
6 the ~~[state racing and wagering board]~~ commission is hereby continued,
7 and shall establish its own by-laws which will include a system for
8 electing its own officers and for perpetuating its membership, providing
9 for the terms of its members, their replacement and succession, and such
10 other administrative details as it deems necessary to effectuate the
11 purposes of this article. The ~~[state racing and wagering board]~~ commis-
12 sion shall review such by-laws and amendments thereto prior to their
13 implementation.

14 § 119. Section 703 of the racing, pari-mutuel wagering and breeding
15 law, subdivision 3 as added by section 1 of subpart C of part DD of
16 chapter 59 of the laws of 2019, is amended to read as follows:

17 § 703. Finances of fund. 1. Two percent of all moneys accruing respec-
18 tively to the agriculture and New York state horse breeding development
19 fund and the New York state thoroughbred breeding and development fund,
20 for the purpose of conducting equine research, shall be deposited by
21 such funds in a special interest bearing account, title to which shall
22 be in New York state veterinary college at Cornell and control over
23 which shall be in the committee subject to audit by the state comp-
24 troller. Withdrawals from such accounts shall be made only upon the
25 authorization of the committee and the signatures of two of the commit-
26 tee's members as designated by the committee. All moneys transferred by
27 such funds to special accounts pursuant to rules and regulations of the
28 ~~[state racing and wagering board]~~ commission, prior to the date on which
29 this article shall have become law, shall be deemed to have been depos-
30 ited as provided in this subdivision. Moneys accrued subsequently shall
31 be deposited monthly within one month of their accrual by such funds and
32 notice thereof shall be forwarded to the committee and the ~~[state racing~~
33 ~~and wagering board]~~ commission.

34 2. On or before January first and July first, of each subsequent
35 calendar year, such funds shall provide to the committee and the ~~[state~~
36 ~~racing and wagering board]~~ commission a certified statement of amounts
37 then deposited to the credit of the committee and a projection of funds
38 to be deposited to the credit of such committee for the subsequent ~~[six~~
39 ~~month]~~ six-month period.

40 3. Upon the authorization through a resolution by the committee, the
41 fund may acquire moneys by the acceptance of conditional gifts, grants,
42 devises or bequests given in furtherance of the mission of the fund to
43 the extent that any such gift, grant, devise, or bequest is in the form
44 of cash, securities, or other form of personal property that is readily
45 convertible to cash, and only if the condition of the gift is that it be
46 used for the unrestricted purpose of equine research. The fund may not
47 accept a conditional gift, grant, devise, or bequest if the condition
48 would require the fund to undertake to acquire property, construct,
49 alter, or renovate any real property, or alter or suspend the research
50 that the fund is already conducting or supporting. All moneys accepted
51 shall be deposited into a segregated account subject to the requirements
52 and conditions of subdivision one of this section. The fund shall
53 provide notice of the acceptance of such moneys to the ~~[gaming]~~ commis-
54 sion.

55 § 120. Subdivisions 4 and 6 of section 704 of the racing, pari-mutuel
56 wagering and breeding law are amended to read as follows:

1 4. The committee shall cause all such proposals to be transmitted
2 within five days of receipt, to the [~~state racing and wagering board~~]
3 commission.

4 6. The committee's approval, disapproval and/or recommendations with
5 regard to each proposal or its adoption of a budget shall be sent to the
6 [~~state racing and wagering board~~] commission.

7 § 121. Section 705 of the racing, pari-mutuel wagering and breeding
8 law is amended to read as follows:

9 § 705. Research grants. 1. Upon approval of a proposal by the commit-
10 tee, [~~it~~] the committee shall then enter into a contractual relationship
11 with the applicant for the research grant within the limit of the funds
12 available therefor and subject to the following limitations:

13 a. All grants so provided shall be used for the direct cost of
14 approved projects and shall not be used to supplant funds otherwise
15 available to the applicant or to the institution with which [~~he~~] the
16 applicant is affiliated, or for the general cost recoveries [~~which~~] that
17 are rightfully the prior obligation of the institution to which the
18 research grant is made.

19 b. No funds shall be expended for the acquisition, construction or
20 renovation of capital facilities without specific prior written approval
21 by the committee.

22 c. Payments shall be made upon certified vouchers submitted to the
23 committee, prepared in a format satisfactory to the committee.

24 2. Copies of grant contracts shall be furnished to the [~~state racing~~
25 ~~and wagering board~~] commission, and each of the funds named in section
26 seven hundred three of this article.

27 § 122. Subdivision 2 of section 810 of the racing, pari-mutuel wager-
28 ing and breeding law is amended to read as follows:

29 2. Where the race meeting grounds or enclosure is situated in two
30 counties, one of which is wholly within a city, then:

31 a. If the tax is imposed by such city, the fiscal officers of such
32 city shall deposit the revenues of such taxes in a special fund and
33 shall pay to the county, not located in such city, within sixty days
34 after collection thereof, seventy-five [~~per centum~~] percent of the
35 moneys in such special fund, for deposit in the general fund of such
36 county as hereinbefore provided, less the expenses for the collection of
37 such tax, and except that the sum of five thousand dollars shall be
38 retained at all times in such special fund for the purpose of making
39 refunds or any necessary adjustments. The fiscal officers of such city
40 shall pay the balance then remaining in such special fund into the
41 general fund of such city as hereinbefore provided[~~+~~].

42 b. If the tax is not imposed by such city, but is imposed by such
43 county, the fiscal officers of such county shall deposit the revenues of
44 such taxes in a special fund and shall pay to such city within sixty
45 days after collection thereof, twenty-five [~~per centum~~] percent of the
46 moneys in such special fund, for deposit in the general fund of such
47 city as hereinbefore provided, less the expenses for the collection of
48 such tax and except that the sum of five thousand dollars shall be
49 retained at all times in such special fund for the purpose of making
50 refunds or any necessary adjustments. The fiscal officers of such county
51 shall pay the balance remaining in such special fund into the general
52 fund of such county as hereinbefore provided.

53 § 123. Subdivision 1 and paragraphs a and c of subdivision 2 of
54 section 901 of the racing, pari-mutuel wagering and breeding law, as
55 amended by chapter 18 of the laws of 2008, are amended to read as
56 follows:

1 1. Notwithstanding the provisions of subdivision two of section five
2 hundred twenty-three of this chapter, the [~~board~~] commission shall
3 authorize regional off-track betting corporations to accept additional
4 wagers on multiple betting opportunities on races conducted by any fran-
5 chised corporation.

6 A franchised corporation may elect to offer such similar additional
7 daily double and quinella wagering opportunities. If such franchised
8 corporation offers two or more quinellas, as defined herein, the
9 provisions of section five hundred twenty-three of this chapter, as
10 modified by the provisions of subdivisions one, two and three of this
11 section, with respect to combined pools shall apply with respect to such
12 wagering opportunities. At any time such a franchised corporation does
13 not offer at least two quinellas, the provisions of this subdivision
14 with respect to separate authorizations for regional corporations shall
15 remain in effect with respect to such quinella wagers.

16 At any time such franchised corporation does not offer such an addi-
17 tional daily double, the provisions of this subdivision with respect to
18 separate authorizations for regional corporations shall remain in effect
19 with respect to such an additional daily double wager.

20 Whenever regional off-track betting corporations offer wagers pursuant
21 to this subdivision that are not combined in a common pool with similar
22 on-track wagers, the provisions of subdivision eight of section five
23 hundred twenty-three of this chapter shall apply to such wagers.

24 a. In addition to the authority granted under subdivision one of this
25 section, the [~~board~~] commission shall require, under conditions subject
26 to its approval, the franchised corporation to provide direct trans-
27 missions into selected regional off-track facilities of a current "live
28 call of the race," defined as the current positions of the horses at
29 specified places on the track during the race. The track operator itself
30 may perform the broadcast; or, provide appropriate space and facilities
31 to enable a single, alternative broadcast to be performed solely for the
32 use of regional off-track betting corporations, the expense of such
33 alternative broadcast to be borne by such regional corporations, at the
34 discretion of such regional corporations. In either case, all incre-
35 mental transmission costs are to be borne by such regional corporations.

36 c. The [~~board~~] commission shall approve the request of each such
37 regional off-track betting corporation to transmit the call of the race,
38 beginning January first, nineteen hundred seventy-nine, into an addi-
39 tional, like number of facilities as specified in paragraph b of this
40 subdivision and subject to the conditions in such paragraph. Provided,
41 however, that nothing shall prohibit such franchised corporation from
42 entering into agreements with such regional off-track betting corpo-
43 rations designating additional facilities within the regions of such
44 regional off-track betting corporations that may offer a "live call of
45 the race", except that no such transmissions are authorized into the
46 portion of the Western and Catskill regions in the thoroughbred special
47 betting district on those days that a thoroughbred track is conducting
48 racing in such special betting district.

49 § 124. Subdivision 1 of section 902 of the racing, pari-mutuel wager-
50 ing and breeding law, as amended by section 2 of part JJ of chapter 59
51 of the laws of 2019, is amended to read as follows:

52 1. In order to assure the public's confidence and continue the high
53 degree of integrity in racing at the pari-mutuel betting tracks, equine
54 drug testing at race meetings shall be conducted by a state college or
55 at a land grant university within this state. The [~~gaming~~] commission
56 shall promulgate any rules and regulations necessary to implement the

1 provisions of this section, including administrative penalties of loss
2 of purse money, fines, or denial, suspension or revocation of a license
3 for racing drugged horses.

4 § 125. Section 903 of the racing, pari-mutuel wagering and breeding
5 law, as amended by chapter 18 of the laws of 2008, is amended to read as
6 follows:

7 § 903. Simulcasting rights; Breeders' Cup Ltd. Notwithstanding any
8 inconsistent provision of this chapter and upon the approval of the
9 ~~[board]~~ commission, a franchised corporation is authorized to enter into
10 an agreement with the Breeders' Cup Ltd. for the disposition of all
11 revenues derived by such franchised corporation from and limited to the
12 live transmission of the audio/visual signals of and from pari-mutuel
13 wagering on races run by such franchised corporation to be known as the
14 "Breeders' Cup Event Day", in such manner as such franchised corporation
15 shall determine.

16 § 126. Paragraphs a, b, c and e of subdivision 1 and subdivisions 2
17 and 2-a of section 904 of the racing, pari-mutuel wagering and breeding
18 law, as amended by chapter 18 of the laws of 2008, paragraph a of subdi-
19 vision 1 as amended by section 5 of part BB of chapter 60 of the laws of
20 2016, are amended to read as follows:

21 a. The applicable state tax provided for in paragraphs a and b of
22 subdivision one of section five hundred twenty-seven of this chapter
23 shall be one-half percent for regular, multiple and exotic bets. Any
24 harness racing or association or corporation, or thoroughbred racing
25 corporation authorized pursuant to this section shall pay to the
26 ~~[gaming]~~ commission as a regulatory fee, which fee is hereby levied,
27 six-tenths of one percent of the total daily pari-mutuel pools.

28 b. The system of on and off-track betting shall result in the combina-
29 tion of all off-track wagers with on-track wagers so as to produce
30 common pari-mutuel betting pools. Provided, however, that the ~~[board]~~
31 commission may authorize separate pari-mutuel wagering pools for any
32 corporation or association electing to accept such wagers, if ~~[it]~~ the
33 commission determines that a common on and off-track pari-mutuel betting
34 pool, due to limitations in existing computer systems and information
35 transmission and receiving capacities cannot practically be accomplished
36 so as to maximize a reasonable number of separate wagering interests.
37 The resulting separate pools for regional off-track betting corporations
38 shall be subject to the limitations set forth in subdivision eight of
39 section five hundred twenty-three of this chapter.

