

NYS Gaming Commission - Public Meeting Transcript

January 27, 2025 1:30 p.m.

655 3rd Avenue, 6th Floor Conference Room, New York, NY

Executive Director Robert Williams: New York State Racing, Pari-Mutuel Wagering and Breeding Law § 102 provides that the New York State Gaming Commission shall consist of seven members appointed by the Governor by and with the advice and consent of the Senate. Four members being confirmed by the New York State Senate are necessary to afford the Commission an ability to establish a quorum and undertake action.

This present meeting of the Commission is now called to order.

This meeting is being conducted by video conferencing in two locations New York and Schenectady. Both locations have been appropriately noticed and accommodate public attendance.

Ms. Secretary, will you please call the roll?

Acting Secretary Kristen Buckley (via video): John Crotty
Commissioner John Crotty: Here.

Kristen Buckley: Sylvia Hamer
Commissioner Hamer: Here

Acting Secretary Kristen Buckley: Martin Mack
Commissioner Mack: Here

Acting Secretary Kristen Buckley: Peter Moschetti
Commissioner Moschetti: Here

Acting Secretary Kristen Buckley: Brian O'Dwyer
Chair Brian O'Dwyer: Here.

Kristen Buckley: Marissa Shorentsein
Commissioner Shorenstein: Here

Kristen Buckley: Jerry Skurnik
Commissioner Jerry Skurnik: Here.

Robert Williams: Ms. Secretary, please have the record reflect the quorum of established members is present, thus enabling the transaction of business. Please note Commissioners Moschetti and Mack are in Schenectady and that bilateral

visual and oral communications between New York and Schenectady have been established.

Chair O'Dwyer: Minutes of the Commission meeting conducted on December 16, 2024, have been provided to the members in advance. At this time, I'd like to ask the members if there are any edits, corrections or amendments. Hearing none, Ms. Secretary, please let the record reflect the minutes were accepted.

We will now go for the consideration and appointments of the Gaming Facility Location Board. Mr. Williams?

Executive Director Robert Williams: By N.Y. Racing, Pari-Mutuel Wagering and Breeding Law § 109-a, the Commission is required to select five individuals to serve as members of the Gaming Facility Location Board for the Additional Licensing Process.

The Commission staff's search for qualified, unconflicted individuals to serve has led to the identification of fourth and fifth members who has been advanced for Commissioner consideration to be a member of the Gaming Facility Location Board. Their names, biographies, and conflicts review have been previously circulated to members.

Mr. Chairman?

Chair O'Dwyer: I'd like to state that I appreciate the potential candidate's desire to accept this task. It is truly public service. Members serve without compensation; in a limited license situation, few people will be pleased at the conclusion of the process, except for those that are selected, of course; and with so many constituencies and so much media interest, decisions will inevitably be questioned. This is a monumental task.

That said, few tasks have the opportunity to transform. The casino licensing process has that possibility. With capital investment, direct and construction employment, and the driving of incremental tax revenue – these projects will offer the possibility of tangible change to their host locations. I can tell you that in my mind this is one of the most consequential efforts the state will take in many a year. It will make a difference in the lives of many., many people and of course in terms of the state.

I have had the opportunity to talk to both of the candidates. Mr. Reimers who is here today and Mr. Phillips who was not able to make it today due to the late notice. Both of them, as I have reviewed their resumes are uniquely and wonderfully competent in terms of their work. First of all I want to give the thanks not only of the commission but I want to give the thanks not only of the commission but frankly the people of the state of New York for their work on this, which is going to be Monumental and life changing and so I would accept a motion first of all to accept the appointment of Marion Phillips, III to the Gaming Facilities Location Board. I have a motion, so moved. Do I have a second? Anyone want to discuss Mr. Phillips? I know you've all had an opportunity to review his credentials. (Motion passes).

Mr. Reimers is here. Thank you for coming. And thank you Greg for being part of this. As we discussed the other day you're taking on a monumental task. Not everybody is going to be happy at the very end of this, as you well know. Seems to me having read your resume that it looks to me like you've been preparing this for your entire life. There is going to be many, many instances where we're going to need your unique qualifications and experience so thank you. You have my thanks and really the thanks of the people of New York. I look forward as well as the staff to working with you in the ensuing months to get this monumental and important task done.

