

New York State Assembly

**Carl E. Heastie**

*Speaker*



Committee on  
Racing and Wagering

**J. Gary Pretlow**

*Chair*

**2016**

**ANNUAL REPORT**



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

J. Gary Pretlow  
Assemblyman 89<sup>th</sup> District

PLEASE REPLY TO:  
845 Legislative Office Building  
Albany, New York 12248

CHAIR  
Racing & Wagering

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Assembly Steering Committee

December 15, 2016

The Honorable Carl E. Heastie  
Speaker of the Assembly  
Room 932- Legislative Office Building  
Albany, NY 12248

Dear Mr. Speaker:

As Chairman of the Assembly Standing Committee on Racing and Wagering, I am pleased to submit to you the Committee's 2016 Annual Report. As in past years, the Committee continued its efforts to advance legislation that aims to improve and enrich horse racing and gaming activities across the State of New York. This included legislation which addressed pari-mutuel wagering, off-track betting, the State lottery, charitable gaming, and the recent development of casino gambling.

During the 2016 Legislative Session, several significant bills were reported from the Committee that were subsequently enacted into law, including an important piece of legislation providing for the registration, regulation, and taxation of online fantasy or simulation sports games and contests with an entry fee in New York State. Over the last year, the debate over the legality of "daily fantasy sports" became a popular topic of conversation for sports fans, industry leaders, and State lawmakers across the country, but perhaps nowhere as widely or prominently as in New York State. While the Legislature authorized fantasy sports contests under the premise that such contests represent "games of skill", it also recognized that "paid" fantasy sports contests have the potential to produce unfair advantages for certain players, target minors, and increase compulsive play. For these reasons, the comprehensive bill sought to regulate all online fantasy or simulation sports games or contests with an entry fee, including both daily and season-long formats.

In addition, the Committee also advanced legislation to increase prize amount thresholds for raffles, expand payment methods for raffle tickets, extend certain payment procedures for the New York Thoroughbred Breeding and Development Fund, and ensure the continued provision of additional funding support for benevolent services for Thoroughbred racetrack backstretch employees and their families. Another important piece of legislation reported by the Committee would allow the New York Jockey Injury Compensation Fund, Inc. to secure workers' compensation insurance coverage through a form of self-insurance as well as offer workers'

compensation insurance to licensed employees of licensed trainers, who were previously not included in such coverage.

Finally, the Assembly passed a bill to return the New York Racing Association, Inc. (NYRA) back to a privately controlled governing structure. This bill, supported by the racing industry, would have established a new NYRA board of directors composed of 15 members, including a resident each of Nassau, Queens, and Saratoga counties as well as representatives from both the New York Thoroughbred Breeders and the New York Thoroughbred Horsemen's Association.

I would like to take this opportunity to thank the members of the Assembly Standing Committee on Racing and Wagering for their input and support during the 2016 Legislative Session. I would also like to thank you, Mr. Speaker, for your strong leadership. The Committee members and I look forward to working with you during the upcoming 2017 Legislative Session to continue to strengthen New York State's great racing, wagering, and gaming infrastructure.

Warm Personal Regards,

A handwritten signature in cursive script that reads "James Gary Pretlow". The signature is written in black ink and is positioned above the printed name and title.

J. Gary Pretlow  
*Chair, Committee on Racing and Wagering*

**2016 ANNUAL REPORT  
OF THE  
NEW YORK STATE ASSEMBLY  
STANDING COMMITTEE ON RACING AND WAGERING**

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Sarah Conklin, *Program and Counsel Secretary*

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## I. INTRODUCTION

The New York State Assembly Standing Committee on Racing and Wagering has jurisdiction over legislation affecting all horse racing, pari-mutuel wagering, and gaming activities across New York State. Its purview includes the New York State Racing, Pari-Mutuel Wagering and Breeding Law, as well as portions of the New York State Tax Law, and the New York State General Municipal Law.

