New York State Gaming Commission

PROPOSED RULE MAKING NO HEARING(S) SCHEDULED

Licensing of Owners in Thoroughbred Racing

I.D. No. SGC-39-26-00023-P

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

Proposed Action: Amendment of section 4026.3 of Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 104(1), (19) and 220(1)

Subject: Licensing of owners in Thoroughbred racing.

Purpose: To establish criteria for licensing horse owners in Thorougbred racing.

Text of proposed rule: § 4026.3. Nonmanaging ownership.

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(b) Nonmanaging owners—licensing. No horse shall be entered or started by such horse's managing owner that is owned by [35] *20* or [less] *fewer* owners, unless all of the owners are licensed, or, if owned by more than [35] *20* owners, unless each individual having a [three] *five* percent or greater property interest is licensed as an owner by the commission. In addition, each such owner that is not an individual must be registered and licensed with the commission, and all such entity's officers, directors, trustees or other managing individuals must be licensed by the commission unless otherwise directed by the commission. The commission may also require any other individual involved in ownership to be licensed at any time [it] *the commission* may deem desirable. The commission or the State steward, for good cause, may waive any of such requirements for a race. In no event, however, may a horse start, if the license of any such individual has been denied, suspended or revoked, until the commission is satisfied that any withdrawal of such individual or transfer of such individual's interest is in good faith.

Text of proposed rule and any required statements and analyses may be obtained from: Kristen Buckley, New York State Gaming Commission, 354 Broadway Center, PO Box 7500, Schenectady, NY 12305, (518) 388-3332, email: gamingrules@gaming.ny.gov

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

Public comment will be received until: 60 days after publication of this notice.

This rule was not under consideration at the time this agency submitted its Regulatory Agenda for publication in the Register.

Regulatory Impact Statement

1. STATUTORY AUTHORITY: The New York State Gaming Commission ("Commission") is authorized to promulgate the proposed rule by Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") Sections 104(1) and (19) and 220(1).

Subdivision (1) of Section 104 confers upon the Commission general jurisdiction over all gaming activities within the State and over the corporations, associations and persons engaged in such activities. Subdivision (19) of Section 104 authorizes the Commission to promulgate any rules and regulations that it deems necessary to carry out its responsibilities.

Subdivision (1) of Section 220 authorizes the Commission to regulate licensing of participants in Thoroughbred racing.

2. LEGISLATIVE OBJECTIVES: To enable the Commission to enhance the integrity and safety of Thoroughbred horse racing and generate reasonable revenue for the support of government.

3. NEEDS AND BENEFITS: This rule making proposes to adjust the criteria under which non-managing owners of horses in Thoroughbred racing are required to be licensed by the Gaming Commission. Currently, each non-managing owner must be licensed when there are 35 or fewer owners and when an owner has a three percent or more interest, when there are more than 35 owners. This proposal would change those thresholds to, instead, require licensure of each owner only when there are 20 or fewer owners or an owner has a five percent or more interest, when there are more than 20 owners. The five-percent threshold is modeled after the Association of Racing Commissioners International Model Rule and is a standard that many other racing jurisdictions, such as Kentucky, Maryland and Ohio, use. Adjusting the threshold for licensing is expected to reduce administrative burden without compromising the integrity of racing.

4. COSTS:

(a) Costs to regulated parties for the implementation and continuing compliance with the rule: None.

(b) Costs to the regulating agency, the State, and local governments for the implementation and continued administration of the rule: No additional operating costs are anticipated as a result of the proposed rule.

(c) The information, including the source or sources of such information, and methodology upon which the cost estimate is based: The cost estimates are based on the Commission's experience with regulating Thoroughbred racing.

5. LOCAL GOVERNMENT: None. The Commission is the only governmental entity authorized to regulate Thoroughbred racing activities.

6. PAPERWORK: The proposed rule would reduce paperwork requirements.

7. DUPLICATION: The proposed regulation does not duplicate any existing State or federal requirements of the same or similar subject matter.

8. ALTERNATIVES: The Commission could continue the current rules or employ different thresholds for licensure. The threshold used in the Association of Racing Commissioners International Model Rule was deemed to be sufficient.

9. FEDERAL STANDARDS: There are no federal standards applicable to this aspect of Thoroughbred racing.

10. COMPLIANCE SCHEDULE: The Commission anticipates that affected parties will be able to achieve compliance with these rules upon publication of the Notice of Adoption in the State Register.

Regulatory Flexibility Analysis, Rural Area Flexibility Analysis and Job Impact Statement

The proposed rule making will amend the rules governing the circumstances under which non-managing owners require a license from the Gaming Commission. These amendments will not have any adverse impact on small businesses, local governments, jobs or rural areas.

The proposed rulemaking does not affect local governments and will not harm small businesses in New York State.

When adopted, the rule will apply uniformly throughout the State, and it will impose no adverse impact on rural areas.

This rule making will not limit or decrease job opportunities.

Because the proposed rulemaking will not adversely impact small businesses, local governments, jobs or rural areas, 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

Coupling in Thoroughbred Racing

I.D. No. SGC-39-26-00024-P

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

Proposed Action: Amendment of section 4025.10 of Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 104(1), (19) and 235(1)

Subject: Coupling in Thoroughbred racing.

Purpose: To enhance wagering interest in Thorougbred racing.

Text of proposed rule: Section 4025.10 of 9 NYCRR would be amended to read as follows:

§ 4025.10. Limitations on entries.

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(b) Coupling.

(1) Horses that have the same individual present in the managing ownership of the horses, that share a 25 percent commonality in ownership or that share a common trainer are related horses for purposes of this section.

(2) Related horses [may] *shall not* be coupled as a single betting interest in a race, unless paragraph [(6)] *(3)* of this subdivision applies.

(3) [If more than two horses in a race are related horses, such horses shall be coupled as a single betting interest in such race, unless paragraph (6) of this subdivision applies.

(4)] The State steward may require any related horses entered in a race to be coupled as a single betting interest in a race prior to the commencement of wagering on-track and off-track, if such steward, in such steward's discretion, finds it necessary in the public interest.

[(5)] *(4)* If related horses are not coupled, the racetrack operator shall take such actions as are necessary to inform the public adequately with regard to the common ownership and/or trainer [that would otherwise