PROGRAM BILL # 24

Legislative Bill Drafting Commission
12067-01-6

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

APPR
RACPMWLA
(Relates to the board of directors of the New York racing association and racing support payments made to such franchised corporation; appropriation)

RWB. NY racing assn bd directors

AN ACT

to amend the racing, pari-mutuel wagering and breeding law and the tax law, in relation to the franchised corporation's board of directors and racing support payments made to the franchised corporation; and to amend the New York state urban development corporation act, in relation to the issuance of bonds and notes for projects related to

IN SENATE_____

Senate introducer's signature

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

s15 Addabbo	s31 Espaillat	s27 Hoylman	s25 Montgomery	s56 Robach
s52 Akshar	s49 Farley	s09 Kaminsky	s40 Murphy	s10 Sanders
s46 Amedore	s17 Felder	s63 Kennedy	s54 Nozzolio	s23 Savino
s11 Avella	s02 Flanagan	s34 Klein	s58 O'Mara	s41 Serino
s42 Bonacic	s55 Funke	s28 Krueger	s62 Ortt	s29 Serrano
s04 Boyle	s59 Gallivan	s24 Lanza	s60 Panepinto	s51 Seward
s44 Breslin	s12 Gianaris	s39 Larkin	s21 Parker	s26 Squadron
s38 Carlucci	s22 Golden	s37 Latimer	s13 Peralta	s16 Stavisky
s14 Comrie	s47 Griffo	s01 LaValle	s30 Perkins	s35 Stewart-Cousins
s03 Croci	s20 Hamilton	s45 Little	s19 Persaud	
s50 DeFrancisco	s06 Hannon	s05 Marcellino	s61 Ranzenhofer	s53 Valesky
s32 Diaz	s36 Hassell-Thompson	s43 Marchione	s48 Ritchie	s08 Venditto
s18 Dilan		s07 Martins	s33 Rivera	s57 Young

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	a034 DenDekker	a011 Jean-Pierre	a003 Murray	a076 Seawright
a092 Abinanti	a054 Dilan	a135 Johns	a133 Nojay	a087 Sepulveda
a084 Arroyo	a081 Dinowitz	a077 Joyner	a037 Nolan	a027 Simanowitz
a035 Aubry	a147 DiPietro	a094 Katz	a130 Oaks	a052 Simon
a120 Barclay	a115 Duprey	a074 Kavanagh	a069 O'Donnell	a036 Simotas
a106 Barrett	a004 Englebright	a142 Kearns	a051 Ortiz	a104 Skartados
a060 Barron	a109 Fahy	a040 Kim	a091 Otis	a099 Skoufis
a082 Benedetto	a071 Farrell	a131 Kolb	a132 Palmesano	a022 Solages
a042 Bichotte	a126 Finch	a105 Lalor	a002 Palumbo	a114 Stec
a079 Blake	a008 Fitzpatrick	a013 Lavine	a088 Paulin	a110 Steck
a117 Blankenbush	a124 Friend	a134 Lawrence	a141 Peoples-Stokes	a127 Stirpe
a098 Brabenec	a095 Galef	a050 Lentol		a112 Tedisco
a026 Braunstein	a137 Gantt	a125 Lifton	a058 Perry	a101 Tenney
a044 Brennan	a007 Garbarino	a072 Linares	a086 Pichardo	a001 Thiele
a119 Brindisi	a148 Giglio	a102 Lopez	a089 Pretlow	a061 Titone
a138 Bronson	a080 Gjonaj	a123 Lupardo	a073 Quart	a031 Titus
a093 Buchwald	a066 Glick	a010 Lupinacci	a019 Ra	a055 Walker
a118 Butler	a023 Goldfeder	a121 Magee	a012 Raia	a146 Walter
a103 Cahill	a150 Goodell	a129 Magnarelli	a006 Ramos	a141 Weinstein
a065 Cancel	a075 Gottfried	a064 Malliotakis	a043 Richardson	a024 Weprin
a062 Castorina	a005 Graf	a030 Markey	a078 Rivera	a059 Williams
a145 Ceretto	a100 Gunther	a090 Mayer	a056 Robinson	a113 Woerner
a047 Colton	a046 Harris	a108 McDonald	a068 Rodriguez	a143 Wozniak
a032 Cook	a139 Hawley	a014 McDonough	a067 Rosenthal	a070 Wright
a144 Corwin	a083 Heastie	a017 McKevitt	a025 Rozic	a096 Zebrowski
a085 Crespo	a028 Hevesi	a107 McLaughlin	a116 Russell	a020
a122 Crouch	a048 Hikind	a038 Miller	a149 Ryan	a033
a021 Curran	a018 Hooper	a015 Montesano	a009 Saladino	
a063 Cusick	a128 Hunter	a136 Morelle	a111 Santabarbara	
a045 Cymbrowitz	a029 Hyndman	a057 Mosley	a016 Schimel	
a053 Davila	a097 Jaffee	a039 Moya	a140 Schimminger	

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).