The New York State Gaming Commission is responsible for regulating all aspects of racing and gaming activity within the State, including pari-mutuel wagering, Class III Indian Gaming, the New York Lottery, video lottery gaming, charitable gaming, and commercial casino gambling. The New York State Gaming Commission is comprised of four divisions:

- The *Division of Lottery* is responsible for the operation and administration of the New York Lottery for education, with the exception of video lottery gaming; however, the Division of Lottery is responsible for all aspects of promotional activities related to video lottery gaming as prescribed by the New York State Tax Law.
- The *Charitable Gaming Division* is responsible for licensing and verifying the lawful disbursement of proceeds from various games of chance, including bingo, bell jar tickets, Las Vegas nights, and raffles, as prescribed by the New York State General Municipal Law.
- The *Gaming Division* is responsible for the appropriate administration, regulation, and oversight of Indian gaming on tribal land, as defined by lawful Tribal-State Compacts established pursuant to the federal Indian Gaming Regulatory Act of 1988. New York State currently has Tribal-State Compacts with three tribes: the Seneca Nation of Indians; the St. Regis Mohawks; and the Oneida Indian Nation of New York. The Gaming Division is also responsible for the operation and administration of video lottery gaming as prescribed by the New York State Tax Law.
- The *Horse Racing and Pari-Mutuel Wagering Division* is responsible for the supervision, regulation, and administration of all horse racing and pari-mutuel wagering activities as prescribed by the New York State Racing, Pari-Mutuel Wagering and Breeding Law.

In November 2013, casino gambling was enacted into the New York State Constitution by voters as a result of a referendum, which allowed up to seven commercial casinos to be developed within New York State. Chapter 174 of the Laws of 2013 outlined the process for licensure of up to four “destination gaming resorts” in Upstate New York, and provided the Committee with legislative jurisdiction over any additional casinos that may be licensed in the future. The New York Gaming Facility Location Board has issued gaming facility licenses for four casinos: Montreign Resort Casino in Sullivan County; Rivers Casino & Resort at Mohawk Harbor in Schenectady; del Lago Resort & Casino in Seneca County; and Tioga Downs Casino, an existing video lottery terminal facility in Tioga County.

During the 2016 Legislative Session, 81 Assembly bills were referred to the Committee on Racing and Wagering, of which 17 were reported by the Committee and 10 were passed by the Assembly. Over the course of eight Committee meetings, the Committee acted on bills to: increase certain prize amount thresholds and expand payment options for raffles; allow regional off-track betting corporations to access money from their capital acquisition funds for corporate purposes; make workers' compensation insurance coverage affordable for the New York Jockey Injury Compensation Fund, Inc.; return the board of directors of the New York Racing Association, Inc. back to private control; and legalize and regulate interactive fantasy sports contests in New York State.

## II. 2016 LEGISLATIVE ACTION

### A. State Lottery

The New York Lottery was enacted into the New York State Constitution in 1966 to generate increased aid to education for local school districts. In State Fiscal Year 2015-16, the New York Lottery contributed \$3.30 billion to help support primary and secondary education in New York State, representing 14% of the total State education funding to local school districts for that year. The State lottery program continues to be North America's largest and most profitable lottery, earning over \$58.02 billion in education support since its founding.

In addition to typical lottery games, such as scratch-off tickets and drawings like *Numbers*, *Mega Millions* and *Powerball*, the New York Lottery program also administers nine video lottery terminal facilities (also known as "racinos") located at various racetracks across the State. These facilities offer casino-style video lottery gaming through a central computer system administered by the New York State Gaming Commission. Net proceeds from video lottery terminals also contribute a significant amount of State education funding, in addition to providing vital assistance to New York's horse racing and breeding industries.

#### 1. Returning Lottery Tickets

A.1287 (Pretlow); Reported to Committee on Ways and Means

In an effort to deter fraudulent practices by lottery ticket vendors, this bill would require lottery sales agents to return to customers any previously purchased lottery tickets submitted for verification, regardless of whether or not such ticket yielded a prize.

#### 2. Lottery Tickets for Arts Education

A.3153 (Titone); Reported to Committee on Ways and Means

Over the years, studies have shown that arts education is an essential component of a well-balanced primary and secondary education curriculum. This bill would direct the Division of Lottery within the New York State Gaming Commission to produce a scratch-off lottery ticket with an arts theme and direct the revenue generated from the sale of such ticket to be deposited into a new Arts Education Account within the State Lottery Fund, to be used exclusively for the support of elementary and secondary arts education programs.

