§ 523. General limitations on off-track betting. The commission shall require that any regional corporation conduct off-track pari-mutuel betting in accordance with this section.

1. The system of off-track betting operated by such corporation, except as otherwise provided in this section, shall result in the combination of all off-track wagers with on-track wagers so as to produce common pari-mutuel betting pools for the calculation of odds and the determination of payouts from such pool, which payout shall be the same for all winning tickets, irrespective of whether a wager is placed off-track or on-track.

2. Exotic and multiple bets on races run within the state may be approved by the commission without a comparable on-track pool, provided that the corporation or association conducting such races shall have filed with the commission a written consent for such off-track exotic or multiple bets on races held at its track.

3. The commission may approve separate off-track pools on races run in other states subject to the limitations of this section and of subdivision eight of this section in particular.

4. No regional corporation authorized to conduct off-track betting by the commission shall accept off-track wagers on races run at any harness track located without its region while a harness track within its region is conducting a race meeting involving pari-mutuel betting without the approval of the regional operating harness track; provided, however, that for the purposes of this subdivision, the Suffolk region, the Nassau region, the New York city region, and the portion of the Catskill region outside a special betting district shall be considered a single region; and further provided, however, that for the purposes of this subdivision, there shall be created a harness special betting district, consisting of the counties of Cayuga, Chenango, Cortland, Franklin, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Otsego, St. Lawrence and Tompkins in which no off-track betting on races run at a harness track without such special betting district shall be permitted while a harness track within such special betting district is conducting

a race meeting involving pari-mutuel betting.

4-a. Notwithstanding any inconsistent provision of subdivision four of this section, regional off-track betting corporations are hereby authorized and empowered in each year to accept wagers on the races known as the "Dr. Harry M. Zweig Memorial Trot" and "Empire Commission's Cup" (A pace) to be run under the auspices of the New York State Industrial Exhibit Authority.

5. Except for races conducted by a thoroughbred track in the Catskill region during a mixed meeting, no regional corporation shall accept wagers on any thoroughbred or steeplechase race run on any thoroughbred or steeplechase track located without its region while a thoroughbred or steeplechase track within its region is conducting a race meeting involving pari-mutuel betting without the approval of the operating regional thoroughbred or steeplechase track, except that the Catskill and Suffolk regional corporations may accept wagers on any thoroughbred track outside its region while a thoroughbred track within the region is conducting such a race meeting provided the regional corporation accepts wagers on such track within the region; provided, however, that for the purposes of this subdivision, there shall be created a thoroughbred special betting district, consisting of the counties of Orleans, Genesee, Wyoming, Allegany, Monroe, Livingston, Steuben, Wayne, Ontario, Yates, Seneca, Schuyler, Cayuga, Tompkins, Onondaga and Cortland, in which no off-track betting on races run at a thoroughbred or steeplechase track without such special district including such a track within the Catskill region shall be permitted while a thoroughbred or steeplechase track within such special district is conducting a race meeting involving pari-mutuel betting without the approval of the operating regional thoroughbred or steeplechase track; provided, however, that within such district in the counties of Wyoming, Allegany, Steuben and Schuyler off-track betting on races run at a track by a franchised corporation without such special district shall be permitted. Notwithstanding any inconsistent provision in the foregoing, the regional off-track betting corporations are hereby authorized and empowered to accept all wagers on races known as the "Belmont Stakes", the "Travers Stakes", the "Breeders' Cup Series" and the "New York

Derby"; and such corporation, outside of a harness special betting district, is hereby authorized and empowered to accept wagers on the races comprising the seven-day race meeting known as the "Syracuse Mile".

6. a. No regional corporation may accept wagers on races run at a thoroughbred or steeplechase track in another state or country while a thoroughbred or steeplechase track within this state is conducting a race meeting involving pari-mutuel betting; provided, however, that notwithstanding any inconsistent provision, the commission may designate no more than fifteen thoroughbred or steeplechase races per year as races of special interest on which off-track pari-mutuel betting may be accepted by regional corporations, provided further that for purposes of this subdivision the acceptance of wagers on a series of races known as the "Breeders' Cup" shall be considered as a single thoroughbred or steeplechase race of special interest and all such races shall be determined in accordance with article nine of this chapter.

b. When a race meeting is not being conducted by a franchised corporation and a thoroughbred race meeting is being conducted at a track located within the thoroughbred special betting district, regional corporations and portions of regional corporations outside such district, shall, in addition to accepting wagers on races at such track, also be permitted to accept wagers on thoroughbred races run in another state. In the event that wagers are accepted on races run at both a track located in the thoroughbred special betting district and at a track located in another state, the balance of the amount payable to tracks within this state pursuant to paragraph f of subdivision one of section five hundred twenty-seven of this article, but (i) not less than one percent on regular and multiple wagering and two percent on exotic wagers, shall be paid to the track located within the thoroughbred special betting district running thoroughbred races, and (ii) not less than three-quarters of one percent of regular and multiple wagering and one and one-quarter percent on exotic wagers shall be paid to the harness track operator conducting racing within the region within which the wagers on such out-of-state races are placed.

c. If as a result of the authorization granted in paragraph b of this subdivision, the average daily distribution to harness track operators from regional off-track betting corporations and attributable to the conduct of off-track betting on thoroughbred races run concurrently by both an in-state and an out-of-state track operator during the period from June first, nineteen hundred seventy-eight through May thirty-first, nineteen hundred seventy-nine and each succeeding twelve-month period thereafter is less than the average daily distribution to such operators from off-track betting corporations and attributable to the conduct of racing by a thoroughbred racing association during the base period of June first, nineteen hundred seventy-seven through May thirty-first, nineteen hundred seventy-eight, such operators shall be entitled to a credit against the state tax imposed upon its pari-mutuel revenues. The tax credit for any twelve-month period shall be an amount calculated by multiplying the shortfall in the average daily distribution by the number of days in each twelve-month period that regional off-track betting corporations conduct betting on thoroughbred races run concurrently by both an in-state and an out-of-state track operator. The commission shall so certify to the department of taxation and finance the amount of credit applicable to each harness track operator no later than thirty days following the close of each twelve-month period.

7. No regional corporation may accept wagers on races run at a harness track in another state or country while a harness track within this state is conducting a race meeting involving pari-mutuel betting; provided, however, that notwithstanding any inconsistent provisions the commission may designate no more than fifty harness races per year as races of special interest on which off-track pari-mutuel betting may be accepted by regional corporations.

8. Pools permitted by subdivisions three, six and seven of this section shall be combined into a single statewide pool for the calculation of odds and the determination of payouts which shall be uniform throughout the state.

9. Notwithstanding any other provision of this article any regional

corporation having a missed pool as defined in this subdivision shall dispose of such pool according to rules and regulations of the commission, which shall direct such regional corporations and such missed pools to the in-state track conducting the race on which the wager was placed to be used for the next available common pool.