

value of up to and including \$600 may be obtained in cash from any lottery sales agent participating in the computer network from which such ticket was sold.]

[(b) Check payment.]

[(1) Any prize over \$600 shall be payable only by check.]

[(2)] Any prize may be claimed by mailing a completed prize claim form to the commission at the address announced by the commission for such purpose. [Any prize paid by mail shall be payable only by check.]

(b) [(3)] Any prize paid at an office of the commission, or by an agent designated by the commission to pay prizes of more than \$600 each on behalf of the commission, shall be [payable only] paid by check or by any alternative method of payment determined by the commission (such as a commission-issued debit card).

(c) Any prize of \$600 or less may be claimed at any lottery retailer location and the prize shall be paid in cash or by any alternative method of payment determined by the commission (such as a commission-issued debit card). Any prize of more than \$600 must be claimed directly from the commission or an agent designated by the commission, pursuant to subdivisions (a) or (b) of this Part.

(d) [(4)] Any [lotto subscription] prize won by a subscriber through a subscription pursuant to Part 5005 of this Chapter shall be payable [only by check] as follows:

(1) by check or alternative method of payment determined by the commission (such as a commission-issued debit card), if the prize is more than \$600; or

(2) the prize amount shall be made available in the subscriber's player account, if the prize is \$600 or less.

Text of proposed rule and any required statements and analyses may be obtained from: Kristen Buckley, New York State Gaming Commission, One Broadway Center Schenectady, New York 12301, (518) 388-3407, email: gamingrules@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.

Five-Year Review of Existing Rules An assessment of public comments is not attached because no comments were received. Not applicable.

Regulatory Impact Statement

1. Statutory authority: Pursuant to the authority conferred in New York State Tax Law Sections 1601, 1604, 1612, and Racing, Pari-Mutuel Wagering and Breeding Law Section 104, the following amendments shall take effect upon publication in the State Register. Section 1601 of the Tax Law states the purpose of Article 34 of the Tax is to carry out the constitutional mandate to establish a lottery operated by the State. Section 1604 of the Tax Law provides for the Lottery's authority to promulgate rules and regulations governing the Lottery. Subdivision 19 of Section 104 of the Racing, Pari-Mutuel Wagering and Breeding Law authorizes the Gaming Commission to promulgate rules and regulations necessary to carry out its responsibilities.

2. Legislative objectives: The Lottery's purpose is to generate revenue for the support of education in the State through the operation of Lottery games. Amendment of these regulations forwards such purpose by offering alternative means of prize payment to players in the interest of player convenience.

3. Needs and benefits: The Division of Lottery proposes amendments to its regulations to add flexibility in the manner in which prize payments are made and to bring consistency to prize payments provisions for instant games and draw games. The amendments would simplify the rules and allow the Commission in the future to offer an alternative means of payment, such as debit card. Prizes won by those participating in the Lottery subscription program would be credited to the subscription account for future subscription purchases or remitted to the subscriber at his or her request, if the prize was less than the threshold withholding amount for Federal tax reporting.

4. Costs:

a. Costs to regulated parties for the implementation and continuing compliance with the rule: There are no costs to stakeholders.

b. Costs to the agency, the State, and local governments for the implementation and continuation of the rule: No additional operating costs are anticipated, since funds originally appropriated for the expenses of operating the Lottery and the manner in which prize payments are made are expected to be sufficient to support these amendments.

c. Sources of cost evaluations: The foregoing cost evaluations are based on the New York State Lottery's experience in operating State Lottery games for more than 40 years.

5. Local government mandates: The proposed amendment does not impose any new programs, services, duties or responsibilities upon any country, city, town, village school district, fire district or other special district.

6. Paperwork: There are no changes in paperwork requirements.

7. Duplication: There are no relevant State programs or regulations which duplicate, overlap or conflict with the proposed amendment.

8. Alternatives: The alternative to amending these prize payment regulations is to continue the current prize payment methods and prevent the Lottery from providing greater convenience to its players and better serve player needs and preferences.

9. Federal standards: The proposed amendment does not exceed any minimum standards imposed by Federal government.

10. Compliance schedule: The proposed amendment will be effective upon publication of a Notice of Adoption in the New York State Register.