#### 3. Video Lottery Gaming in Nassau and Suffolk Counties

A.9206 (Pretlow) / S.7028 (Avella); Reported to Committee on Ways and Means

In 2014, the Nassau and Suffolk Regional Off-Track Betting Corporations (OTBs) were each authorized to develop and operate a video lottery terminal (VLT) facility in Nassau and Suffolk counties, respectively. Within the last year, the OTBs have faced much opposition from local officials and residents concerning the location and operation of such facilities. Many opponents believe that the facilities will increase crime and traffic in the areas and create a greater demand on public services. As a result, this bill would

repeal the various provisions of law that authorized the Nassau OTB and the Suffolk OTB to develop and operate VLT facilities in their respective regions.

#### **4. Prohibiting the Removal, Confiscation, and Destruction of Lottery Tickets**

A.9641 (Pretlow); Reported to Committee on Ways and Means

The collection of lottery tickets prior to the game's expiration date may deprive a customer of buying a potential winning ticket. To ensure that a person who wants to buy a lottery ticket is not limited to or deterred because tickets were prematurely recalled from a distributor, this bill would prohibit the Division of Lottery within the New York State Gaming Commission from removing, confiscating, or destroying lottery tickets prior to the game's expiration date.

### **B. Horse Racing and Breeding**

New York State is home to one of the premier Thoroughbred and Standardbred horse racing programs in the nation. Each year, millions of dollars are wagered on races at the three largest Thoroughbred racetracks in the State, operated by the New York Racing Association, Inc. (NYRA): Aqueduct Racetrack in the South Ozone Park neighborhood of Queens County; Saratoga Race Course in Saratoga Springs, the oldest horse racing venue in the United States and home of the prestigious Travers Stakes; and Belmont Park in Nassau County, host to the longest dirt track in North America and, most notably, the third and final leg of Thoroughbred racing's highest honor, the Triple Crown. Additionally, nestled in the State's picturesque Finger Lakes region is New York's fourth Thoroughbred racetrack, Finger Lakes Gaming and Racetrack.

Across the State, there are also several Standardbred racetracks where patrons can view live harness (also known as "trotting") races and enjoy casino-style video lottery gaming: Empire City Casino at Yonkers Raceway in Westchester County; Hamburg Gaming/Buffalo Raceway at the Fairgrounds in Erie County; Batavia Downs Gaming in Genesee County; Vernon Downs Casino and Hotel in Oneida County; Monticello Casino and Raceway in Sullivan County; and Saratoga Casino and Raceway in Saratoga County. These video lottery terminal facilities are also commonly referred to as "racinos". There is also a seventh racino, Tioga Downs Casino, Racing & Entertainment in Tioga County, which will be transitioning from video lottery gaming to Class III casino gaming within the next year.

In addition to attending live race meetings, racing fans may visit a branch of any of the State's five regional off-track betting corporations (OTBs) – Western, Capital, Catskill, Nassau, or Suffolk – to view and wager on horse races taking place in New York State or, via simulcast, races taking place in other states and countries around the world. First authorized in New York City in 1970, OTBs are public-benefit corporations designed to generate revenue for the support of the localities within their geographical region. Since the inception of OTBs, millions of dollars in wagering revenues have been distributed to the aid of local governments across the State.

**1. Capital Acquisition Funds**

A.6124-C (Pretlow) / S.8019 (Amedore); *Veto No. 211 of 2016*

Revenue streams to local government from regional off-track betting corporations (OTBs) have greatly dwindled over the years due to decreases in pari-mutuel betting. To help provide statutory relief for OTBs, this bill would provide that, of the amount from each OTB's contribution to its capital acquisition fund (CAF) from its total pari-mutuel wagering pools on a quarterly basis, up to 75% of such amount may be used by an OTB for any corporate purpose. Each OTB would be required to submit a financial plan for the use of such funds to the New York State Gaming Commission for approval by September 30<sup>th</sup> of each year. Such plan must include the amount and specific use of such funds, and any additional information that the New York State Gaming Commission deems appropriate.