40 c. Every association and corporation shall distribute all sums depos-
41 ited in any pari-mutuel pool to the holders of winning tickets therein,
42 providing such tickets be presented for payment before April first of
43 the year following the year of their purchase, less an amount ~~[which]~~
44 that it shall retain at the same rate established by the sending track
45 plus the breaks.

46 e. For any corporation licensed pursuant to article two of this chap-
47 ter, ~~[7]~~ the applicable state tax shall be one percent of all wagers, the
48 amount payable to the thoroughbred breeding and development fund shall
49 be one-half of one percent and distribution to purses shall be fifty
50 percent of the amount retained by the track after all statutory and
51 contracted payments are made. No additional amounts may be withheld as
52 provided in section two hundred thirty-seven of this chapter.

53 2. The ~~[state racing and wagering board]~~ commission shall approve an
54 application from any racing corporation or association pursuant to
55 subdivision one of this section to accept on-track wagers and display
56 the simulcast of the Kentucky Derby or the Preakness provided, however,

1 that no application shall be approved by the board that it determines
2 may cause a reduction of the total number of racing events normally
3 conducted at the track on a daily basis.

4 2-a. The [~~state racing and wagering board~~] commission shall approve an
5 application from any racing corporation or association pursuant to
6 subdivision one of this section to accept on-track wagers on the Breed-
7 ers' Cup races, and, in instances where the application contemplates the
8 on-track display of simulcasts of and wagering on the entire card of
9 Breeders' Cup races, the [~~board~~] commission shall authorize, for that
10 day, a reduction of the total number of racing events normally conducted
11 at the track on a daily basis provided that the total number of live
12 racing events conducted at the track shall not be less than two.

13 § 127. Subdivision 1, paragraphs a, b, c and e of subdivision 2 and
14 subdivision 3 of section 905 of the racing, pari-mutuel wagering and
15 breeding law, as amended by chapter 346 of the laws of 1990, subdivision
16 3 as amended by chapter 62 of the laws of 2003, and such section as
17 renumbered by chapter 18 of the laws of 2008, are amended to read as
18 follows:

19 1. The combination of New York wagers with wagers of the same type
20 made in other states or foreign countries is hereby authorized pursuant
21 to rules and regulations of the [~~state racing and wagering board~~]
22 commission so as to produce a common pari-mutuel pool for the calcu-
23 lation of odds and the determination of pay-outs from such pool, which
24 payout shall be, as far as may be consistent herewith, the same for all
25 winning bets of such type irrespective of whether a wager is placed in
26 this state or in another state or foreign country.

27 a. The [~~board~~] commission may authorize the combination of out-of-
28 state or foreign wagers on horse races in New York state with the same
29 type of wagers made in New York state at the site of the statewide
30 interface designated by the [~~board~~] commission for the combination of
31 on-track and off-track wagers made in New York state.

32 b. In this regard the [~~board~~] commission shall enact rules and regu-
33 lations including but not limited to insuring the following standards:
34 that the out-of-state or foreign wagering operator is duly authorized to
35 conduct such wagering by the laws of the applicable out-of-state or
36 foreign government and is of satisfactory ethical and financial repute;
37 that all such wagers are made in a format consistent with the format for
38 such wagers in New York state as to number of betting entries and the
39 combination of such entries into coupled entries and fields; that if the
40 laws of such other state or foreign country permit, that such wagers
41 shall be subject to the identical retention and breakage rates as
42 pertain at the site of the New York interface; that if the laws of such
43 other state or foreign country prescribe a retention or breakage rate
44 different from that in New York state it would not be contrary to the
45 public interest to compute odds and payouts for such out-of-state or
46 foreign wagers consistent with such law; that if it is consistent with
47 the public interest to compute odds and payouts for such out-of-state or
48 foreign wagers according to retention or breakage rates different from
49 those in New York state, that the site of the New York interface is
50 ready and able to carry out such computations consistent with the formu-
51 las hereinafter prescribed; that [~~regarding~~] in regard to foreign
52 wagers, that for computational purposes all foreign wagers to be
53 combined [~~will~~] shall be converted into American dollars at the prevail-
54 ing exchange rates established by a money center bank on the date of the
55 race (although breakage [~~will~~] shall be computed consistent with foreign
56 currency denominations); that other than the variations caused by

1 retention or breakage computations that all odds and pay-outs [will]
2 shall be computed and calculated, refunds or cancellations awarded or
3 allowed, and overpayments or underpayments corrected solely in accord-
4 ance with the applicable rules in New York state whose laws shall govern
5 all disputes pertinent thereto; that the means, methods and times of
6 transmission of wagering data necessary to the proper implementation of
7 this subdivision shall be as prescribed and approved by the [board]
8 commission; that all entities whose wagers are so combined have agreed
9 that the odds and final pay-offs [will] shall be computed in accordance
10 with the data available for computation at the site of the statewide
11 interface at the start of the race and that pay-off computations in
12 accordance therewith shall be final regardless of mistakes in trans-
13 mission or failures to transmit or receive all wagers and that the out-
14 of-state or foreign operators [will] shall be solely responsible for
15 claims asserted in that regard for wagers made through such operators;
16 that the out-of-state or foreign operator consents to be subject to
17 audit by the commissioner of taxation and finance or his or her designee
18 to verify the accuracy and completeness of all wagers required to be
19 transmitted by it hereunder; and such other rules and regulations as may
20 be deemed necessary and appropriate by the [board] commission.

21 c. If different retention or breakage rates than those prevailing at
22 the site of the New York interface are prescribed by the laws governing
23 such out-of-state or foreign betting operator, and the [board] commis-
24 sion is satisfied that it would not be contrary to the public interest
25 to accept such wagers for combination with New York wagers, calculations
26 of the current odds and final pay-off prices shall be made as follows:

27 (i) All New York state and out-of-state and foreign wagers of the same
28 type shall be combined into single pools for calculation.

29 (ii) As many tentative payout prices as there are different retention
30 and breakage rates applicable (including the prevailing New York rate)
31 shall be calculated on the basis of returning the appropriate rate of
32 return, less breaks after imposition of each such rate of retention and
33 breaks.

34 (iii) To each such out-of-state or foreign operator shall be allocated
35 an amount sufficient for it to pay the appropriate pay-off to holders of
36 winning wagers placed with it together with the applicable retention
37 amount on its total wagers.

38 (iv) To each New York operator shall be allocated an amount sufficient
39 for it to pay the appropriate pay-off to holders of winning wagers
40 placed with it together with the applicable New York retention amount on
41 its total wagers.

42 (v) The total amount of the combined pool less the combined total of
43 all allocations as determined in subparagraphs (iii) and (iv) of this
44 paragraph shall be credited to a special breakage account. The amount in
45 such account giving appropriate weight to rates established for breakage
46 shall be allocated as breaks among all operators in the combined pool in
47 accordance with the rules and regulations of the [board] commission.
48 Should a minus pool eventuate in which the total combined pool is insuf-
49 ficient to reimburse each operator for the allocation due to it then the
50 allocation due to each such operator [will] shall be reduced as may be
51 appropriate and such operator [will] shall be responsible for satisfying
52 its liability from its own operating capital.

53 e. The operator of the site of the statewide interface [will] shall be
54 responsible for the actual collection or transmittal of funds in settle-
55 ment of the liabilities of all operators participating in the combined
56 pool.

1 3. Combining New York wagers on horse races conducted in other states
2 or foreign countries with wagers on such races made elsewhere.

3 a. The [board] commission may authorize the combination of wagers made
4 in New York state upon the outcome of out-of-state or foreign horse
5 races with wagers made upon such races elsewhere in accordance with
6 rules and regulations of the [board] commission which shall include but
7 not be limited to the following provisions:

8 (i) that if such combination is authorized that all New York state
9 operators must participate therein to assure uniform New York odds and
10 pay-outs;

11 (ii) that if the out-of-state or foreign computation is made on the
12 basis of different retention or breakage rates and (A) such out-of-state
13 or foreign laws do not permit New York wagers to be computed in accord-
14 ance with New York retention and breakage rates, that such variation
15 does not exceed twenty percent and [will] shall be allocated pro rata
16 among winning wagers in New York state and recipients of such retention
17 and breakage rates in New York state, or (B) if such out-of-state or
18 foreign laws do permit New York bets to be computed in accordance with
19 New York retention and breakage rates that such rates [will] shall be
20 applied and that the out-of-state or foreign operator doing such calcu-
21 lations is willing and able to properly perform such function;

22 (iii) that the out-of-state or foreign rules governing such wagers are
23 understandable to New York wagerers and in the best judgment of the
24 [board] will commission shall not deviate substantially from customary
25 and standard pari-mutuel practice in general;

26 (iv) that the New York operators are able to perform such transmission
27 and computer retrieval functions as may be required;

28 (v) that such combination will enhance the best interest of racing
29 generally; and

30 (vi) such other rules and regulations as may be deemed necessary and
31 appropriate by the [board] commission.

32 b. Nothing herein shall be construed to authorize or prescribe any act
33 contrary to federal law.

34 § 128. Paragraph (b) of subdivision 2 of section 906 of the racing,
35 pari-mutuel wagering and breeding law, as added by chapter 2 of the laws
36 of 1995 and such section as renumbered by chapter 18 of the laws of
37 2008, is amended to read as follows:

38 (b) The [board] commission shall approve the rules and the payment of
39 prizes of a handicapping tournament. No operator of a handicapping tour-
40 nament may accept an entry fee for a tournament until the [board]
41 commission has approved the rules and the payment of prizes of a handi-
42 capping tournament.

43 § 129. Section 910 of the racing, pari-mutuel wagering and breeding
44 law, as added by chapter 535 of the laws of 2007 and renumbered by chap-
45 ter 18 of the laws of 2008, is amended to read as follows:

46 § 910. Reciprocity of licenses. All license denials, suspensions and
47 revocations imposed by the pertinent racing and gambling authorities of
48 other jurisdictions, including states, United States territories, and
49 Canadian provinces shall be recognized and enforced by the [board]
50 commission unless application is made for a hearing at which time the
51 applicant may show cause as to why such penalty should not be enforced
52 against the applicant in this state. If a hearing is granted, the
53 [board] commission may delay the imposition of the suspension or revoca-
54 tion of the license. The [board] commission must take reasonable steps
55 to make the licensee aware of the availability of a hearing for example

1 by listing it on the official website, in the license instructions or in
2 the racing program.

3 § 130. Section 911 of the racing, pari-mutuel wagering and breeding
4 law, as added by section 1 of part II of chapter 58 of the laws of 2012,
5 is amended to read as follows:

6 § 911. Advance deposit wagering. The [~~racing and wagering board~~]
7 commission shall study the impact of advance deposit wagering on horse
8 racing and pari-mutuel handle in New York state. The study shall include
9 but not be limited to the impact of out-of-state entities accepting
10 wagers from New York state residents, the annual dollar amount wagered
11 by New York state residents through out-of-state advance deposit wager-
12 ing accounts, the number of out-of-state advance deposit wagering
13 accounts held by New York state residents, and information concerning
14 New York state residents who utilize out-of-state advance deposit wager-
15 ing accounts, including, but not limited to, residency. The [~~racing and~~
16 ~~wagering board~~] commission shall submit the study, together with any
17 recommendations, to the governor and legislature no later than September
18 fifteenth, two thousand twelve.