May I have a motion to accept the appointment of Greg Reimers to the Gaming Facilities Location Board? Motion approved. Now we move on to the Executive Director's report:

Robert Williams: Today, I'd like to touch upon a few Items related to Charitable Gaming, the Governor's Executive Budget, and a rule proposal staff is considering advancing.

First, the Division of Charitable Gaming is refocusing training and education outreach, with the scheduling of a monthly online seminar series commencing February 12th and continuing the second Wednesday of each month.

The seminars are designed to help interested organizations and municipal clerks learn about and comply with the various laws, rules and regulations governing charitable gaming. How to obtain a Games of Chance and/or Bingo Identification Number, the first step to apply for a license to conduct charitable gaming in New York State, and the various reporting obligations and financial reports, will be topics of discussion.

Preregistration is required, and if a party has a specific issue or question, advance notice of such will assist in ensuring the query can be appropriately addressed. Registration will open two weeks before each event and will be promoted on our website and through social media.

A longer-term goal of the Division is to create short, issue-focused modules on specific areas of most common interest, accessible 24/7 on-demand, and posted on the Commission's YouTube page.

Last week, the Governor proposed her Executive Budget. Within were five items that relate to gaming.

Several are tax-related proposals or extenders of previously approved laws set to expire. These include amending and simplifying the Pari-Mutuel tax rate structure, temporarily extending the lower commercial casino slot taxation rates, extending certain pari-mutuel tax rates and simulcast provisions, and allowing Capital District Regional Off Track Betting Corporation to conditionally access and use their Capital Acquisition Funds.

The fifth item is to fund and conduct a study of Thoroughbred fetlock joint injuries through advanced imaging. The Executive builds upon last year's Assembly proposal but formalizes the approach in the nature of an academic grant proposal, with defined aims. The study would be conducted at the Cornell Ruffian Equine Specialists facility, which is located across the street from Belmont Park, and would be funded an additional 1 percent market origin fee in effect for three years. NYRA is also providing a \$2 million grant to subsidize the acquisition of the new advanced imaging equipment.

Pre-Proposal Comments Sought

Commission staff will be circulating a request for pre-proposal comments as we consider asking you to propose an amendment to an aspect of our self-exclusion rule. Specifically, we are considering recommending that the Commission's statewide self-exclusion program be exclusive in New York and that licensees be prohibited from establishing or maintaining alternative self-exclusion programs.

Presently, the current Commission statewide self-exclusion program provides that a person who elects to self-exclude is then prohibited from participating in gambling activity in New York broadly. For example, a person who joins our self-exclusion program at a video lottery facility is prohibited from wagering at commercial casinos, with mobile sports wagering licensees, at horse racetracks and with the New York Lottery. Even if a licensee has a well-intentioned private self-exclusion program, maintaining such a program may have the undesirable and unintended effect of diverting a person in need of problem-gambling assistance from the broader statewide program and enabling their play with other licensees.

Later today, Secretary Buckley will be circulating a request for pre-proposal comment on this matter. We will also post this request on our website. We will be looking for responses by February 27, 2025. If we determine to request you propose a rule amendment, we will likely do so for our March meeting.

Finally, as a point of information the Franchise Oversight Board is scheduled to conduct its first 2025 meeting on next Friday. The first meeting of the year is generally limited to consideration of NYRA's Operating Budget and consideration and approval of NYRA's Capital Budget. There will likely be a robust discussion of the Belmont Redevelopment project and status of the quality-of-life backstretch projects. For anyone interested in following the proceedings, the link to the webcast is on the Franchise Oversight Board's website.

Chair O'Dwyer: In late December I participated in a video conference call with a mobile sports wagering licensee regarding practical implementation of the challenges and meeting with the requirements the commission's advertising regulations and let me say parenthetically I don't think any of us were prepared for the explosion of Internet sports gambling and the state has gotten enormous revenue out of it and an awful lot of good has come of that, however I think all of us here have to be aware that along with that great uh benefit comes great responsibility and the responsibility we have is to ensure that and not to be blind to the possibility that people

will abuse it abuse the gambling and that they will engage in problem gambling and people will be will be hurt unless we take strong actions to try and at least ameliorate some of those some of those negative consequences and I'm acutely aware of that as is our executive director as are the Commissioners in doing that we have set a number of commission regulations and I've over the last few weeks I have spent far too much time listening to the sports ads as opposed to the sporting events and uh going on, but the legislature has given us really clear direction. The law requires that each advertisement shall clearly and conspicuously state a problem gambling hotline number which we have. The law also draws the definition of an advertisement very broadly.