**2. Payments to the New York State Thoroughbred Breeding and Development Fund**

A.9125 (Pretlow) / S.6550-A (Bonacic); Chapter 255 of the Laws of 2016

In recent years, due to an overall decline in the amount of money wagered on races, the New York State Thoroughbred Breeding and Development Fund ("the Fund") has experienced a significant reduction in the payments it receives from racetracks and regional off-track betting corporations, limiting its ability to make the required investments in the State's racing and breeding program.

For these reasons, Chapter 473 of 2010 authorized the Fund to collect its percentage of wagers on a quarterly basis rather than annually. The chapter also increased the maximum percentage of the Fund's revenues that could be used for: breeder awards, from 50% to 65%; publication and dissemination of information relating to the advancement and promotion of the breeding and raising of thoroughbreds in New York state and related agricultural pursuits, from 5% to 6%; and administration and management of the Fund, from 4% to 5%.

This legislation extended such provisions for an additional year, until October 28, 2017.

**3. Payments to the New York Thoroughbred Horsemen's Association**

A.9270 (Pretlow) / S.6684 (Bonacic); Chapter 291 of the Laws of 2016

This legislation extended the authorization for the New York Thoroughbred Horsemen's Association (NYTHA) to receive an additional 1% of all purses collected from race meetings held at racetracks operated by the New York Racing Association, Inc., for a total of 2%, for an additional year, until August 31, 2017. This money is used to provide additional benevolence to backstretch employees, including medical and health benefits, counseling and social services, and scholarship opportunities. NYTHA also earmarks funds for retired racehorses, equine health and safety, and equine research.

**4. Transition of the Board of Directors of the New York Racing Association, Inc.**  
A.10429 (Woerner) / S.7918-A (Bonacic); Passed Both Houses

Chapter 457 of the Laws of 2012 provided for the transfer of the New York Racing Association, Inc. (NYRA) from a private board of directors to a publicly controlled “reorganization board” which was tasked with temporarily managing the racing franchise for three years. In 2015, the NYRA Reorganization Board was extended for another year.

This bill would repeal the NYRA Reorganization Board and create the New York Racing Association Board, composed of 15 members, of which:

- 8 would be elected by the Executive Committee of the NYRA Reorganization Board;
  - 3 of these members would be full-time residents of Nassau, Queens, and Saratoga counties;
- 1 would be the NYRA CEO;
- 2 would be appointed by the Governor;
- 1 would be appointed by the Senate;
- 1 would be appointed by the Assembly;
- 1 would be appointed by the New York Thoroughbred Breeders; and
- 1 would be appointed by the New York Thoroughbred Horsemen’s Association.

In exchange for the New York Thoroughbred Breeders and the New York Thoroughbred Horsemen’s Association serving on the New York Racing Association Board, a representative of NYRA would serve on the each of their respective boards. The bill would also codify the existing committee structure of the NYRA Reorganization Board. The new version of the New York Racing Association Board would take over on October 18, 2016.

**C. Charitable Gaming**

Charitable gaming occurs in the form of bingo, raffles, bell jar tickets, and the conduct of “Las Vegas nights” in participating counties. Charitable, religious, and non-profit organizations must be licensed by the New York State Gaming Commission to operate such games. Charitable gaming is an essential tool for such organizations to host fundraising events for the support of important programs and services in their communities.

**1. Minimum Age for Assisting in the Conduct of Bingo**  
A.3939 (Ceretto) / A.4413 (Ortt); *Veto No. 273 of 2016*

Many volunteer organizations use younger members at bingo fundraising events to help them get involved in the organization. Under current law, there is an extremely limited scope of what these younger members can legally do at such events. This bill would expand their ability to assist adult members in the conduct of the games by allowing individuals who are 16 and 17 years old to assist in the conduct of bingo games.

## **2. Prize Amount Thresholds for Raffles**

A.9606 (Schimminger) / S.6790 (Gallivan); Chapter 434 of the Laws of 2016

This legislation increased the single prize amount awarded by raffle from \$100,000 to \$300,000, and also increase raffle prizes in the aggregate during any one license period from \$2 million to \$3 million. This legislation also allows charitable organizations to raise more money for the programs and services in their communities by offering raffle prizes of greater value.

