

# **STATE RACING AND WAGERING BOARD**

## **MISSION**

The Racing and Wagering Board regulates all legalized gambling activities in New York except the State Lottery. Horse racing, off-track betting (OTB) and Indian casino gaming are directly regulated by the Board. The responsibility for oversight of bingo and other permitted games of chance conducted by religious and not-for-profit organizations is shared with municipalities, which collect license fees and ensure that the Board's rules and regulations are followed.

## **ORGANIZATION AND STAFFING**

A three-member Board oversees agency activities. The Governor appoints each member to a six-year term with the consent of the Senate.

The Chair and central office staff are in Albany with additional staff operating from the New York City regional office. The agency also employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County. Temporary and full time employees oversee horse racing at New York's four thoroughbred race tracks — Aqueduct, Belmont, Saratoga and Finger Lakes — and seven harness tracks — Batavia, Buffalo, Monticello, Saratoga, Syracuse, Vernon Downs and Yonkers. The Racing and Wagering Board will have a workforce of 123 full time and 153 temporary staff in 1999-2000. These positions will be entirely supported by revenues generated by the Indian casino, charitable gaming and horse racing activities that the Board oversees.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 1999-2000 Executive Budget shifts responsibility for funding oversight of the horse racing industry from general taxpayers to those who benefit from the industry itself. Specifically, \$11.8 million in revenue from a new surcharge on exotic and super exotic wagers will be dedicated to: staff and related costs associated with the processing of racing licenses; investigations and subsequent legal hearings to suspend or fine violators of racing regulations; seasonal employees at the thoroughbred and harness tracks; the testing of race horses for prohibited drugs; and oversight of the financial, wagering and security operations of regional OTBs. An additional \$1.7 million from the new surcharge is recommended for direct assistance to the racing industry.

In addition, \$2 million in existing fees collected by the State from charitable gaming proceeds is recommended to support the regulation of these games. This funding will support oversight of "bell jar" games, which are games of chance in which players remove "pull tabs" from randomly drawn tickets to reveal potential winning combinations of three or more matching items. The Budget also authorizes \$3 million in revenues from fees charged to Indian casinos to pay for on-site monitoring and investigation of these casinos.

## **PROGRAM HIGHLIGHTS**

### **REGULATION OF GAMES OF CHANCE**

The Racing and Wagering Board promulgates rules and regulations governing bingo and other games of chance operated by more than 14,100 charitable and not-for-profit organizations throughout the State. The Board establishes standards for issuing licenses to suppliers and manufacturers of gaming equipment; reviews financial statements of

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charitable gaming operations; and, in conjunction with local law enforcement officials, investigates illegal gaming activities. In accordance with legislation enacted in 1996, the Board will continue to expand its oversight of "bell jar" games in order to decrease illegal activity.

### **INDIAN GAMING**

The State has negotiated compacts or protocols with the Oneida Nation and St. Regis Mohawk Tribe to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for supervising current and planned gaming activities operating on these Indian lands. The Board maintains 21 employees that oversee activities at the Oneida Nation's Turning Stone Casino. The St. Regis Mohawk Tribe, located in Clinton County, plans to open a casino on its lands in 1999.

### **REGULATION OF RACING**

The Board's permanent staff oversee 153 temporary employees who ensure that horse races at the State's race tracks are conducted legally. As part of this effort, the Board has a contract with Cornell University to conduct research and to carry out post-race testing of blood and urine samples taken from race horses.

#### **ALL FUNDS APPROPRIATIONS**

<u>Category</u>	<u>Available 1998-99</u>	<u>Appropriations Recommended 1999-00</u>	<u>Change</u>	<u>Reappropriations Recommended 1999-00</u>
State Operations . . . . .	\$14,694,607	\$16,767,300	+ \$2,072,693	. . . . .
Aid To Localities . . . . .	250,000	1,700,000	+ 1,450,000	. . . . .
Capital Projects . . . . .	. . . . .	. . . . .	. . . . .	. . . . .
<b>Total . . . . .</b>	<b>\$14,944,607</b>	<b>\$18,467,300</b>	<b>+ \$3,522,693</b>	<b>. . . . .</b>

