

PROGRAM BILL # 45

S. -----
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

RACPMWLA

(Enacts the New York state racing
franchise accountability and trans-
parency act of 2012; repealer)

RWB. NYS racing franch acctnbilty

AN ACT

to amend the racing, pari-mutuel
wagering and breeding law, in
relation to enacting the New York
state racing franchise accountabil-
ity and transparency act of 2012; to
amend part A of chapter 60 of the
laws of 2012 amending the racing,
pari-mutuel wagering and breeding
law and other laws relating to
supervision and regulation of the
state gaming industry, in relation
to the effectiveness thereof; and to
repeal certain provisions of the

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal:

- | | | | | |
|-----------------|---------------|----------------|-----------------|--------------|
| s20 Adams | s44 Farley | s58 Kennedy | s54 Nozzolio | s28 Serrano |
| s15 Addabbo | s02 Flanagan | s34 Klein | s53 O'Mara | s51 Seward |
| s55 Alesi | s08 Fuschillo | s26 Krueger | s37 Oppenheimer | s09 Skelos |
| s11 Avella | s59 Gallivan | s24 Lanza | s21 Parker | s14 Smith |
| s40 Ball | s12 Gianaris | s39 Larkin | s13 Peralta | s25 Squadron |
| s42 Bonacic | s22 Golden | s01 LaVaille | s30 Perkins | s16 Stavisky |
| s46 Breslin | s47 Griffo | s52 Libous | s61 Ranzenhofer | s35 Stewart- |
| s38 Carlucci | s60 Grisanti | s45 Little | s48 Ritchie | Cousins |
| s50 DeFrancisco | s06 Hannon | s05 Marcellino | s33 Rivera | s27 Storobin |
| s32 Diaz | s36 Hassell- | s07 Martins | s56 Robach | s49 Valesky |
| s17 Dilan | Thompson | s62 Maziarz | s41 Saland | s57 Young |
| s29 Duane | s10 Huntley | s43 McDonald | s19 Sampson | s03 Zeldin |
| s31 Espaillat | s04 Johnson | s18 Montgomery | s23 Savino | |

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

- | | | | | |
|-------------------|------------------|------------------|-----------------|-------------------|
| a049 Abbate | a085 Crospo | a042 Jacobs | a121 Miller, D. | a067 Rosenthal |
| a092 Abinanti | a107 Crouch | a095 Jaffee | a102 Miller, J. | a118 Russell |
| a105 Amedore | a014 Curran | a057 Jeffries | a038 Miller, M. | a144 Ryan |
| a084 Arroyo | a063 Cusick | a135 Johns | a052 Millman | a012 Saladino |
| a035 Aubry | a045 Cymbrowitz | a112 Jordan | a015 Montesano | a113 Sayward |
| a124 Barclay | a034 DenDekker | a099 Katz | a132 Morelle | a029 Scarborough |
| a103 Barrett | a081 Dinowitz | a074 Kavanagh | a039 Moya | a016 Schimel |
| a040 Barron | a114 Duprey | a145 Kearns | a003 Murray | a140 Schiraminger |
| a082 Bencdetto | a004 Englebright | a065 Kellner | a037 Nolan | a064 Silver |
| a122 Blankenbush | a054 Espinal | a129 Kolb | a128 Oaks | a027 Simanowitz |
| a055 Boyland | a071 Farrell | a025 Laneman | a069 O'Donnell | a036 Simotas |
| a008 Boyle | a123 Finch | a091 Latimer | a051 Ortiz | a100 Skartados |
| a026 Braunstein | a007 Fitzpatrick | a013 Lavinc | a136 Palmesano | a146 Smardz |
| a044 Brennan | a137 Friend | a050 Lentol | a088 Paulin | a079 Stevenson |
| a116 Brindisi | a143 Gabryszak | a125 Lifton | a141 Peoples- | a011 Swcney |
| a131 Bronson | a090 Galef | a072 Linares | Stokes | a110 Tedisco |
| a046 Brook-Krasny | a133 Gantt | a127 Lopez, P. | a058 Perry | a115 Tenney |
| a147 Burling | a077 Gibson | a053 Lopez, V. | a087 Pretlow | a002 Thiele |
| a117 Butler | a149 Giglio | a001 Losquadro | a073 Quart | a061 Titone |
| a101 Cahill | a066 Glick | a126 Lupardo | a021 Ra | a031 Titus |
| a096 Calhoun | a023 Goldfeder | a111 Magee | a097 Rabbitt | a062 Tobacco |
| a043 Camara | a150 Goodell | a120 Magnarelli | a009 Raia | a148 Walter |
| a106 Canestrari | a075 Gottfried | a059 Maisel | a006 Ramos | a041 Weinstein |
| a089 Castelli | a005 Graf | a060 Malliotakis | a134 Reilich | a020 Weisenberg |
| a086 Castro | a098 Gunther | a030 Markey | a109 Reilly | a024 Weprin |
| a138 Ceretto | a130 Hanna | a093 Mayer | a078 Rivera, J. | a070 Wright |
| a033 Clark | a139 Hawley | a019 McDonough | a080 Rivera, N. | a094 Zebrowski |
| a047 Colton | a083 Heastie | a104 McEncy | a076 Rivera, P. | |
| a010 Conte | a028 Hevesi | a017 McKevitt | a119 Roberts | |
| a032 Cook | a048 Hikind | a108 McLaughlin | a056 Robinson | |
| a142 Corwin | a018 Hooper | a022 Meng | a068 Rodriguez | |