## **3. State-Approved Legends on Bell Jar Tickets**

A.9994 (Pretlow); Reported to Committee on Codes

This bill would require all bell jar tickets that have been authorized for sale in New York State to be marked with a legend approved by the New York State Gaming Commission. Bell jar tickets that are banded single-sided single-tabbed, double-sided single-tabbed, or folded would be excluded from this requirement. This bill would also make it illegal for licensed bell jar ticket distributors to purchase and resell tickets that have not been marked with a legend approved by the New York State Gaming Commission.

This bill would facilitate the tracking of bell jar tickets, which would relieve administrative burdens on licensed bell jar ticket distributors and volunteer organizations that conduct games of chance, as well as local governments that license games of chance, by making it easier to discern between lawful tickets that have been approved by the New York State Gaming Commission and those that have not.

## **4. The Charitable Gaming Act of 2016**

A.10249-A (Schimminger) / A.7640-A Gallivan); *Veto No. 258 of 2016*

This bill would enact the Charitable Gaming Act of 2016, which would authorize debit cards and credit cards as forms of payment for raffles as well as allow raffle tickets to be purchased via the internet or mobile application, both at the discretion of the games of chance licensee. The New York State Gaming Commission would be required to promulgate rules and regulations to ensure that:

- the purchase of a raffle ticket through such method is initiated and received within a municipality that has authorized games of chance;
- the purchaser is at least 18 years of age; and
- the privacy and online security of purchasers is protected.

The bill would also allow any games of chance licensee to advertise the conduct of games through the internet and magazines. This bill would greatly expand the ways in which charitable organizations are able to raise funds for important programs and services in their communities.

## **D. Responsible Gaming**

In February 2013, the New York State Gaming Commission, the New York State Office of Alcoholism and Substance Abuse Services, and the New York Council on Problem Gambling formed the Responsible Play Partnership to address problem gambling in New York State. The Responsible Play Partnership seeks to promote responsible gaming while also confronting the issues surrounding problem gambling, including ensuring that all gaming facilities throughout the State comply with the appropriate rules and regulations, including public outreach measures and self-exclusion policies. As New York State has enacted legislation to expand casino gambling, it has become essential to review such rules and regulations across the State in order to ensure consistency and determine the best ways to advance New York's long-term commitment to prevent and treat compulsive gambling.

### **1. Qualifications for Members of the New York State Gaming Commission**

A.878 (Cymbrowitz) / S.3278 (Sanders); Passed Assembly

As New York State continues to implement the constitutional amendment and authorizing statute to allow casino gambling, it is important to ensure that a member of the New York State Gaming Commission has experience in dealing with problem gambling. This bill would add "significant experience in the prevention or treatment of problem gambling" to the list of possible requirements for members of the New York State Gaming Commission.

### **2. Legislative Task Force on Responsible Gaming**

A.879-A (Cymbrowitz) / S.3002-A (Addabbo); Reported to Committee on Ways and Means

This bill would establish the Legislative Task Force on Responsible Gaming to identify and recommend policies and programs that promote responsible gaming and mitigate the risks and consequences associated with compulsive gambling. The Task Force would consist of 11 members and be responsible for:

- identifying policies and programs that mitigate risks and consequences associated with problem gambling;
- recommending policies and procedures for the gaming commission to ensure responsible gaming practices;
- recommending a structure for the enforcement of responsible gaming regulations such as penalties for violations;
- identifying methods to measure the effectiveness of implemented procedures; and
- identifying and recommend provisions to ensure responsible gaming practices are included in the enabling legislation.

This bill would also require the Task Force to submit a final report of findings and recommendations to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate no later than February 1, 2017.

