

STATE OF NEW YORK

5925

2025-2026 Regular Sessions

IN ASSEMBLY

February 24, 2025

Introduced by M. of A. WOERNER -- read once and referred to the Committee on Racing and Wagering

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to utilizing funds from the capital acquisition fund

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

1 Section 1. Section 509-a of the racing, pari-mutuel wagering and
2 breeding law, as amended by section 1 of part DD of chapter 59 of the
3 laws of 2022, subdivision 2 as amended by section 1 of part O of chapter
4 59 of the laws of 2024, is amended to read as follows:

5 § 509-a. Capital acquisition fund. 1. The corporation may create and
6 establish a capital acquisition fund for the purpose of financing the
7 acquisition, construction or equipping of offices, facilities or prem-
8 ises of the corporation. Such capital acquisition fund shall consist of
9 [~~(i)~~] a. the amounts specified pursuant to subdivision three-a of
10 section five hundred thirty-two of this chapter; and [~~(ii)~~] b. contrib-
11 utions from the corporation's pari-mutuel wagering pools, subject to the
12 following limitations:

13 [~~a-~~] (i) no contribution shall exceed the amount of one percent of the
14 total pari-mutuel wagering pools for the quarter in which the contrib-
15 ution is made;

16 [~~b-~~] (ii) no contribution shall reduce the amount of quarterly net
17 revenues, exclusive of surcharge revenues, to an amount less than fifty
18 percent of such net revenues; and

19 [~~e-~~] (iii) the balance of the fund shall not exceed the lesser of one
20 percent of total pari-mutuel wagering pools for the previous twelve
21 months or the undepreciated value of the corporation's offices, facili-
22 ties and premises.

23 2. a. Notwithstanding any other provision of law or regulation to the
24 contrary, from April nineteenth, two thousand twenty-one to March thir-
25 ty-first, two thousand twenty-two, twenty-three percent of the funds,
26 not to exceed two and one-half million dollars, in the Catskill off-
27 track betting corporation's capital acquisition fund and twenty-three
28 percent of the funds, not to exceed four hundred forty thousand dollars,

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

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1 in the Capital off-track betting corporation's capital acquisition fund
2 established pursuant to this section shall also be available to such
3 off-track betting corporation for the purposes of statutory obligations,
4 payroll, and expenditures necessary to accept authorized wagers.

5 b. Notwithstanding any other provision of law or regulation to the
6 contrary, from April first, two thousand twenty-two to March thirty-
7 first, two thousand twenty-three, twenty-three percent of the funds, not
8 to exceed two and one-half million dollars, in the Catskill off-track
9 betting corporation's capital acquisition fund established pursuant to
10 this section, and twenty-three percent of the funds, not to exceed four
11 hundred forty thousand dollars, in the Capital off-track betting corpo-
12 ration's capital acquisition fund established pursuant to this section,
13 shall be available to such off-track betting corporations for the
14 purposes of statutory obligations, payroll, and expenditures necessary
15 to accept authorized wagers.

16 c. Notwithstanding any other provision of law or regulation to the
17 contrary, from April first, two thousand twenty-three to March thirty-
18 first, two thousand twenty-four, twenty-three percent of the funds, not
19 to exceed two and one-half million dollars, in the Catskill off-track
20 betting corporation's capital acquisition fund established pursuant to
21 this section, and one million dollars in the Capital off-track betting
22 corporation's capital acquisition fund established pursuant to this
23 section, shall be available to such off-track betting corporation for
24 the purposes of expenditures necessary to accept authorized wagers; past
25 due statutory obligations to New York licensed or franchised racing
26 corporations or associations; past due contractual obligations due to
27 other racing associations or organizations for the costs of acquiring a
28 simulcast signal; past due statutory payment obligations due to the New
29 York state thoroughbred breeding and development fund corporation, agri-
30 culture and New York state horse breeding development fund, and the
31 Harry M. Zweig memorial fund for equine research; and past due obli-
32 gations due the state.