1) Single House Bill (introduced and printed separately in either or
both houses). Uni-Bill (introduced simultaneously in both houses and printed
as one bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2
signed copies of bill and 4 copies of memorandum in support (single house);
or 4 signed copies of bill and 8 copies of memorandum
in support (uni-bill).

racing, pari-mutuel wagering and
breeding law relating thereto

The People of the State of New
York, represented in Senate and
Assembly, do enact as follows:

1 Section 1. Short title. Sections one through six of this act shall be
2 known and may be cited as the "New York state racing franchise account-
3 ability and transparency act of 2012".

4 § 2. Legislative findings. The legislature finds and declares a strong
5 horse racing and breeding industry to be a valuable contributor to the
6 New York state economy and a tourism generator for the entire state. The
7 legislature further finds that The New York Racing Association, Inc. was
8 authorized to incorporate by Chapter 18 of the Laws of 2008 to further
9 the interests of thoroughbred racing, the public interest and the
10 purposes of Article II of the Racing, Pari-Mutuel Wagering and Breeding
11 Law and to further the raising and breeding and improving the breed of
12 horses.

13 The structure of gaming and racing is undergoing change in New York,
14 with the establishment of racinos, the creation of the New York state
15 gaming commission, and first passage of a constitutional amendment on
16 commercial casinos. Therefore, the legislature finds in order to ensure
17 the viability and continuity of horse racing, the racing industry and
18 industries that support and are sustained by the racing industry,
19 exigent circumstances necessitate a temporary structural change in the
20 organization of The New York Racing Association, Inc., in the form of a
21 temporary board. This temporary reorganization board shall be under
22 public control to ensure The New York Racing Association, Inc. works in
23 the best interest of all stakeholders in horse racing including fans,
24 owners and breeders by managing the state racing franchise with trans-
25 parency and accountability. In no later than three years, the state
26 racing franchise shall be returned to private control, remaining in the
27 form of a not-for-profit corporation.

1 The legislature further finds that these statutory changes to be
2 consistent with the state racing franchise agreement, appropriate,
3 necessary and in the best interests of The New York Racing Association,
4 Inc. and the racing industry in general.

5 § 3. The racing, pari-mutuel wagering and breeding law is amended by
6 adding a new section 202-b to read as follows:

7 § 202-b. No debt of the state. Nothing in this article shall be
8 construed to accept a liability to or create a debt of the state within
9 the meaning of any constitutional or statutory provision.

