

New York State Assembly

Annual 2024 Report

Committee on
Racing & Wagering



Speaker Carl E. Heastie
J. Gary Pretlow, Chair



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

J. Gary Pretlow
Assemblyman 89th District

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

CHAIR
Racing & Wagering

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December 15, 2024

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

Dear Mr. Speaker:

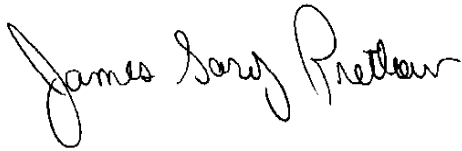
As Chairman of the Assembly Standing Committee on Racing and Wagering, I am pleased to submit to you the Committee's 2024 Annual Report. Each year, the Committee advances legislation to support and enhance New York's racing and gaming industries. During the 2024 Legislative Session, the Committee met four times and reported ten bills.

In the 2024 Legislative Session, the Committee addressed charitable gaming, responsible gaming, the lottery, the horse racing industry, and casino gambling. We reported bills to allocate a percentage of mobile sports tax revenue towards problem gambling education and treatment, along with measures to accelerate the process for licensing three new casinos in downstate New York. The Committee advanced legislation to establish the Cornell Racehorse Safety Program in a new effort to reduce racehorse injuries. Additionally, we reported bills to extend certain payment procedures for the New York Thoroughbred Breeding and Development Fund and for backstretch workers and their families, recognizing the vital role these workers play in the racing industry.

The Committee was also involved in significant legislation during the state budget process. This legislation included extending the current pari-mutuel tax rates and provisions related to the simulcasting of out-of-state thoroughbred and harness races for one year; extending the provisions of law authorizing the use of capital acquisition fund monies for Catskill and Capital Off-Track Betting Corporations; extending the 2% allocation from the purse fund through April 1st, 2027; allocating \$2 million out of the purse cushion fund through calendar year 2027 for the purpose of stabilizing owner-paid premiums required for jockey worker compensation coverage out of the Jockey Injury Compensation Fund; and extending certain exceptions to licensing at race meets.

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 2024 Legislative Session. I would also like to thank you, Mr. Speaker, for your continued support. The Committee members and I look forward to working with you during the upcoming 2025 Legislative Session to continue to strengthen New York State's great racing, wagering, and gaming infrastructure.

Warm Personal Regards,

A handwritten signature in black ink that reads "James Gary Pretlow". The signature is written in a cursive, flowing style.

J. Gary Pretlow

Chair, Committee on Racing and Wagering

**2024 ANNUAL REPORT
OF THE
NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON RACING AND WAGERING**

J. Gary Pretlow, Chair

Committee Members

Majority

Aileen Gunther
Michaelle Solages
Carrie Woerner
Angelo Santabarbara
Stacey Pheffer Amato
Clyde Vanel
Nader Sayegh

Minority

Jeffrey Gallahan
Jarett Gandolfo
Joseph M. Giglio

Staff

Matthew Henning, *Assistant Secretary for Program and Policy*
Michael Sullivan, *Associate Counsel*
Jordan McMaster, *Analyst*
Julia Todaro, *Program and Counsel Secretary*
Troy Mackey, *Committee Coordinator*

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I. JURISDICTION

The New York State Assembly Standing Committee on Racing and Wagering has jurisdiction over legislation affecting all activities related to horse racing and various forms of gaming 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, commercial casino gambling, and interactive fantasy sports. 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, and for all aspects of promotional activities related to video lottery gaming.
- The *Charitable Gaming Division* is responsible for licensing charitable organizations and verifying the lawful disbursement of proceeds from games of chance such as bingo, bell jar tickets, Las Vegas nights and raffles.
- The *Gaming Division* is responsible for the appropriate administration, regulation and oversight of commercial casino gambling, video lottery gaming, and Indian gaming on tribal land as defined by lawful Tribal-State compacts established pursuant to the federal Indian Gaming Regulatory Act of 1988.
- 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.

II. 2024 LEGISLATIVE ACTION

A. Class III Casino Gaming

Class III Casino gaming was authorized by an amendment to the New York State Constitution in 2013. Since its inception, casino gaming has expanded greatly across upstate New York. With the creation of four upstate commercial casinos – Rivers Casino in Schenectady, Del Lago Casino in Waterloo, Tioga Downs Casino and Raceway in Nichols, and Resorts World Catskills in Thompson – along with 3 additional casinos to be authorized and established in the greater New York City area starting in 2023, casino gaming has flourished within the state. In the years following the authorization of casino gaming, the gaming industry has grown in various ways. The concept of virtual gambling, wagering, and gaming has greatly evolved within the last few years, and mobile sports wagering has spread rapidly throughout the United States. Mobile Sports Wagering has risen to the forefront of conversations about the future of gaming in New York State, and discussions over the potential avenues in which to authorize mobile gambling have continued.

