§ 527. Disposition of off-track pools; state tax. Each regional corporation conducting off-track betting shall distribute all sums deposited in any pari-mutuel pool through such corporation to the holders of winning tickets therein, providing such tickets be presented for payment prior to April first of the year following the year of their purchase, less an amount that it shall retain at the same rate established by the track accepting wagers from each such regional corporation.

1. The disposition of the retained commission from pools resulting from regular, multiple or exotic bets, as the case may be, whether placed on races run within a region or outside a region, conducted by racing corporations, harness racing associations or corporations, quarter horse racing associations or corporations or races run outside the state shall be governed by the tables in paragraphs a and b of this subdivision. There shall be paid by each regional corporation conducting off-track betting, as a reasonable tax imposed upon the retained commission for the privilege of conducting off-track pari-mutuel betting, which tax is hereby levied, a percentage of all money wagered on live races through such corporation, which shall be payable in the manner set forth in this section and in subdivision one of section one hundred thirty-six of this chapter. Each off-track betting corporation shall pay to the commission as a regulatory fee, which fee is hereby levied, six-tenths of one percent of the total daily pools of such corporation. Each corporation shall also pay twenty percent of the breaks derived from bets on out-of-state harness races and fifty percent of the breaks derived from bets on all other out-of-state races to the agriculture and New York State horse breeding and development fund and to the thoroughbred breeding and development fund, the total of such payments to be apportioned fifty percent to each such fund. For the purposes of this section, the New York city, Suffolk, Nassau, and the Catskill regions shall constitute a single region and any thoroughbred track located within the Capital District region shall be deemed to be within such single region. A "regional meeting" shall refer to either harness or thoroughbred meetings, or both, except that a franchised corporation shall not be a regional track for the purpose of receiving distributions from bets on thoroughbred races conducted by a

thoroughbred track in the Catskill region conducting a mixed meeting. With the exception of a harness racing association or corporation first licensed to conduct pari-mutuel wagering at a track located in Tioga, Saratoga or Westchester county after January first, two thousand five, racing corporations first licensed to conduct pari-mutuel racing after January first, nineteen hundred eighty-six or a harness racing association or corporation first licensed to conduct pari-mutuel wagering at a track located in Genesee County after January first, two thousand five, and quarter horse tracks shall not be "regional tracks"; if there is more than one harness track within a region, such tracks shall evenly divide payments made pursuant to the tables in paragraphs a and b of this subdivision when neither track is running. In the event a track elects to reduce its retained percentage from any or all of its pari-mutuel pools, the payments to the track holding the race and the regional track required by paragraphs a and b of this subdivision shall be reduced in proportion to such reduction. Nothing in this section shall be construed to authorize the conduct of off-track betting contrary to the provisions of section five hundred twenty-three of this article.

a. Regular and multiple bets:

Pools on races run by:	Track holding race	Regional track
Franchised corporations:		
in region;.....	3.50	N/A
out-region, during a regional meeting;.....	1.00	2.50
out-region, no regional meeting;.....	1.75	1.75
Racing corporations		

in special		
betting district:		
in-special betting district;...	3.80	N/A
out-district, during a regional		
meeting;.....	1.00	2.80
out-district, no regional		
meeting;.....	1.90	1.90
Harness racing associations or		
corporations within Suffolk,		
Nassau, or Catskill regions:		
in region;.....	4.00	N/A
out-region, during a regional		
meeting;.....	1.00	3.00
out-region, no regional		
meeting;.....	2.00	2.00
Harness racing associations or		
corporations:		
in-special betting		
district;.....	4.00	N/A

out-district, during a regional meeting;.....	1.00	3.00
out-district, no regional meeting;.....	2.00	2.00
Other harness racing associations or corporations:		
in region;.....	4.00	N/A
out-region, during a regional meeting;.....	1.00	3.00
out-region, no regional meeting;.....	2.00	2.00
Quarter horse racing associations or corporations;.....	3.50	N/A
Out-of-state tracks:.....	3.50 divided pursuant to paragraph g of this subdivision	

b. Exotic bets:

