

# **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 120 full time and 165 per diem staff in the 2003-04 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 2003-04 Executive Budget recommends \$12.2 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. New legislation proposed with this Budget will move these expenses from the State taxpayer-supported General Fund to the racing industry.

In addition, \$2.1 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 \$5.1 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 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.

## 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. As part of this effort, 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.

### ALL FUNDS APPROPRIATIONS (dollars)

| Category          | Available<br>2002-03 | Appropriations<br>Recommended<br>2003-04 | Change    | Reappropriations<br>Recommended<br>2003-04 |
|-------------------|----------------------|--|-----------|--|
| State Operations  | 16,039,000           | 19,512,000                               | 3,473,000 | 0  |
| Aid To Localities | 40,000               | 0  | (40,000)  | 0  |
| Capital Projects  | 0                    | 0  | 0         | 0  |
| Total             | 16,079,000           | 19,512,000                               | 3,433,000 | 0  |

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

| Program                       | Full-Time Equivalent Positions (FTE)  |                                       |            |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
|                               | 2002-03<br>Estimated FTEs<br>03/31/03 | 2003-04<br>Estimated FTEs<br>03/31/04 | FTE Change |
| Administration                |                                       |                                       |            |
| General Fund                  | 14                                    | 0                                     | (14)       |
| Audit and Investigation       |                                       |                                       |            |
| General Fund                  | 18                                    | 0                                     | (18)       |
| Regulation of Racing          |                                       |                                       |            |
| General Fund                  | 4                                     | 0                                     | (4)        |
| Special Revenue Funds - Other | 0                                     | 39                                    | 39         |
| Regulation of Wagering        |                                       |                                       |            |
| Special Revenue Funds - Other | 73                                    | 81                                    | 8          |
| Total                         | 109                                   | 120                                   | 11         |

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

| Fund Type                     | Available<br>2002-03 | Recommended<br>2003-04 | Change      |
|-------------------------------|----------------------|------------------------|-------------|
| General Fund                  | 9,427,000            | 0                      | (9,427,000) |
| Special Revenue Funds - Other | 6,612,000            | 19,512,000             | 12,900,000  |
| Total                         | 16,039,000           | 19,512,000             | 3,473,000   |
| Adjustments:                  |                      |                        |             |
| Appropriated 2002-03          | 16,039,000           |                        |             |

# RACING AND WAGERING

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

| <b>Program</b>                | <b>Available<br/>2002-03</b> | <b>Recommended<br/>2003-04</b> | <b>Change</b>    |
|-------------------------------|------------------------------|--------------------------------|------------------|
| Administration                |                              |                                |                  |
| General Fund                  | 1,305,000                    | 0                              | (1,305,000)      |
| Audit and Investigation       |                              |                                |                  |
| General Fund                  | 1,168,000                    | 0                              | (1,168,000)      |
| Regulation of Racing          |                              |                                |                  |
| General Fund                  | 6,954,000                    | 0                              | (6,954,000)      |
| Special Revenue Funds - Other | 0                            | 12,200,000                     | 12,200,000       |
| Regulation of Wagering        |                              |                                |                  |
| Special Revenue Funds - Other | 5,312,000                    | 7,312,000                      | 2,000,000        |
| Statewide Gaming Program      |                              |                                |                  |
| Special Revenue Funds - Other | 1,300,000                    | 0                              | (1,300,000)      |
| Total                         | <u>16,039,000</u>            | <u>19,512,000</u>              | <u>3,473,000</u> |

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2003-04 RECOMMENDED  
(dollars)**

| <b>Program</b>          | <b>Total</b>  |                    | <b>Personal Service Regular<br/>(Annual Salaried)</b> |                    |
|-------------------------|---------------|--------------------|---|--------------------|
|                         | <b>Amount</b> | <b>Change</b>      | <b>Amount</b>   | <b>Change</b>      |
| Administration          | 0             | (715,000)          | 0   | (715,000)          |
| Audit and Investigation | 0             | (1,115,000)        | 0   | (1,115,000)        |
| Regulation of Racing    | 0             | (4,444,000)        | 0   | (4,444,000)        |
| Total                   | <u>0</u>      | <u>(6,274,000)</u> | <u>0</u>  | <u>(6,274,000)</u> |