## **E. Other Legislation**

### **1. New York Jockey Injury Compensation Fund, Inc. Insurance Coverage**

A.7731-B (Pretlow) / S.5541-B (Bonacic); *Veto No. 238 of 2016*

This bill would allow the New York Jockey Injury Compensation Fund, Inc., with the approval of the New York State Gaming Commission, to elect to secure workers' compensation insurance coverage through a form of self-insurance, as well as secure workers' compensation insurance for licensed employees of licensed trainers. This bill would help to make workers' compensation insurance coverage more affordable for the New York Jockey Injury Compensation Fund, Inc.

### **2. Interactive Fantasy Sports**

A.10736 Rules (Pretlow) / S.8153 (Bonacic); Chapter 237 of the Laws of 2016

This legislation seeks to regulate all online fantasy or simulation sports games or contests with an entry fee, capturing both daily and season-long formats.

This legislation offers important consumer protections to ensure that all contests are regulated and transparent. Requirements such as limiting players to one active and continuously used account, offering introductory procedures for players, identifying highly experienced players, and depicting accurate representations concerning the chances of winning in all advertisements will help to provide transparency and fairness across all platforms. Measures to protect the privacy and online security of players and their accounts, and requiring registrants to protect players' funds upon deposit, as well as segregate such funds from the companies' operating funds, will also provide players with important safety and security protections online.

In addition, this legislation requires certain safeguards to be in place to ensure that players can exclude themselves from contests and permanently close their accounts at any time if they feel that they are becoming compulsive players. For this reason, registrants are also required to provide information on their websites concerning assistance for compulsive play in New York State. Because of the risks associated with compulsive play, no person under the age of 18 is permitted to participate in any interactive fantasy sports contest.

By taxing interactive fantasy sports contests, and directing such funds to the State Lottery Fund, this legislation also aims to bring about a new and abundant source of revenue for education in New York State.

### **III. STATE FISCAL YEAR 2016-17 ENACTED BUDGET**

The State Fiscal Year (SFY) 2016-17 Enacted Budget made several significant contributions to New York State's racing, wagering, and gaming programs, including:

- increasing the regulatory fee, from 0.5% to 0.6% of the total daily pools, for on-track thoroughbred racing, on-track harness racing, off-track pari-mutuel betting, and simulcast racing in order to decrease the deficit accumulating for this purpose;
- adjusting the timing of billing and payment of per diem costs paid to the Gaming Commission by licensed harness racing corporations for the cost of racing judges and starters in order to make the process more efficient;
- establishing an additional commission and effective tax rate for the Finger Lakes video lottery terminal (VLT) facility as an offset for the operation of del Lago Resort & Casino in nearby Seneca County;
- extending the current vendor fee – 41% – paid to the Monticello VLT facility for one year;
- extending the current pari-mutuel tax rates and out-of-state simulcasting provisions for one year;
- extending the video lottery gaming vendor's capital awards program for one year, including approval and completion dates; and
- amending the Upstate New York Gaming and Economic Development Act of 2013 to clarify that host community payments are to be funded from revenue attributable to a specific licensed gaming facility in that host county and host municipality.

The SFY 2016-17 Enacted Budget also allowed for up to \$2 million from the unpaid purse cushion account to be utilized to help pay for the worker's compensation insurance procured by the New York Jockey Injury Compensation Fund, Inc. for jockeys, apprentice jockeys, and exercise riders. These funds will enable the New York Thoroughbred Horsemen Association and the New York Racing Association, Inc. (NYRA) to reduce the unused purse cushion amount to the statutory cap (\$6 million) while also using industry funds to help cover the cost of such insurance for owners and trainers.

The SFY 2016-17 Enacted Budget also established the Jockeys Health Trust, administered by NYRA, to allow jockeys to obtain health insurance benefits through a multi-state plan. Prior to this legislation, the Jockey Health Insurance Program required that health insurance policies be obtained through New York State of Health; however, such health exchange is limited to New York State plans and only covers out-of-state care in emergency situations. As a result, since jockeys travel to many different states and racetracks throughout their careers, a majority of jockeys were unable to find health insurance to meet their needs.

