



NEW YORK STATE SENATOR

Andrew J. Lanza

Senator Andrew Lanza Proposes Statewide Otb Racing Solution

ANDREW J LANZA December 7, 2010

Bill Would Save NYC-OTB Jobs; Benefit Taxpayers Statewide

Senator Andrew Lanza has introduced legislation (S.8520) that represents a statewide solution to the problems facing Off Track Betting (OTB). The bill includes all the provisions of the Governor's program bill passed by the Assembly last week that would preserve hundreds of jobs at New York City OTB, and broadens them to bring parity with regional OTBs outside of New York City at no cost to state taxpayers.

"I recognize the importance of this issue to the entire state," Senator Lanza (R-Staten Island) said. "Jobs across the state are at risk, from the racing and gaming industry to the agricultural industry. This bill provides a comprehensive solution that will stabilize the New York City OTB and allow it to reorganize successfully and benefit taxpayers outside the City who are looking for relief. My bill would pass if it is brought up for a vote, and I encourage the Governor and Senate Democrats to support it."

"This is a unique opportunity to get a positive result for OTB, the racing industry, and for taxpayers," Senate Republican Leader Dean Skelos said. "Rather than focus on a narrow solution that applies only to New York City, we should pass our comprehensive bill that saves jobs and generates more revenue to benefit local taxpayers in the suburbs and Upstate."

The bill, which has bipartisan support, as well as the support of the racing industry, includes the following:

- €€€ All of the provisions contained in the Governor's NYC-OTB proposal negotiated with the Creditor's committee remain intact, preserving the DC37 union jobs throughout the City of New York;
- €€€ Provides equitable relief and treats all OTB corporations the same, which will bring millions of dollars in additional revenue to the municipalities across the state.
- €€€ Contains parity provisions to allow regional OTBs, as well as NYC-OTB, to retain revenues paid to the State, including uncashed tickets and pari-mutuel tax relief, for operational needs which will ultimately allow them to return more revenue to local governments;

Additions to the NYC-OTB bill passed by the Assembly:

- €€€ Allows the other regional OTBs to retain and utilize unclaimed tickets for its operating purposes. Extends to the other OTBs this concession made to NYC-OTB.
- €€€ Creates a schedule for the reduction in pari-mutuel tax payments made by OTB to the State. Fifty percent less payments. The reduction in taxes will decrease by ten percent for each additional \$30 million in annual handle over 2008 figures. Extends to the other OTBs this concession made to NYC-OTB.
- €€€ Requires the Racing and Wagering Board to investigate internet and phone wagering and regulate if the current system does not help the New York racing industry. Other states, including New Jersey, regulate out-of-state wagers which could bring millions of dollars in new revenue to New York.
- €€€ Allows regional OTBs to reduce indirect payments to in-state racetracks on account of wagers accepted on races run at out-of-state tracks; and links these payments to handle levels achieved by the OTBs. Extends to the other OTBs this concession made to NYC-OTB.
- €€€ Eliminates the requirement that regional OTBs make Dark Day, Maintenance of Effort and hold harmless payments to licensed harness tracks in New York State. Extends to the other OTBs this concession made to NYC-OTB.
- €€€ Allows the industry to internet stream simulcast signals without further consent.
- €€€ Limits cost of simulcasts to the regional OTBs to the statutory amounts with no additional fees. Extends to the other OTBs this concession made to NYC-OTB. NYC-OTB would receive the simulcast signal at no cost.

“We are proposing small but critical changes that strike a fair balance of rescuing New York City OTB and helping regional OTBs across the state before they face similar circumstances,” Senator Skelos said. “Our bill is a net positive that helps all OTBs face their common economic problems so they, and the taxpayers, benefit.”

#####