Paraphrased, an advertisement is any notice or communication to the public or any information concerning the gaming-related business of a mobile sports wagering licensee through broadcasting, publication or any other means of dissemination, including electronic. Promotional activities are specifically considered advertisements.

Anyone watching sporting events can see there is a blurring between pre-event discussion and sports betting promotion. There is also a blurring of what can be considered news information and what is practically a sports wagering enticement.

Either way, we, the regulators, and our licensees, the operators, share a common goal in wanting to be in full compliance with applicable laws and regulations. Having a common understanding of what is subject to the law and regulations is paramount to achieving this compliance.

To that end, I have asked staff to pull together in the first quarter of this calendar a meeting with stakeholders in this industry. That would be the office of Addiction Supports and Services, the New York Council on Problem Gambling, the licensees and other interested parties and see if we can get full compliance with the law and whether we should be doing other things to assure that the problem of problem gambling is adequately addressed. The staff will be holding a meeting and I will chair that meeting and I will report back to the Commissioners at our next meeting as to the date and time that we will have that.

I have noticed an uptick in an activity that is generally referred to as social gaming and I think many of you have seen this on TV. Where people are encouraged to engage in gambling or gambling-related games with a social network or media platform using non-value virtual currency. In my limited interactions with the activity, several operators seem to be skirting the law, or quite possibly violating the law. That is, with some, when a patron runs out of virtual chips and he is encouraged to keep playing by buying more chips. With other operators, there is an ability of a patron to use a secondary market to trade virtual chips accumulated or transfer their entire account for something of value.

I have serious concern that there are operators conducting business inside our State that are running afoul of New York's penal restrictions on unlawful gambling. I have discussed with our staff It is my understanding that staff have made several referrals to law enforcement and is assisting in case development.

I can assure my fellow Commissioners and the public that if there if this activity continues and is found to be in in violation of New York State's gaming law that we will do everything possible to assure that that law is protected and respected. I will inform the Commissioners at our next meeting as to exactly what is going to what we are going to be doing what the law enforcement officers are going to be doing in terms of those activities. It is serious and it's getting far more serious.

Finally, before I conclude, I'd like to call attention to the impending retirement - this Wednesday - of Deputy Executive Director Ronald Ochrym. Ron is a long-serving government professional who first entered State service while pursuing a doctorate in Political Science at the State University of New York Nelson A. Rockefeller College of Public Affairs and Policy. During his academic venture, he took employment as a Senior Legislative Analyst in the Office of Counsel to Assembly Majority Leader Dan Walsh, and he has functionally been in State service ever since.

Ron's experience has been substantial, holding positions of increasing responsibility over time.

He followed his experience in Dan Walsh's office with employment as a Legislative Associate in the Assembly Majority Leader Jim Tallon's research office, followed by the position of Chief of Staff to Assembly Majority Leader Michael Bragman, where he also served as the Director of the Assembly Majority Task Force on Workers' Compensation Reform.

Following his service with the Assembly, Ron was employed as the Special Projects Coordinator and Director of Minority Information Services with the New York State Senate Minority. After a short window of private sector employment, Ron rejoined the State, being appointed as Executive Director of the New York State Racing & Wagering Board. Following the 2013 merger between the Board and the New York Lottery, Ron served as the Director of the Division of Horse Racing and Pari-Mutuel Wagering and as the Commission's Deputy Executive Director for Operations.

Ron used his statistics background to help identify and analyze data relative to racing. His attention to detail and tireless service regarding horse health and safety has made the sport undeniably safer and he will be greatly missed.

I also want to also add my own personal thanks to him when I came on our executive director made the unfortunate choice for Ron of having him take me aboard and teach me about all the aspects of the of the gaming commission. I couldn't have had a better teacher and I appreciate the work that he has done. I can tell you that we all wish him well in his retirement, but we will greatly miss him and his work.

Hearing nothing further do I have a motion to adjourn.

We're adjourned ...