19 § 131. The fifth undesignated paragraph of section 1000 of the racing,
20 pari-mutuel wagering and breeding law, as added by chapter 363 of the
21 laws of 1984, is amended to read as follows:

22 Accordingly, the legislature hereby authorizes experimentation with
23 the telecasts of horse races, on which pari-mutuel wagering shall be
24 permitted, under the regulation of the [~~state racing and wagering board~~]
25 commission in the manner and subject to the conditions provided in this
26 article.

27 § 132. The opening paragraph and subdivisions h, i, j, k, l, m, n, o,
28 p, q, r, s and t of section 1001 of the racing, pari-mutuel wagering and
29 breeding law, as amended by chapter 174 of the laws of 2013, are amended
30 to read as follows:

31 As used in this article, in addition to the definitions set forth in
32 section one hundred one of this chapter, the following terms shall have
33 the following meanings:

34 h. [~~"Commission" means the state gaming commission;~~

35 ~~i.~~] "Branch office" means an establishment maintained and operated by
36 an off-track betting corporation, where off-track pari-mutuel betting on
37 horse races may be placed in accordance with the terms and conditions of
38 this chapter and rules and regulations issued pursuant thereto;

39 [~~j.~~] i. "Simulcast facility" means those facilities within the state
40 that are authorized pursuant to the provisions of this article to
41 display simulcasts for pari-mutuel wagering purposes;

42 [~~k.~~] j. "Off-track betting region" means those regions as defined in
43 section five hundred nineteen of this chapter;

44 [~~l.~~] k. "Simulcast theater" means a simulcast facility [~~which~~] that is
45 also a public entertainment and wagering facility, [~~and~~] which may
46 include any or all of the following: a [~~large screen~~] large-screen tele-
47 vision projection and display unit, a display system for odds, pools,
48 and payout prices, areas for viewing and seating, a food and beverage
49 facility, and any other convenience currently provided at racetracks and
50 not inconsistent with local zoning ordinances;

51 [~~m.~~] l. "Simulcast districts" means one or more of the following named
52 districts [~~comprised of~~] comprising the counties within which pari-mutu-
53 el racing events are conducted as follows:

54 District 1	New York City, Suffolk, Nassau, and
55	Westchester counties
56 District 2	Sullivan county

1 District 3 Saratoga county
2 District 4 Oneida county
3 District 5 Erie, Genesee and Ontario counties

4 ~~[a-]~~ m. "Initial out-of-state thoroughbred track" means the track
5 commencing full-card simulcasting to New York prior to any other out-of-
6 state thoroughbred track after 1:00 PM on any calendar day.

7 ~~[e-]~~ n. "Second out-of-state thoroughbred track" means the track (or
8 subsequent track or tracks where otherwise authorized by this article)
9 conducting full-card simulcasting to New York after the race program
10 from the initial out-of-state thoroughbred track that has commenced
11 simulcasting on any calendar day.

12 ~~[p-]~~ o. "Mixed meeting" means a race meeting ~~[which]~~ that has a combi-
13 nation of thoroughbred, quarter horse, Appaloosa, paint, and/or Arabian
14 racing on the same race program.

15 ~~[q-]~~ p. "Account wagering" means a form of pari-mutuel wagering in
16 which a person establishes an account with an account wagering licensee
17 and subsequently communicates via telephone or other electronic media to
18 the account wagering licensee wagering instructions concerning the funds
19 in such person's account and wagers to be placed on the account owner's
20 behalf.

21 ~~[r-]~~ q. "Account wagering licensee" means racing associations, and
22 corporations; franchised corporations, off-track betting corporations,
23 and ~~[commission-approved]~~ commission-approved multi-jurisdictional
24 account wagering providers that have been authorized by the commission
25 to offer account wagering.

26 ~~[s-]~~ r. "Dormant account" means an account wagering account held by an
27 account wagering licensee in which there has been no wagering activity
28 for three years.

29 ~~[t-]~~ s. "Multi-jurisdictional account wagering provider" means a busi-
30 ness entity domiciled in a jurisdiction, other than the state of New
31 York, that does not operate either a simulcast facility that is open to
32 the public within the state of New York or a licensed or franchised
33 racetrack within the state, but which is licensed by such other juris-
34 diction to offer pari-mutuel account wagering on races such provider
35 simulcasts and other races it offers in its wagering menu to persons
36 located in or out of the jurisdiction issuing such license.

37 § 133. Subdivision 2 of section 1002 of the racing, pari-mutuel wager-
38 ing and breeding law, as amended by chapter 174 of the laws of 2013, is
39 amended to read as follows:

40 2. The commission shall annually submit reports on or before July
41 first following each year in which simulcasting and account wagering is
42 conducted to the director of the budget, the ~~[chairman]~~ chair of the
43 senate finance committee and the ~~[chairman]~~ chair of the assembly ways
44 and means committee evaluating the results of such simulcasts and
45 account wagering on the compatibility with the well-being of the horse
46 racing, breeding and pari-mutuel wagering industries in this state and
47 make any recommendations ~~[it]~~ the commission deems appropriate. Such
48 reports may be submitted together with the reports required by subdivi-
49 sion two of section two hundred thirty-six and subparagraph (iii) of
50 paragraph a and subparagraph (i) of paragraph b of subdivision one of
51 section three hundred eighteen of this chapter.

52 § 134. Paragraph (b) of subdivision 1 and the opening paragraph of
53 subdivision 2 of section 1003 of the racing, pari-mutuel wagering and
54 breeding law, as amended by chapter 174 of the laws of 2013, are amended
55 to read as follows:

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

Before ~~[it]~~ the commission may grant such license, the commission shall review and approve a plan of operation submitted by such applicant including, but not limited to the following information:

§ 135. Section 1004 of the racing, pari-mutuel wagering and breeding law, as added by chapter 363 of the laws of 1984, is amended to read as follows:

§ 1004. Suspension of simulcast licenses. 1. The ~~[board]~~ commission may suspend any license authorizing the operation of a facility as a simulcast facility, granted to an operator, if such operator fails to conduct operations in accordance with the provisions of the plan of operation, with the applicable rules of the ~~[board]~~ commission or with the provisions of this article.

2. If the ~~[board shall determine]~~ commission determines to suspend any license to operate a simulcast facility, ~~[it]~~ the commission shall give the operator involved notice of the time and plan for a hearing before the ~~[board]~~ commission at which the ~~[board]~~ commission will hear such operator in reference thereto. The ~~[board]~~ commission may continue such hearing from time to time for the convenience of all parties. Any of the parties affected by such hearing may be represented by counsel, and the ~~[board]~~ commission may be represented by its own counsel or by the attorney general. In the conduct of such hearing the ~~[board]~~ commission shall not be bound by technical rules of evidence, but all evidence offered before the ~~[board]~~ commission shall be reduced to writing, and such evidence together with the exhibits, if any, and the findings of the ~~[board]~~ commission shall be permanently preserved and shall constitute the record of the ~~[board]~~ commission in such case. The ~~[board]~~ commission may by order, if occasion shall require, refer to one or more of its members or officers the duty of taking testimony in such matter and to report thereon to the ~~[board]~~ commission, but no determination shall be made thereon except by the ~~[board]~~ commission. Within thirty days after such hearing, the ~~[board]~~ commission shall make a final determination. If ~~[it]~~ the commission determines that such license be suspended, ~~[it]~~ the commission shall make an order accordingly, and shall cause such order to be entered on its minutes and a copy thereof served on such operator. The action of the ~~[board]~~ commission in suspending such license shall be reviewable in the supreme court in the manner provided by the provisions of article seventy-eight of the civil practice law and rules.

3. The ~~[board]~~ commission may immediately suspend any license to operate a simulcast facility for a reason set forth in subdivision one of this section as of the delivery to the affected operator of the notice of hearing required by subdivision two of this section pending final determination of the ~~[board]~~ commission following the hearing. Such emergency suspension shall be followed by a hearing as provided in subdivision two of this section within twenty days following suspension.

§ 136. Section 1005 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 240 of the laws of 2010, is amended to read as follows:

§ 1005. Power of the ~~[board]~~ commission to impose fines and penalties. In addition to its power to suspend or revoke licenses granted by it, the ~~[state racing and wagering board]~~ commission is hereby authorized and empowered to impose monetary fines upon any corporation, association or person participating in any way in simulcasts on which pari-mutuel betting is conducted, other than as a patron, and whether licensed by the ~~[board]~~ commission or not, for a violation of any provision of this chapter or the rules promulgated by the ~~[board]~~ commission pursuant thereto, not exceeding ~~[twenty-five thousand dollars for each violation]~~ the amounts set forth in section one hundred sixteen of this chapter. The ~~[board]~~ commission is further authorized and empowered to impose monetary fines, not exceeding ~~[twenty-five thousand dollars for each violation]~~ the amounts set forth in section one hundred sixteen of this chapter, upon any such corporation, association or person for a violation of any order issued by the ~~[board]~~ commission pursuant to the provisions of this chapter or the rules promulgated by the ~~[board]~~ commission pursuant thereto, provided that a copy of such order shall have been served, either personally or by registered mail, upon the corporation, association or person to whom the same was directed, prior to the occurrence of the violation for which such fine is imposed. Such fines shall be paid into the state treasury. The action of the board in imposing any monetary fine shall be reviewable in the supreme court in the manner provided by and subject to the provisions of article seventy-eight of the civil practice law and rules.

§ 137. Section 1006 of the racing, pari-mutuel wagering and breeding law, as added by chapter 363 of the laws of 1984, is amended to read as follows:

§ 1006. Refunds. 1. Moneys received by the ~~[board]~~ commission pursuant to this article may be refunded to the party for whose account the same were received on proof satisfactory to the ~~[board]~~ commission that:

- a. ~~[Such]~~ such moneys were in excess of the amount required by law;
 - b. ~~[The]~~ the license for which application was made has been refused by the ~~[board]~~ commission;
 - c. ~~[Such]~~ such moneys were received as a fine and the ~~[board]~~ commission has after review reduced or remitted the amount of such fine; or
 - d. ~~[Upon]~~ upon appeal, the court reduced or remitted the fine imposed.
2. Such refunds shall, upon approval by the ~~[board]~~ commission and after audit by the comptroller, be paid from any moneys received pursuant to this article.

§ 138. Subdivisions 1, 3 and 3-a and paragraph a of subdivision 5 of section 1007 of the racing, pari-mutuel wagering and breeding law, subdivision 1 as added by chapter 363 of the laws of 1984, the opening paragraph of subdivision 1 as amended by chapter 18 of the laws of 2008, paragraph b of subdivision 1 as amended by chapter 116 of the laws of 2001, subdivision 3 as amended by chapter 286 of the laws of 1985, paragraph a of subdivision 3 as amended by chapter 281 of the laws of 1994, paragraph b of subdivision 3 as amended by chapter 287 of the laws of 1985, paragraph d of subdivision 3 as amended by section 6 of part E of chapter 56 of the laws of 1998, subparagraph (iii) of paragraph d of subdivision 3 as amended by section 2 of part HH of chapter 59 of the laws of 2019, paragraph e of subdivision 3 as added by chapter 286 of the laws of 1985 and as relettered by chapter 346 of the laws of 1990, paragraph f of subdivision 3 as added by chapter 503 of the laws of 1989

1 and as relettered by chapter 346 of the laws of 1990, paragraph g of
2 subdivision 3 as amended by section 6 of part BB of chapter 60 of the
3 laws of 2016, subdivision 3-a as added by chapter 488 of the laws of
4 1988, and paragraph a of subdivision 5 as amended by chapter 35 of the
5 laws of 1993, are amended to read as follows:

6 1. The [~~board~~] commission may authorize and approve one or more appli-
7 cations for a license by any harness racing association or corporation,
8 or thoroughbred racing corporation as provided in section one thousand
9 three of this article to provide for the simulcast of horse races for
10 wagering purposes from a track operated by any association or corpo-
11 ration [~~which is conducting~~] that conducts a pari-mutuel race meeting
12 under this chapter to a receiving track operated by any association or
13 corporation applying for such license except it shall not be applicable
14 when a [~~thoroughbred~~] thoroughbred track in zone two [~~is simulcasting~~]
15 simulcasts to a thoroughbred track in zone one, provided, however, that
16 no application shall be approved by the [~~board~~] commission:

17 a. [~~That it~~] that the commission determines may cause any reduction of
18 the total number of racing events conducted on an annual or daily basis
19 at the receiving track; and

20 b. [~~Without~~] without a written agreement between the receiving track
21 or corporation applying for such license and the sending track and a
22 letter of consent to such agreement from any racing association or
23 corporation [~~which~~] that operates another track within the simulcast
24 district in which the receiving track is located, and is conducting a
25 race meeting during the period for which simulcasting is proposed;
26 provided, however, that such consent shall not be withheld if the
27 receiving track is more than thirty miles from such other track. Such
28 period shall be defined as a twenty-four hour day from midnight to
29 midnight. For those tracks located in the city of New York or the county
30 of Westchester or Nassau, such period shall be limited to the same time
31 of day defined as afternoon against afternoon and evening against even-
32 ing.

