

NY Casino on Hold; Aid for Racing on Agenda

By Tom Precious
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Lawmakers in New York said they plan to put off until next year passage of a measure permitting casino gambling in the Catskills resort region of the state. But they claim a busy agenda should be on the table in the coming months if the state is to assist the troubled racing industry.

“There’s no advantage to doing it in 2011,” said Sen. John Bonacic, a Republican who chairs the Senate Racing and Wagering Committee and chief sponsor of a resolution to bring up to three non-Indian casinos to the Catskills.

There has been speculation that lawmakers might try to push a “first passage” bill on the casino issue before the 2011 legislative session ends this spring. In New York, non-Indian casino development would require a change in the constitution, a process that requires passage by two successive sessions of the legislature and then a statewide referendum. Backers want to pass a first bill either this year or in 2012, followed with another vote by lawmakers in 2013; the earliest it could go to voters would be the fall of 2013.

Bonacic, who represents the Catskills area, said the best strategy would be to put off a first passage vote until 2012 “to shorten the period for all the critics to come out to try to kill the constitutional amendment. Why start early when you don’t have to?”

Assemblyman Gary Pretlow, chairman of the Assembly Racing Committee, backs the casino resolution, but said a vote doesn’t need to happen before this year’s legislative session ends in June.

“There’s really no rush to do it this year because we can do it next year,” Pretlow said, noting the timetable would not change for proponents hoping for a statewide referendum in 2013.

Critics claim New York is already flush with new gambling opportunities over the past decade while gambling addiction treatment options have not kept up with the demand. Backers, though, said New York is losing too much money to casinos in New Jersey, Pennsylvania, and Connecticut; the constitutional amendment process for the Catskills comes after a steady lineup of proposals for Indian-owned casinos for the region have died over the years due to various causes. Racetrack operators, meanwhile, worry that full-blown casinos in the Catskills would slam video lottery terminal operations at

Monticello and Yonkers harness tracks, as well as the under-construction VLT facility at Aqueduct.

Bonacic, who is new this year as the committee leader, said there is already plenty of work to do before the end of June to shore up the embattled racing industry. He said he'd like to get approved some sort of tax incentives to help Belmont Park attract the Breeders' Cup next year.

He also believes officials need to address the state's off-track betting corporation problems following the shutdown of New York City OTB and the recent Chapter 9 reorganization filing by Suffolk Regional OTB.

Bonacic said a plan should be considered to merge Suffolk with Nassau OTB on Long Island. Senate Republicans have floated bidding out the leftover pieces of NYCOTB to a private bidder. If that fails, Bonacic suggested officials look at consolidating the former NYCOTB with OTB corporations in the sprawling Catskills and Capital District areas.

The lawmaker added that the issue of regulating out-of-state advance deposit wagering operators to create parity with New York state betting groups should be a front-burner matter before this year's legislative session ends.

But Bonacic openly worried if the biggest racetrack player has an interest in reforming the matter.

"My perception is that NYRA is happy with these (ADW) arrangements," the senator said, noting that NYRA should "be cooperative" with the state's other racing entities to address the issue. But he believes NYRA is happy to be getting the out-of-state ADW revenue because it is "desperate" for any source of cash, especially in the fallout of NYCOTB's demise.

"My take is that NYRA has its thumb on this with keeping the status quo with ADWs," he said.

The senator said he hopes to work with Pretlow in the coming months on a "parity" measure involving the non-New York ADWs.

"NYRA runs great racing because New York gave them the ability to use our public properties: the racetracks," Bonacic said. "They're public assets, these tracks, and I'd like to see NYRA be cooperative with the other players to do more for the sport."

A NYRA spokesman was not immediately available for comment.

With the financial issues facing the industry, Bonacic said stakeholders have a prime moment in New York to get something done this year after decades of infighting. "Are we ready to make structural reforms and force these special interests to back down and

make progress in racing? If not, racing will slowly continue to deteriorate in the state of New York," he said.

"We're at a critical crossroads, in my opinion, and this is a wonderful opportunity for structural reform, if we can get partners," Bonacic said.