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2003-04 RECOMMENDED  
(dollars)**

| <b>Program</b>          | <b>Total</b>  |                    | <b>Supplies and Materials</b> |                  |
|-------------------------|---------------|--------------------|-------------------------------|------------------|
|                         | <b>Amount</b> | <b>Change</b>      | <b>Amount</b>                 | <b>Change</b>    |
| Administration          | 0             | (590,000)          | 0                             | (210,300)        |
| Audit and Investigation | 0             | (53,000)           | 0                             | (8,800)          |
| Regulation of Racing    | 0             | (2,510,000)        | 0                             | (35,400)         |
| Total                   | <u>0</u>      | <u>(3,153,000)</u> | <u>0</u>                      | <u>(254,500)</u> |

| <b>Program</b>          | <b>Travel</b> |                 | <b>Contractual Services</b> |                    |
|-------------------------|---------------|-----------------|-----------------------------|--------------------|
|                         | <b>Amount</b> | <b>Change</b>   | <b>Amount</b>               | <b>Change</b>      |
| Administration          | 0             | (23,800)        | 0                           | (355,900)          |
| Audit and Investigation | 0             | (23,500)        | 0                           | (19,300)           |
| Regulation of Racing    | 0             | (5,900)         | 0                           | (2,465,100)        |
| Total                   | <u>0</u>      | <u>(53,200)</u> | <u>0</u>                    | <u>(2,840,300)</u> |

| <b>Program</b>          | <b>Equipment</b> |                |
|-------------------------|------------------|----------------|
|                         | <b>Amount</b>    | <b>Change</b>  |
| Administration          | 0                | 0              |
| Audit and Investigation | 0                | (1,400)        |
| Regulation of Racing    | 0                | (3,600)        |
| Total                   | <u>0</u>         | <u>(5,000)</u> |

# **RACING AND WAGERING**

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2003-04 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     | 12,200,000        | 12,200,000        | 8,773,000               | 8,773,000         |
| Regulation of Wagering   | 7,312,000         | 2,000,000         | 4,499,000               | 1,271,000         |
| Statewide Gaming Program | 0                 | (1,300,000)       | 0                       | 0                 |
| Total                    | <u>19,512,000</u> | <u>12,900,000</u> | <u>13,272,000</u>       | <u>10,044,000</u> |

| <b>Program</b>           | <b>Nonpersonal Service</b> |                  | <b>Maintenance Undistributed</b> |                    |
|--------------------------|----------------------------|------------------|----------------------------------|--------------------|
|                          | <b>Amount</b>              | <b>Change</b>    | <b>Amount</b>                    | <b>Change</b>      |
| Regulation of Racing     | 3,427,000                  | 3,427,000        | 0                                | 0                  |
| Regulation of Wagering   | 2,813,000                  | 729,000          | 0                                | 0                  |
| Statewide Gaming Program | 0                          | 0                | 0                                | (1,300,000)        |
| Total                    | <u>6,240,000</u>           | <u>4,156,000</u> | <u>0</u>                         | <u>(1,300,000)</u> |

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

| <b>Fund Type</b> | <b>Available</b> | <b>Recommended</b> | <b>Change</b>   |
|------------------|------------------|--------------------|-----------------|
|                  | <b>2002-03</b>   | <b>2003-04</b>     |                 |
| General Fund     | 40,000           | 0                  | (40,000)        |
| Total            | <u>40,000</u>    | <u>0</u>           | <u>(40,000)</u> |

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

| <b>Program</b>          | <b>Available</b> | <b>Recommended</b> | <b>Change</b>   |
|-------------------------|------------------|--------------------|-----------------|
|                         | <b>2002-03</b>   | <b>2003-04</b>     |                 |
| Legislative Initiatives |                  |                    |                 |
| General Fund            | 40,000           | 0                  | (40,000)        |
| Total                   | <u>40,000</u>    | <u>0</u>           | <u>(40,000)</u> |