Regulatory Flexibility Analysis

A regulatory flexibility analysis is not required for this proposal since it will not impose any adverse economic impact or reporting, record keeping or other compliance requirements on small businesses or local governments. This proposal amends prize payment regulations in the interest of customer convenience and preferences.

Rural Area Flexibility Analysis

A rural area flexibility analysis is not required for this proposal since it will not impose any adverse economic impact or reporting, recordkeeping or other compliance requirements on rural areas. This proposal amends prize payment regulations in the interest of customer convenience and preferences.

Job Impact Statement

A job impact statement is not submitted because this proposed rule will have no adverse impact on jobs or employment opportunities. This proposal amends prize payment regulations in the interest of customer convenience and preferences.

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

Prohibiting the Administration of Stanozolol to Racehorses

I.D. No. SGC-52-15-00007-P

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

Proposed Action: Amendment of sections 4043.15 and 4120.12 of Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 103(2), 104(1), (19), 301(1), (2) and 902(1)

Subject: Prohibiting the administration of stanozolol to racehorses.

Purpose: To preserve the safety and integrity of pari-mutuel racing while generating reasonable revenue for the support of government.

Text of proposed rule: Section 4043.15 of 9 NYCRR would be amended as follows:

§ 4043.15. Anabolic steroids.

(a) Anabolic steroids shall not be administered except [that the] as permitted by subdivision (d) of this section. A violation of this section may be established by a finding by the laboratory conducting tests for the commission that an anabolic steroid was present in a blood sample taken from such horse, except for the following substances [may be administered during permitted time frames and] at concentrations that [on race day] are less than these thresholds:

* * *

[(3) Stanozolol (Winstrol): All horses may have less than 100 pg/ml in plasma.]

[(4)] (3) Testosterone:

(i) Female horses and geldings may have less than 100 pg/ml in plasma; and

(ii) Intact male horses may have less than 2,000 pg/ml in plasma.

[(5)] (4) In addition, no anabolic steroid shall be administered by injection into a joint at any time.

* * *

(d) Any horse to which [a permissible] an anabolic steroid that is listed in subdivision (a) of this section has been administered in order to assist in the recovery from an illness or injury may be placed on the veterinarian's list in order to monitor the concentration of the drug. Once the concentration is below the designated plasma threshold the horse is eligible to be removed from the list.

* * *

Section 4120.12 of 9 NYCRR would be amended as follows:

§ 4120.12. Anabolic steroids.

(a) Anabolic steroids shall not be administered except [that the] as permitted by subdivision (d) of this section. A violation of this section may be established by a finding by the laboratory conducting tests for the com-

mission that an anabolic steroid was present in a blood sample taken from such horse, except for the following substances [may be administered during permitted time frames and] at concentrations that [on race day] are less than these thresholds:

 [(3) Stanozolol (Winstrol): All horses may have less than 100 pg/ml in plasma.]

[(4)] (3) Testosterone:
 (i) Female horses and geldings may have less than 100 pg/ml in plasma; and

(ii) Intact male horses may have less than 2,000 pg/ml in plasma.
 [(5)] (4) In addition, no anabolic steroid shall be administered by injection into a joint at any time.

 (d) Any horse to which [a permissible] an anabolic steroid that is listed in subdivision (a) of this section has been administered in order to assist in the recovery from an illness or injury may be placed on the veterinarian's list in order to monitor the concentration of the drug. Once the concentration is below the designated plasma threshold the horse is eligible to be removed from the list.

Text of proposed rule and any required statements and analyses may be obtained from: Kristen M. Buckley, New York State Gaming Commission, 1 Broadway Center, PO Box 7500, Schenectady, New York 12301, (518) 388-3407, email: gamingrules@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: The New York State Gaming Commission ("Commission") is authorized to promulgate these rules pursuant to Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") Sections 103(2), 104(1, 19), 301(1, 2) and 902(1). Under Section 103(2), the Commission is responsible for supervising, regulating and administering all horse racing and pari-mutuel wagering activities in the State. Subdivision (1) of Section 104 confers upon the Commission general jurisdiction over all such 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. Under Section 301, which applies to only harness racing, the Commission is authorized to supervise generally all harness race meetings and to adopt rules to prevent the circumvention or evasion of its regulatory purposes and provisions, and is directed to adopt rules to prevent horses from racing under the influence of substances affecting their speed. Section 902(1) authorizes the Commission to promulgate rules and regulations for an equine drug testing program that assures the public's confidence and continues the high degree of integrity in pari-mutuel racing and to impose administrative penalties for racing a drugged horse.

