Legislative Bill Drafting Commission
12141.11-2

PROGRAM BILL # 45

S. Senate

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

-------- A. Assembly ---------

IN ASSEMBLY--Introduced by M. of A.

--read once and referred to the Committee on

*RACPMWLA*
(Enacts the New York state racing franchise accountability and transparency act of 2012; repealer)

--------

RWB. NYS racing franch acountbtily AN ACT
to amend the racing, pari-mutuel wagering and breeding law, in relation to enacting the New York state racing franchise accountability 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 Nozzolillo  s28 Sennaro
s15 Addabbo  s02 Finigan  s34 Kahn  s53 O'Mara  s31 Seward
s55 Alessi  s38 Faschile  s76 Kuegler  s37 Oppenheimer  s09 Stelios
s11 Avella  s59 Gagliano  s24 Lanza  s21 Parker  s14 Smith
s40 Ball  s12 Gianaris  s39 Larkin  s13 Peralta  s25 Squadron
s42 Bonacic  s22 Golden  s91 LaValle  s30 Perkins  s16 Svirsky
s46 Breslin  s47 Grieff  s72 Libous  s61 Rameshober  s35 Stewart-
s38 Carlucci  s56 Gianetti  s45 Little  s46 Ritchie  s36 Cousins
s50 DeFrancisco  s06 Hannan  s05 Marcellino  s33 Rivers  s27 Storobin
s32 Diaz  s36 Huesel  s07 Martins  s56 Robach  s49 Velesky
s17 Dillon  Thompson  s02 Madrazo  s41 Salazar  s57 Young
s29 Duane  s10 Huntsley  s43 McDonald  s19 Sampson  s03 Zeldin

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 Crepet  a042 Jacobs  a121 Miller, D.  a067 Rosenthal
a092 Abinanti  a107 Crouch  a095 Jaffee  a102 Miller, J.  a18 Russell
a105 Amedore  a014 Curran  a007 Jeffries  a038 Miller, M.  a44 Ryan
a080 Arroyo  a063 Cusick  a135 Johns  a052 Millman  a012 Salafia
a035 Aubry  a045 Cymbrowitz  a112 Jordan  a015 Montesano  a135 Seward
a124 Barclay  a034 DeanDekker  a099 Katz  a132 Morelle  a029 Scarborough
a103 Barrett  a081 Dinowitz  a074 Kavanagh  a039 Moyn  a016 Schimm
a040 Barone  a144 Deprey  a145 Kearns  a003 Murray  a40 Schimminger
a092 Benedetto  a004 Englebright  a065 Kellner  a037 Nolan  a064 Silver
a122 Biaggi  a054 Espinal  a129 Kolb  a128 Olsz  a027 Simanowitz
a055 Boyland  a071 Ferrai  a025 Lanman  a069 O'Donnell  a30 Simotas
a008 Boyle  a123 Fineh  a091 Latimer  a051 Ortiz  a110 Skartados
a026 Braunstein  a007 Fitzpatrick  a013 Lavine  a136 Pallone  a46 Smarda
a044 Bronson  a137 Friend  a050 Lentol  a088 Paulin  a079 Stevenson
a16 Brindisi  a143 Gabryszak  a125 Lifton  a141 Peoples-  a011 Sweeney
a131 Bronson  a090 Goldf  a072 Liners  a050 Stokes  a10 Tedisco
a046 Brook-Krasny  a123 Gantt  a127 Lopez, P.  a058 Perry  a15 Tenney
a17 Burlington  a077 Gibson  a053 Lopez, V.  a067 Prestlow  a102 Thiele
a17 Butcher  a149 Giglio  a001 Louque  a073 Quatt  a061 Timm
a101 Caida  a066 Glick  a126 Lugaro  a021 Ra  a031 Titus
a096 Callin  a023 Goldfeder  a111 Magee  a097 Rabbitt  a082 Tobacco
a043 Camara  a110 Goodell  a120 Magnarelli  a090 Raia  a148 Walter
a108 Canestrari  a075 Gottfried  a059 Maisel  a006 Ramos  a041 Weinstein
a089 Cappiello  a005 Graf  a060 Miliotikos  a134 Rell  a020 Weiser
a086 Castro  a098 Gunther  a030 Markey  a109 Reilly  a034 Wesp
a138 Cecotti  a130 Hanna  a093 Mayer  a078 Rivera, J.  a070 Wright
a033 Clark  a139 Hawley  a019 McDonough  a006 Rivera, N.  a094 Zebrowski
a047 Colton  a083 Heastie  a114 Mercado  a076 Rivera, P.  a110 Conte
a032 Conte  a082 Hawes  a017 McKevitt  a119 Roberts
a002 Cook  a048 Hillard  a106 McLaughlin  a056 Robinson
a142 Corwin  a018 Hooper  a032 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).