Finally, the SFY 2016-17 Enacted Budget authorized the Nassau Regional Off-Track Betting Corporation (OTB) and Resorts World Casino New York City (“Resorts World”) to enter into an agreement regarding the hosting of 1,000 video lottery gaming devices on behalf of the Nassau OTB within the existing VLT facility located at Aqueduct Racetrack in Queens, New York. The terms for such authorization include:

- the agreement must be approved by the New York State Gaming Commission;
- the agreement must be accompanied by a detailed spending plan for the Nassau OTB, including a plan for the timely payments of liabilities due to NYRA from the Nassau OTB;
- the agreement must identify the agency principally responsible for funding, approving, or undertaking any actions of such agreement;
- the new video lottery devices must be individually designated as being hosted by Resorts World on behalf of the Nassau OTB;
- the video lottery devices will be deemed as operated by the Nassau OTB and will be taxed as such;
- the new video lottery devices must be electronic table games, unless otherwise approved by the New York State Gaming Commission and the Director of the New York State Division of the Budget; and
- the Nassau OTB may not operate a separate VLT facility while under the agreement; however, upon the expiration, termination, or withdrawal of the agreement, the Nassau OTB is authorized to develop a VLT facility in the Nassau region.

In addition, Resorts World will also become eligible for the vendor’s capital award program once it designates the first 400 video lottery devices as hosted. Upon such action, its vendor’s capital awards will initially be 1% of the total revenue wagered at the track after payout for prizes. Once the total 1,000 video lottery devices have been designated as hosted, or April 1, 2019, whichever is sooner, the vendor’s capital awards will increase to the statutory 4%.

Resorts World’s vendor’s capital awards will be contingent on the expansion of the existing VLT facility as well as the development of a hotel and convention and exhibition space, which will require a minimum capital investment of \$300 million. Resorts World will not be required to co-invest an amount of capital expenditure equal to its cumulative vendor’s capital awards and there will be no annual limit for this amount.

#### **IV. OUTLOOK FOR 2017**

During the 2017 Legislative Session, the Assembly Standing Committee on Racing and Wagering will continue to make progress towards developing and enacting legislation that strengthens all facets of New York State's racing, wagering, and gaming infrastructure. As the Committee strives to find new and improved ways to increase tax revenues from racing and gaming operations in the State, we must also remain cognizant of the need to protect consumers from the potential risks associated with gaming. By achieving these goals, we can help ensure that New York State's racing, wagering, and gaming infrastructure remains viable for years to come.

The Committee will remain steadfast in its commitment to supporting legislation that aims to enrich New York State's racing industry by focusing on important issues such as: the future of retired racehorses, jockey health and safety, equine health and safety, and resources to help bolster participation and attendance at meetings of both Thoroughbred and Standardbred racetracks, as well as off-track betting facilities, across the State. As the State approaches the full implementation and operation of commercial casino gaming, the Committee will also continue to monitor and assess the impact of gaming expansion on New York State, its consumers, and the industry as a whole.

As New York State's racing and gaming industry continues to expand, the Committee will also continue to advance legislation that promotes responsible play and helps guard against the risks associated with problem gambling. The Committee will continue to examine important safeguard measures to ensure that consumers remain protected against unfair practices and have access to resources regarding compulsive play.

Finally, in the upcoming Legislative Session, the Committee will remain dedicated to the transition of the governing structure of the New York Racing Association, Inc. from public to private control.

**APPENDIX A**

**2016 Summary Sheet**

**Summary of Action on All Bills Referred to the  
New York State Assembly Standing Committee on Racing and Wagering**

<b>Final Action</b>	<b>Assembly Bills</b>	<b>Senate Bills</b>	<b>Total Bills</b>
<b>Bills Reported With or Without Amendment</b>			
To Floor; Not Returning to Committee (Favorable)	1	0	1
To Ways and Means	8	0	8
To Codes	4	0	4
To Rules	4	0	4
To Judiciary	0	0	0
<b>Total</b>	<b>17</b>	<b>0</b>	<b>17</b>
<b>Bills Having Committee Reference Changed</b>			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Senate Bills Substituted or Recalled</b>			
Substituted		3	3
Recalled		0	0
<b>Total</b>		<b>3</b>	<b>3</b>
<b>Bills Defeated in Committee</b>	0	0	0
<b>Bills Held for Consideration with a Roll-Call Vote</b>	3	0	3
<b>Bills Never Reported, Died in Committee</b>	60	10	70
<b>Bills Having Enacting Clauses Stricken</b>	1	0	1
<b>Motions to Discharge Lost</b>	0	0	0
<b>Total Bills in Committee</b>	<b>81</b>	<b>13</b>	<b>94</b>
<b>Total Number of Committee Meetings Held</b>	<b>8</b>		