1. Tax on Gaming Revenues in Certain Regions

A.8534 (Pretlow)/S.8086 (Addabbo); Chapter 19 of the Laws of 2024

This law is a chapter amendment to Chapter 528 of the laws of 2023, which sets a 30% slot tax rate at Tioga Downs Casino, provided that Vernon Downs Casino Hotel maintains at least 70% of full-time employment (FTEs) levels from 2016. Tioga Downs is required to provide a report to the Governor and Legislature detailing the use of the funds and employment goals.

Chapter 528 of the laws of 2023 further provides Vernon Downs with an additional vendor fee of up to 6.4% until 2027, provided that it maintains 70% of FTE levels from 2016.

Chapter 19 of the laws of 2024 clarifies the time frame for when the new rate will be in place and expands what any additional money realized from the new rate may be used for.

2. Downstate Casino Process Acceleration

A.10572 (Pretlow)/S9673A (Addabbo); Veto memo 72

This bill would accelerate the process for licensing three new casinos in the New York City area by establishing deadlines and timelines for each step of the process. Revenue from the three downstate casino licenses have been promised to the MTA starting in 2026. The Gaming Commission has not yet accepted any license applications with the justification that they are waiting for applicants to get their zoning in order before they accept applications. This bill would require the Commission to accept applications by August 31st, 2023, thereby beginning the community advisory council process.

B. Horse Racing and Breeding

New York State is home to one of the leading 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). They are Aqueduct Racetrack in the South Ozone Park neighborhood of Queens; Saratoga Race Course in Saratoga Springs, which is 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 as well as the third and final leg of the Triple Crown. Additionally, nestled in the State's picturesque Finger Lakes region is New York's fourth Thoroughbred track, Finger Lakes Gaming and Racetrack in Ontario County.

Across the State, there are also several Standardbred racetracks where patrons can view live harness (also known as "trotting") races: Empire City Casino at Yonkers Raceway in Westchester County; Hamburg Gaming and Buffalo Raceway at the Fairgrounds in Erie County; Batavia Downs Gaming in Genesee County; Vernon Downs Casino and Hotel in Oneida County; Monticello Raceway in Sullivan County; Saratoga Casino and Raceway in Saratoga County; and Tioga Downs Casino and Raceway in Tioga County.

In addition to attending live race meetings, racing fans can place wagers remotely through any of the State's five regional off-track betting corporations (OTBs) – Western, Capital, Catskill, Nassau or Suffolk. Because OTBs are public-benefit corporations, millions of dollars in wagering revenues have been distributed to aid local governments across the State since their inception in 1970. Both racetracks and OTBs feature simulcasting of races taking place in New York State as well as races taking place in other states and countries around the world.

1. Horsemen's Benefits for Harness Racing Licensees in the Absence of Contractual Obligations

A.3475A (Pretlow)/S.1611A (Addabbo); Veto memo 23

This bill would require the Gaming Commission, in the absence of a contractual agreement between a racetrack in Westchester or Nassau County and the horsemen's organization representing at least 51% of the owners and trainers using such facility, to require the association or corporation as a condition of racing to withhold 8% of all purses to pay to the horsemen's organization quarterly to be used for welfare/health plans for backstretch workers. As there is no longer a harness track located in Nassau County (Roosevelt Raceway) the only track/horsemen organization that would be captured by this law would be those at Yonkers Raceway.

2. Maintaining Live Racing Activity at Racetrack Locations

A.4907 (Sayegh)/S.5342 (Addabbo); Reported to Rules

This bill would require all racetrack locations granted a gaming facility license to maintain live racing activity. The purpose of this bill is to provide additional support to the racing

industry in New York and is intended to clarify and remove any vagueness or potential confusion in terms of racing activity.

3. Sire Stakes Eligibility

A.8533 (Pretlow)/S.8085 (Addabbo); Chapter 39 of the Laws of 2024

This law amends Chapter 506 of the laws of 2023, which removes the requirement that a foal must be dropped from a mare bred in New York State in order to be eligible for the New York Sire Stakes. Going forward, any foal shall be eligible for the New York Sire Stakes if sired by a stallion owned by a resident of New York State or leased to a resident of New York State for longer than one year and standing for service within New York State at the time of the foal's conception.

