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

2. Every such license shall be issued upon condition:

a. that every quarter horse race meeting at which pari-mutuel betting is conducted shall be subject to the supervision of and to the reasonable rules and regulations from time to time prescribed by the commission, and

b. that pari-mutuel betting conducted thereunder shall also be subject to the supervision of and to the reasonable regulations from time to time prescribed by the department of taxation and finance. Any such license may also be issued upon any other condition that the commission shall determine to be necessary or desirable to insure that the public interest, convenience or necessity is served.

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

4. In considering an application for a license under this section the

commission may give consideration to the number of licenses already granted and to the location of the tracks previously licensed. No such license shall be granted to any track located within the corporate limits of a city of the first class. No such license shall be granted to any quarter horse racetrack located within fifty miles of any existing harness, thoroughbred or quarter horse track except with the consent of the licensee located within such fifty-mile area, provided, however, that in the counties of Suffolk, Niagara and Albany such license shall be granted to any quarter horse racetrack located more than thirty-five miles from any existing harness, thoroughbred or quarter horse track, except with the consent of the licensee located within such thirty-five mile area.

5. The commission may refuse to grant a license to an association or corporation if the commission determines that:

a. any officer, director, member or stockholder of such association or corporation applying for a license, or of any association or corporation that owns stock or shares in the profits or participates in the management, of the affairs of such applicant, or that leases to such applicant the track where such applicant shall operate 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; or

b. the experience, character or general fitness of any officer, director or stockholder of any of the aforesaid associations or corporations is such that the participation of such person in quarter horse racing or related activities would be inconsistent with the public interest, convenience or necessity or with the best interests of racing generally; but if the commission determines that the interest of any stockholder referred to in this paragraph or in paragraph a of this

subdivision is insufficient in the opinion of the commission to affect adversely the conduct of pari-mutuel quarter horse racing by such association or corporation in accordance with the provisions of this article, the commission may disregard such interest in determining whether or not to grant a license to such association or corporation; or

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

6. The commission shall also have power to refuse to grant a license:

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

b. to any association or corporation that, having been a licensee, has failed in the opinion of the commission to properly maintain its track and plant in good condition or has failed to make adequate provision for rehabilitation and capital improvements to its track and plant.

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

8. Notwithstanding any other provision of this article, the commission

may grant a license to any authorized quarter horse racing association or corporation to hold and conduct one additional quarter horse race meeting of not more than one racing week's duration, with pari-mutuel betting, on any quarter mile track within this state.

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