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STATE OF NEW YORK
Task Force on the Future of Off-Track Betting

A Summary of the Statutory History of Off-Track Betting in New York State

1939

NY Constitution, article I, § 9 amended to provide: “no ... gambling, except [state] lotteries ... and ... pari-mutuel betting on horse races as may be prescribed by the legislature and from which the state shall derive a reasonable revenue for the support of government, shall hereafter be authorized or allowed within this state” This legalizes pari-mutuel wagering on horse races in New York.

1940

Pari-Mutuel Revenue Law enacted to establish racing commissions and govern pari-mutuel betting on horse races. L. 1940, ch. 254.

1970

P-MR Law amended to create Off-Track Pari-Mutuel Betting Commission that approves participating municipalities (or public benefit corporations) to operate off-track betting, or does so itself; and to create the New York City Off-Track Betting Corporation as public benefit corporation. L. 1970, ch. 143 and 144. Prior to 1970, New York permits wagering only on live horse racing at its thoroughbred and harness tracks.

1972

New York Court of Appeals upholds creation of OTBs and holds that payments from OTB handle to local governments qualify as revenue for the state. 30 N.Y.2d 207.

1973

OTBs organized into seven regional systems and required to pay a state tax of which a portion goes to regional racetracks. Governing state agencies consolidated into a single Racing and Wagering Board. Legislature says intention is to raise reasonable revenue for government, curb illegal bookmaking, and conduct off-track betting compatible with the horse racing and breeding industries of the state. OTBs forbidden to provide food, drink, chairs, or bathrooms (restrictions that gradually erode). L. 1973, ch. 346.

1974

5% surcharge, upon adoption by NYCOTB, created on wagers placed at all OTBs for benefit of respective local governments. L. 1974, ch. 439.

1978

The federal Interstate Horse Racing Act of 1978 defines the sufficient conditions for establishing an interstate simulcast, i.e., the consents of the host racetrack (with written

agreement of its horsemen's group), of the host and guest racing commissions, and of racetracks near the OTB facility. 15 U.S.C. §§ 3001-07.

1984

New York allows limited simulcast wagering, including teletheaters, with thoroughbred simulcasts prohibited after 7:30 p.m. (when state harness tracks operate). OTBs are restricted to two live signals and a bridge after NYRA's races. L. 1984, ch. 363, § 14.

1990

In-state simulcasts promoted with an in-home experiment, broader track-to-track (receive while racing, broadcast offers include all state tracks) and track-to-OTB (broadcast offers include all OTBs) simulcasts, and Racing and Wagering Board authorized to resolve disputes including binding arbitration of track rate. L. 1990, ch. 346, §§ 27-32, 38.

1997

Dark day payments imposed giving harness tracks an off-set for OTB simulcast wagering on out-of-state thoroughbred races: OTBs required to pay 1.5% of regional handle to regional harness tracks that remain closed on NYRA dark days. L. 1997, ch. 445, § 23.

2001

Video lottery terminals authorized at harness tracks, Finger Lakes, and Aqueduct with 12 to 25 percent of total revenue as vendor's fee of which a portion must be reinvested in racing industry through purses and breeding funds. L. 2001, ch. 383, pt. C. Legislation upheld by Court of Appeals in 2005. 5 N.Y.2d 243.

2003

Legislature permits OTBs to simulcast unlimited races including nighttime thoroughbred, imposes hold harmless (maintenance of effort) payments to guarantee harness tracks what they were paid in 2002. Regulatory fee, equal to 39/100 of one percent of daily pools, created to fund Racing and Wagering Board. L. 2003, ch. 62, pt. F3, §§ 24, various.

2006

Telephone account wagering clarified to include internet wagering. L. 2006, ch. 314.

2008

New York Court of Appeals upholds dark day and hold harmless payments as interpreted by Racing and Wagering Board, awards judgments to harness tracks. 11 N.Y.3d 559.

New York State takes over NYCOTB and restructures its site selection board. Legislature creates the Task Force on the Future of Off-Track Betting. L. 2008, ch. 115.