Chapter 39 of the laws of 2024 narrows the eligibility from the original law by requiring that colts and fillies admitted be dropped from a mare bred in this state. The law also establishes a classification system based on the breeding information of the foal and allows bonus payments for foals that meet certain criteria.

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

A.9080 (Pretlow)/S.8441 (Addabbo); Chapter 325 of the Laws of 2024

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, due to the decline in wagers placed on horse races over the past few years. This has been limiting its ability to make required investments in the State’s racing and breeding program.

For these reasons, Chapter 473 of the laws of 2010 authorized the Fund to collect its percentage of wagers on a quarterly basis instead of annually. The chapter also increased the maximum percentage of the Fund’s revenues that could be used for breeder awards, from 50 percent to 65 percent; 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 five percent to six percent; and administration and management of the Fund, from four percent to five percent.

This law extends such provisions for an additional year, with a sunset date of October 28, 2025.

5. Payments to the New York Thoroughbred Horsemen’s Association

A.9209 (Pretlow)/S.8440 (Addabbo); Veto memo 105

This bill would extend the authorization for the New York Thoroughbred Horsemen’s Association (NYTHA) to receive an additional one percent of all purses collected from race meetings held at racetracks operated by the New York Racing Association, Inc., for a total of two percent, for an additional year, until August 31, 2025. This money is used to provide additional benefits to backstretch employees, including medical and health

benefits, counseling and social services, and scholarship opportunities. NYTHA also earmarks funds for retired racehorses and equine health, safety, and research

6. Discretionary Spending Threshold for Regional Off-Track Betting Corporations
A.9458B (Pretlow)/S.8776A (Addabbo); Chapter 489 of the Laws of 2024

This bill authorizes an increase in the discretionary buying threshold for regional off-track betting corporations from \$15,000 to the threshold of a state agency (\$35,000). This bill is intended to relieve some of the burden for operating large racetracks and casinos.

7. Jockey Health Insurance Reserve Fund
A.10145 (Rules (Pretlow)); Reported to Ways and Means

This bill would create a reserve fund to pay unpaid premiums for the jockey injury compensation fund. The reserve fund would be funded using unused money from the 1.5% of the gross purse enhancement amount from video lottery gaming at a thoroughbred track paid by corporations during a calendar year, less an amount sufficient to cover anticipated premium liabilities over the next sixty days.

8. Equine Screening and Advanced Imaging
A.10205 (Rules (Pretlow)); Reported to Ways and Means

This bill would establish the Cornell Racehorse Safety Program which would allow owners to bring horses in for advanced imaging and screening to determine if signs of a future serious injury exist within the horse. Any multi-jurisdictional account wagering providers, not controlled by or otherwise licensed in New York State, where New York residents have wagered an aggregate amount of at least fifteen million dollars in every month of calendar year 2023 shall pay an additional assessment of 0.03% not to exceed one million dollars in 2024 and 0.05% not to exceed one million seven hundred fifty thousand dollars. This money would fund the new program. This bill was included in the 2024 Assembly One-House Budget.

C. Responsible Gaming

Gambling addictions can occur in many different forms and affect many people. It is often referred to as a “hidden illness” because, unlike other addictions, there are no obvious physical signs or symptoms. With the recent expansion of gambling in New York State, it has now become more essential than ever to review and improve existing rules and regulations designed to address problem gambling in order to ensure consistency and determine the best ways to advance New York’s long-term commitment to promoting responsible gaming.

1. Mobile Sports Tax Revenue for Problem Gambling

A.9082 (Pretlow)/S.8439 (Addabbo); Reported to Ways and Means

This bill would allocate 1% of mobile sports tax revenue towards problem gambling education and treatment. With the success of the mobile sports wagering industry, this additional money would help OASAS maintain and expand the services needed to help prevent and fight against gambling addictions.

III. STATE FISCAL YEAR 2024-2025 ENACTED BUDGET

The State Fiscal Year (SFY) 2024-2025 Enacted Budget, with an allotted \$373,400,000 all funds appropriation for the Gaming Commission, included several significant additions and changes to New York State's racing, wagering, and gaming programs. Some of these laws include:

- Extending the current pari-mutuel tax rates and provisions related to the simulcasting of out-of-state thoroughbred and harness races for one year;
- Authorizing Catskill and Capital Off-Track Betting Corporations to utilize a percentage of the capital acquisition fund for the purposes of statutory obligations, payroll, and expenditures necessary to accept wagers for one year, and requiring that both corporations submit an expenditure plan to the Gaming Commission for approval;
- Extending the 2% allocation from the purse fund through April 1st, 2027, and \$2 million out of the purse cushion fund through calendar year 2027 for the purpose of stabilizing owner-paid premiums required for jockey worker compensation coverage out of the Jockey Injury Compensation Fund;
- Extending certain exceptions to licensing at a race meet.

