§ 502. Establishment of regional off-track betting corporations. 1. a. A regional off-track betting corporation is hereby established for each region, except the New York city region for which the New York city off-track betting corporation established pursuant to and subject to article six of this chapter shall constitute the regional corporation and such article six shall govern such New York city off-track betting corporation. Each regional corporation shall be a body corporate and politic constituting a public benefit corporation. Each corporation shall be administered by a board of directors consisting of two members from each participating county containing a city of over one hundred fifty thousand in population, according to the last federal census, and one member from each other participating county. Notwithstanding any other provision of law to the contrary, the members shall be appointed by the county governing body, and may, at the discretion of such governing body of counties which have a population of less than two hundred thousand, include sitting members of such governing body. A member of a governing body who is appointed a director after July first, nineteen hundred ninety shall not be compensated by the regional corporation; provided, however, that the mayor of a city of over one hundred fifty thousand that has elected to participate in the management of a corporation pursuant to subdivision two of this section shall, with the approval of the city's legislative body, appoint one of the members to which the county containing such city is entitled. In the case of the corporation established for the Suffolk region and Nassau region, the board of directors of each corporation shall consist of three members appointed by the governing body of each county, not more than two of whom shall be members of the same political party. Each director shall serve at the pleasure of the governing body or mayor appointing such director, as the case may be. A chair shall be elected by the members to serve a term of one year.

b. No person who has served as a board member or officer of the corporation shall within a period of five years after such person's termination of such service, regardless of the reason for termination, (i) be appointed, reappointed or qualified as a member of the corporation; (ii) appear or practice before such corporation or receive compensation for any services rendered by such former board member or

officer on behalf of any person, firm, corporation or association in relation to any case, proceeding or application or other matter before such corporation; or (iii) receive compensation for any services on behalf of any person, firm, corporation or association to appear, practice or directly communicate with the board of directors to promote or oppose, directly or indirectly, the passage of resolutions by such board of directors. No person who has served as a board member or officer of the corporation shall after the termination of such service appear, practice, communicate or otherwise render services before such corporation, or the board of directors thereof, or receive compensation for any such services rendered by such person on behalf of any person, firm, corporation or other entity in relation to any case, proceeding, application or transaction with respect to which such person was directly concerned and in which such person personally participated during the period of such service, or which was under their active consideration.

c. No person who is appointed to be a member of the board of directors may attend or participate in any board meetings, including executive sessions, until that person's application for a license has been approved by the commission.

2. A city with a population of more than one hundred fifty thousand, according to the last federal census, may elect to participate in the management and revenues of a regional corporation if the county in which such city is located has elected to become a participating county. Such election shall be by enabling legislation. Upon such election, such city shall participate in the amount of any loans or contributions made or to be made by the participating county containing the city to the corporation, pursuant to section five hundred six of this article, in the proportion that such city will participate in net revenues payable to such county or such other equitable arrangement as shall be approved by the commission.

3. Upon the passage of enabling legislation by the governing body of not less than three counties within a region representing not less than thirty percent of the population of such region, as determined by the

last federal census, or in the case of the Suffolk region, upon the passage of enabling legislation by the governing body of Suffolk county, or in the case of the Nassau region, upon the passage of enabling legislation by the governing body of Nassau county, or in the case of the Mid-Hudson region upon the passage of enabling legislation by the governing body of the county of Westchester and of the governing body of one other county in such region, and following the appointment of members of the board of directors, such corporation shall file with the secretary of state and with the commission a certificate setting forth:

a. The date of passage of the enabling legislation;

b. The name of the agency, which shall be the name of the region followed by the words "regional off-track betting corporation"; and

c. The names of the members of the board of directors and the chair.

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

If the participating counties in the region have contributed or loaned funds or other consideration to the corporation, the board of directors may require that any county subsequently electing to become a participating county make such contributions in the same proportion, if any, as may have governed such contributions or loans by participating

counties. Any dispute as to the value of consideration or as to a contribution required by the board of directors shall be resolved by the commission.

5. a. If the certificate required by subdivision three of this section is not filed by December thirty-first, nineteen hundred seventy-five, the corporate existence of a corporation shall terminate, but otherwise, each corporation and its corporate existence shall continue until terminated by law; provided, however, that no such law shall take effect so long as the corporation shall have bonds, notes or other obligations outstanding. Upon termination of the existence of the corporation all of its rights, property, assets and funds shall thereupon vest in and be possessed by the participating counties in the same proportion such property, assets and funds may have been contributed by each county or according to the manner in which the revenues of the corporation are distributed pursuant to section five hundred sixteen of this article, or any combination of both such methods, as the commission shall determine.

b. Notwithstanding the provisions of paragraph a of this subdivision, those counties comprising the Central region prior to January first, nineteen hundred seventy-four, even though such counties are included in off-track betting regions other than the Central region, shall have until December thirty-first, nineteen hundred eighty-two to file the certificate required by subdivision three of this section.

