

These rules do not impact local governments or small businesses as it is not expected that any local government or small business will hold a gaming facility license.

These rules impose no adverse impact on rural areas. These rules apply uniformly throughout the state and solely apply to licensed gaming facilities.

These rules will have no adverse impact on job opportunities.

These rules will not adversely impact small businesses, local governments, jobs, or rural areas. Accordingly, a full Regulatory Flexibility Analysis, Rural Area Flexibility Analysis, and Job Impact Statement are not required and have not been prepared.

**PROPOSED RULE MAKING  
NO HEARING(S) SCHEDULED**

**Licensing and Registration of Junkets and Junket Enterprises**

**I.D. No.** SGC-28-16-00009-P

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

**Proposed Action:** Addition of Part 5308 to Title 9 NYCRR.

**Statutory authority:** Racing, Pari-Mutuel Wagering and Breeding Law, sections 104(19), 1307(1), 1328(2), (3) and (11)

**Subject:** Licensing and registration of junkets and junket enterprises.

**Purpose:** To govern the licensing and registration of junkets and junket enterprises.

**Text of proposed rule:** PART 5308

*Junket Operator Licensing*

§ 5308.1. Permissible junket activity.

A junket, junket enterprise or junket representative, as such terms are defined in Racing, Pari-Mutuel Wagering and Breeding Law sections 1301(29), (30) and (31), shall be organized or participate with a gaming facility licensee only in accordance with Racing, Pari-Mutuel Wagering and Breeding Law section 1328.

§ 5308.2. License or registration of junket operator.

(a) A junket representative who is employed by a gaming facility licensee, an applicant for a gaming facility license or an affiliate of a gaming facility licensee, is required to be licensed as, and meet the qualifications of, a casino key employee in accordance with Part 5304 of this Subchapter, except that a junket representative does not need to fulfill the residency requirement of a casino key employee.

(b) A junket enterprise and any junket representative not employed by a gaming facility licensee, applicant for a gaming facility license or junket enterprise, is required to be licensed as, and meet the qualifications of, an ancillary casino vendor as set forth in Part 5307 of this Subchapter.

(c) A non-supervisory employee of a junket enterprise or junket representative is required to be registered as, and meet the qualifications of, a non-gaming employee as set forth in Part 5306 of this Subchapter.

(d) In addition to the requirements set forth in subdivisions (a) and (b) of this section, such applicants must submit a statement in writing affirming the applicant's agreement to submit to the jurisdiction of, and service of process in, the State of New York.

§ 5308.3. Waiver.

Upon petition by a gaming facility licensee in accordance with Racing, Pari-Mutuel Wagering and Breeding Law section 1328(13), the commission may exempt arrangements otherwise included within the definition of "junket" from compliance with this Part.

§ 5308.4. Agreement.

(a) A gaming facility licensee shall participate in a junket pursuant to a junket operator agreement with a junket representative or junket enterprise licensed in accordance with section 5308.2 of this Part. The junket operator agreement shall be filed with the commission prior to the commencement of the junket.

(b) The term of a junket operator agreement shall not exceed the expiration date of the junket representative or junket enterprise license or registration related thereto.

(c) A gaming facility licensee must notify the commission of any change to a junket operator agreement no later than three days before the commencement of the first junket arrangement subject to the revised terms.

(d) A gaming facility licensee must notify the commission of the termination of any junket operator agreement no later than five days after such termination.

§ 5308.5. Reporting.

(a) Junket operator report. A gaming facility licensee shall submit a quarterly report to the commission describing the operation of any junket representative or junket enterprise engaged on its premises, which report shall include:

- (1) name of each licensed junket representative or junket enterprise;
- (2) status of current relationship with each junket representative or junket enterprise;
- (3) compensation paid in that quarter to each junket representative or junket enterprise;
- (4) number of preferred guests attributed to each junket representative or junket enterprise;
- (5) arrival and departure time and date of each junket representative or junket enterprise;
- (6) list of gaming facility licensee employees acting as junket representatives; and
- (7) such other information the commission may require.

(b) Patron list. A gaming facility licensee, junket representative and junket enterprise shall submit a quarterly report to the commission identifying any list of junket patrons or potential junket patrons purchased directly or indirectly by the gaming facility licensee, junket representative or junket enterprise, which report shall include:

- (1) name and address of the person or enterprise selling the list;
- (2) purchase price paid for the list or any other terms of compensation related to the transaction;
- (3) date of purchase of the list; and
- (4) zip codes of all junket patrons or potential junket patrons.

