



WENDY E. SAUNDERS
Director
State Legislative Affairs

THE CITY OF NEW YORK
OFFICE OF THE MAYOR

City Hall
New York, New York 10007
(212) 788-8820

119 Washington Avenue
Albany, New York 12210
(518) 447-5200

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A.7301-B - Pretlow

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to extending the Catskill region to include the five counties comprising the city of New York; and to repeal subdivision 7 of section 532 of the racing, pari-mutuel wagering and breeding law, in relation to disposition of revenues

DISAPPROVAL RECOMMENDED

Hon. Andrew Cuomo
Governor of the State of New York
Executive Chamber
Albany, New York 12224

Dear Governor Cuomo:

I urge you to veto the above-referenced bill, which is before you for executive action.

This bill seeks to restart off-track betting in New York City by extending the authorized region of an upstate entity, the Catskill Off-Track Betting Corporation (Catskill OTB), to the City's five boroughs. The City opposes authorizing an off-track betting corporation governed by a board that is accountable to localities outside of New York City to operate in the City, as a way to bolster its financial performance by profiting off of New York City residents.

This bill represents an unjustified and unprecedented intrusion of an upstate entity in the affairs of New York City. Resurrecting an unlimited off-track betting franchise in the City, as contemplated by this legislation, will benefit the Catskill OTB and upstate localities, largely at the expense of the residents of the City of New York. The former New York City Off-Track Betting Corporation (NYCOTB) was a failing enterprise that lost money and eventually went bankrupt, leaving storefronts empty. It also resulted in social problems outside the betting parlors when they were open. Without a well deliberated, City-initiated supportive services plan, the effects of this bill will be more nuisance complaints and other quality of life concerns in and around the parlors.

In addition, the bill does nothing to address the misaligned payment structures of the Racing, Pari-Mutuel Wagering and Breeding Law, which defines the relationships among off-track betting

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corporations, tracks and the State that contributed to the collapse of the New York City Off-Track Betting Corporation (NYCOTB). Nor does the bill tackle the many liabilities, including to the City of New York that NYCOTB left in the wake of its collapse. The potential "business plan" to be submitted to the State Racing and Wagering Board or its successor provides no clear mechanism for these issues to be resolved. Indeed, NYCOTB would remain on the books, in its present debt ridden and moribund state. The bill also makes confusing statements about the rights of former NYCOTB employees in relation to current agreements and agreements to be negotiated with Catskill OTB. The status of health insurance coverage for retirees of the former NYC OTB remains unresolved.

Furthermore, the bill does not clearly state the role that City officials would play in the governance and policymaking of the board of a non-City entity that would suddenly be given a prominent role in many New York City neighborhoods, or whether the City would even have a choice of whether to participate, as did other counties in this upstate entity. The revival of a reconstituted site selection board, fragmented among various City officials, is not at all sufficient to address this concern.

The City has not been consulted at all as to whether it wants off-track betting reinstated in its neighborhoods. The City has a right to choose whether or not this is an operation it wants revived. If so, the City should have a leading role in the governance of any new OTB structure to ensure that its fiscal and land use concerns as well as quality of life issues can be addressed.

In conclusion, if off-track betting is to be revived at all within the City, it should be done with a viable revenue model that also produces benefits for our government, clear rights and obligations for all affected governmental and non-governmental parties, provisions that address the liabilities of NYCOTB, and the full participation and support of the City of New York, which would have to host the actual off-track betting facilities and deal with the potential effects of these facilities on surrounding neighborhoods. This bill seeks to circumvent all of these criteria for sound governance by simply extending the jurisdiction of an entity that has no role in the City. It is not a useful plan for moving forward in this sensitive area.

Accordingly, it is urged that this bill be disapproved.

Very truly yours,

MICHAEL R. BLOOMBERG, Mayor

By: Wendy E. Saunders
Director

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