6. Each director shall continue to serve until the appointment and qualification of his successor.

7. The directors shall be removable for cause by the commission, upon charges and after a hearing.

8. The powers of the corporation shall be vested in and exercised by the board of directors at a meeting duly held at a time fixed by any by-law adopted by the board, or at any duly adjourned meeting of such meeting or at any meeting held upon reasonable notice to all of the directors, or upon written waiver thereof, and a majority of the whole number of directors shall constitute a quorum; provided that neither the

business nor the powers of the corporation shall be transacted or exercised except pursuant to the favorable vote of at least a majority of the directors present at a meeting at which a quorum is in attendance.

9. The board of directors may delegate to one or more of the directors, officers, agents or employees of the corporation such powers and duties as it may deem proper.

10. a. The directors may receive a sum of two hundred fifty dollars for each day or part thereof spent in attendance at meetings held in accordance with subdivision eight of this section, but not to exceed twenty-five hundred dollars during any one year.

b. The directors may receive a sum of one hundred dollars for each day or part thereof at meetings other than those defined in subdivision eight of this section or otherwise in the work of the corporation; provided that such activities are approved by the board as a whole. Such additional expenses shall not exceed fifteen hundred dollars in any calendar year.

c. The chairman of the board elected in accordance with subdivision one of this section shall receive additional compensation of one thousand dollars per year to cover those expenses and activities associated with such office.

d. In addition, the directors shall be reimbursed for their actual and necessary expenses incurred in the performance of their official duties.

e. Any expenses incurred by a director in excess of those authorized by paragraph d of this subdivision shall be the responsibility of the appointing political subdivision, payable on vouchers certified or approved by the chief fiscal officer of such political subdivision as is provided by law.

11. The directors may engage in outside employment or in a profession or business unless otherwise prohibited from doing so by virtue of

holding another public office subject to the provisions of article eighteen of the general municipal law. For the purposes of such article eighteen, the corporation shall be a "municipality" and a director shall be a "municipal officer."

12. a. The board of directors shall hold an annual meeting and meet not less than quarterly.

b. Each board member shall receive, not less than seven days in advance of a meeting, documentation necessary to ensure knowledgeable and engaged participation. Such documentation shall include material relevant to each agenda item including background information of discussion items, resolutions to be considered and associated documents, a monthly financial statement which shall include an updated cash flow statement and aged payable listing of industry payables, financial statements, management reports, committee reports and compliance items.

c. Staff of the corporation shall annually submit to the board for approval a financial plan accompanied by expenditure, revenue and cash flow projections. The plan shall contain projection of revenues and expenditures based on reasonable and appropriate assumptions and methods of estimations, and shall provide that operations will be conducted within the cash resources available. The financial plan shall also include information regarding projected employment levels, collective bargaining agreements and other actions relating to employee costs, capital construction and such other matters as the board may direct.

d. Staff of the corporation shall prepare and submit to the board on a quarterly basis a report of summarized budget data depicting overall trends, by major category within funds, of actual revenues and budget expenditures for the entire budget rather than individual line items, as well as updated quarterly cash flow projections of receipts and disbursements. Such reports shall compare revenue estimates and appropriations as set forth in such budget and in the quarterly revenue and expenditure projections submitted therewith, with the actual revenues and expenditures made to date. Such reports shall also compare actual receipts and disbursements with the estimates contained in the

cash flow projections, together with variances and their explanation. All quarterly reports shall be accompanied by recommendations from the president setting forth any remedial action necessary to resolve any unfavorable budget variance including the overestimation of revenues and the underestimation of appropriations. These reports shall be completed within thirty days after the end of each quarter and shall be submitted to the board by the corporation comptroller.

e. Revenue estimates and the financial plan shall be regularly reexamined by the board and staff and shall provide a modified financial plan in such detail and within such time periods as the board may require. In the event of reductions in such revenue estimates, the board shall consider and approve such adjustments in revenue estimates and reductions in total expenditures as may be necessary to conform to such revised revenue estimates or aggregate expenditure limitations.

13. The fiscal year of the corporation shall be the calendar year.

14. A general manager, who shall be the chief executive officer of the corporation, shall be in charge of the administration of its affairs. He shall perform his duties as chief executive officer, together with any other duties assigned to him by the corporation, under its direct supervision and control and shall give full time to such duties.

15. Any person prohibited by any law or rule from accepting compensation described in subdivision ten of this section shall nonetheless be permitted to serve as a director provided said person waives his compensation.

16. Notwithstanding any inconsistent provision of this chapter or any other law, any director, administrator, or other employee of a corporation may be issued and hold any license issued by the commission.