33 3. Notwithstanding any inconsistent provisions of this chapter, the
34 sums retained by any receiving track from the total deposits in pools
35 wagered on simulcast racing events as provided in subdivision one of
36 this section shall be equal to the retained percentages applicable to
37 the sending track.

38 a. Of the sums retained by the receiving track from simulcast pools
39 the pari-mutuel tax shall be levied at the lower of the pari-mutuel tax
40 rate in effect on December thirty-first, nineteen hundred ninety-three
41 at the receiving track, plus ten [~~per centum~~] percent of the breaks or
42 the following rates: two percent of simulcast pools generated by regular
43 wagers, two and one-half percent of simulcast pools generated by multi-
44 ple wagers, and seven percent of simulcast pools generated by exotic and
45 super exotic wagers, plus ten [~~per centum~~] percent of the breaks.

46 b. Of the sums retained by the receiving track as provided in this
47 subdivision, [~~an amount equal to six tenths of one per centum and, after~~
48 ~~April first, nineteen hundred eighty-six,~~] an amount equal to one [~~per~~
49 ~~centum~~] percent of daily pools derived from bets on simulcasts of
50 harness races shall be paid to the agriculture and New York state breed-
51 ing and development fund, and an amount equal to one-half of one [~~per~~
52 ~~centum~~] percent of daily pools derived from bets on simulcasts of
53 running races shall be paid to the New York state thoroughbred breeding
54 and development fund.

1 c. Of the sums retained by the receiving track as provided in this
2 subdivision, an amount as determined through agreement between the send-
3 ing and receiving tracks shall be distributed to the sending track.

4 d. (i) Of the sums retained by a receiving track located in Westches-
5 ter County, two and one-half [~~per centum~~] percent of total pools shall
6 be used exclusively for increasing purses to be awarded at races
7 conducted by such receiving track.

8 (ii) Of the sums retained by other receiving tracks while such tracks
9 are conducting a race meeting, fifty [~~per centum~~] percent of the net
10 amounts remaining after payments required in this section and fifty [~~per~~
11 ~~centum~~] percent of the net amounts derived from all simulcasting author-
12 ized by chapter two hundred eighty-one of the laws of nineteen hundred
13 ninety-four and other such direct expenses as [~~is~~] are necessary to
14 provide the [~~track-to-track~~] track-to-track program but excluding charg-
15 es for depreciation, administration overhead expenses, taxes not direct-
16 ly related to such program and management fees shall be used exclusively
17 for increasing purses awarded at races conducted by such receiving
18 track. Nothing in this section shall preclude the right of a horsemen's
19 organization representing owners and trainers at the receiving track
20 from entering into an agreement with such receiving track to provide for
21 an audit or other such verification of such net amounts available for
22 purses.

23 (iii) Of the sums retained by a receiving track located in Westchester
24 county on races received from a franchised corporation, for the period
25 commencing January first, two thousand eight and continuing through June
26 thirtieth, two thousand twenty, the amount used exclusively for purses
27 to be awarded at races conducted by such receiving track shall be
28 computed as follows: of the sums so retained, two and one-half percent
29 of the total pools. Such amount shall be increased or decreased in the
30 amount of fifty percent of the difference in total commissions deter-
31 mined by comparing the total commissions available after July twenty-
32 first, nineteen hundred ninety-five to the total commissions that would
33 have been available to such track prior to July twenty-first, nineteen
34 hundred ninety-five.

35 e. If an admission fee is charged at a receiving track, such fee shall
36 be subject to state and local admission taxes at the rate applicable to
37 the receiving track pursuant to this chapter.

38 f. The payment of the state tax imposed by this section shall be made
39 to the commissioner of taxation and finance at such regular intervals as
40 the commissioner of taxation and finance may require, and shall be
41 accompanied by a report, under oath, [~~which~~] that sets forth such infor-
42 mation as the commissioner of taxation and finance may require. A penal-
43 ty of five [~~per centum~~] percent and interest at the rate of one [~~per~~
44 ~~centum~~] percent per month from the date the report is required to be
45 filed to the date of payment of the tax shall be payable in case any tax
46 imposed by this section is not paid when due. If the commissioner of
47 taxation and finance determines that any moneys received under this
48 paragraph were paid in error, such commissioner may cause the same to be
49 refunded without interest out of any moneys collected thereunder,
50 provided an application therefor is filed with [~~the~~] such commissioner
51 within one year from the time the erroneous payment was made. Such
52 taxes, interest and penalties when collected, after the deduction of
53 refunds of taxes erroneously paid, shall be paid by the commissioner of
54 taxation and finance into the general fund of the state treasury.

55 g. Any harness racing or association or corporation, or thoroughbred
56 racing corporation authorized pursuant to this section shall pay to the

1 [~~gaming~~] commission as a regulatory fee, which fee is hereby levied,
2 six-tenths of one percent of the total daily pari-mutuel pools.

3 3-a. Notwithstanding any inconsistent provision of this chapter, of
4 the sums received by a sending track, a portion shall be distributed to
5 purses in accordance with a written agreement between the racing associ-
6 ation or corporation operating such track and the horsemen's organiza-
7 tion representing owners and trainers at such track, as determined by
8 the [~~board~~] commission. In the absence of such an agreement, fifty [~~per~~
9 ~~centum~~] percent of the sums received by a sending track shall be
10 distributed to purses.

11 a. that is conducting a race meeting of the same type of racing during
12 the same time that racing is being conducted at the sending track,
13 provided, however, that the [~~board~~] commission may establish conditions
14 to authorize the acceptance of wagers of a sending track during a race
15 meeting of the same type of racing as special events in the best inter-
16 ests of racing or as other events that the [~~board~~] commission determines
17 to be in the best interests of racing provided, however, that the
18 conduct of such other events shall be subject to an agreement between
19 the receiving track and the horsemen's organization representing owners
20 and trainers at such track;

21 § 139. Subdivision 1, paragraph c of subdivision 2, paragraph b of
22 subdivision 3 and subdivisions 4 and 5 of section 1008 of the racing,
23 pari-mutuel wagering and breeding law, subdivision 1 and paragraph c of
24 subdivision 2 as amended by chapter 18 of the laws of 2008, paragraph b
25 of subdivision 3 as amended by section 7 of part BB of chapter 60 of the
26 laws of 2016, subdivision 4 as amended and subdivision 5 as added by
27 chapter 346 of the laws of 1990 and paragraph a of subdivision 4 as
28 amended by chapter 445 of the laws of 1997, are amended to read as
29 follows:

30 1. The [~~board~~] commission may in accordance with the provisions of
31 section one thousand three of this article and section five hundred
32 twenty-three of this chapter authorize and approve an application for
33 licenses submitted by any off-track betting corporation to display the
34 simulcasts of racing from any thoroughbred or harness racing association
35 or corporation located in the state.

36 c. (i) Except as provided in section one thousand thirteen of this
37 [~~chapter~~] article, if such sending track is not a thoroughbred track in
38 the Catskill region conducting a mixed meeting, letters of consent to
39 such agreement by the regional track or tracks conducting a meeting or
40 meetings of the same type of racing during the period for which simul-
41 casting is proposed. For purposes of this article, a track first
42 licensed to conduct pari-mutuel racing after January first, nineteen
43 hundred eighty-five, shall not be considered a regional track for
44 purposes of applicable letters of consent as required in this section
45 and section one thousand nine of this [~~chapter~~] article. Such period
46 shall be defined as a twenty-four hour day from midnight to midnight.
47 For those tracks located in the city of New York or the counties of
48 Westchester or Nassau, such period shall be limited to the same time of
49 day, defined as afternoon against afternoon, twilight against twilight
50 and evening against evening, the hours for which shall be as further
51 specified by the [~~board~~] commission.

52 (ii) For any simulcasting facility located within an area of a circle
53 whose radius is forty miles, the center of which shall be measured from
54 a regional track, and as provided in section one thousand thirteen of
55 this [~~chapter~~] article, the [~~board~~] commission shall not approve such
56 application unless such regional track, as described in subparagraph (i)

1 of this paragraph, has given its written authorization, provided howev-
2 er, that between thirty-one and forty miles such approval shall not be
3 unreasonably withheld. Such approval shall not be required if the simul-
4 casting facility is located without the forty mile radius or if the
5 sending track is a thoroughbred track in the Catskill region conducting
6 a mixed meeting. Such written authorization shall not be required nor
7 shall the provisions of section five hundred twenty-three of this chap-
8 ter apply to those races that such regional track may elect to receive
9 as a simulcast race during its regularly scheduled race meeting.

10 b. Of the sums received by the sending track, fifty percent shall be
11 distributed to purses in addition to moneys distributed pursuant to
12 section five hundred twenty-seven of this chapter. The off-track betting
13 corporation shall pay to the ~~[gaming]~~ commission as a regulatory fee,
14 which fee is hereby levied, six-tenths of one percent of the total daily
15 pools.

16 4. a. Notwithstanding any other provision of law to the contrary, the
17 ~~[board]~~ commission may authorize a regional off-track betting corpo-
18 ration to amend its plan of operation to provide for the sale of food
19 and non-alcoholic beverages within its simulcasting facilities. For such
20 facilities when facilities of a hotel or restaurant as defined in
21 section three of the alcoholic beverage control law are ~~[utilized]~~ used,
22 and table service for at least twenty-four persons is provided, the
23 ~~[board]~~ commission may, in its discretion, authorize a regional off-
24 track betting corporation to amend its plan of operation to provide for
25 the sale of beer, wine and liquor, in accordance with all applicable
26 state and local licensing requirements. The ~~[board]~~ commission shall
27 promulgate rules and regulations to carry out the provisions of this
28 subdivision with the intent that such sale of food, alcoholic and non-
29 alcoholic beverages shall be in accordance with appropriate health and
30 sanitary codes, and shall not include sales on credit except such sales
31 ~~[utilizing]~~ using a ~~[third-party]~~ third-party credit card. With respect
32 to the sale of beer, wine and liquor, said rules and regulations shall
33 provide requirements for seating capacity and the minimum number of
34 tables, which in no event shall be less than six.

