§ 303. Filing of information concerning stock transfers; necessity for commission approval. 1. Whenever a transfer of stock of any association or corporation that is licensed under this article, or of any association or corporation that leases to such licensee the track at which it conducts pari-mutuel harness races, or that owns twenty-five percent or more of the stock of such licensee shall be made, there shall be filed simultaneously with the association or corporation that issued such stock the following:

a. In duplicate, an affidavit executed by the transferee stating that the affiant is to be the sole beneficial owner thereof, and whether or not the affiant has (i) been convicted of a crime involving moral turpitude, (ii) been engaged in bookmaking or other forms of illegal gambling, (iii) been found guilty of any fraud or misrepresentation in connection with racing or breeding, (iv) been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction for which suspension from racing might be imposed in such jurisdiction, or (v) violated any rule, regulation or order of the commission; if the transferee is not, or is not to be, the sole beneficial owner thereof, then there shall be annexed to said affidavit of the transferee, and expressly stated in such affidavit to be deemed a part thereof, a true and complete copy, or if oral, a complete statement of all the terms, of the agreement or understanding pursuant to which the stock is to be so held by the transferee, including a detailed statement of the interest therein of each person who is to have any interest therein; and at the same time.

b. In duplicate, an affidavit executed by each person for whom such stock, or any interest therein, is to be held by said transferee, setting forth whether or not the affiant has (i) been convicted of a crime involving moral turpitude, (ii) engaged in bookmaking or other forms of illegal gambling, (iii) been found guilty of any fraud or misrepresentation in connection with racing or breeding, (iv) been guilty of any violation or attempt to violate any law, rule or regulation of any racing jurisdiction for which suspension from racing might be imposed in such jurisdiction, or (v) violated any rule, regulation or order of the commission; to each of which affidavits shall

be annexed, and expressly stated in such affidavit to be deemed a part thereof, a true and complete copy, or if oral, a complete statement of all the terms, of the agreement or understanding pursuant to which the stock is to be so held by the transferee, including a detailed statement of the interest therein of each person who is to have any interest therein.

c. Said association or corporation shall forthwith file with the commission one of each of said duplicate affidavits.

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

3. Whenever any change is made in the amount, nature, or otherwise, of the interest of any person having an interest in stock of any such association or corporation, or any new interest is created therein, without a transfer of such interest as provided in subdivisions one and two of this section, the record owner of such stock, and each person whose interest therein has been so attempted to be changed or created, shall file with the association or corporation that issued such stock, in duplicate, affidavits as provided by paragraphs a and b of subdivision one of this section, except that such affidavits need not include the matters referred to in subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph a of subdivision one of this section, unless then required pursuant to subdivision two of this section, and one copy thereof shall forthwith be filed by the association or corporation with the commission.

4. The commission may, upon application to it for good cause shown,

waive compliance with subdivisions one, two and three of this section.

5. If the commission determines that it is inconsistent with the public interest, convenience or necessity, or with the best interests of racing generally, that any person continue to be a stockholder of record, or the beneficial owner of any interest in stock standing in the name of another, in any association or corporation licensed under this article, or of any association or corporation that leases to such licensee the track at which it conducts pari-mutuel harness racing or that owns twenty-five percent or more of the stock of such licensee, the commission shall have full power and authority to order or direct each such stockholder or beneficial owner irrespective of the time when such stockholder or beneficial owner acquired his or her stock or interest therein to dispose of such stock or interest within a period of time to be specified by the commission, which period the commission shall have full power and authority to extend from time to time.

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

7. Upon application of the commission, the supreme court of this state shall have jurisdiction to issue final orders, on notice and after hearing, commanding any person to comply with the provisions of the orders or directions issued by the commission under subdivision five of this section.

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

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

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

The commission shall adopt rules and regulations regarding ownership of horses not inconsistent with this section.