Aqueduct, Belmont and/or Saratoga race tracks; and making an appropriation therefor

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

1 Section 1. The Legislature hereby finds and declares the conduct of
2 racing and wagering operations by the franchised corporation to be of
3 paramount importance to the state's economy. The Legislature recognizes
4 the franchised corporation as the custodian of the tremendous state
5 assets at Saratoga Race Course, Belmont Park Racetrack and Aqueduct
6 Racetrack, and as the entity entrusted with the responsibility of
7 conducting successful and profitable racing and wagering operations on
8 behalf of the taxpayers of the state. The Legislature finds the enact-
9 ment of this legislation will provide the franchised corporation with
10 the requisite financial resources to operate and maintain the racing
11 franchise and three related properties. The Legislature enacts this
12 legislation with the intent to provide such additional future capital
13 appropriations as are necessary to operate and maintain the racing fran-
14 chise and three related properties, and in consideration of a future
15 capital plan approved by the Franchise Oversight Board to develop those
16 properties consistent with the best interests of the racing franchise
17 and the taxpayers of New York state.
18 Furthermore, the Legislature finds the governance provisions included
19 herein to be complementary to the aforementioned objectives. The gover-
20 nance model ensures the franchised corporation will be majority private
21 controlled, but provides for reasonable public membership and oversight
22 befitting of a private body with an entirely public mission.
23 § 2. Section 207 of the racing, pari-mutuel wagering and breeding law,
24 as added by chapter 18 of the laws of 2008, paragraphs a, b and c of
25 subdivision 1 as added by section 4, paragraph c of subdivision 1 as
26 added by section 5, and subdivision 5 as added by section 6 of chapter
27 457 of the laws of 2012, and paragraph d of subdivision 1 as amended by

1 section 1 of part PP of chapter 59 of the laws of 2015, is amended to
2 read as follows:
3 § 207. Board of directors of a franchised corporation. 1. a. The
4 board of directors, to be called the New York racing association [reor-
5 ganization] board, shall consist of [seventeen] fifteen voting members[,
6 five of whom shall be elected by the present class A directors of The
7 New York Racing Association, Inc., eight to be] who shall have equal
8 voting rights: six appointed by the governor[, two to] each of whom must
9 be a resident of New York state, and one of whom shall be appointed [by]
10 on the recommendation of the temporary president of the senate and [two
11 to] one of whom shall be appointed [by] on the recommendation of the
12 speaker of the assembly; eight appointed by the executive committee of
13 the New York racing association reorganization board of directors
14 constituted pursuant to chapter four hundred fifty-seven of the laws of
15 two thousand twelve, which shall continue to exist until such time as
16 the appointments required hereunder are made; and one who shall be the
17 president and chief executive officer of the franchised corporation, ex
18 officio and without term limitation. The New York racing association
19 board shall have two ex officio, non-voting members: one appointed by
20 the New York Thoroughbred Breeders, Inc., and one appointed by the New
21 York thoroughbred horsemen's association representing at least fifty-one
22 percent of the horsemen using the facilities of the franchised corpo-
23 ration. The New York racing association board may include additional ex
24 officio, non-voting members as appointed pursuant to a majority vote of
25 the board.
26 (i) The governor shall nominate a member to serve as chair for an
27 initial term of three years, who shall serve at the pleasure of the
28 governor, subject to confirmation by majority vote of the board [of