35 b. (i) Regional off-track betting corporations shall have the option
36 of charging an admission fee to simulcasting facilities authorized to
37 sell food, alcoholic or non-alcoholic beverages pursuant to paragraph a
38 of this subdivision. The amount of such fee shall be subject to the
39 approval of the ~~[board]~~ commission.

40 (ii) Such fee shall be subject to a state admission tax imposed at the
41 rate of four ~~[per centum]~~ percent of the admission fee. The tax shall be
42 administered by the commissioner of taxation and finance and the
43 provisions of section three hundred six of this chapter relating to the
44 administration and collection of the tax imposed by such section shall
45 apply to the tax imposed by this subparagraph, in the same manner and
46 with the same force and effect as if the language of such provisions had
47 been incorporated in full into this subparagraph and expressly referred
48 to the tax imposed by this subparagraph, except to the extent that any
49 such provision is either inconsistent with a provision of this subpara-
50 graph or is not relevant to this subparagraph.

51 (iii) Any county (except a county wholly within a city) or city, or
52 both, in which such simulcasting facility is located, is hereby author-
53 ized and empowered to adopt and amend local laws imposing a tax on such
54 admission fee at a rate not to exceed fifteen ~~[per centum]~~ percent of
55 the admission fee. The provisions of article eight of this chapter
56 relating to the administration and collection of the taxes authorized to

1 be imposed by such article (including the provisions relating to judi-
2 cial review) shall apply to a tax imposed pursuant to the authority of
3 this subparagraph, in the same manner and with the same force and effect
4 as if the language of such provisions had been incorporated in full into
5 this subparagraph and expressly referred to a tax authorized to be
6 imposed pursuant to this subparagraph, except to the extent that any
7 such provision is either inconsistent with a provision of this subpara-
8 graph or is not relevant to this subparagraph.

9 5. a. As a condition to receiving simulcasts in any branch office from
10 any sending track a regional off-track betting corporation located in a
11 city with a population of one million shall simulcast the thoroughbred
12 and quarter horse races of a thoroughbred track located in the Catskill
13 region conducting a mixed meeting in all such branches that will [~~be~~
14 ~~receiving~~] receive the simulcasts of any other thoroughbred or harness
15 horse races on any day that such thoroughbred track in the Catskill
16 region may be conducting a mixed meeting and offers such simulcasts of
17 its races to such corporation, provided, however, that the costs associ-
18 ated with the transmission and receipt of the simulcast signal of such
19 thoroughbred track located in the Catskill region shall be borne by such
20 track.

21 b. Any branch office that receives such simulcast signal for forty-
22 five days may cease receiving such signal if the off-track betting oper-
23 ator justifies to the [~~board~~] commission that the opening of such branch
24 office has sustained economic loss during such forty-five day period.
25 Provided, however, the track and off-track betting operator may waive
26 this provision by contract.

27 § 140. Subdivisions 1, 2, 2-a, paragraph b of subdivision 3 and subdi-
28 visions 4, 4-a, 5 and 6 of section 1009 of the racing, pari-mutuel
29 wagering and breeding law, as added by chapter 363 of the laws of 1984,
30 subdivisions 1, 2, 5 and paragraph b of subdivision 3 as amended by
31 chapter 18 of the laws of 2008, subdivision 2-a as added by chapter 286
32 of the laws of 1985, paragraph (a) of subdivision 2-a as amended by
33 chapter 626 of the laws of 1986, paragraph (c) of subdivision 2-a as
34 added by section 2 of part GG of chapter 59 of the laws of 2019, para-
35 graph a of subdivision 4 as amended by section 3 of part 00 of chapter
36 59 of the laws of 2006, paragraph b of subdivision 4 as amended by chap-
37 ter 261 and subdivision 4-a as added by chapter 488 of the laws of 1988,
38 paragraph c of subdivision 4 as added by chapter 503 of the laws of
39 1989, paragraph d of subdivision 4 as amended by section 8 of part BB of
40 chapter 60 of the laws of 2016, are amended to read as follows:

41 1. The [~~board~~] commission may authorize and approve eight licenses,
42 except that any approval of a license for a franchised corporation shall
43 not decrease the number of licenses available, as of July first, nine-
44 teen hundred ninety to any other eligible operator under subdivision two
45 of this section, for the operation of simulcast theaters as defined in
46 section one thousand one of this article. One such license shall only be
47 approved for the regional off-track betting corporation defined by para-
48 graph b of subdivision one of section five hundred nineteen of this
49 chapter.

50 2. Such a simulcast theater, pursuant to a license issued in accord-
51 ance with the provisions of this section and section one thousand three
52 of this article may be owned or leased, and operated, (a) by one or more
53 racing associations or corporations; (b) by the regional off-track
54 betting corporation of the region where such simulcast theater facility
55 is to be located; (c) jointly by one or more racing associations or
56 corporations and the regional off-track betting corporation of the

1 region where such simulcast theater facility is to be located; or (d) by
2 a franchised corporation; provided, however, that for the purposes of
3 paragraph (a) of subdivision two-a of this section, an entity authorized
4 by paragraph (b) or (c) of this subdivision to own, lease or operate a
5 simulcast theater may, pursuant to a competitive bidding procedure
6 carried out in accordance with rules and regulations issued by the
7 ~~[board]~~ commission, select another person, firm or corporation to oper-
8 ate or jointly own or lease such facility and enter into a written
9 agreement with such person, firm or corporation provided that such party
10 shall be subject to the licensing requirements of the ~~[board]~~
11 commission.

12 2-a. Notwithstanding the provisions of subdivision one of this
13 section, the ~~[board]~~ commission may authorize one or more licenses, as
14 provided in paragraphs (b) and (c) of subdivision two of this section,
15 to enter into a written agreement with another person, firm or corpo-
16 ration to jointly operate or lease such facility for the operation of
17 simulcast at entertainment theaters as special demonstration projects
18 for purposes of stimulating economic development, employment opportu-
19 nities and state and local revenues. Such demonstration projects shall
20 be licensed in accordance with all applicable laws, rules and regu-
21 lations of this article.

22 (a) In Sullivan, Greene and Ulster counties the ~~[board]~~ commission
23 shall determine the number of such projects to be located in privately
24 owned hotels in such counties for the exclusive use of the hotel guests.

25 (b) The ~~[board]~~ commission may additionally authorize one special
26 demonstration project within the city of New York.

27 (c) The ~~[board]~~ commission may authorize a special demonstration
28 project to be located in any facility licensed pursuant to article thir-
29 teen of this chapter in Schenectady county. Notwithstanding the
30 provisions of paragraph a of subdivision five of this section, an admis-
31 sion fee shall not be required for a demonstration project authorized in
32 this paragraph. ~~[Provided—however,—on]~~ On any day when a regional
33 harness track conducts a live race meeting, a demonstration facility
34 within that region shall predominantly display the live video of such
35 regional harness track.

36 The regional off-track betting corporations operating such demon-
37 stration facilities within New York city may elect to apply the
38 provisions of section five hundred thirty-two of this chapter in lieu of
39 any admission charges.

40 b. Letters of consent to the application from any regional track
41 ~~[which]~~ that is not a party to the operation of the proposed theater
42 unless such track is located more than forty miles from the proposed
43 simulcast theater; and a copy of any agreement between the applicant and
44 such corporation pursuant to which such consent has been given, subject
45 to the provision of subdivision two of section one thousand seven of
46 this article. Notwithstanding the foregoing, the Nassau region may apply
47 to locate one simulcast theater within Nassau County without a letter of
48 consent from the operator of the regional track provided the proposed
49 simulcast theater is not within fifteen miles of the closest border of
50 any racing facility operated by a franchised corporation.

51 4. Notwithstanding any inconsistent provisions of this chapter, the
52 sums retained by any associations or corporations from the total depos-
53 its in pools wagered on simulcast racing events at a simulcast theater
54 as provided in subdivision one of this section shall be equal to the
55 rates of retained percentage applicable to the sending track.

1 a. Of the sums retained by the operator as provided in this subdivi-
2 sion, the pari-mutuel tax shall be levied at the following rates plus
3 twenty ~~[per centum]~~ percent of the breaks: from wagers on thoroughbred
4 races, eight-tenths of one ~~[per centum]~~ percent of pools generated from
5 regular wagers; one and three-tenths ~~[per centum]~~ percent of pools
6 generated from multiple wagers; two and eight-tenths ~~[per centum]~~
7 percent of pools generated from exotic wagers; and three and one-half
8 ~~[per centum]~~ percent of pools generated from super exotic wagers; and
9 from wagers on harness races, one-half of one ~~[per centum]~~ percent of
10 pools generated from regular wagers; one ~~[per centum]~~ percent of pools
11 generated from multiple wagers; two and one-half ~~[per centum]~~ percent of
12 pools generated from exotic wagers and three ~~[per centum]~~ percent of
13 pools generated from super exotic wagers[+].

14 b. Of the sums retained by the operator as provided in this subdivi-
15 sion, an amount equal to one ~~[per centum]~~ percent of daily pools derived
16 from bets on simulcasts of harness races shall be paid to the agricul-
17 ture and New York state horse breeding development fund, and an amount
18 equal to one-half of one ~~[per centum]~~ percent of daily pools derived
19 from bets on simulcasts of running races shall be paid to the New York
20 state thoroughbred breeding and development fund.

21 c. The payment of the state tax imposed by this section shall be made
22 to the commissioner of taxation and finance at such regular intervals as
23 the commissioner of taxation and finance may require, and shall be
24 accompanied by a report, under oath, ~~[which]~~ that sets forth such infor-
25 mation as the commissioner of taxation and finance may require. A penal-
26 ty of five ~~[per centum]~~ percent and interest at the rate of one ~~[per~~
27 ~~centum]~~ percent per month from the date the report is required to be
28 filed to the date of payment of the tax shall be payable in case any tax
29 imposed by this section is not paid when due. If the commissioner of
30 taxation and finance determines that any moneys received under this
31 paragraph were paid in error, the commissioner may cause the same to be
32 refunded without interest out of any moneys collected thereunder,
33 provided an application therefor is filed with the commissioner within
34 one year from the time the erroneous payment was made. Such taxes,
35 interest and penalties when collected, after the deduction of refunds of
36 taxes erroneously paid, shall be paid by the commissioner of taxation
37 and finance into the general fund of the state treasury.

38 d. The operator shall pay to the ~~[gaming]~~ commission as a regulatory
39 fee, which fee is hereby levied, six-tenths of one percent of the total
40 daily pools.

41 4-a. Notwithstanding any inconsistent provision of this chapter, of
42 the sums received by a sending track, a portion shall be distributed to
43 purses in accordance with a written agreement between the racing associ-
44 ation or corporation operating such track and the horsemen's organiza-
45 tion representing owners and trainers at such track, as determined by
46 the ~~[board]~~ commission. In the absence of such an agreement, fifty ~~[per~~
47 ~~centum]~~ percent of the sums received by a sending track shall be
48 distributed to purses.

49 5. a. An admission fee to simulcast theaters shall be charged and the
50 amount of such admission fee shall be subject to the approval of the
51 ~~[racing and wagering board]~~ commission.

52 b. Such admission fee shall be subject to a state admission tax
53 imposed at the rate of four ~~[per centum]~~ percent of the admission fee.
54 The tax shall be administered by the commissioner of taxation and
55 finance and the provisions of section three hundred six of this chapter
56 relating to the administration and collection of the tax imposed by such

1 section shall apply to the tax imposed by this paragraph, in the same
2 manner and with the same force and effect as if the language of such
3 provisions had been incorporated in full into this paragraph and had
4 expressly referred to the tax imposed by this paragraph, except to the
5 extent that any such provision is either inconsistent with a provision
6 of this paragraph or is not relevant to this paragraph.

