

## VETO MESSAGE:

VETO MESSAGE - No. 86

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 577-A, entitled:

"AN ACT to amend the racing, pari-mutuel wagering and breeding law,  
in relation to authorizing the payment of rebates on pari-mutuel wagers"

NOT APPROVED

This bill provides statutory authority for the Racing and Wagering Board (RWB) to authorize player reward rebate programs at racetracks and off-track betting (OTB) corporations. Under the bill, rebates could include awards of merchandise, free or reduced cost pari-mutuel wagers, monetary awards, or services such as meals, parking, admissions or seating. The player reward programs would be subject to annual approval by the RWB. OTB corporations would only be authorized to provide rebates on wagers on races conducted at tracks that offer rebates. Racetracks may provide rebates on wagers on simulcast races with the approval of the track conducting the race.

The sponsors of the bill cite increased competition from off-shore betting houses that offer rebate programs for their racing events as justification for this legislation, as well as the need to provide a "statutory framework to assist a racetrack or OTB to develop and implement a rebate program." Unfortunately, the statutory framework set up under this bill is poorly drafted and confusing, thereby making it difficult for the RWB, racetracks and OTB corporations to implement.

For example, the bill provides three different definitions for

"rebate" - one is a statutory definition, the second authorizes a definition in regulations with a suggested list of items that can be included, and the third also authorizes a regulatory definition, but provides a mandatory list of items that must be included. Such a confusing statutory framework will not benefit the RWB, racetracks or OTB corporations that want to develop and implement a rebate program.

Finally, it is not even clear that this bill is necessary, because RWB already appears to have the authority to establish rebate programs, and has approved such programs for New York Racing Association (NYRA) tracks and the Capital Region OTB Corporation.

I share the desire of the sponsors of this bill to help New York State's racing industry remain competitive with foreign racing interests. However, that desire must be tempered by the need to enact laws that are necessary and can be understood by all those subject to its terms. This bill does not meet that test.

The bill is disapproved.

(signed) ELIOT SPITZER

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