1 directors. All non-ex officio members shall have equal voting rights].
2 Thereafter, the board shall elect its chair, who shall serve at the
3 pleasure of the board, from among its members.
4 (ii) The term of voting membership on the New York racing association
5 board shall be three years. Individual appointees shall be limited to
6 serving as a voting member the lesser of three terms or nine years.
7 Notwithstanding the foregoing, the initial term of two members appointed
8 by the governor and three members appointed by the New York racing asso-
9 ciation reorganization board shall expire on December thirty-first, two
10 thousand seventeen; the initial term of two members appointed by the New
11 York racing association reorganization board and three members appointed
12 by the governor shall expire on December thirty-first, two thousand
13 eighteen; and the remaining members shall serve full three-year terms.
14 (iii) In the event of a member vacancy occurring by death, resignation
15 or otherwise, the respective appointing [officer or officers] authority
16 shall appoint a successor who shall hold office for the unexpired
17 portion of the term. [A vacancy from the members appointed from the
18 present board of The New York Racing Association, Inc., shall be filled
19 by the remaining such members] In the case of vacancies among members
20 appointed by the executive committee of the New York racing association
21 reorganization board of directors constituted pursuant to chapter four
22 hundred fifty-seven of the laws of two thousand twelve, appointments
23 thereafter shall be made by the executive committee of the New York
24 racing association board as constituted by the chapter of the laws of
25 two thousand sixteen that amended this section.
26 b. The franchised corporation shall establish a compensation committee
27 to fix salary guidelines, such guidelines to be consistent with an oper-
28 ation of other first class thoroughbred racing operations in the United

1 States; a finance and audit committee, to review annual operating and
2 capital budgets for each of the three racetracks; a nominating and
3 governance committee, to nominate any new directors to be designated by
4 the franchised corporation to replace its existing directors and be
5 responsible for all issues affecting the governance of the franchised
6 corporation; an equine safety committee; a racing committee to address
7 all issues related to racing operations; and an executive committee.
8 Each of the compensation, finance, nominating and executive committees
9 shall include at least [one] three public members, at least two of whom
10 shall be from among the directors appointed by the governor[, and the
11 executive committee shall include at least one of the directors
12 appointed by the temporary president of the senate and at least one of
13 the directors appointed by the speaker of the assembly].
14 [b. In addition to these voting members, the board shall have two ex
15 officio members to advise on critical economic and equine health
16 concerns of the racing industry, one appointed by the New York Thorough-
17 bred Breeders Inc., and one appointed by the New York thoroughbred
18 horsemen's association (or such other entity as is certified and
19 approved pursuant to section two hundred twenty-eight of this article).
20 c. All directors shall serve at the pleasure of their appointing
21 authority.]
22 c. Upon the effective date of this paragraph, the structure of the New
23 York racing association board [of the franchised corporation] shall be
24 deemed to be incorporated within and made part of the certificate of
25 incorporation of the franchised corporation, and no amendment to such
26 certificate of incorporation shall be necessary to give effect to any
27 such provision, and any provision contained within such certificate
28 inconsistent in any manner shall be superseded by the provisions of this

1 section. Such board shall, however, make appropriate conforming changes
2 to all governing documents of the franchised corporation including but
3 not limited to corporate by-laws. Following such conforming changes,
4 amendments to the by-laws of the franchised corporation shall [only] be
5 made only by unanimous vote of the board.
6 [d. The board, which shall become effective upon appointment of a
7 majority of public members, shall terminate four years from its date of
8 creation. The board shall propose, no less than one hundred eighty days
9 prior to its termination, recommendations to the governor and the state
10 legislature representing a statutory plan for the prospective not-for-
11 profit governing structure of The New York Racing Association, Inc.]
12 2. Members of the New York racing association board [of directors]
13 shall serve without compensation for their services, but [publicly
14 appointed members of the board] shall be entitled to reimbursement from
15 the franchised corporation for actual and necessary expenses incurred in
16 the performance of their [official] duties for the board.
17 3. Members of the New York racing association board [of directors],
18 except as otherwise provided by law, may engage in public or private
19 employment, or in a profession or business, however no member shall have
20 any direct or indirect economic interest in any video lottery gaming
21 facility, excluding incidental benefits based on purses or awards won in
22 the ordinary conduct of racing operations, or any direct or indirect
23 interest in any development undertaken at the racetracks of the state
24 racing franchise.
25 4. The affirmative vote of a majority of members of the New York
26 racing association board [of directors] shall be necessary for the tran-
27 saction of any business or the exercise of any power or function of the
28 franchised corporation. The franchised corporation may delegate on an