IV. OUTLOOK FOR 2025

During the 2025 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.

The Committee will continue to remain steadfast in supporting legislation aimed to strengthen New York State's racing industry. It is important to protect not only racetrack employees, jockeys, and exercise riders, but also the thousands of Standardbred and Thoroughbred horses throughout the State. In 2025, equine safety will continue to be a priority for the Committee, along with addressing the ever-present need for adequate aftercare practices and procedures for the industry's retired racehorse population.

Finally, the Committee will continue its dedication to supporting legislation that aims to enrich the State's racing, wagering, and gaming infrastructures by focusing on important issues such as sustaining charitable gaming for local organizations, promoting responsible gaming practices, maintaining transparency between the industry and those it serves, and enhancing revenues for education support for municipalities across the State.

APPENDIX A

2024 Summary Sheet

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

2024 SUMMARY SHEET

SUMMARY OF ACTION ON ALL BILLS

REFERRED TO THE COMMITTEE ON

Racing and Wagering

TOTAL NUMBER OF COMMITTEE MEETINGS HELD 4

<u>ASSEMBLY</u>	<u>SENATE</u>	<u>TOTAL</u>
<u>BILLS</u>	<u>BILLS</u>	<u>BILLS</u>

BILLS REPORTED FAVORABLE TO:

Codes	0	0	0
Judiciary	0	0	0
Ways and Means	10	0	10
Rules	0	0	0
Floor	0	0	0
TOTAL	10	0	10

COMMITTEE ACTION

Held For Consideration	2	0	2
Defeated	0	0	0
Enacting Clause Stricken	1	0	1
REMAINING IN COMMITTEE	81	4	85

BILLS REFERENCE CHANGED TO:

TOTAL	0	0	0
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APPENDIX B

Chapters of 2024

CHAPTER	ASSEMBLY BILL (SPONSOR)	SENATE BILL (SPONSOR)	DESCRIPTION
19	A.8534 (Pretlow)	S.8086 (Addabbo)	Amends Chapter 528 of the laws of 2023, which provided that Tioga Downs Casino would get a slot tax rate reduction to 30%.
39	A.8533 (Pretlow)	S.8085 (Addabbo)	Amends Chapter 506 of the laws of 2023, which reduced the requirements that must be met for a foal to be eligible for the “New York sire stakes.”
325	A.9080 (Pretlow)	S.8441 (Addabbo)	Extends payments to the New York State Thoroughbred Breeding and Development Fund for an additional one year.
489	A.9458B (Pretlow)	S.8776A (Addabbo)	Authorizes an increase in the discretionary buying threshold for regional off-track betting corporations from \$15,000 to the threshold of a state agency (\$35,000).

APPENDIX C

Additional Bills Reported in 2024

ASSEMBLY BILL (SPONSOR)	LAST ACTION	DESCRIPTION
A.3475A (Pretlow)	Veto memo 23	Requires the Gaming Commission, in the absence of a contractual agreement between a racetrack in Westchester or Nassau County and the horsemen's organization, to require the association or corporation as a condition of racing to withhold 8% of all purses to pay to the horsemen's organization quarterly to be used for welfare/health plans for backstretch workers.
A.4907 (Sayegh)	Reported to Rules	Requires all racetrack locations granted a gaming facility license to maintain live racing activity.
A.9082 (Pretlow)	Reported to Ways and Means	Allocates 1% of mobile sports tax revenue towards problem gambling education and treatment.
A.9209 (Pretlow)	Veto memo 105	Extends the authorization for the New York Thoroughbred Horsemen's Association to receive an additional 1% of purses collected from race meetings held at tracks operated by the New York Racing Association, Inc., for one year.
A.10145 (Rules (Pretlow))	Reported to Ways and Means	Creates a reserve fund to pay premiums for the jockey injury compensation fund that are not yet paid.
A.10205 (Rules (Pretlow))	Reported to Ways and Means	Establishes the Cornell Racehorse Safety Program which would allow owners to bring horses in for advanced imaging and screening.
A.10572 (Pretlow)	Veto memo 72	Accelerates the process for licensing three new casinos in downstate New York by establishing deadlines and timelines for each step of the process.