



**Task Force on the Future of Off-Track Betting in
New York State**

**MINUTES
MEETING OF JUNE 24, 2009**

A meeting of the Task Force on the Future of Off-Track Betting in New York State was held on Wednesday, June 24, 2009 at 11:00am at the Empire State Plaza, Meeting Room #1 Albany, New York.

In Attendance Were:

Chairman John Van Lindt
Vice-Chair John Crotty
Jon J. McCloskey
Thomas Casaregola, Secretary
Rick Goodell, Counsel

Also In Attendance Were:

Charles Vickery
Brian Flynn, NYCOTB
Dan Wray, NYCOTB
A representative for Leonard Allen, OTB District Council 37, AFSCME
Mike Hoblock
Joni Yoswein, YNY/SOA
Kristin Buckley, NYSRWB
Jim Kellogg, NYSRWB
Anne Leahy, Whiteman Osterman Hanna
Steve Bochnak, NYS Assembly
Honorable J. Gary Pretlow, NYS Assembly, Chair of the Assembly Racing & Wagering Committee
Brendan Fitzgerald, Executive Chamber
Michael Wilton, PLA
Ronald Ochrym, NYSRWB
Honorable John Sabini, Chairman of the New York State Racing and Wagering Board
Joseph Mahoney, NYSRWB
Anthony Piscitelli, Wilson Elser Moskowitz Edelman & Dicker
Jessica Morelli, NYSAC
Amy Solomon, Mckenna Long
Jerry Skurnik, Assembly nominee to the Task Force

Call to Order

The meeting was called to order at 11:01 a.m.

Minutes of Previous Meeting

Chairman Van Lindt requested a motion to approve the minutes of the meeting held on May 14, 2009. A motion was made by John Crotty and seconded by Chairman Van Lindt. The minutes were approved unanimously.

Introductory Remarks

Chairman John Van Lindt mentioned the importance of Off-Track Betting in New York State and noted how the system is constantly under criticism for its structure and operation. He read an article by Jerry Bossert that appeared in the Daily News on June 19, 2009 that quoted Dennis Dowd, the senior vice president of legal and government affairs for the New Jersey Sports and Expositions Authority, criticizing the NYS OTB system and operations.

He then gave a legislative summary of laws in the 1970s regarding the establishment of OTB in New York.

Chairman Van Lindt then read sections of the report "*Analysis Prepared by the Staff of the Joint Legislative Task Force to Study and Evaluate the Pari-Mutuel Racing and Breeding Industry in New York State*".

A summary of current OTB operations was also provided regarding various items such as the number of employees, branches, amount of handle and wagering platforms.

Statutory History of New York OTB

Rick Goodell, counsel to the Task Force provided a summary of the statutory history of Off-Track Betting ending with the authorization of OTB to the State take over of New York City OTB in June of 2008 and the creation of the Task Force on the Future of Off-Track Betting.

Summary of Various Commission Reports related to Off-Track Betting in New York State

Jon McCloskey provided a summary of the following reports that have been issued over the years, since the creation of Off-Track Betting in New York, and issues at the time such commissions were created. Noted that each of the reports recommended some kind of consolidation of OTB operations and mentioned that since then there were several privately commissioned reports. A written report was submitted and included for the record. The reports that were summarized are:

- Governor's Commission on the Future of Horse Racing in New York State, March, 1973
- Examination of The Regional OTB System in New York, Joint Legislative Task Force, September, 1979
- Governor's Advisory Commission on Racing in the 21st Century, June 1993.

Summary of Comments Received

John Crotty reported that the Task Force had requested information from the OTBs, racetracks, horsemen, tote companies, labor unions, local municipalities, breeders and fans/bettors. Between 50 to 60 responses were received. It was noted that no response was received from New York City OTB and Nassau OTB's response was submitted with a request for an exemption from Freedom of Information Requests. He further stated the Task Force was disappointed that New York City OTB did not respond and that Nassau OTB's response was being returned with a

request that their request to restrict distribution of their comments be removed. Written reports were submitted and included for the record.

Report on Handle Structure and Trends

Tom Casaregola reported on New York handle trends since the inception of Off-Track Betting in New York State; a comparison of New York betting trends over the past ten years to the rest of the United States; in-state handle trends on in-state races vs. out-of-state races and national trends on betting on New York races. Written reports and charts were submitted and included for the record.

Public Comment

Chairman Van Lindt offered opportunity for public comment. There was none.

Resolutions

Chairman Van Lindt requested a motion to adopt Resolution No. 2009-03 to request the NYS Racing and Wagering Board require all OTBs to include an early termination clause in every long-term contract that requires their approval. A motion was made by John Crotty and seconded by Jon McCloskey. The resolution passed unanimously.

Chairman Van Lindt requested a motion to adopt Resolution No. 2009-04 to appoint Rick Goodell as the records access officer and to request that each party who has submitted information that the Task Force has gathered for the conduct of its mission with a request that it be exempt from public disclosure now give its consent for disclosure. A motion was made by John Crotty and seconded by Tom Casaregola. The resolution passed unanimously.

Chairman Van Lindt requested a motion to adopt Resolution No. 2009-05 to request an opinion of the NYS Attorney General regarding out-of-state ADW practice of accepting wagers from NYS residents and related criminal and anti-trust issues. A motion was made by John Crotty and seconded by Jon McCloskey. The resolution passed unanimously.

New Business

Jon McCloskey asked for a written report / summary concerning the reported tentative sale of New York City OTB to Magna in 2001.

Schedule Next Meeting

The next meeting is to be held on July 30, 2009 at Saratoga Raceway at 11:00am

Items we are going to try to address by this meeting

- Various options for continuation of OTBs in the state, e.g., joint venture with tracks, consolidate, privatize with or without consolidation, maintain status quo
- An overview on how other states authorize and conduct off-track betting
- The 3 tote operators, various TV outlets, internet use of credit cards to place bets in New York, possibility of a state wide marketing system / joint venture by OTBs and tracks.
- Other issues to study but not necessarily be finalized by the next meeting:
 - Distribution rates OTBs are required to make to government and racing entities
 - Hold harmless payments
 - Nighttime thoroughbred tax (the over \$100,000,000 payment)

- Continuation of surcharge
- Out of state ADW operations operating in NY
- Introduction and use of VLTs in NY and other forms of gambling introduced since the inception of OTBs.

Adjournment

Chairman Van Lindt requested a motion to adjourn the meeting. A motion was made by John Crotty and seconded by Jon McCloskey. The resolution passed unanimously. The meeting was adjourned at approximately 12:05pm.

Respectfully Submitted,

Thomas Casaregola
Secretary to the Task Force