1 annual basis to one or more of its members, or its officers, agents or
2 employees, such powers and duties as it may deem proper.
3 5. Each voting member of the New York racing association board [of
4 directors] of the franchised corporation shall annually make a written
5 disclosure to [the] such board of any interest held by the director,
6 such director's spouse or unemancipated child, in any entity undertaking
7 business in the racing or breeding industry. Such interest disclosure
8 shall be promptly updated, in writing, in the event of any material
9 change.
10 The New York racing association board shall establish parameters for
11 the reporting and disclosure of such director interests.
12 6. Each voting member of the New York racing association board
13 appointed by the executive committee of the New York racing association
14 reorganization board of directors shall seek a racetrack management
15 license issued by the gaming commission, any fees for which shall be
16 waived by the commission. No voting member of the board required by the
17 foregoing to seek a racetrack management license may vote on any board
18 matter until such license is issued.
19 7. The board shall conduct its meetings in accordance with the
20 provisions of articles six, six-a and seven of the public officers law.
21 8. For purposes of section two hundred twelve of this article, the
22 establishment of the New York Racing Association, Inc. board of direc-
23 tors under this section shall not constitute the assumption of the fran-
24 chise by a successor entity.
25 § 3. Subparagraphs (ii), (iii), (vii), and (xvii) of paragraph a of
26 subdivision 8 of section 212 of the racing, pari-mutuel wagering and
27 breeding law, as added by chapter 18 of the laws of 2008, are amended,

1 subparagraph (xviii) is renumbered (xix) and a new subparagraph (xviii)
2 is added to read as follows:
3 (ii) monitor and enforce compliance with definitive documents that
4 comprise the franchise agreement between the franchised corporation and
5 the state of New York governing the franchised corporation's operation
6 of thoroughbred racing and pari-mutuel wagering at the racetracks. The
7 franchise agreement shall contain objective performance standards that
8 shall allow contract review in a manner consistent with this chapter.
9 The franchise oversight board shall notify the franchised corporation
10 authorized by this chapter in writing of any material breach of the
11 performance standards or repeated non-material breaches which the fran-
12 chise oversight board may determine collectively constitute a material
13 breach of the performance standards. Prior to taking any action against
14 such franchised corporation, the franchise oversight board shall provide
15 the franchised corporation with the reasonable opportunity to cure any
16 material breach of the performance standards or repeated non-material
17 breaches which the franchise oversight board may determine collectively
18 constitute a material breach of the performance standards. Upon a writ-
19 ten finding of a material breach of the performance standards or
20 repeated non-material breaches which the franchise oversight board may
21 determine collectively constitute a material breach of the performance
22 standards, the franchise oversight board may recommend that the fran-
23 chise agreement be terminated. The franchise oversight board shall refer
24 such recommendation to the [racing and wagering board] <u>commission</u> for a
25 hearing conducted pursuant to section two hundred forty-five of this
26 article for a determination of whether to terminate the franchise agree-
27 ment with the franchised corporation;

1 (iii) oversee, monitor and review all significant transactions and
2 operations of the franchised corporation authorized by this chapter;
3 provided, however, that nothing in this section shall be deemed to
4 reduce, diminish or impede the authority of the [state racing and wager-
5 ing board] commission to, pursuant to article one of this chapter,
6 determine and enforce compliance by the franchised corporation with
7 terms of racing laws and regulations. Such oversight shall include, but
8 not be limited to:
9 (A) review and make recommendations concerning the annual operating
10 budgets of such franchised corporation;
11 (B) review and make recommendations concerning operating revenues and
12 the establishment of a financial plan;
13 (C) review and make recommendations concerning accounting, internal
14 control systems and security procedures;
15 (D) review such franchised corporation's revenue and expenditure
16 [polices] policies which shall include collective bargaining agreements
17 management and employee compensation plans, vendor contracts and capital
18 improvement plans;
19 (E) review such franchise corporation's compliance with the laws,
20 rules and regulations applicable to its activities;
21 (F) make recommendations for establishing model governance principles
22 to improve accountability and transparency; and
23 (G) receive, review, approve or disapprove capital expense plans
24 submitted annually by the franchised corporation.
25 (vii) review and provide any recommendations on all simulcasting
26 contracts (buy and sell) that are also subject to prior approval of the
27 [racing and wagering board] commission;