LBDC 06/04/12
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
5 § 2. Legislative findings. The legislature finds and declares a strong
6 horse racing and breeding industry to be a valuable contributor to the
7 New York state economy and a tourism generator for the entire state. The
8 legislature further finds that The New York Racing Association, Inc. was
9 authorized to incorporate by Chapter 18 of the Laws of 2008 to further
10 the interests of thoroughbred racing, the public interest and the
11 purposes of Article II of the Racing, Pari-Mutuel Wagering and Breeding
12 Law and to further the raising and breeding and improving the breed of
13 horses.
14 The structure of gaming and racing is undergoing change in New York,
15 with the establishment of racinos, the creation of the New York state
16 gaming commission, and first passage of a constitutional amendment on
17 commercial casinos. Therefore, the legislature finds in order to ensure
18 the viability and continuity of horse racing, the racing industry and
19 industries that support and are sustained by the racing industry,
20 exigent circumstances necessitate a temporary structural change in the
21 organization of The New York Racing Association, Inc., in the form of a
22 temporary board. This temporary reorganization board shall be under
23 public control to ensure The New York Racing Association, Inc. works in
24 the best interest of all stakeholders in horse racing including fans,
25 owners and breeders by managing the state racing franchise with trans-
26 parency and accountability. In no later than three years, the state
27 racing franchise shall be returned to private control, remaining in the
28 form of a not-for-profit corporation.
The legislature further finds that these statutory changes to be
consistent with the state racing franchise agreement, appropriate,
necessary and in the best interests of The New York Racing Association,
Inc. and the racing industry in general.

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

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

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

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

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

(ii) In the event of a member vacancy occurring by death, resignation
or otherwise, the respective appointing officer or officers shall
appoint a successor who shall hold office for the unexpired portion of
the term. A vacancy from the members appointed from the present board of
The New York Racing Association, Inc., shall be filled by the remaining
such members.
b. In addition to these voting members, the board shall have two ex officio members to advise on critical economic and equine health concerns of the racing industry, one appointed by the New York Thoroughbred Breeders Inc., and one appointed by the New York thoroughbred horsemen's association (or such other entity as is certified and approved pursuant to section two hundred twenty-eight of this article).

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

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

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

c. Upon the effective date of this paragraph, the structure of the board of the franchised corporation shall be deemed to be incorporated within and made part of the certificate of incorporation of the franchised corporation, and no amendment to such certificate of incorporation shall be necessary to give effect to any such provision, and any provision contained within such certificate inconsistent in any manner shall be superseded by the provisions of this section. Such board shall, however, make appropriate conforming changes to all governing documents of the franchised corporation including but not limited to corporate by-laws. Following such conforming changes, amendments to the
by-laws of the franchised corporation shall only be made by unanimous
vote of the board.

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

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

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

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

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

§ 8. This act shall take effect immediately; provided, however, that
sections four, five and six of this act shall take effect upon the
appointment of a majority of public directors of the temporary reorgan-
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 database 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.