

## Gaming Commission, New York State

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### Mission

The New York State Gaming Commission's mission is to ensure that all lawful gaming and horse racing activity conducted in this State is of the highest integrity, credibility and quality. Operating in the most efficient and transparent manner, the Commission conducts the New York Lottery and serves the best interests of the public by providing responsive and effective State gaming regulation. The Commission strives to ensure that all stakeholders in the gaming and horse racing industries, including the consumers who wager on activities regulated or operated by the Commission, are treated in an equitable and responsible manner. The Commission is also tasked with promoting the health and safety of horses and all participants in racing. By consolidating various regulatory functions into one oversight body with broad powers, the Commission is able to ensure fair and strict regulation of all gaming activity while reducing costs and regulatory burdens to the gaming industry. The Commission provides the regulatory structure necessary for New York gaming activity to operate effectively in a global, evolving and increasingly competitive marketplace, to generate revenue for aid to education and for the support of government, and to contribute to overall economic development and job creation in New York.

### Organization and Staffing

The New York State Gaming Commission regulates all aspects of gaming and gambling activity in the State, including horse racing and pari-mutuel wagering, Class III Indian Gaming, commercial casino gaming, the state lottery (including video lottery terminals) and charitable gaming. The New York State Gaming Commission was formally created via Chapter 60 of the Laws of 2012 as part of the 2012-13 Enacted State Budget. This measure merged the New York State Racing and Wagering Board with the New York State Division of Lottery creating a single state agency. The law also consolidated the administration of the New York Thoroughbred Breeding & Development Fund and the Agriculture & New York State Horse Breeding Development Fund into the Office of Racing Promotion and Development under the umbrella of the Gaming Commission. The New York State Gaming Commission became effective February 1, 2013.

### Budget Highlights

The FY 2019 Executive Budget recommends \$359.6 million All Funds for the Commission, an increase of \$28.9 million (8.7 percent) in All Funds from the amount appropriated in FY 2018. The Executive Budget recommends \$100,000 decrease in State Operations Funds as the Commission adjusts funds designated for the Racing Fan Advisory Council, and \$29.0 million increase (13.4 percent) in Aid to Localities due to the uncertainty of Tribal State Compact and commercial gaming revenues and timing of payments to localities. The Executive Budget recommends an appropriation of \$186 million for Tribal State Compact Revenue, which represents the local share of the State's estimated revenues from Native American casinos. In addition, the Executive Budget recommends an appropriation of \$60 million, which represents the local share of the State's estimated revenues from commercial gaming revenues.

The Executive Budget recommends a workforce of 411 FTEs for the Commission, an increase of 7 FTEs compared to the FY 2018 budget, as Commission staffing on-site at commercial casinos is increased to meet statutory oversight requirements.

### Program Highlights

#### **Lottery**

The New York Lottery's sole mission is to earn revenue for education. Lottery revenue is distributed to local school districts by the same statutory formula used to distribute other State aid to education. Lottery games include drawings like Numbers, Mega Millions and Powerball and some 35-50 scratch-off tickets.

#### **Charitable Gaming**

Charitable gaming occurs in the form of bingo, bell jar sales, the conduct of Las Vegas nights, and operation of raffles. The Division of Charitable Gaming is responsible for the investigation, audit, and monitoring of bell jar ticket sales, as well as verification of the lawful disbursement of bingo, bell jar, Las Vegas night, and raffle proceeds by licensees in New York State. This division also issues licenses and assists members of authorized organizations, manufacturers, and equipment distributors to comply with State law and Commission rules and regulations.

#### **Gaming**

The Division of Gaming oversees the regulation of five Class III Indian gaming facilities, four commercial gaming facilities, and facilities operating video lottery terminals across the State. Gaming inspectors conduct

**NYS DOB | FY2019 Executive Budget | Agency Appropriations**

compliance examinations to ensure that gaming operations such as dealing procedures, internal accounting and other controls strictly conform to the applicable provisions of the respective gaming facility.

***Horse Racing and Pari-Mutuel Wagering***

The Division of Horse Racing and Pari-Mutuel Wagering regulates all horse racing and pari-mutuel wagering in New York State. New York currently features both Thoroughbred and Standardbred horse racing where pari-mutuel wagering takes place. There are four Thoroughbred tracks and seven Standardbred (harness) tracks in the state. Additionally, bettors may wager on races remotely through any of the state's five off-track betting corporations. The tracks and off-track betting locations also feature simulcasting of races taking place within and beyond New York's borders.