7 c. Any county (except a county wholly within a city) or city, or both,
8 in which a simulcast theater is located, is hereby authorized and
9 empowered to adopt and amend local laws imposing a tax on such admission
10 fee at a rate not to exceed fifteen [~~per centum~~] percent of the admis-
11 sion fee. The provisions of article eight of this chapter relating to
12 the administration and collection of the taxes authorized to be imposed
13 by such article (including the provisions relating to judicial review)
14 shall apply to a tax imposed pursuant to the authority of this para-
15 graph, in the same manner and with the same force and effect as if the
16 language of such provisions had been incorporated in full into this
17 paragraph and had expressly referred to a tax authorized to be imposed
18 pursuant to this paragraph, except to the extent that any such provision
19 is either inconsistent with a provision of this paragraph or is not
20 relevant to this paragraph.

21 6. The size, location and operation of a simulcast theater shall be
22 subject to local zoning ordinances and the approval of the [~~racing and~~
23 ~~wagering board~~] commission.

24 § 141. Subdivision 1 of section 1010 of the racing, pari-mutuel wager-
25 ing and breeding law, as amended by chapter 346 of the laws of 1990, is
26 amended to read as follows:

27 1. Plans for operation of simulcast facilities shall include provision
28 for job security for employees of racetracks and off-track betting
29 corporations within the district where the facility is located, compat-
30 ible with and in furtherance of the objectives of this article and
31 subject to the approval of the [~~state racing and wagering board~~] commis-
32 sion. Job security agreements that have been or may be concluded from
33 time to time after July first, nineteen hundred seventy-three between
34 employee organizations and the operators of simulcast facilities shall
35 be subject to the approval of the [~~board~~] commission and when approved
36 shall be deemed a part of the plan of operation of such simulcast facil-
37 ity.

38 § 142. Section 1011 of the racing, pari-mutuel wagering and breeding
39 law, as amended by chapter 18 of the laws of 2008, is amended to read as
40 follows:

41 § 1011. Certain credit to off-track betting corporations. a. During
42 the period that a franchised corporation is simulcasting from a facility
43 operated by such franchised corporation in the second zone as defined in
44 section two hundred forty-seven of this chapter to a facility operated
45 by such franchised corporation pursuant to section one thousand seven of
46 this [~~chapter~~] article, any off-track betting corporation operating in a
47 county in which such association maintains a racetrack shall receive a
48 credit of twenty-five [~~per centum~~] percent of the state taxes due pursu-
49 ant to section five hundred twenty-seven of this chapter on wagers
50 placed on races conducted by such association, provided that such corpo-
51 ration has entered into an agreement with the employee organization
52 representing the employees of such corporation in which it has agreed
53 not to reduce its workforce as a result of such simulcasting.

54 b. During the days that a franchised corporation is simulcasting from
55 a racetrack facility operated by such franchised corporation and located
56 in the first zone to a racetrack facility operated by such franchised

1 corporation located wholly within a city of one million or more, one
2 ~~[per centum]~~ percent of the total wagers placed at such receiving facil-
3 ity shall be paid to such city.

4 c. During the days that a franchised corporation is simulcasting from
5 a facility located wholly within a city in the first zone to a racetrack
6 facility operated by such franchised corporation located partially with-
7 in a city with a population in excess of one million and partially with-
8 in a county, one-half ~~[per centum]~~ percent of the total wagers placed at
9 such receiving facility shall be paid to such city and one-half ~~[per~~
10 ~~centum]~~ percent of such wagers shall be paid to such county.

11 § 143. Subdivision 6 of section 1012-a of the racing, pari-mutuel
12 wagering and breeding law, as added by chapter 174 of the laws of 2013,
13 is amended to read as follows:

14 6. multi-jurisdictional account wagering providers shall pay a market
15 origin fee equal to five ~~[per centum]~~ percent on each wager accepted
16 from New York residents. Multi-jurisdictional account wagering providers
17 shall make the required payments to the market origin account on or
18 before the fifth business day of each month and such required payments
19 shall cover payments due for the period of the preceding calendar month;
20 provided, however, that such payments required to be made on April
21 fifteenth shall be accompanied by a report under oath, showing the total
22 of all such payments, together with such other information as the
23 commission may require. A penalty of five ~~[per centum]~~ percent and
24 interest at the rate of one ~~[per centum]~~ percent per month from the date
25 the report is required to be filed to the date the payment shall be
26 payable in case any payments required by this subdivision are ~~not~~ paid
27 when due. If the commission determines that any moneys received under
28 this subdivision were paid in error, the commission may cause the same
29 to be refunded without interest out of any moneys collected thereunder,
30 provided an application therefor is filed with the commission within one
31 year from the time the erroneous payment was made. The commission shall
32 pay into the racing regulation account, under the joint custody of the
33 comptroller and the commission, the total amount of the fee collected
34 pursuant to this section.

35 § 144. The opening paragraph and paragraphs (c), (d) and (j) of subdi-
36 vision 1 and subdivisions 4, 5 and 7 of section 1013 of the racing,
37 pari-mutuel wagering and breeding law, as added by chapter 346 of the
38 laws of 1990, paragraph (c) of subdivision 1 as amended by chapter 524
39 of the laws of 1991, are amended to read as follows:

40 Whenever under this article a written agreement is required to be
41 obtained from a sending regional track or tracks located within simul-
42 cast district one or two for the purpose of simulcasting, and it is
43 claimed by the applicant for such license for simulcasting that such
44 written agreement has been unreasonably refused, declined or denied, or
45 offered for consideration that is unreasonable within parameters estab-
46 lished by market conditions, geographical location or historical experi-
47 ence, the terms and conditions and consideration to be paid for such
48 proposed simulcasting shall be determined by binding arbitration in
49 accordance with the procedures set forth herein and by regulations
50 promulgated by the ~~[board]~~ commission. Failure to agree to such binding
51 arbitration by the sending track to simulcast within the simulcast
52 district shall be deemed as authorization for such licensee or proposed
53 licensee to enter into an agreement to receive such simulcast signal
54 from another track or tracks within this state, notwithstanding the
55 provisions of section five hundred twenty-three of this chapter.

(c) Where the applicant for simulcasting thereafter maintains that the agreement sought has been unreasonably refused or denied or that the proposal of the party or parties from whom the agreement is required is unreasonable or not economically feasible so as to permit the conduct of simulcasting, ~~[it]~~ the applicant shall notify the ~~[racing and wagering board]~~ commission, which, within fifteen days thereafter, shall notify the track that binding arbitration procedures will be initiated. Such notification shall be delivered to the track by certified mail, return receipt requested. (i) The ~~[board]~~ commission shall arbitrate all disputes arbitrable pursuant to this section unless either party objects, in such event the ~~[board]~~ commission shall provide and designate to the parties a list of three or more independent arbitrators from a panel of such arbitrators maintained by it, having experience in dispute resolution and the economics of the pari-mutuel racing industry. In order to sustain the continuity of the simulcast programs during the period of such arbitration, the terms and conditions of any current or pre-existing agreement shall remain in full force and effect during the period of such arbitration. (ii) Within thirty days of such notification, the track may refuse to enter into any such arbitration procedures by notifying the ~~[board]~~ commission. Upon such notification, the ~~[board]~~ commission shall authorize the applicant to enter into an agreement to receive a simulcast signal from another track within the state, notwithstanding any other provision of law to the contrary.

(d) The provisions for binding arbitration contained in this section shall be applicable to any proposed agreement with such other regional track. In the event a simulcast agreement has been refused by such other regional track, notwithstanding the provisions of section five hundred twenty-three of this chapter, the ~~[board]~~ commission shall authorize the applicant to enter into an agreement to receive a simulcast signal for purposes of pari-mutuel wagering from any other track within this state conducting the same type of racing that was refused by the regional tracks.

(j) The arbitrator, if not the ~~[board]~~ commission, shall notify the ~~[board]~~ commission of its final award which shall be enforced by the ~~[board]~~ commission pursuant to this chapter.

4. Nothing herein shall be construed to dispense with any approval required for the licensing of simulcasting by the ~~[board]~~ commission under this article as any other provision of law.

5. Nothing herein shall preclude all the parties to any such dispute from entering into a written agreement providing for the submission and resolution of any such dispute by any other form of final and binding arbitration, under any agreed upon procedure, to any arbitration panel, forum or arbitrator within thirty days after notice of the designation of the list of arbitrators herein by the ~~[board]~~ commission.

7. The arbitrator appointed pursuant to subdivision one of this section shall be entitled to receive a fee for his or her services to be paid equally by the parties. In no event shall the ~~[board]~~ commission charge a fee to arbitrate disputes.

§ 145. The opening paragraph, paragraphs d and f, subparagraph 1 of paragraph g, item (i) of subparagraph 2 of paragraph h, paragraph i, subparagraph 1 of paragraph j and the opening paragraph of subparagraph 2 of paragraph k of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, the opening paragraph of subdivision 1, as amended by section 3 of part HH of chapter 59 of the laws of 2019, subparagraph (iv) of para-

graph i of subdivision 1 as added by section 9 of part BB of chapter 60 of the laws of 2016, are amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand twenty and on any day regardless of whether or not a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand twenty. On any day on which a franchised corporation has not scheduled a racing program but a thoroughbred racing corporation located within the state is conducting racing, ~~[every]~~ each off-track betting corporation branch office and ~~[every]~~ each simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

d. Each off-track betting corporation shall determine the average daily handle on the in-state thoroughbred corporation, the average daily handle from out-of-state tracks and the average total daily payment made to the in-state thoroughbred track on each day from April first, nineteen hundred ninety-three through December thirty-first, nineteen hundred ninety-three on which the off-track betting corporation accepted wagers on races conducted at such track and races conducted on an out-of-state track on a day on which no scheduled races were conducted by a franchised corporation. This calculation shall be provided to the ~~[racing and wagering board]~~ commission and the chief executive officers of the in-state thoroughbred track and the horsemen's organization. If there is a dispute as to the amount of such calculations, written documentation from the off-track betting corporation and the track, shall be supplied to the ~~[racing and wagering board]~~ commission which shall make a determination of the correct amounts, which determination shall be final and binding on all parties.

f. The amount shall be distributed in accordance with the provisions of this section. The ~~[board]~~ commission shall determine the amount of and dates of such payments, which dates shall, as far as practicable, reflect the payments made to such track during the comparable period of nineteen hundred ninety-three.

(1) At the conclusion of the thoroughbred track corporation's nineteen hundred ninety-four racing season or as shortly thereafter as possible but not later than December twentieth, nineteen hundred ninety-four, the off-track betting corporations and the ~~[racing and wagering board]~~ commission shall determine the average daily handle for the in-state thoroughbred racing corporation and the average daily handle for races conducted at out-of-state or out-of-country tracks. If average daily handle for any off-track betting corporation exceeds by ten percent the average daily handle as calculated in paragraph d of this subdivision, such off-track betting corporation shall pay to the in-state thoroughbred racing corporation an amount calculated by multiplying the average daily handle in excess of one hundred ten percent of the average daily handle of nineteen hundred ninety-three by the effective commission rate paid by such corporation in nineteen hundred ninety-three. Such calculation shall be computed separately for handle on in-state tracks and handle on out-of-state tracks.