10 § 4. Paragraph a of subdivision 1 of section 207 of the racing, pari-
11 mutuel wagering and breeding law is REPEALED and a new paragraph a is
12 added to read as follows:

13 a. The board of directors, to be called the New York racing associ-
14 ation reorganization board, shall consist of seventeen members, five of
15 whom shall be elected by the present class A directors of The New York
16 Racing Association, Inc., eight to be appointed by the governor, two to
17 be appointed by the temporary president of the senate and two to be
18 appointed by the speaker of the assembly.

19 (i) The governor shall nominate a member to serve as chair, subject to
20 confirmation by majority vote of the board of directors. All non-ex
21 officio members shall have equal voting rights.

22 (ii) In the event of a member vacancy occurring by death, resignation
23 or otherwise, the respective appointing officer or officers shall
24 appoint a successor who shall hold office for the unexpired portion of
25 the term. A vacancy from the members appointed from the present board of
26 The New York Racing Association, Inc., shall be filled by the remaining
27 such members.

1 b. In addition to these voting members, the board shall have two ex
2 officio members to advise on critical economic and equine health
3 concerns of the racing industry, one appointed by the New York Thorough-
4 bred Breeders Inc., and one appointed by the New York thoroughbred
5 horsemen's association (or such other entity as is certified and
6 approved pursuant to section two hundred twenty-eight of this article).

7 c. All directors shall serve at the pleasure of their appointing
8 authority.

9 d. The board, which shall become effective upon appointment of a
10 majority of public members, shall terminate three years from its date of
11 creation. The board shall propose, no less than one hundred eighty days
12 prior to its termination, recommendations to the governor and the state
13 legislature representing a statutory plan for the prospective not-for-
14 profit governing structure of The New York Racing Association, Inc.

15 § 5. Subdivision 1 of section 207 of the racing, pari-mutuel wagering
16 and breeding law is amended by adding a new paragraph c to read as
17 follows:

18 c. Upon the effective date of this paragraph, the structure of the
19 board of the franchised corporation shall be deemed to be incorporated
20 within and made part of the certificate of incorporation of the fran-
21 chised corporation, and no amendment to such certificate of incorpo-
22 ration shall be necessary to give effect to any such provision, and any
23 provision contained within such certificate inconsistent in any manner
24 shall be superseded by the provisions of this section. Such board
25 shall, however, make appropriate conforming changes to all governing
26 documents of the franchised corporation including but not limited to
27 corporate by-laws. Following such conforming changes, amendments to the

1 by-laws of the franchised corporation shall only be made by unanimous
2 vote of the board.

3 § 6. Section 207 of the racing, pari-mutuel wagering and breeding law
4 is amended by adding a new subdivision 5 to read as follows:

5 5. Each voting member of the board of directors of the franchised
6 corporation shall annually make a written disclosure to the board of any
7 interest held by the director, such director's spouse or unemancipated
8 child, in any entity undertaking business in the racing or breeding
9 industry. Such interest disclosure shall be promptly updated, in writ-
10 ing, in the event of any material change.

11 The board shall establish parameters for the reporting and disclosure
12 of such director interests.

13 § 7. Section 14 of part A of chapter 60 of the laws of 2012 amending
14 the racing, pari-mutuel wagering and breeding law relating to super-
15 vision and regulation of the state gaming industry; and amending the
16 racing, pari-mutuel wagering and breeding law, the general municipal
17 law, the executive law and the tax law relating to the state gaming
18 commission is amended to read as follows:

19 § 14. This act shall take effect [October 1, 2012] February 1, 2013;
20 provided, however that effective immediately, the addition, amendment
21 and/or repeal of any rules or regulations necessary for the implementa-
22 tion of the foregoing provisions of this act on its effective date are
23 authorized and directed to be made and completed on or before such
24 effective date.

25 § 8. This act shall take effect immediately; provided, however, that
26 sections four, five and six of this act shall take effect upon the
27 appointment of a majority of public directors of the temporary reorgan-
28 ization board of The New York Racing Association, Inc. as set forth in

1 section four of this act, provided that the chair of the racing and
2 wagering board or his or her successor shall notify the legislative bill
3 drafting commission upon the occurrence in order that the commission may
4 maintain an accurate data base of the official text of the laws of the
5 state of New York in furtherance of effecting the provisions of section
6 44 of the legislative law and section 70-b of the public officers law.