

2012 Annual Report
New York State Senate Committee on
Racing, Gaming and Wagering



Senator John J. Bonacic, Chairman

**Senator Eric Adams, Ranking Minority
Member**

January 29, 2013

Senator Dean Skelos
New York State Senate
Albany, New York 12247

Senator Jeffrey Klein
New York State Senate
Albany, New York 12247

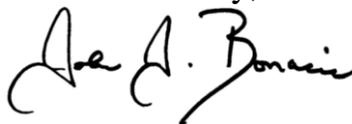
Dear Senator Skelos and Senator Klein:

As Chairman of the New York State Senate Committee on Racing, Gaming and Wagering, I am pleased to present to you the Committee's 2012 Annual Report.

The attached report details the New York State Senate Racing, Gaming and Wagering Committee's activities over the past year. I would like to thank the Ranking Minority Member, Senator Eric Adams, for his hard work and attentiveness to this committee. I would also like to thank the members of the committee for their participation and commitment.

I look forward to working with the members of New York State Senate's Committee on Racing, Gaming and Wagering to ensure that we continue to move in a positive, productive direction in 2013.

Sincerely,

A handwritten signature in black ink that reads "John J. Bonacic". The signature is written in a cursive, flowing style.

JOHN J. BONACIC
State Senator

Committee Members

Senator John J. Bonacic, Chairman
Senator Eric Adams, Ranking Minority Member

Senator Joseph P. Addabbo, Jr.
Senator Joseph A. Griffo
Senator Kemp Hannon
Senator Shirley L. Huntley
Senator Roy J. McDonald
Senator Michael F. Nozzolio
Senator Michael H. Ranzenhofer
Senator Andrea Stewart-Cousins

Committee Staff

Langdon Chapman, Counsel
Beth Garvey, Majority Counsel
Andrew Winchell, Committee Clerk

Racing, Gaming and Wagering Budget Items for State Fiscal Year 2012-2013

The Legislature merged the Division of Lottery and the Racing and Wagering Board into a newly created Gaming Commission. The Commission will be governed by a seven member board, five appointed by the Governor, one member appointed by the Senate Majority Leader and one by the Speaker of the Assembly. The Governor will pick the Chairman of the Board and appoint an executive director to run the day to day operations of the commission. The seven board members and the executive director will be subject to Senate confirmation. The Executive Director will oversee four divisions including: Lottery; Charitable Gaming; Gaming; and Horse Racing and Pari-Mutuel Wagering. Lottery revenues will continue to fund education. The merger will take place on February 1, 2013. In addition, the Legislature concurred with the Executive recommendation of \$125.4 million for the new Gaming Commission, \$102.7 million for the Division of the Lottery, and \$21.7 million for the Racing and Wagering Board. The Legislature also concurred with the Executive's proposed re-appropriation level of \$2 million for the Racing Reform Program.

The Legislature denied the Executive proposal to make un-cashed pari-mutuel vouchers subject to escheatment to the Regulation of Racing Account. The Legislature modified the Executive proposal to transfer the responsibility of providing one starter and one judge from the Racing and Wagering Board to each licensed Harness Track by requiring each licensed harness track to reimburse the Racing and Wagering Board for the cost associated with providing one starter and one judge at each licensed harness track.

The Legislature authorized all municipal OTBs to enter into bankruptcy if the Racing and Wagering Board determines a municipal OTB is financially insolvent and the county or majority of participating counties with a municipal OTB region provides a resolution authorizing the municipal OTB to enter into bankruptcy. The Legislature authorized municipal OTBs to use their capital acquisition funds for general operating purposes if the fund balance is \$2.5 million or less. A municipal OTB that chooses to use its capital acquisition funds for general operating purposes will have the one percent surcharge on bets used to fund capital acquisition, suspended for either one year after the fund is depleted or the OTB notifies the Racing and Wagering that it is no longer using those funds for general operating purposes. This part also mandated the board conduct a study on out of state advanced deposit wagering and report its recommendations to the Governor and Legislature by September 15, 2012. This report is available at: <http://www.racing.ny.gov/pdf/09191215442609.14.12.ADWReport.pdf>

Summary of Racing, Gaming and Wagering Committee Action on Bills

Total bills referred to the Committee in 2012	60
Total bills reported from Committee in 2012	8
Total number of bills reported by Committee that passed the Senate	3
Total number of bills reported by Committee that became law in 2012	2
Total number of bills reported by Committee that were vetoed in 2012	0

Bills Reported by Racing, Gaming and Wagering Committee that were Enacted Into Law in 2012

Chapter 134 of the laws of 2012 – S.6950 Bonacic/A.9294 Pretlow

This bill extends, for one year, the authorization for the New York State Thoroughbred Horsemen's Association to receive an additional 1.0% of purse monies collected from race meetings at Aqueduct, Saratoga, and Belmont racetracks until August 31, 2013.

Chapter 454 of the laws of 2012 – S.7049 Bonacic/A. 10092 Pretlow

This bill extends for one year the ability of vendor tracks to carryover the unused portion of their capital award from one year into subsequent years and extends the deadline for submission and completion of projects which would qualify for the vendor's capital award.

Bills Reported by Racing, Gaming and Wagering Committee that were Vetoed by the Governor in 2012

None.

Bills Reported by Racing, Gaming and Wagering Committee that were Enacted into Law Through Ballot Proposals in 2012

None.

**2012 Public Hearings of the New York State Senate Committee on Racing,
Gaming & Wagering**

**Joint – With Senate Standing Committee on Investigations and Government
Operations and Senate Standing Committee on Civil Service and Pensions**

**March 1, 2012: Legislative Office Building, Hearing Room B, Albany, NY
12247; 1:00 PM – 2:50 PM.**

SUBJECT: Consolidation of New York State Agencies

PURPOSE: To examine the impact of proposed agency consolidations on the affected agencies, delivery of services, the State workforce, affected industries and businesses, and citizens

Governor Cuomo’s proposed 2012-2013 Budget would consolidate four agencies, divisions and offices into two agencies. A new Department of Workforce Management would be created from the Department of Civil Service and the Office of Employee Relations. The Division of Lottery and the Racing and Wagering Board would be joined to form the new New York State Gaming Commission. A new New York State Office of Racing Development and Promotion would oversee the New York State Thoroughbred Breeding and Development Fund, the Agriculture and New York State Horse Breeding Development Fund, and the New York State Quarter Horse Breeding and Development Fund.

The Governor’s Budget briefing materials state, “In 2011-12, the State started the process of merging and consolidating State agencies to achieve efficiencies and reduce redundancies. This process continues this year with the following consolidations, saving \$10 million annually and resulting in better, streamlined services.”

While the Legislative Budget hearings to be held in February will produce more details on these proposed consolidations, there are a number of issues concerning these affected agencies. The purpose of this hearing is to assist the Legislature in identifying and learning about concerns on the delivery of services, the State workforce and cost savings.