	Track holding race	Regional track
Pools on races run by:		
Franchised corporations:		
in region;.....	6.50	N/A

out-region, during a regional meeting;.....	2.00	4.50
out-region, no regional meeting;.....	3.25	3.25
Racing corporations in special betting district:		
in-special betting districts;..	6.80	N/A
out-district, during a regional meeting;.....	2.00	4.80
out-district, no regional meeting;.....	3.40	3.40
Harness racing associations or corporations within Suffolk, Nassau, or Catskill regions:		
in region;.....	7.00	N/A
out-region, during a regional meeting;.....	2.00	5.00

out-region, no regional meeting;.....	3.50	3.50
Harness racing associations or corporations:		
in-special betting district;.....	7.00	N/A
out-district, during a regional meeting;.....	2.00	5.00
out-district, no regional meeting;.....	3.50	3.50
Other harness racing associations or corporations:		
in-region;.....	7.00	N/A
out-region, during a regional meeting;.....	2.00	5.00
out-region, no regional meeting;.....	3.50	3.50
Quarter horse racing associations or corporations;.....	6.50	N/A
Out-of-state tracks:.....	6.50 divided pursuant to paragraph	

g of this subdivision

c. Super Exotic Bets:

	Track holding race	Regional track
Pools on races run by:		
Franchised corporations:		
in region;.....	12.00	N/A
out-region, during a regional meeting;.....	3.00	10.00
out-region, no regional meeting;.....	6.00	6.00
Racing corporations		
in special betting district:		
in-special betting districts;..	12.00	N/A
out-district, during a regional meeting;.....	3.00	10.00
out-district, no regional meeting;.....	6.00	6.00
Harness racing associations or corporations within Suffolk,		

Nassau, or Catskill regions:		
in-region;.....	12.00	N/A
out-region, during a regional		
meeting;.....	3.00	10.00
out-region, no regional		
meeting;.....	6.00	6.00
Harness racing associations		
or corporations:		
in-special betting		
district;.....	12.00	N/A
out-district, during a		
regional meeting;.....	3.00	10.00
out-district, no regional		
meeting;.....	6.00	6.00
Other harness racing associations		
or corporations:		
in-region;.....	12.00	N/A
out-region, during a		
regional meeting;.....	3.00	10.00

out-region, no regional

meeting;..... 6.00 6.00

d. For the portion of the Western region included within a thoroughbred special betting district and not within a harness special betting district, when no thoroughbred race meeting is conducted by a racing corporation located within such thoroughbred special district, the distribution of the retained commission to "regional tracks" by such regional corporation derived from wagers placed within such special betting district shall be divided as follows:

(i) when a harness corporation located in such district is conducting a meet the full amount to such harness corporation; and when a harness corporation in the region but not located in such district is conducting a meet, forty percent to the thoroughbred racing corporation and sixty percent to the harness corporation conducting a meet;

(ii) when no racing is being conducted, forty percent to the thoroughbred racing corporation and the balance divided equally between the harness racing corporations located in such region; and

(iii) when no racing is being conducted and no more than one harness racing association is licensed during the calendar year to conduct a race meeting, fifty percent to the thoroughbred racing corporation and fifty percent to the harness racing association located in such region.

e. For the portions of the Capital District, Catskill, Central and Western regions included within a harness racing special betting district, except those portions described in paragraph e of this subdivision, the harness track located in such special district shall be the "regional track" for the purposes of the distributions made pursuant to paragraphs a and b of this subdivision.

f. For the portions of the Catskill, Central and Western regions included in both a thoroughbred special betting district and a harness special betting district, the distribution of the retained commission to "regional tracks" by such regional corporations derived from wagers placed within such portions of such regions shall be divided as follows:

(i) when a harness corporation located in the harness special betting

district is conducting a meet and no thoroughbred race meeting is being conducted by a racing corporation located in the thoroughbred special betting district, the full amount to such harness association;

(ii) when a thoroughbred corporation located in the thoroughbred special betting district is conducting a meet and no harness race meeting is being conducted by a harness association located in the harness special betting district, the full amount to such thoroughbred corporation;