#### **ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS**

<u>Program</u>	<u>Available 1998-99</u>	1999-00 Recommended Average Fill Level			<u>Change</u>
		<u>Personal Service (Regular)</u>	<u>Maintenance Undistributed</u>	<u>Total Recommended 1999-00</u>	
Administration					
Special Revenue Funds — Other . . . . .	15	15	. . . . .	15	. . . . .
Audit and Investigation					
Special Revenue Funds — Other . . . . .	23	23	. . . . .	23	. . . . .
Regulation of Racing and Off-Track Betting					
Special Revenue Funds — Other . . . . .	4	4	. . . . .	4	. . . . .
Regulation of Wagering					
Special Revenue Funds — Other . . . . .	81	81	. . . . .	81	. . . . .
<b>Total . . . . .</b>	<b>123</b>	<b>123</b>	<b>. . . . .</b>	<b>123</b>	<b>. . . . .</b>

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## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1998-99</u>	<u>Recommended 1999-00</u>	<u>Change</u>
General Fund . . . . .	. . . . .	. . . . .	. . . . .
Special Revenue Funds — Other . . . . .	\$14,694,607	\$16,767,300	+ \$2,072,693
<b>Total . . . . .</b>	<b><u>\$14,694,607</u></b>	<b><u>\$16,767,300</u></b>	<b><u>+ \$2,072,693</u></b>

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1998-99</u>	<u>Recommended 1999-00</u>	<u>Change</u>
Administration			
Special Revenue Funds — Other . . . . .	\$1,601,700	\$1,846,900	+ \$245,200
Audit and Investigation			
Special Revenue Funds — Other . . . . .	1,177,800	1,536,800	+ 359,000
Regulation of Racing and Off-Track Betting			
Special Revenue Funds — Other . . . . .	6,961,500	8,404,300	+ 1,442,800
Regulation of Wagering			
Special Revenue Funds — Other . . . . .	4,953,607	4,979,300	+ 25,693
<b>Total . . . . .</b>	<b><u>\$14,694,607</u></b>	<b><u>\$16,767,300</u></b>	<b><u>+ \$2,072,693</u></b>

## STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration . . . . .	\$1,846,900	+ \$245,200	\$674,200	+ \$37,100
Audit and Investigation . . . . .	1,536,800	+ 359,000	1,081,500	-17,000
Regulation of Racing and Off-Track Betting . . . . .	8,404,300	+ 1,442,800	4,261,300	-5,400
Regulation of Wagering . . . . .	4,979,300	+ 25,693	2,982,700	+ 19,000
<b>Total . . . . .</b>	<b><u>\$16,767,300</u></b>	<b><u>+ \$2,072,693</u></b>	<b><u>\$8,999,700</u></b>	<b><u>+ \$33,700</u></b>

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
Administration . . . . .	\$1,172,700	+ \$208,100
Audit and Investigation . . . . .	455,300	+ 376,000
Regulation of Racing and Off-Track Betting . . . . .	4,143,000	+ 1,448,200
Regulation of Wagering . . . . .	1,996,600	+ 6,693
<b>Total . . . . .</b>	<b><u>\$7,767,600</u></b>	<b><u>+ \$2,038,993</u></b>

## AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1998-99</u>	<u>Recommended 1999-00</u>	<u>Change</u>
General Fund . . . . .	\$250,000	. . . . .	-\$250,000
Special Revenue Funds — Other . . . . .	. . . . .	\$1,700,000	+ 1,700,000
<b>Total . . . . .</b>	<b><u>\$250,000</u></b>	<b><u>\$1,700,000</u></b>	<b><u>+ \$1,450,000</u></b>

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## AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Audit and Investigation			
General Fund .....	\$250,000	.....	-\$250,000
Racing Industry Assistance Program			
Special Revenue Funds — Other .....	.....	\$1,700,000	+ 1,700,000
Total .....	<u>\$250,000</u>	<u>\$1,700,000</u>	<u>+ \$1,450,000</u>