(c) Junket patron report. The junket patron report shall be made available to the on-site commission staff. The report shall include:

- (1) information relating to each junket patron, including without limitation:
  - (i) name;
  - (ii) date of birth;
  - (iii) citizenship;
  - (iv) address of usual place of residence; and
  - (v) identity card, passport, taxpayer identification or any other government-issued identity document as evidence of such patron's nationality or residence and bearing a photograph of the individual;

(2) date and time of arrival of each patron when on a junket at the gaming facility;

(3) name and license number of each junket representative accompanying a patron; and

(4) amount and type of commission, rebate or complimentary given to each patron.

§ 5308.6. Junket operator prohibitions.

No junket enterprise or junket representative or person acting as a junket representative may engage in the activities set forth in Racing, Pari-Mutuel Wagering and Breeding Law 1328(14).

**Text of proposed rule and any required statements and analyses may be obtained from:** Kristen Buckley, New York State Gaming Commission, One Broadway Center, 6th Floor, Schenectady, NY 12305, (518) 388-3407, email: kristen.buckley@gaming.ny.gov

**Data, views or arguments may be submitted to:** Same as above.

**Public comment will be received until:** 45 days after publication of this notice.

**Regulatory Impact Statement**

1. STATUTORY AUTHORITY: Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") section 104(19) grants authority to the Gaming Commission ("Commission") to promulgate rules and regulations that it deems necessary to carry out its responsibilities. Racing Law section 1307(1) authorizes the Commission to adopt regulations that it deems necessary to protect the public interest in carrying out the provisions of Racing Law Article 13.

Racing Law section 1328(2) authorizes the Commission to regulate and license junket representatives as casino key employees.

Racing Law section 1328(3) authorizes the Commission to regulate and license junket enterprises as ancillary vendors.

Racing Law section 1328(11) mandates the Commission prescribe methods, procedures and forms for the delivery and retention of information concerning the conduct of junkets by gaming facility licensees.

2. LEGISLATIVE OBJECTIVES: The above referenced statutory provisions carry out the legislature's stated goal "to tightly and strictly" regulate casinos "to guarantee public confidence and trust in the credibility and integrity of all casino gambling in the state and to prevent organized crime from any involvement in the casino industry" as set forth in Racing Law section 1300(10).

3. NEEDS AND BENEFITS: The proposed rules implement the above listed statutory directives regarding the licensing requirements and procedures for registration of junkets. The rules provide specificity with respect to the above listed statutory directives to assure registration, notification and reporting requirements of all junkets. In addition, this rule making is necessary to promote public confidence and trust in the credibility and integrity of casino gambling in New York State.

4. COSTS:

(a) Costs to the regulated parties for the implementation of and continuing compliance with these rules: gaming facility licensees are responsible for the fees associated with employee applications, which will include the applications of a junket representative as a casino key employee. Vendors are responsible for the fees associated with the vendor application which will include ancillary vendor applications for junket enterprises.

(b) Costs to the regulating agency, the State, and local governments for the implementation of and continued administration of the rule: These rules will impose costs on the division of state police and the Commission for reviewing and investigating junket representative and enterprise applications. These rules will not impose any additional costs on local governments.

(c) The information, including the source or sources of such information, and methodology upon which the cost analysis is based: The costs associated with licensing junket representatives as casino key employees and junket enterprises as ancillary vendors will be based on hourly rates for the division of state police to conduct background investigations and on the Commission's administrative cost to process and issue such licenses and registrations. These costs will vary depending on the individual employee or vendor applicant and thus no estimate of cost is available.

5. LOCAL GOVERNMENT: There are no local government mandates associated with these rules.

6. PAPERWORK: These rules impose paperwork burdens on junkets to apply for licensure and/or registration. Junkets are required to report quarterly to the Commission.

7. DUPLICATION: These rules do not duplicate, overlap or conflict with any existing State or federal requirements.

8. ALTERNATIVES: The Commission consulted stakeholders and reviewed other gambling jurisdiction best practices and regulation. Alternatives were discussed and considered with stakeholders and compared to other jurisdictions regulations. These included providing clarification on the following: permissible junket activity, affiliate of a gaming facility licensee and submission and terms used in a junket patron report. The Commission is also required to promulgate these rules pursuant to Racing Law sections 1328(2), 1328(3) and 1328(11).

9. FEDERAL STANDARDS: There are no federal standards applicable to the licensing of gaming facilities in New York; it is purely a matter of New York State law.

10. COMPLIANCE SCHEDULE: The Commission anticipates that the affected parties will be able to achieve compliance with these rules upon adoption.

#### **Regulatory Flexibility Analysis**

1. EFFECT OF RULE: These rules provide for the licensure of junket representatives and junket enterprises. Small business junket enterprises seeking to be licensed will be impacted by these rules. Local government will not be affected by these rules.

2. COMPLIANCE REQUIREMENTS: These rules require all junket representatives and junket enterprises to apply for licensure with the Commission.