(iii) when no racing is being conducted the amount to be divided evenly between the thoroughbred track located in such thoroughbred special betting district and the harness track located in such harness special betting district.

g. With respect to the amounts payable to track operators from the retained commission on pools resulting from thoroughbred or harness races outside this state, the regional corporation shall first pay any contractual obligation owed to the out-of-state track operator, or to another state or entity thereof, as the case may be. The balance of such amounts shall be divided as follows:

(i) for the betting region composed of the New York city, Suffolk and Nassau regions and the portion of the Catskill region outside a special betting district: when both harness and thoroughbred meets are in progress in such betting region, the balance to the association or corporation holding the same type of meet as the out-of-state race; when only a harness meet is in progress in such betting region, the balance to the harness track operator; when only a thoroughbred meet is in progress in such betting region, the balance to the thoroughbred track operator; when no meet is in progress, fifty percent of the balance to the franchised corporation and the remainder divided among harness racing corporations or associations within such betting region;

(ii) for the Capital District region and the portion of the Western region outside a special betting district: when a harness meet is in progress in such region and a thoroughbred meet is in progress outside a special betting district, the balance to whichever operator is conducting the same type of meet as the out-of-state race; when no harness meet is in progress, the balance to the racing association outside a special betting district; and when no meet is in progress

within such region and no thoroughbred meet is in progress outside a special betting district, fifty percent of the balance to the racing association outside a special betting district and the remainder to the licensed harness racing corporations or associations within such region;

(iii) for the portion of the Western region within a thoroughbred special betting district but not within a harness special betting district: when a harness meet and a thoroughbred meet are in progress within such region and the district, the balance to the association or corporation conducting the same type of meet as the out-of-state or out-of-region race; when a harness meet is in progress in such region but no thoroughbred meet is in progress in the special betting district, the balance to the harness track operator within such region; when only a thoroughbred meet is in progress in such betting region, the balance to the thoroughbred track operator; and when no meet is in progress within such region the balance is divided, forty percent to the thoroughbred racing corporation within the district and the remainder divided between the harness racing associations or corporations within the region provided, however, that if no more than one harness racing association or corporation is licensed to conduct a race meeting, fifty percent to the thoroughbred racing corporation within the district and fifty percent to the licensed harness racing association within the region;

(iv) for the portions of the Capital District, Catskill, Central and Western regions included in a harness special betting district: when a harness meeting is in progress in such harness special betting district and a thoroughbred meeting is in progress outside the thoroughbred special betting district, the balance to the association or corporation holding the same kind of race; when no harness meet is in progress, the balance to the racing corporation holding a thoroughbred race meeting outside the thoroughbred special betting district; when a harness meeting is in progress in the harness special betting district and no thoroughbred meeting is in progress outside the thoroughbred special betting district, the balance to the harness track operating in such harness special betting district; when no harness meet is being held within such harness special betting district and no thoroughbred meet is being held outside the thoroughbred special betting district, fifty percent of such amount to the harness racing corporation in such harness

special betting district and fifty percent to the thoroughbred track operator outside the thoroughbred special betting district;

(v) for the portions of the Catskill and Western regions included in both a thoroughbred special betting district and a harness special betting district: when a harness meet and a thoroughbred meet are in progress within both such districts the balance to the association or corporation conducting the same type of meet as the out-of-state race; when a harness meet is in progress but no thoroughbred meet the balance to the harness track operator within such district; when a thoroughbred meet is in progress but no harness meet the balance to the thoroughbred track operator in the district; and when no meet is in progress the balance to be divided evenly between the harness track operator in the harness special betting district and the thoroughbred operator located within the thoroughbred special betting district;