## APPENDIX B

### Chapters of 2016

CHAPTER	ASSEMBLY BILL (SPONSOR)	SENATE BILL (SPONSOR)	DESCRIPTION
237	A.10736 (Pretlow)	S.8153 (Bonacic)	Provides for the registration, regulation, and taxation of online fantasy or simulation sports games or contests with an entry fee.
255	A.9125 (Pretlow)	S.6550-A (Bonacic)	Extends payments to the New York State Thoroughbred Breeding and Development Fund for an additional year, until October 28, 2017.
291	A.9270 (Pretlow)	S.6684 (Bonacic)	Extends the authorization for the New York Thoroughbred Horsemen's Association to receive an additional 1% of all purses collected from race meetings held at New York Racing Association racetracks for an additional year, until August 31, 2017.
434	A.9606 (Schimminger)	S.6790 (Gallivan)	Increases prize amount thresholds for raffles.

## APPENDIX C

### Bills Vetoed in 2016

VETO MEMO	ASSEMBLY BILL (SPONSOR)	SENATE BILL (SPONSOR)	DESCRIPTION
211	A.6124-C (Pretlow)	S.8019 (Amedore)	Would allow each OTB to access up to 75% of its contribution to its capital acquisition fund, to be used for any corporate purpose.
238	A.7731-B (Pretlow)	S.5541-B (Bonacic)	Would allow the New York Jockey Injury Compensation Fund, Inc. to secure workers' compensation insurance coverage through a form of self-insurance, as well as provide workers' compensation insurance for licensed employees of licensed trainers.
258	A.10249-A (Schimminger)	S.7640-A (Gallivan)	Would enact the "Charitable Gaming Act of 2016" to authorize debit cards and credit cards as forms of payment for raffles, allow raffle tickets to be purchased via the internet or mobile application, and allow games of chance licensees to advertise the conduct of games through the internet and magazines.
273	A.3939 (Ceretto)	S.4413 (Ortt)	Would allow individuals who are 16 and 17 years old to assist in the conduct of bingo games.

## APPENDIX D

### Additional Bills Reported in 2016

ASSEMBLY BILL (SPONSOR)	LAST ACTION	DESCRIPTION
A.878 (Cymbrowitz)	Passed Assembly	Would add “significant experience in the prevention or treatment of problem gambling” to the list of possible requirements for members of the New York State Gaming Commission.
A.879-A (Cymbrowitz)	Reported to Ways and Means Committee	Would establish the Legislative Task Force on Responsible Gaming to identify and recommend policies and programs that promote responsible gaming.
A.1287 (Pretlow)	Reported to Ways and Means Committee	Would require lottery sales agents to return to customers any previously purchased lottery tickets submitted for verification.
A.3153 (Titone)	Reported to Ways and Means Committee	Would create a scratch-off lottery ticket with an arts theme exclusively for the support of elementary and secondary arts education curriculums.
A.9206 (Pretlow)	Reported to Ways and Means Committee	Would repeal the provisions of law that authorized the Nassau OTB and the Suffolk OTB to operate VLT facilities in their respective counties.
A.9641 (Pretlow)	Reported to Ways and Means Committee	Would prohibit the Division of Lottery from removing, confiscating, or destroying lottery tickets prior to the game’s expiration date.
A.9994 (Pretlow)	Reported to Codes Committee	Would require all bell jar tickets that have been authorized for sale in New York State to be marked with a legend approved by the New York State Gaming Commission.
A.10473-A (Pretlow)	Reported to Ways and Means Committee	Would provide for the registration and regulation of interactive fantasy sports contests.
A.10429 (Woerner)	Passed Both Houses	Would repeal the current New York Racing Association Reorganization Board and create the New York Racing Association Board, returning the governing structure of NYRA back to private control.