1 (xvii) request and accept the assistance of any state agency, includ-
2 ing but not limited to, the [racing and wagering board, the division of
3 the lottery] commission, office of parks, recreation and historic pres-
4 ervation, the department of environmental conservation and the depart-
5 ment of taxation and finance, in obtaining information related to the
6 franchised corporation's compliance with the terms of the franchise
7 agreement; [and]
8 (xviii) when the franchise oversight board determines the financial
9 position of the franchised corporation has deviated materially from the
10 franchised corporation's financial plan, or other such related documents
11 provided to the franchise oversight board, or when the implementation of
12 such plan would, in the opinion of the franchise oversight board, pose a
13 significant risk to the liquidity of the franchised corporation, in any
14 order or combination:
15 (A) hire, at the expense of the franchised corporation, an independent
16 financial advisor to evaluate the financial position of the franchised
17 corporation and report on such to the franchise oversight board;
18 (B) require the franchised corporation to submit for the franchise
19 oversight board's approval a corrective action plan addressing any
20 concerns identified as risks by the franchise oversight board; and
21 (C) require the franchised corporation to hire and utilize a corporate
22 restructuring professional for a period determined by, and consistent
23 with a plan approved by, the franchise oversight board; and
24 § 4. Paragraphs 3, 4 and 5 of subdivision f of section 1612 of the tax
25 law, as amended by chapter 174 of the laws of 2013, are amended to read
26 as follows:
27 3. [Four] Seven percent of the total revenue wagered after payout of
28 prizes, not to exceed forty-six million dollars in any calendar year, to

be deposited into an account of the franchised corporation established pursuant to section two hundred six of the racing, pari-mutuel wagering and breeding law to be used for capital expenditures in maintaining and upgrading Aqueduct racetrack, Belmont Park racetrack and Saratoga race course[.

4. Three percent of the total revenue wagered after payout for prizes to be deposited into an account of the franchised corporation established pursuant to section two hundred six of the racing, pari-mutuel wagering and breeding law to be used], and for general thoroughbred racing operations at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course, provided, however, that in no calendar year shall the amount spent or reserved for the purposes of capital expenditures in maintaining and upgrading Saratoga race course be less than sixteen million dollars unless otherwise approved by the franchise oversight board consistent with subparagraph (iii) of paragraph a of subdivision eight of section two hundred twelve of the racing, pari-mutuel wagering and breeding law. Any amount in excess of forty-six million dollars in any calendar year, inclusive of monies deposited pursuant to subdivision f-1 of this section and subdivision d of section sixteen hundred seventeen-a of this article, shall be remitted to the state lottery fund for education aid. Notwithstanding any provision of law to the contrary, the director of the budget may impound and control the release of such racing support payments upon a request by the franchise oversight board pursuant to a majority vote authorizing such request whenever: (a) the franchised corporation fails to comply with any order of the franchise oversight board pursuant to subparagraph (xviii) of paragraph a of subdivision eight of section two hundred twelve of the racing, pari-mutuel wagering and breeding law; or (b) doing so is necessary to ensure

1 the franchised corporation takes steps to eliminate risks to the liquid-
2 ity of the franchised corporation.
3 [5] 4. Paragraphs one, two[,] and three [and four] of this subdivision
4 shall be known collectively as the "racing support payments".
5 § 5. Section 44 of section 1 of chapter 174 of the laws of 1968,
6 constituting the New York state urban development corporation act, as
7 amended by section 35 of part UU of chapter 54 of the laws of 2016, is
8 amended to read as follows:
9 § 44. Issuance of certain bonds or notes. 1. Notwithstanding the
10 provisions of any other law to the contrary, the dormitory authority and
11 the corporation are hereby authorized to issue bonds or notes in one or
12 more series for the purpose of funding project costs for the regional
13 economic development council initiative, the economic transformation
14 program, state university of New York college for nanoscale and science
15 engineering, projects within the city of Buffalo or surrounding envi-
16 rons, the New York works economic development fund, projects for the
17 retention of professional football in western New York, the empire state
18 economic development fund, the clarkson-trudeau partnership, the New
19 York genome center, the cornell university college of veterinary medi-
20 cine, the olympic regional development authority, projects at nano
21 Utica, onondaga county revitalization projects, Binghamton university
22 school of pharmacy, New York power electronics manufacturing consortium,
23 regional infrastructure projects, high technology manufacturing projects
24 in Chautauqua and Erie county, an industrial scale research and develop-
25 ment facility in Clinton county, upstate revitalization initiative
26 projects, market New York projects, fairground buildings or facilities
27 used to house and promote agriculture, projects related to Aqueduct,
28 Belmont and/or Saratoga racetracks, and other state costs associated

