

# **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, and the Seneca Nation's Seneca Niagara Casino in Niagara Falls. 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 133 full time and 165 per diem staff in the 2004-05 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 2004-05 Executive Budget recommends \$12 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, \$2.3 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 \$7.4 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 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.

# **RACING AND WAGERING**

## **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 supervising gaming activities operating on these Indian lands. To oversee these activities, the Board maintains 13 employees at the Oneida Nation's Turning Stone Casino, 15 employees at the St. Regis Mohawk Tribe's Akwesasne Casino and 13 employees at the Seneca Nation's Seneca Niagara Casino. Should additional Indian casinos become operational this year, the 2004-05 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. The Board will continue all such efforts in the future to ensure quality racing in the State.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	19,512,000	21,717,000	2,205,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>19,512,000</b>	<b>21,717,000</b>	<b>2,205,000</b>	<b>0</b>

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

#### **Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Regulation of Racing			
Special Revenue Funds - Other	39	39	0
Regulation of Wagering			
Special Revenue Funds - Other	81	94	13
<b>Total</b>	<b>120</b>	<b>133</b>	<b>13</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	19,512,000	21,717,000	2,205,000
<b>Total</b>	<b>19,512,000</b>	<b>21,717,000</b>	<b>2,205,000</b>

# RACING AND WAGERING

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Regulation of Racing			
Special Revenue Funds - Other	12,200,000	12,000,000	(200,000)
Regulation of Wagering			
Special Revenue Funds - Other	7,312,000	9,717,000	2,405,000
Total	<u>19,512,000</u>	<u>21,717,000</u>	<u>2,205,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Regulation of Racing	12,000,000	(200,000)	8,573,000	(200,000)
Regulation of Wagering	9,717,000	2,405,000	5,380,000	881,000
Total	<u>21,717,000</u>	<u>2,205,000</u>	<u>13,953,000</u>	<u>681,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Regulation of Racing	3,427,000	0
Regulation of Wagering	4,337,000	1,524,000
Total	<u>7,764,000</u>	<u>1,524,000</u>