STATE OF NEW YORK

8801

IN SENATE

April 19, 2022

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, in relation to the tax on gaming revenues in certain regions; and providing for the repeal of such provisions upon the expiration thereof

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

Section 1. Paragraph (a) of subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part OOO of chapter 59 of the laws of 2021, is amended to read as follows:

(a) For a gaming facility in zone two, there is hereby imposed a tax on gross gaming revenues. The amount of such tax imposed shall be as follows; provided, however, should a licensee have agreed within its application to supplement the tax with a binding supplemental fee payment exceeding the aforementioned tax rate, such tax and supplemental fee shall apply for a gaming facility:

(1) in region two, forty-five percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

(2) in region one, thirty-nine percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

(3) in region five **for the casino located in Nichols, New York**, [~~thirty-seven~~] **thirty** percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

§ 2. Subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

1. For a gaming facility in zone two, there is hereby imposed a tax on gross gaming revenues. The amount of such tax imposed shall be as follows; provided, however, should a licensee have agreed within its application to supplement the tax with a binding supplemental fee

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

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payment exceeding the aforementioned tax rate, such tax and supplemental fee shall apply for a gaming facility:

(a) in region two, forty-five percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

(b) in region one, thirty-nine percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

(c) in region five **for the casino located in Nichols, New York**, [~~**thirty-seven**~~] **thirty** percent of gross gaming revenue from slot machines and ten percent of gross gaming revenue from all other sources.

§ 3. 1. As a condition of the lower slot machine tax rate in region five provided by this act, such gaming facility shall provide an initial report to the governor, the speaker of the assembly, the temporary president of the senate, and the commission detailing the projected use of funds resulting from such tax adjustment and a plan that prescribes the manner in which the licensed gaming facility receiving the reduction in its slot machine tax rate will rebuild their economic infrastructure through the rehiring of laid-off employees or capital improvements designed to create revenue and create new jobs. Such plan shall also clearly establish quarterly and annual employment goals of increasing full-time employees. Such initial report and accompanying plan shall be due thirty days after the effective date of this section. Thereafter, an annual report shall be made to the governor, the speaker of the assembly, the temporary president of the senate, and the commission detailing actual use of the funds resulting from such tax adjustment. Such report shall include, but not be limited to, any impact on employment levels since receiving the funds, an accounting of the use of such funds, any other measures implemented to improve the financial stability of the gaming facility, any relevant information that helped in the determination of such slot tax rate reduction, and any other information as deemed necessary by the commission. Such report shall be due no later than the first day of the fourth quarter after such tax rate has been granted.

2. (a) At the conclusion of each year, the licensed gaming facility shall provide an affirmation in writing to the commission stating the employment goal in subdivision 1 of this section was either met or not met as described in the initial report. If the licensed gaming facility is found to have not adhered to the plan by the commission, then the applicable slot tax rate shall be adjusted at the discretion of the commission as follows:

(1) If the actual employment number is more than fifty percent less than the employment goal, then the slot tax rate shall be increased by ten percentage points.

(2) If the actual employment number is more than forty percent less than the employment goal, then the slot tax rate shall be increased by eight percentage points.

(3) If the actual employment number is more than thirty percent less than the employment goal, then the slot tax rate shall be increased by six percentage points.

(4) If the actual employment number is more than twenty percent less than the employment goal, then the slot tax rate shall be increased by four percentage points.

(5) If the actual employment number is more than ten percent less than the employment goal, then the slot tax rate shall be increased by two percentage points.

(b) Such finding and the reasoning thereof shall occur no later than thirty days following submission of the written affirmation.

§ 4. This act shall take effect immediately and shall expire and be deemed repealed five years after such date; provided, however, that the amendments to subdivision 1 of section 1351 of the racing, pari-mutuel wagering and breeding law made by section one of this act shall be subject to the expiration and reversion of such subdivision when upon such date the provisions of section two of this act shall take effect.