(i) In addition, licensed harness tracks shall receive one and one-half ~~[per centum]~~ percent on total handle on races conducted at an out-of-state or out-of-country thoroughbred track provided such harness track is neither accepting wagers nor displaying the signal from an out-of-state track.

i. Any facility authorized to accept wagers on out-of-state tracks shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets are presented for payment prior to April first of the year following the year of their purchase less eighteen ~~[per centum]~~ percent of the total deposits in pools resulting from regular bets, less twenty-one ~~[per centum]~~ percent of the total deposits in pools resulting from multiple bets, less twenty-six ~~[per centum]~~ percent of the total deposits in pools resulting from exotic bets, less thirty-six ~~[per centum]~~ percent of the total deposits in pools resulting from super exotic bets plus the breaks as defined in section two hundred thirty-six of this chapter except that the retention rates and breaks shall be as prescribed by another state or country if such wagers are combined with those in the other state or country pursuant to section nine hundred five of this chapter.

~~[(i)]~~ (1) Of the sum so retained, the applicable tax rate shall be one and one-half percent of all such wagers plus fifty percent of the breaks; provided, however, fifty percent of the breaks accruing from off-track betting corporations licensed in accordance with section one thousand eight of this article and from simulcast theaters licensed in accordance with section one thousand nine of this article, shall be paid to the agriculture and New York state horse breeding and development fund and to the thoroughbred breeding and development fund, the total of such payments to be apportioned fifty ~~[per centum]~~ percent to each such fund.

~~[(ii)]~~ (2) Of the sums so retained, one-half of one ~~[per centum]~~ percent of all wagers shall be paid to the New York state thoroughbred breeding and development fund, except that of the sums so retained on such wagers at licensed harness tracks, one-half of one ~~[per centum]~~ percent shall be paid to the agricultural and New York State horse breeding and development fund.

~~[(iii)]~~ (3) Of the sum so retained, two percent of all wagers shall be paid to a franchised corporation to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes, provided further that such amount shall not exceed the amount paid to such non-profit racing association in nineteen hundred ninety-three from wagers placed on out-of-state tracks on a day when no racing was being conducted by the non-profit racing association and a racing program was being conducted by a thoroughbred racing corporation located in the state. The excess, if any, shall be paid to a thoroughbred racing corporation located in the state until August thirty-first, nineteen hundred ninety-five and on and after July nineteen, nineteen hundred ninety-six to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes.

~~[(iv)]~~ (4) Any thoroughbred racing corporation or harness racing association or corporation or off-track betting corporation authorized pursuant to this section shall pay to the ~~[gaming]~~ commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of all wagering pools.

(1) All wagers authorized by this section shall be combined so as to produce common pari-mutuel betting pools for the calculation of odds and the determination of payouts from such pools, which payouts shall be

1 made pursuant to the rules of the ~~[board]~~ commission. Every location
2 authorized to accept wagers or display simulcasting pursuant to this
3 section shall be subject to all appropriate provisions of this chapter.

4 upon application of any facility licensed in accordance with sections
5 one thousand seven and one thousand nine of this article, the ~~[board]~~
6 commission shall authorize the imposition of a sum equal to the amount
7 authorized by section five hundred thirty-two of this chapter which
8 shall apply to wagers placed at such facility. Such sums received by
9 facilities licensed in accordance with section one thousand nine of this
10 article shall be retained for the general purpose of the corporation.
11 Such sums received by such facilities licensed in accordance with
12 section one thousand seven of this article shall be distributed as
13 follows:

14 § 146. The opening paragraph and paragraphs d and e of subdivision 3
15 and paragraph c of subdivision 4 of section 1015 of the racing, pari-mu-
16 tuel wagering and breeding law, the opening paragraph of subdivision 3
17 as amended and such section as renumbered by chapter 18 of the laws of
18 2008, paragraph d of subdivision 3 and paragraph c of subdivision 4 as
19 amended by section 22 of part F3 of chapter 62 of the laws of 2003, and
20 paragraph e of subdivision 3 as amended by section 10 of part BB of
21 chapter 60 of the laws of 2016, are amended to read as follows:

22 Any facility authorized to accept wagers on out-of-state tracks shall
23 distribute all sums deposited in any pari-mutuel pool to the holders of
24 any tickets therein provided such tickets are presented for payment
25 prior to April first of the year following the year of their purchase
26 less nineteen ~~[per-centum]~~ percent of total deposits in pools resulting
27 from regular bets, less twenty-one ~~[per-centum]~~ percent of total depos-
28 its of pools resulting from multiple bets, less twenty-seven ~~[per-~~
29 centum] percent of total deposits of pools resulting from exotic bets,
30 less thirty-six ~~[per-centum]~~ percent of total deposits of pools result-
31 ing from super exotic bets plus the breaks as defined in section three
32 hundred eighteen of this chapter except that the retention rates and
33 breaks shall be as prescribed by another state or country if such wagers
34 are combined with those in the other state or country pursuant to
35 section nine hundred five of this chapter.

36 d. For wagers placed at an off-track betting facility in that portion
37 of the western region located with a thoroughbred special betting
38 district, but not included in a harness special betting district, one
39 and one-half ~~[per-centum]~~ percent of such wagers shall be paid to the
40 racing association located in such district provided such association is
41 neither accepting wagers nor simulcasting out-of-state harness races.
42 Any payments required by this subdivision shall reduce payments required
43 to be made to the regional licensed harness track under the provisions
44 of subparagraph three of paragraph b of this subdivision.

45 e. Any thoroughbred racing corporation or harness racing association
46 or corporation or off-track betting corporation authorized pursuant to
47 this section shall pay to the ~~[gaming]~~ commission as a regulatory fee,
48 which fee is hereby levied, six-tenths of one percent of all wagering
49 pools.

50 c. upon application of any facility licensed in accordance with
51 sections one thousand seven and one thousand nine of this article, the
52 ~~[board]~~ commission shall authorize the imposition of a sum equal to the
53 amount authorized by section five hundred thirty-two of this chapter
54 ~~[which]~~ that shall apply to wagers placed at such facility. Such sums
55 received by facilities licensed in accordance with section one thousand
56 nine of this article shall be retained for the general purpose of the

1 corporation. Such sums received by such facilities licensed in accord-
2 ance with section one thousand seven of this article shall be distrib-
3 uted as follows:

4 (1) fifty percent shall be used exclusively for purses awarded in
5 races conducted by such licensed facility; and

6 (2) fifty percent shall be retained by such licensed facility for its
7 general purposes.

8 § 147. The opening paragraph, subparagraphs 1 and 2, item (ii) of
9 clause (E) of subparagraph 5 and item (ii) of clause (F) of subparagraph
10 6 of paragraph b, subparagraph 1 of paragraph c and the opening para-
11 graph of subparagraph 2 of paragraph d of subdivision 1 of section 1016
12 of the racing, pari-mutuel wagering and breeding law, as amended by
13 chapter 18 of the laws of 2008 and clause (B) of subparagraph 2 of para-
14 graph b of subdivision 1 as amended by section 11 of part BB of chapter
15 60 of the laws of 2016, are amended to read as follows:

16 Any facility authorized to accept wagers on out-of-state tracks shall
17 distribute all sums deposited in any pari-mutuel pool to the holders of
18 winning tickets therein, provided such tickets are presented for payment
19 prior to April first of the year following the year of their purchase
20 less eighteen ~~[per-centum]~~ percent of the total deposits in pools
21 resulting from regular bets, less twenty-one ~~[per-centum]~~ percent of the
22 total deposits in pools resulting from multiple bets, less twenty-six
23 ~~[per-centum]~~ percent of the total deposits in pools resulting from exot-
24 ic bets, and less twenty-seven ~~[per-centum]~~ percent of the total depos-
25 its in pools resulting from super exotic bets, plus the breaks as
26 defined in section two hundred thirty-six of this chapter except that
27 the retention rates and breaks shall be as prescribed by another state
28 or country if such wagers are combined with those in the other state or
29 country pursuant to section nine hundred five of this chapter.

30 (1) Of the sums so retained, the applicable tax rates shall be as
31 governed by clauses (A) and (B) of subparagraphs three, four, five and
32 six of this paragraph plus fifty percent of the breaks; provided, howev-
33 er, fifty percent of the breaks accruing from off-track betting corpo-
34 rations licensed in accordance with section one thousand eight of this
35 article and from simulcast theaters licensed in accordance with section
36 one thousand nine of this article, shall be paid to the agriculture and
37 New York State horse breeding and development fund and to the thorough-
38 bred breeding and development fund, the total of such payments to be
39 apportioned fifty ~~[per-centum]~~ percent to each such fund.

40 (2) (A) Of the sums so retained, one-half of one ~~[per-centum]~~ percent
41 of all wagers shall be paid to the New York State thoroughbred breeding
42 and development fund, except that of the sums so retained on such wagers
43 at licensed harness tracks, one-half of one ~~[per-centum]~~ percent shall
44 be paid to the agricultural and New York State horse breeding and devel-
45 opment fund.

46 (B) Any harness racing or association or corporation or thoroughbred
47 racing corporation authorized pursuant to this section shall pay to the
48 ~~[gaming]~~ commission as a regulatory fee, which fee is hereby levied,
49 six-tenths of one percent of the total daily pari-mutuel pools.

50 (ii) Such licensed regional harness track shall receive one and one-
51 half ~~[per-centum]~~ percent on total regional handle on races conducted at
52 out-of-state or out-of-country thoroughbred tracks.

53 (ii) Such licensed regional harness track shall receive one and one-
54 half ~~[per-centum]~~ percent on total regional handle on races conducted at
55 out-of-state or out-of-country thoroughbred tracks.

(1) All wagers authorized by this section shall be combined so as to produce common pari-mutuel betting pools, which shall be combined with the sending track, for the calculation of odds and the determination of payouts from such pools, which payouts shall be made pursuant to the rules of the ~~[board]~~ commission. Every location authorized to accept wagers or display simulcasting pursuant to this section shall be subject to all appropriate provisions of this chapter.

upon application of any facility licensed in accordance with sections one thousand seven and one thousand nine of this article, the ~~[board]~~ commission shall authorize the imposition of a sum equal to the amount authorized by section five hundred thirty-two of this chapter ~~[which shall apply]~~ that applies to wagers placed at such facility. Such sums received by facilities licensed in accordance with section one thousand nine of this article shall be retained for the general purpose of the corporation. Such sums received by such facilities licensed in accordance with section one thousand seven of this article shall be distributed as follows:

§ 148. Paragraph a of subdivision 2 of section 1017 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 174 of the laws of 2013, is amended to read as follows:

a. Maintenance of effort. Any off-track betting corporation ~~[which]~~ that engages in accepting wagers on the simulcasts of thoroughbred races from out-of-state or out-of-country as permitted under subdivision one of this section shall submit to the commission, for its approval, a schedule of payments to be made in any year or portion thereof, that such off-track corporation engages in nighttime thoroughbred simulcasting. In order to be approved by the commission, the payment schedule shall be identical to the actual payments and distributions of such payments to tracks and purses made by such off-track corporation pursuant to the provisions of section one thousand fifteen of this article during the year two thousand two, as derived from out-of-state harness races displayed after 6:00 P.M. If approved by the commission, such scheduled payments shall be made from revenues derived from any simulcasting conducted pursuant to this section and section one thousand fifteen of this article.

§ 149. Subdivision 2 of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008 and paragraph b of subdivision 2 as amended by section 12 of part BB of chapter 60 of the laws of 2016, is amended to read as follows:

2. a. Of the sums so retained, one-half of one ~~[per centum]~~ percent of all wagers shall be paid to the New York state thoroughbred breeding and development fund, except that of the sums so retained on such wagers at licensed harness tracks, one-half of one ~~[per centum]~~ percent shall be paid to the agriculture and New York state horse breeding and development fund.

b. Any thoroughbred racing corporation or harness racing association or corporation or off-track betting corporation shall pay to the ~~[gaming]~~ commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of all wagering pools.