***Interactive Fantasy Sports***

The Division of Interactive Fantasy Sports provides general oversight of permissible fantasy sports contests. Responsibilities also include the investigation of violations, processing and issuing registrations, and processing and auditing regulatory assessments.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available FY 2018</b>	<b>Appropriations Recommended FY 2019</b>	<b>Change From FY 2018</b>	<b>Reappropriations Recommended FY 2019</b>
State Operations	113,684,000	113,584,000	(100,000)	100,000
Aid To Localities	217,000,000	246,000,000	29,000,000	0
<b>Total</b>	<b>330,684,000</b>	<b>359,584,000</b>	<b>28,900,000</b>	<b>100,000</b>

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

<b>Program</b>	<b>FY 2018 Estimated FTEs 03/31/18</b>	<b>FY 2019 Estimated FTEs 03/31/19</b>	<b>FTE Change</b>
Administration of the Lottery			
Special Revenue Funds - Other	232	232	0
Administration			
General Fund	59	59	0
Charitable Gaming			
Special Revenue Funds - Other	8	8	0
Gaming			
Special Revenue Funds - Other	92	92	0
Horse Racing and Pari-Mutuel Wagering			
Special Revenue Funds - Other	20	20	0
<b>Total</b>	<b>411</b>	<b>411</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available FY 2018</b>	<b>Recommended FY 2019</b>	<b>Change</b>
General Fund	6,431,000	6,431,000	0
Special Revenue Funds - Other	107,253,000	107,153,000	(100,000)
<b>Total</b>	<b>113,684,000</b>	<b>113,584,000</b>	<b>(100,000)</b>

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

Program	Available FY 2018	Recommended FY 2019	Change
Administration of the Lottery			
Special Revenue Funds - Other	69,395,000	69,496,000	101,000
Administration			
General Fund	6,431,000	6,431,000	0
Charitable Gaming			
Special Revenue Funds - Other	1,151,000	2,173,000	1,022,000
Gaming			
Special Revenue Funds - Other	19,663,000	18,678,000	(985,000)
Horse Racing and Pari-Mutuel Wagering			
Special Revenue Funds - Other	15,028,000	15,079,000	51,000
Interactive Fantasy Sports			
Special Revenue Funds - Other	2,016,000	1,727,000	(289,000)
<b>Total</b>	<b>113,684,000</b>	<b>113,584,000</b>	<b>(100,000)</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
FY 2019 RECOMMENDED  
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,863,000	75,000	3,818,000	117,000
<b>Total</b>	<b>3,863,000</b>	<b>75,000</b>	<b>3,818,000</b>	<b>117,000</b>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Administration	43,000	0	2,000	(42,000)
<b>Total</b>	<b>43,000</b>	<b>0</b>	<b>2,000</b>	<b>(42,000)</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
FY 2019 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	2,568,000	(75,000)	303,000	16,000
<b>Total</b>	<b>2,568,000</b>	<b>(75,000)</b>	<b>303,000</b>	<b>16,000</b>

NYS DOB | FY2019 Executive Budget | Agency Appropriations

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	40,000	(4,000)	1,990,000	(71,000)
<b>Total</b>	<b>40,000</b>	<b>(4,000)</b>	<b>1,990,000</b>	<b>(71,000)</b>

Program	Equipment	
	Amount	Change
Administration	235,000	(16,000)
<b>Total</b>	<b>235,000</b>	<b>(16,000)</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
FY 2019 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	69,496,000	101,000	17,771,000	510,000
Charitable Gaming	2,173,000	1,022,000	713,000	147,000
Gaming	18,678,000	(985,000)	9,442,000	683,000
Interactive Fantasy Sports	1,727,000	(289,000)	463,000	(500,000)
Horse Racing and Pari-Mutuel Wagering	15,079,000	51,000	6,814,000	(194,000)
<b>Total</b>	<b>107,153,000</b>	<b>(100,000)</b>	<b>35,203,000</b>	<b>646,000</b>

Program	Nonpersonal Service	
	Amount	Change
Administration of the Lottery	51,725,000	(409,000)
Charitable Gaming	1,460,000	875,000
Gaming	9,236,000	(1,668,000)
Interactive Fantasy Sports	1,264,000	211,000
Horse Racing and Pari-Mutuel Wagering	8,265,000	245,000
<b>Total</b>	<b>71,950,000</b>	<b>(746,000)</b>

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE  
APPROPRIATIONS  
(dollars)**

Fund Type	Available FY 2018	Recommended FY 2019	Change
Special Revenue Funds - Other	217,000,000	246,000,000	29,000,000
<b>Total</b>	<b>217,000,000</b>	<b>246,000,000</b>	<b>29,000,000</b>

NYS DOB | FY2019 Executive Budget | Agency Appropriations  
**AID TO LOCALITIES**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM**  
**APPROPRIATIONS**  
 (dollars)

Program	Available FY 2018	Recommended FY 2019	Change
Gaming			
Special Revenue Funds - Other	88,000,000	60,000,000	(28,000,000)
Tribal State Compact Revenue			
Special Revenue Funds - Other	129,000,000	186,000,000	57,000,000
<b>Total</b>	<b>217,000,000</b>	<b>246,000,000</b>	<b>29,000,000</b>

Note: Most recent estimates as of 01/16/2018