3. PROFESSIONAL SERVICES: No new or additional professional services are required in order to comply with these rules.

4. COMPLIANCE COSTS: Junket representatives and junket enterprises need to apply for licensure with the Commission and will incur costs associated with the application and licensure. The costs for a junket representative to be licensed as a key employee will be born by the gaming facility. The junket enterprise required to be licensed as an ancillary vendor will bear the costs for licensure. The costs for the application will be based on the hourly rates for the division of state police to conduct background investigations and a license fee may be incurred based upon the Commission's administrative costs to process and issue such licenses.

5. ECONOMIC AND TECHNOLOGICAL FEASIBILITY: These rules will not impose any technological costs on small businesses or local government.

6. MINIMIZING ADVERSE IMPACT: These rules do not impose adverse impacts on small businesses or local government.

7. SMALL BUSINESS AND LOCAL GOVERNMENT PARTICIPATION: Small businesses and host local governments will have the opportunity to participate in the rule making process during the public comment period which will commence when these rules are formally proposed.

Several of the development zone regions authorized to host a licensed gaming facility, as contemplated by Racing, pari-Mutuel Wagering and Breeding Law section 1310, are located within "rural areas" as that term is defined in Executive Law section 481(7). The decision to locate a licensed gaming facility in a rural area will not have an adverse economic impact. These rules have the potential to boost economic development within rural areas. Accordingly, a rural flexibility analysis is not required and one has not been prepared.

#### **Rural Area Flexibility Analysis**

Several of the development zone regions authorized to host a licensed gaming facility, as contemplated by Racing, pari-Mutuel Wagering and

Breeding Law section 1310, are located within "rural areas" as that term is defined in Executive Law section 481(7). The decision to locate a licensed gaming facility in a rural area will not have an adverse economic impact. These rules have the potential to boost economic development within rural areas. Accordingly, a rural flexibility analysis is not required and one has not been prepared.

#### **Job Impact Statement**

1. NATURE OF IMPACT: The Commission has determined that these rules will not have a substantial adverse impact on jobs and employment opportunities. To the contrary, these rules are intended to create jobs.

2. CATEGORIES AND NUMBERS AFFECTED: It is anticipated that up to four gaming facilities, as contemplated by Racing, Pari-Mutuel Wagering and Breeding Law Article 13, would generate numerous employment opportunities for junket representatives and employees of junket enterprises.

3. REGIONS OF ADVERSE IMPACT: The Commission does not anticipate regions of the state to suffer a disproportionate adverse impact in regards to jobs or employment opportunities.

4. MINIMIZING ADVERSE IMPACT: These rules do not create any unnecessary adverse impact on existing jobs. A positive impact on jobs and employment is anticipated.

## **PROPOSED RULE MAKING NO HEARING(S) SCHEDULED**

### **Registration of Labor Organizations**

**I.D. No.** SGC-28-16-00010-P

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

**Proposed Action:** Addition of Part 5310 to Title 9 NYCRR.

**Statutory authority:** Racing, Pari-Mutuel Wagering and Breeding Law, sections 104(19), 1307(1), 1330(1) and (2)

**Subject:** Registration of labor organizations.

**Purpose:** To govern the registration of labor organizations.

**Text of proposed rule:** PART 5310

*Labor Organization Registration*

§ 5310.1. *Labor organization registration.*

(a) *A labor organization, union or affiliate seeking to represent employees who are employed in a gaming facility by a gaming facility licensee, shall file biennially with the commission a labor organization registration statement the commission supplies and may amend when necessary.*

(b) *A labor organization registration statement shall include, without limitation, the following:*

(1) *names and addresses of labor organizations, unions or affiliates associated with the registrant;*

(2) *information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee licensed by the commission and employed by a gaming facility licensee;*

(3) *information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in the gaming facility licensee;*

(4) *names of any pension and welfare systems maintained by the registrant and all officers and agents of such organizations and systems;*

(5) *names of all officers, agents and principal employees of the registrant; and*

(6) *such other information the commission may require.*

(c) *A labor organization, union or affiliate may satisfy the requirements of paragraphs (1) through (6) of subdivision (b) of this section by providing the commission a copy of a report, or relevant portion thereof, filed with the United States Secretary of Labor pursuant to 29 USC 431 et seq. (Labor-Management Reporting and Disclosure Act).*

(d) *A labor organization, union or affiliate that meets the exemptions set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1330(1) may, upon petition to the commission, be exempted from the registration requirements set forth in subdivisions (a) and (b) of this section.*

§ 5310.2. *Labor organization officers, agents and principal employees.*

(a) *Each officer, agent and principal employee of a labor organization, union or affiliate registered or required to be registered pursuant to this Part shall:*

(1) *file with the commission a labor organization individual disclosure form the commission supplies and may amend from when necessary; and*