33 d. Notwithstanding any other provision of law or regulation to the
34 contrary, from April first, two thousand twenty-four to March thirty-
35 first, two thousand twenty-five, twenty-three percent of the funds, not
36 to exceed two and one-half million dollars, in the Catskill off-track
37 betting corporation's capital acquisition fund established pursuant to
38 this section, and one million dollars in the Capital off-track betting
39 corporation's capital acquisition fund established pursuant to this
40 section, shall be available to such off-track betting corporation for
41 the purposes of expenditures necessary to accept authorized wagers; past
42 due statutory obligations to New York licensed or franchised racing
43 corporations or associations; past due contractual obligations due to
44 other racing associations or organizations for the costs of acquiring a
45 simulcast signal; past due statutory payment obligations due to the New
46 York state thoroughbred breeding and development fund corporation, agri-
47 culture and New York state horse breeding development fund, and the
48 Harry M. Zweig memorial fund for equine research; and past due obli-
49 gations due the state.

50 e. Prior to a corporation being able to utilize the funds authorized
51 by paragraph c or d of this subdivision, the corporation must attest
52 that the surcharge monies from section five hundred thirty-two of this
53 chapter are being held separate and apart from any amounts otherwise
54 authorized to be retained from pari-mutuel pools and all surcharge
55 monies have been and will continue to be paid to the localities as
56 prescribed in law. Once this condition is satisfied, the corporation

1 must submit an expenditure plan to the gaming commission for review.
2 Such plan shall include the corporation's outstanding liabilities,
3 projected revenue for the upcoming year, a detailed explanation of how
4 the funds will be used, and any other information necessary to detail
5 such plan as determined by the commission. Upon review, the commission
6 shall make a determination as to whether the requirements of this para-
7 graph have been satisfied and notify the corporation of expenditure plan
8 approval. In the event the commission determines the requirements of
9 this paragraph have not been satisfied, the commission shall notify the
10 corporation of all deficiencies necessary for approval. As a condition
11 of such expenditure plan approval, the corporation shall provide a
12 report to the commission no later than the last day of the calendar year
13 for which the funds are requested, which shall include an accounting of
14 the use of such funds. At such time, the commission may cause an inde-
15 pendent audit to be conducted of the corporation's books to ensure that
16 all moneys were spent as indicated in such approved plan. The audit
17 shall be paid for from money in the fund established by this section. If
18 the audit determines that a corporation used the money authorized under
19 this section for a purpose other than one listed in their expenditure
20 plan, then the corporation shall reimburse the capital acquisition fund
21 for the unauthorized amount.

22 3. The Catskill off-track betting corporation and the Capital off-
23 track betting corporation shall make a report to the governor, speaker
24 of the assembly, temporary president of the senate and the commission
25 detailing the actual use of the funds made available in the capital
26 acquisition fund. Such report shall include, but not be limited to, any
27 impact on employment levels since utilizing the funds, the status of any
28 statutory obligations, an accounting of the use of such funds, and any
29 other information as deemed necessary by the commission. Such report
30 shall be due no later than the last day of the fiscal year in which the
31 monies were spent.

32 4. Notwithstanding any other provision of law or regulation to the
33 contrary, up to five million dollars of the funds in a capital acquisi-
34 tion fund, established pursuant to this section shall be available once
35 per annum to a regional off-track betting corporation for the sole
36 purpose of paying the salaries and benefits of employees and other
37 expenses of such corporation; provided, however, that such regional
38 off-track betting corporation is not utilizing its capital acquisition
39 fund for corporate purposes as provided in section three of part II of
40 chapter fifty-eight of the laws of two thousand twelve, and further
41 provided, that at a time and in a manner to be determined and prescribed
42 by the New York state gaming commission, at least five percent of such
43 amount shall be distributed among the participating counties on the
44 basis of population, as defined as the total population in each partic-
45 ipating county shown by the latest preceding decennial federal census
46 completed and published as a final population count by the United States
47 bureau of the census preceding the commencement of the calendar year in
48 which such distribution is to be made.

49 5. A regional off-track betting corporation that chooses to utilize
50 its capital acquisition fund to offset expenses related to salaries and
51 benefits for the corporation's employees and other expenses as provided
52 in subdivision four of this section shall do so by providing written
53 notification to the New York state gaming commission, at least fifteen
54 days in advance of its decision to utilize monies for corporate
55 purposes.

56 § 2. This act shall take effect immediately.