



NEW YORK STATE SENATOR

William Larkin

## Senate Passes Nyra Oversight Legislation

[WILLIAM J. LARKIN JR.](#) August 1, 2005

The New York State Senate today passed legislation, sponsored by Senator Bill Larkin (R-C, Cornwall-On-Hudson), to establish an oversight board for the New York Racing Association (NYRA).

The bill (S.5923), which reflects a three-way agreement among the Senate, Assembly and Governor, would also accelerate the process of putting the racing franchise out to bid. In addition, the bill ratifies a contract that will clear the way for Video Lottery Terminals to be put at Aqueduct Raceway.

"This agreement represents, in large part, what the Senate has been calling for to provide greater oversight and accountability for NYRA, and to move forward more quickly with the franchise bidding process for the next operator of the state's racing facilities," Senate Majority Leader Joseph L. Bruno said. "The horse racing industry contributes more than \$2.4 billion to our economy and employs more than 35,000 people, and it's critically important that we act to restore public confidence in the state's racing industry and to make it as strong as possible."

"It is common knowledge that the racing industry has had its problems over the last few years," said Senator Larkin. "Questionable business practices by the New York Racing

Association have seriously hurt the industry's true economic potential for the state as well as its reputation. Since current law provides for only limited oversight of NYRA, this oversight board should be created to closely regulate the racing industry in New York in a way that will maintain the public's confidence and trust in the system. In particular, it would be responsible for overseeing the significant financial and operating issues associated with the existing state racing franchise holder. Ultimately, it will help keep lost revenue here in New York."

The bill would create a Nonprofit Racing Oversight Board that would:

- > Consist of five members appointed by the Governor, one each at the recommendation of the Majority Leader and Speaker.
- > Make recommendations to the NYRA trustees concerning managerial, labor and financial matters. The Trustees must submit, in writing, why any recommendations were not adopted.
  - > Replace the current Capital Investment Fund and assume all of its duties. The Oversight Board will also be an authorized licensee to operate VLT's in the event of expiration or revocation of the NYRA franchise.
- > Review and make recommendations concerning NYRA's operating budget, revenue, expenditure and labor policies and cash receipts accounting and security procedures.

In addition, the bill:

- > Clarifies that NYRA's contract with MGM Mirage shall be subject to the approval of the Division of the Lottery, which would clear the way for the establishment of Video Lottery Terminals to be placed at Aqueduct Race Track, which would potentially generate hundreds of millions of dollars for education in New York State.

> Authorizes a three day tax free Breeders' Cup weekend.

> Expands OTB's authorization for in-home simulcasting and provides OTB with a non-refundable tax credit to encourage more wagering activity on New York racetracks.

The measure passed by the Senate today would move up the appointments to a committee that will solicit bids from corporations or associations interested in operating New York's racing facilities once NYRA's franchise expires. Current law calls for a nine member committee (3 appointments each from the Governor, Senate and Assembly) to solicit bids, with the appointments made beginning December 1, 2005. The bill would allow for appointments to be made prior to December.

The bill was sent to the Assembly.