§ 150. Subdivision c of section 1101 of the racing, pari-mutuel wagering and breeding law, as added by chapter 323 of the laws of 2001, is amended to read as follows:

c. to authorize the ~~[New York state racing and wagering board]~~ commission to participate in this compact;

1 § 151. Subdivision b of section 1106 of the racing, pari-mutuel wager-
2 ing and breeding law, as added by chapter 323 of the laws of 2001, is
3 amended to read as follows:

4 b. The [~~chairman~~] chair of the [~~racing and wagering board~~] state
5 gaming commission shall designate the official, and his or her alter-
6 nate, to represent New York state in the compact committee.

7 § 152. Paragraphs 1 and 3 of subdivision c of section 1111 of the
8 racing, pari-mutuel wagering and breeding law, as added by chapter 323
9 of the laws of 2001, are amended to read as follows:

10 (1) to charge a fee for the use of a compact license within that party
11 state, for which the [~~racing and wagering board~~] commission shall charge
12 the fee, for each license category, set forth in sections two hundred
13 thirteen and three hundred nine of this chapter;

14 (3) to apply its own standards for licensure or renewal of state
15 applicants who do not meet the licensure requirements of the compact
16 committee, or who are within a category of participants in live racing
17 [~~which~~] that the compact committee does not license; and

18 § 153. Section 1112 of the racing, pari-mutuel wagering and breeding
19 law, as added by chapter 323 of the laws of 2001, is amended to read as
20 follows:

21 § 1112. Fingerprints and criminal history. In order to determine the
22 suitability to be licensed of an applicant or licensee, the [~~racing and~~
23 ~~wagering board~~] commission shall require a full set of fingerprints be
24 furnished to the [~~board~~] commission to enable a criminal background
25 investigation to be conducted. For any person who intends to partic-
26 ipate in racing in New York state, the [~~board~~] commission shall submit
27 such fingerprints to the division of criminal justice services, and the
28 division of criminal justice services is authorized to submit such fing-
29 erprints to the federal bureau of investigation, in accordance with the
30 rules or regulations promulgated by such entities, to obtain relevant
31 criminal history record information, if any, concerning such applicant
32 or licensee. The [~~board~~] commission shall require the applicant or
33 licensee to pay the cost of the criminal history investigation.

34 § 154. The opening paragraph of section 1306 of the racing, pari-mutu-
35 el wagering and breeding law, as added by chapter 174 of the laws of
36 2013, is amended to read as follows:

37 The New York state [~~resort~~] gaming facility location board shall
38 select, following a competitive process and subject to the restrictions
39 of this article, no more than four entities to apply to the commission
40 for gaming facility licenses. In exercising its authority, the board
41 shall have all powers necessary or convenient to fully carry out and
42 effectuate its purposes including, but not limited to, the following
43 powers. The board shall:

44 § 155. Paragraph (a) of subdivision 1 of section 1330-a of the racing,
45 pari-mutuel wagering and breeding law, as added by chapter 174 of the
46 laws of 2013, is amended to read as follows:

47 (a) In addition to any other registration or reporting required by
48 law, any entity licensed under section sixteen hundred seventeen-a of
49 the tax law, or [~~which~~] that possesses a pari-mutuel wagering license or
50 franchise awarded pursuant to article two or three of this chapter that
51 makes an expenditure of more than one thousand dollars for any written,
52 typed, or other printed communication, or any internet-based communi-
53 cation, or any television or radio communication, or any automated or
54 paid telephone communications, in support or opposition to any referen-
55 dum authorized by the state legislature following second passage of a
56 concurrent resolution to amend the state constitution to permit or

1 authorize casino gaming to a general public audience, shall file any
2 reports required pursuant to the election law simultaneously with the
3 gaming commission and shall provide such additional reports as required
4 by the [gaming] commission. This requirement shall apply irrespective of
5 whether such entity makes such expenditure directly or indirectly via
6 one or more persons. The [gaming] commission shall promulgate regu-
7 lations to implement the requirements of this section.

8 § 156. Paragraph (b) of subdivision 1 of section 1341 of the racing,
9 pari-mutuel wagering and breeding law, as added by chapter 174 of the
10 laws of 2013, is amended to read as follows:

11 (b) Agreements between a gaming facility licensee and a junket enter-
12 prise or junket representative licensed, qualified or registered in
13 accordance with the provisions of this article and the regulations of
14 the commission [which] that provide for the compensation of the junket
15 enterprise or junket representative by the gaming facility licensee
16 based upon the actual gaming activities of a patron procured or referred
17 by the junket enterprise or junket representative shall be lawful if
18 filed with the commission prior to the conduct of any junket that is
19 governed by the agreement.

20 § 157. Subdivision 2 of section 1345 of the racing, pari-mutuel wager-
21 ing and breeding law, as added by chapter 174 of the laws of 2013, is
22 amended to read as follows:

23 2. For the purposes of this section, any gaming activity in a licensed
24 gaming facility [which] that results in a prohibited person obtaining
25 any money or thing of value from, or being owed any money or thing of
26 value by, the gaming facility shall be considered, solely for purposes
27 of this section, to be a fully executed gambling transaction.

28 § 158. Subdivision 6 of section 1346 of the racing, pari-mutuel wager-
29 ing and breeding law, as added by chapter 174 of the laws of 2013, is
30 amended to read as follows:

31 6. If otherwise applicable, any gaming facility entering into a
32 contract for a gaming facility [capitol] capital project shall be deemed
33 to be a state agency, and such contract shall be deemed to be a state
34 contract, for purposes of article fifteen-A of the executive law and
35 section two hundred twenty-two of the labor law.

36 § 159. Subdivision 1 of section 1355 of the racing, pari-mutuel wager-
37 ing and breeding law, as added by chapter 174 of the laws of 2013, is
38 amended to read as follows:

39 1. If an applicant who possesses a pari-mutuel wagering franchise or
40 license awarded pursuant to article two or three of this chapter, or who
41 possessed in two thousand thirteen a franchise or a license awarded
42 pursuant to article two or three of this chapter or is an [articulated]
43 affiliated entity [or] of such applicant, is issued a gaming facility
44 license pursuant to this article, the licensee shall:

45 (a) Maintain payments made from video lottery gaming operations to the
46 relevant horsemen and breeders organizations at the same dollar level
47 realized in two thousand thirteen, to be adjusted annually pursuant to
48 changes in the consumer price index for all urban consumers, as
49 published annually by the United States department of labor bureau of
50 labor statistics;

51 (b) All [racetracks] racetrack locations awarded a gaming facility
52 license shall maintain racing activity and race dates pursuant to arti-
53 cles two and three of this chapter.

54 § 160. Subdivision 2 of section 195-q of the general municipal law, as
55 added by chapter 309 of the laws of 1996, is amended to read as follows:

1 2. The [~~raci~~~~ng and w~~~~agering board~~] state gaming commission shall
2 submit to the director of the division of the budget an annual plan that
3 details the amount of money the [~~raci~~~~ng and w~~~~agering board~~] state gaming
4 commission deems necessary to maintain operations, compliance and
5 enforcement of the provisions of this article and the collection of the
6 license fee authorized by this section. Contingent upon the approval of
7 the director of the division of the budget, the [~~raci~~~~ng and w~~~~agering~~
8 ~~board~~] state gaming commission shall pay into an account, to be known as
9 the bell jar collection account, under the joint custody of the comp-
10 troller and the [~~board~~] state gaming commission, the total amount of
11 license fees collected pursuant to this section. With the approval of
12 the director of the division of the budget, monies to be utilized to
13 maintain the operations necessary to enforce the provisions of this
14 article and the collection of the license fee imposed by this section
15 shall be paid out of such account on the audit and warrant of the comp-
16 troller on vouchers certified or approved by the director of the divi-
17 sion of the budget or his or her duly designated official. Those monies
18 that are not utilized to maintain operations necessary to enforce the
19 provisions of this article and the collection of the license fee author-
20 ized by this section shall be paid out of such amount on the audit and
21 warrant of the state comptroller and shall be credited to the general
22 fund.

23 § 161. Paragraph (c) of subdivision 6 of section 476 of the general
24 municipal law, as amended by chapter 190 of the laws of 1997, is amended
25 to read as follows:

26 (c) Those which shall initiate, perform or foster the provisions of
27 services to veterans by encouraging the gathering of such veterans and
28 shall enable or further the erection or maintenance of facilities for
29 use by such veterans which shall be used primarily for charitable or
30 patriotic purposes, or those purposes which shall be authorized by a
31 bona fide organization of veterans, provided however that such proceeds
32 are disbursed in accordance with the rules and regulations of the
33 [~~raci~~~~ng and w~~~~agering board~~] state gaming commission.

34 § 162. Subdivision 10 of section 854 of the general municipal law, as
35 added by chapter 267 of the laws of 1977, is amended to read as follows:

36 (10) "Horse racing facility"--shall mean any facility for the use of
37 the general public for purpose of conducting pari-mutuel wagering,
38 licensed by the state [~~raci~~~~ng and w~~~~agering board~~] gaming commission, as
39 of January first, nineteen hundred seventy-seven, except non-profit
40 racing associations, including buildings, structures, machinery, equip-
41 ments, facilities and appurtenances thereto, the construction, recon-
42 struction, acquisition and/or improvement of which shall have been
43 approved by the state [~~raci~~~~ng and w~~~~agering board~~] gaming commission, and
44 [~~which~~] that the agency may deem necessary, useful or desirable in
45 connection with the construction, improvement or operation of such
46 racing facility.

47 § 163. Subdivision 4-a of section 100 of the alcoholic beverage
48 control law, as added by chapter 762 of the laws of 1941, is amended to
49 read as follows:

50 4-a. At race meetings, authorized by the state [~~raci~~~~ng~~] gaming commis-
51 sion, notwithstanding any inconsistent provision of law, additional
52 bars, counters or contrivances where alcoholic beverages shall be sold
53 at retail for consumption on the premises may be permitted by the liquor
54 authority, upon payment to it of a fee equivalent to the amount of the
55 annual or summer license fee paid by the licensee for each such addi-

1 tional bar, counter or contrivance so permitted in addition to the
2 amount of the annual or summer license fee paid by the licensee.

3 § 164. Subdivision a of section 20-339 of the administrative code of
4 the city of New York is amended to read as follows:

5 a. "Control commission" or "commission" or "board" shall mean the
6 state [~~raci~~~~ng and w~~~~ageri~~~~ng bo~~~~ard~~] gaming commission.

7 § 165. Subdivision 1 of section 20-435 of the administrative code of
8 the city of New York is amended to read as follows:

9 1. "Board" shall mean New York state [~~raci~~~~ng and w~~~~ageri~~~~ng bo~~~~ard~~]
10 gaming commission.

11 § 166. This act shall take effect immediately; provided, however, that
12 the amendments to section 212 of the racing, pari-mutuel wagering and
13 breeding law made by section eleven of this act and section 1013 of the
14 racing, pari-mutuel wagering and breeding law made by section one
15 hundred forty-four of this act shall not affect the repeal of such
16 sections and shall be deemed repealed therewith; and provided, further
17 that the amendments to paragraph b of subdivision 3 of section 527 of
18 the racing, pari-mutuel wagering and breeding law made by section one
19 hundred five of this act shall be subject to the expiration and rever-
20 sion of such paragraph pursuant to section 32 of chapter 281 of the laws
21 of 1994, as amended, when upon such date the provisions of section one
22 hundred five-a of this act shall take effect.