(vi) notwithstanding any contrary provision contained in this section, the portion of retained commissions from off-track pools distributable to the track holding the race shall be for regular and multiple bets: five and three-quarters percent and for exotic bets: seven and three-quarters percent for the three races commonly referred to as the Triple Crown consisting of the Kentucky Derby, the Preakness and the Belmont Stakes, run respectively at Churchill Downs, Kentucky, at Pimlico, Maryland and at Belmont Park, New York; additionally the same commissions shall apply to the series of races known as the Breeders' Cup and the portion distributable from retained commissions shall be paid to the Breeders' Cup, ltd. irrespective of whether the races are held at a track within or without the state; provided, however, that as a condition precedent to the obligation of a regional corporation to make the foregoing distributions as required in this subparagraph with respect to wagers on the Belmont Stakes, such regional corporation shall have accepted wagers on at least one or both of the immediately preceding Kentucky Derby and Preakness races; and provided further that the distributable portion of such retained commissions with respect to the Belmont Stakes shall be deemed to include the additional amounts payable pursuant to the provisions of paragraph b of subdivision three of this section; and provided further, notwithstanding the foregoing provisions of this subparagraph, that of the retained commissions resulting from off-track wagers placed in a special betting district on

the Belmont Stakes, the track holding the race shall receive one per centum from regular and multiple bets and two percent from exotic bets, and the thoroughbred track conducting racing within such district shall receive four and three-quarters percent from regular and multiple bets, and five and three-quarters percent from exotic bets.

2. Payment of the state tax imposed by this section shall be made to the commissioner by each such regional corporation on the last business day of each month and shall cover taxes due for the period from the sixteenth day of the preceding month through the fifteenth day of the current month provided, however, that such payments required to be made on March thirty-first shall include all taxes due and accruing through the last full week of racing in March of the current year or as otherwise determined by the commissioner and shall be accompanied by a report under oath, showing such information as it may require. A penalty of five percent, and interest at the rate of one percent per month from the date the report is required to be filed to the date of the payment of the tax, shall be payable in case any tax imposed by this section is not paid when due. If the commissioner determines that any moneys received by the commissioner under this section were paid in error, the commissioner may cause the same to be refunded without interest out of any moneys collected thereunder, provided an application therefor is filed with the commissioner within one year from the time the erroneous payment is made. Such taxes, interest and penalties when collected, after the deduction of refunds of taxes erroneously paid, shall be paid by the commissioner into the general fund of the state treasury.

3. a. Of the portion of retained commission on off-track pools distributed to racing corporations, one-half shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes, awarded to horses in races conducted by such associations or corporations and any portion of said fraction not so used during any year shall be used during the following year, failing which it shall be returned to the regional off-track betting corporations on or before April first in the year following the year in which it is not so used to be distributed prior to June first to participating local governments in the same proportions as the distributions to such governments in the

prior calendar year, provided, however, in a harness special betting district the portion of retained commissions to be used for purses or the methodology for calculating the amount to be used for purses may be specified in a written contract between a harness racing association or corporation and its representative horsemen's association.

* b. In addition to any other amount required by this section, of the portion of commissions retained by a regional corporation, an amount equal to one and eighty-five hundredths percent of regular pools and an amount equal to two and thirty-five hundredths percent of multiple pools and two and thirty-five hundredths percent of exotic pools derived from wagers on races conducted by a franchised corporation shall be paid to such corporation to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. An additional two and sixty-five hundredths shall be paid to the regional harness track. When there is no regional meeting, an amount equal to four and sixty-five hundredths shall be paid to such nonprofit racing association of which two and nine tenths shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. An additional one and eighty-five hundredths shall be paid to the regional harness track. In addition to any other amounts required to be paid to a franchised corporation, for the period July twenty-first, nineteen hundred ninety-five through July twenty-fourth, two thousand one, an additional one and twenty-five hundredths percent of multiple pools derived from wagers on races conducted by a franchised corporation shall be paid to such association for its own use and purposes. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments.

* NB Effective until July 1, 2026

* b. In addition to any other amount required by this section, of the portion of commissions retained by a regional corporation, an amount equal to one and one-quarter percent of regular and multiple pools and three-quarters of one percent of exotic pools derived from wagers on races conducted by a nonprofit racing association shall be paid to such nonprofit racing association to be used exclusively for the purpose of

increasing purses, including stakes, premiums and prizes. An additional two and sixty-five hundredths shall be paid to the regional harness track. When there is no regional meeting, an amount equal to four and sixty-five hundredths shall be paid to such nonprofit racing association of which two and nine-tenths shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. An additional one and eighty-five hundredths shall be paid to the regional harness track. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments.