1 with such projects. The aggregate principal amount of bonds authorized
2 to be issued pursuant to this section shall not exceed four billion six
3 hundred [seventy-one] eighty-seven million seven hundred fifty-seven
4 thousand dollars, excluding bonds issued to fund one or more debt
5 service reserve funds, to pay costs of issuance of such bonds, and bonds
6 or notes issued to refund or otherwise repay such bonds or notes previ-
7 ously issued. Such bonds and notes of the dormitory authority and the
8 corporation shall not be a debt of the state, and the state shall not be
9 liable thereon, nor shall they be payable out of any funds other than
10 those appropriated by the state to the dormitory authority and the
11 corporation for principal, interest, and related expenses pursuant to a
12 service contract and such bonds and notes shall contain on the face
13 thereof a statement to such effect. Except for purposes of complying
14 with the internal revenue code, any interest income earned on bond
15 proceeds shall only be used to pay debt service on such bonds.
16 2. Notwithstanding any other provision of law to the contrary, in
17 order to assist the dormitory authority and the corporation in undertak-
18 ing the financing for project costs for the regional economic develop-
19 ment council initiative, the economic transformation program, state
20 university of New York college for nanoscale and science engineering,
21 projects within the city of Buffalo or surrounding environs, the New
22 York works economic development fund, projects for the retention of
23 professional football in western New York, the empire state economic
24 development fund, the clarkson-trudeau partnership, the New York genome
25 center, the cornell university college of veterinary medicine, the olym-
26 pic regional development authority, projects at nano Utica, onondaga
27 county revitalization projects, Binghamton university school of pharma-
28 cy, New York power electronics manufacturing consortium, regional

1 infrastructure projects, high technology manufacturing projects in Chau-
2 tauqua and Erie county, an industrial scale research and development
3 facility in Clinton county, upstate revitalization initiative projects,
4 market New York projects, fairground buildings or facilities used to
5 house and promote agriculture, projects related to Aqueduct, Belmont
6 and/or Saratoga racetracks, and other state costs associated with such
7 projects, the director of the budget is hereby authorized to enter into
8 one or more service contracts with the dormitory authority and the
9 corporation, none of which shall exceed thirty years in duration, upon
10 such terms and conditions as the director of the budget and the dormito-
11 ry authority and the corporation agree, so as to annually provide to the
12 dormitory authority and the corporation, in the aggregate, a sum not to
13 exceed the principal, interest, and related expenses required for such
14 bonds and notes. Any service contract entered into pursuant to this
15 section shall provide that the obligation of the state to pay the amount
16 therein provided shall not constitute a debt of the state within the
17 meaning of any constitutional or statutory provision and shall be deemed
18 executory only to the extent of monies available and that no liability
19 shall be incurred by the state beyond the monies available for such
20 purpose, subject to annual appropriation by the legislature. Any such
21 contract or any payments made or to be made thereunder may be assigned
22 and pledged by the dormitory authority and the corporation as security
23 for its bonds and notes, as authorized by this section.
24 § 6. The sum of sixteen million dollars ($16,000,000), or so much
25 thereof as may be necessary, is hereby appropriated to facilities owned
26 or operated by the New York racing association or for economic develop-
27 ment purposes or infrastructure improvements on real property owned by
28 or leased to the New York racing association, including the payment of

1 liabilities incurred prior to April 1, 2016 from any moneys in the state
2 treasury in the capital projects fund to the credit of the capital
3 projects funds - other account, not otherwise appropriated, for the
4 purposes of carrying out the provisions of this act. Such sum shall be
5 payable on the audit and warrant of the state comptroller on vouchers
6 certified or approved by the New York Racing Association, or its duly
7 designated representative in the manner provided by law. No payments
8 shall be made from this appropriation until the Franchise Oversight
9 Board reviews and approves a capital expenditure plan as part of the
10 capital expenditures review pursuant to subparagraph (i) or clause (G)
11 of subparagraph (iii) of paragraph a of subdivision 8 of section 212 of
12 the racing, pari-mutuel wagering and breeding law. All or a portion of
13 the funds appropriated hereby may be suballocated or transferred to any
14 department, agency, or public authority. The amount specified in this
15 act for capital projects, or so much thereof as shall be sufficient to
16 accomplish the purposes designated by the appropriation, is hereby
17 appropriated and authorized to be paid as hereinafter provided, to the
18 purposes specified. The appropriation contained in this act shall be
19 available immediately. No expenditure shall be made from this appropri-
20 ation until a certificate of approval of availability shall have been
21 issued by the director of the budget and filed with the state comp-
22 troller and a copy filed with the chair of the senate finance committee
23 and the chair of the assembly ways and means committee. Such certificate
24 may be amended from time to time by the director of the budget and a
25 copy of each such amendment shall be filed with the state comptroller,
26 the chair of the senate finance committee and the chair of the assembly
27 ways and means committee.

1 § 7. This act shall take effect June 30, 2016, provided however that
2 the provisions of section four of this act shall take effect January 1,
3 2017.