

STATE RACING AND WAGERING BOARD

MISSION

The Racing and Wagering Board regulates all legalized gambling activities in New York except those regulated by 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 stationed in Albany with additional staff operating from the New York City regional office. The Board employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County, the Mohawk Indians' Akwesasne Mohawk Casino in Hogansburg, Franklin County, the Seneca Nation's Seneca Niagara Casino in Niagara Falls and Seneca Alleghany Casino in Salamanca. 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 — Buffalo, Monticello, Saratoga, Syracuse, Vernon Downs, Batavia Downs and Yonkers. The Racing and Wagering Board will have a workforce of 135 full time and 165 per diem staff in the 2005-06 fiscal year. Staff will be supported by revenues generated by the racing industry, Indian casinos and charitable gaming activities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2005-06 Executive Budget recommends \$13.6 million to support staff and related costs associated with the processing of racing licenses; the review of financial statements submitted by regional OTBs; legal hearings to suspend or fine violators of racing regulations; seasonal employees at the thoroughbred and harness tracks; and the testing of race horses for prohibited drugs. Pursuant to legislation enacted in 2003, all expenses are supported by the racing industry.

In addition, \$2.4 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 \$8.1 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 15,000 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 charitable

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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 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, the St. Regis Mohawk Tribe and the Seneca Nation to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for the regulation and oversight of gaming activities operating on these Indian lands. To oversee these activities, the Board maintains 13 employees at the Oneida Nation's Turning Stone Casino, 13 employees at the St. Regis Mohawk Tribe's Akwesasne Casino, 13 employees at the Seneca Nation's Seneca Niagara Casino, and 13 employees at the Seneca Nation's Seneca Alleghany Casino. Should additional Indian casinos become operational this year, the 2005-06 Executive Budget provides funding necessary to support Board oversight at the new facilities.

REGULATION OF RACING

The Board's permanent staff oversee 165 temporary employees who ensure that horse races at the State's racetracks are conducted legally. To help oversee racing activities, 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.

As part of its regulatory responsibilities, the Racing and Wagering Board worked cooperatively with Federal, State and local authorities on recent investigations of the New York Racing Association and Mid-State Raceway at Vernon Downs. The Board will continue all such efforts in the future to ensure quality racing in the State.

STATE GAMING COMMISSION

Legislation submitted with the Executive Budget would establish a State Gaming Commission that would be responsible for licensing, investigation, regulatory oversight and law enforcement related to Video Lottery Gaming, horse racing, charitable gaming and tribal state compacts.

Upon enactment of this legislation all of the Racing and Wagering Board's program activities would be transferred to the newly established Commission.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2004-05	Appropriations Recommended 2005-06	Change	Reappropriations Recommended 2005-06
State Operations	22,109,000	24,135,000	2,026,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	22,109,000	24,135,000	2,026,000	0

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ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2004-05 Estimated FTEs 03/31/05	2005-06 Estimated FTEs 03/31/06	FTE Change
Regulation of Racing			
Special Revenue Funds - Other	39	39	0
Regulation of Wagering			
Special Revenue Funds - Other	94	96	2
Total	<u>133</u>	<u>135</u>	<u>2</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2004-05	Recommended 2005-06	Change
Special Revenue Funds - Other	22,109,000	24,135,000	2,026,000
Total	<u>22,109,000</u>	<u>24,135,000</u>	<u>2,026,000</u>

Adjustments:

Transfer(s) From	
Special Pay Bill	
Special Revenue Funds - Other	(392,000)
Appropriated 2004-05	<u>21,717,000</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2004-05	Recommended 2005-06	Change
Regulation of Racing			
Special Revenue Funds - Other	12,392,000	13,598,000	1,206,000
Regulation of Wagering			
Special Revenue Funds - Other	9,717,000	10,537,000	820,000
Total	<u>22,109,000</u>	<u>24,135,000</u>	<u>2,026,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2005-06 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Regulation of Racing	13,598,000	1,206,000	6,322,000	(2,520,000)
Regulation of Wagering	10,537,000	820,000	5,741,000	361,000
Total	<u>24,135,000</u>	<u>2,026,000</u>	<u>12,063,000</u>	<u>(2,159,000)</u>

Program	Nonpersonal Service	
	Amount	Change
Regulation of Racing	7,276,000	3,726,000
Regulation of Wagering	4,796,000	459,000
Total	<u>12,072,000</u>	<u>4,185,000</u>