* NB Effective July 1, 2026

c. In addition to any other amount required by this section, of the portion of commissions retained by a regional corporation, an amount equal to one and one-tenth percent of regular and multiple pools and six-tenths of one percent of exotic pools derived from wagers on races conducted by a thoroughbred racing corporation, licensed by the commission, other than a franchised corporation, shall be paid to such thoroughbred racing corporation to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. Any portion of such amount not so used during any year shall be used during the following year, failing which such amount shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments.

4. a. Of the portion of retained commission on off-track pools distributed to harness racing associations or corporations authorized to conduct racing in Westchester or Nassau county, one-half shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes awarded to horses in races conducted by such associations or corporations.

b. The portion of retained commission on off-track pools distributed to other harness or quarter horse racing associations or corporations

shall be deemed to be part of the on-track commission for purposes of calculating purses, including stakes, premiums and prizes, awarded to horses in races conducted by such associations or corporations.

5. a. One percent of daily pools derived from bets on harness races shall be paid to the agriculture and New York state breeding and development fund except that for super exotic betting pools such amount shall be three percent of such bets.

b. An amount equal to one-half of one percent of total daily off-track pari-mutuel pools resulting from regular, multiple and exotic bets and three percent of super exotic bets on thoroughbred or steeplechase races shall be paid to the New York state thoroughbred breeding and development fund.

c. From the total breaks retained by a regional corporation, an amount equal to ten percent of the breaks derived from bets on out-of-state quarter horse races shall be paid to the New York state quarter horse breeding and development fund.

5-a. Notwithstanding any other provision of law, a regional corporation shall retain, in addition to those amounts described in the opening paragraph of this section, from regular and multiple bets on races run at tracks electing to withhold pursuant to section two hundred thirty-seven or section three hundred nineteen of this chapter, an amount equal to one percent of pools resulting from total wagering at such tracks, one-half of which shall be paid to such tracks or non-profit county agricultural society, except that the full one percent shall be paid to a thoroughbred track in the Catskill region conducting a mixed meeting, to be used exclusively for capital improvements pursuant to sections two hundred thirty-seven and three hundred nineteen of this chapter and subject to the rules and regulations of the commission and one-half to be retained by the regional corporation for its own corporate purposes.

6. The net amount remaining to each regional corporation after payment of taxes and distributions pursuant to this section and after payment of

operating expenses and principal and interest on any obligations shall, in the case of the New York city off-track betting corporation, be retained by the corporation, and in the case of other regional corporations shall accrue and be payable to participating counties pursuant to section five hundred sixteen of this chapter; provided, however, that the New York city off-track betting corporation, after payment of all current taxes and distributions shall use such net amount to pay all liabilities of such corporation as of the effective date of the chapter of the laws of two thousand eight which amended this subdivision, and at such time as all liabilities have been paid such corporation shall pay remaining amounts to the comptroller of the state of New York for deposit in the general fund of the state.

7. In addition to any other amount required by this section, of the portion of commissions retained by a regional corporation, an amount equal to one percent of multiple pools derived from wagers on races conducted by a thoroughbred racing corporation, licensed by the board, other than a franchised corporation, shall be paid to such thoroughbred racing corporation and held by such corporation for its own use and purposes, except that an amount equal to one-half percent shall be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes, awarded to horses in races conducted by such corporation. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments.

8. From the nineteen percent of the total deposits in pools resulting from multiple bets on thoroughbred races outside this state, two percent shall be paid to a franchised corporation to be used exclusively for the purpose of increasing purses, including stakes, premiums and prizes. Any portion of said amount not so used during any year shall be used during the following year, failing which it shall be returned to the regional corporation on or before April first in the year following the year in which it is not so used to be distributed to the participating local governments. Notwithstanding the provisions of section fifteen of

chapter three hundred sixty-three of the laws of nineteen hundred eighty-four, the provisions of this subdivision shall not expire.