2. Legislative objectives: To preserve the safety and integrity of pari-mutuel racing while generating reasonable revenue for the support of government.

3. Needs and benefits. This rule making is necessary to prohibit the administration of the anabolic steroid stanozolol to race horses, such that the presence of only endogenous anabolic steroids will be permitted under the Commission's rules, in order to enhance the safety and integrity of horse racing.

The current rule that strictly regulates the presence of anabolic steroids in racehorses permits the presence of three endogenous substances, which occur naturally in horses, and one exogenous substance that is present only when administered to a horse. See 9 NYCRR §§ 4043.15 (thoroughbred) and 4120.12 (harness). This rule provides a threshold concentration for the three endogenous anabolic steroids, to distinguish the naturally occurring level of such substances from illegal supplemental administrations. This rule also provides a threshold concentration for stanozolol, an exogenous substance, with a threshold that was included originally in such rule because stanozolol persists in the horse's bodily system for several months. The Commission did not want to exclude from racing the racehorses that had been lawfully treated with stanozolol before the adoption of this regulation.

This proposal would discontinue the permissive presence at threshold amounts of stanozolol, the only anabolic steroid that is neither endogenous to a horse nor already banned by the Commission. The proposal would phase out the permissive threshold for stanozolol with an effective date of six months after the final adoption of this rule making proposal. As some horses may have been lawfully administered this drug well before racing, and in compliance with the current permissive threshold, staff recommends that the proposed ban on any amount of stanozolol be scheduled to take effect in this manner to avoid excluding horses whose owners and trainers had treated the horse in compliance with existing rules.

This proposal is consistent with national rulemaking proposals and with the Commission's intended prohibition of any administration of an anabolic steroid to a horse that is actively racing.

4. Costs:

(a) Costs to regulated parties for the implementation of and continuing compliance with the rule: These amendments will not add any new mandated costs to the existing rules. There is no cost caused to the regulated parties by not administering the anabolic steroid stanozolol.

(b) Costs to the agency, the state and local governments for the implementation and continuation of the rule: None. The amendments will not add any new costs. There will be no costs to local government because the Commission is the only governmental entity authorized to regulate pari-mutuel harness racing.

(c) The information, including the source(s) of such information and the methodology upon which the cost analysis is based: N/A.

5. Local government mandates: None. The Commission is the only governmental entity authorized to regulate pari-mutuel thoroughbred racing activities.

6. Paperwork: There will be no additional paperwork.

7. Duplication: No relevant rules or other legal requirements of the state and/or federal government exist that duplicate, overlap or conflict with this rule.

8. Alternatives: The Commission considered not eliminating the permissive stanozolol threshold but rejected this because no purpose is served by not phasing out the undesirable practice of intentionally administering this drug.

9. Federal standards: There are no minimum standards of the Federal government for this or a similar subject area.

10. Compliance schedule: The Commission believes that regulated persons will be able to achieve compliance with the rule upon adoption of this rule.

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

A regulatory flexibility analysis for small business and local governments, a rural area flexibility analysis, and a job impact statement are not required for this rulemaking proposal because it will not adversely affect small businesses, local governments, rural areas, or jobs.

This proposal would discontinue the permissive presence at threshold amounts of the drug stanozolol, the only anabolic steroid that is neither endogenous to a racehorse nor already banned by the Commission. There is no valid reason to administer this substance to a healthy racehorse, and there are better alternatives that are permitted for horses that are sick or injured. As some horses may have been lawfully administered this drug in compliance with the current permissive threshold, and the drug does not dissipate for several months, the proposed ban will take effect six months after the adoption of the rule change.

This rule will serve to enhance the health and safety of racehorses and the integrity of racing. This rule will not impose an adverse economic impact or reporting, record keeping, or other compliance requirements on small businesses in rural or urban areas or on employment opportunities. No local government activities are involved.

PROPOSED RULE MAKING NO HEARING(S) SCHEDULED

Suspension and Revocation of a Lottery Agent's License

I.D. No. SGC-52-15-00008-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 5001.19 of Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 103(2), 104(1) and (19); Tax Law, sections 1601, 1604, 1605 and 1607

Subject: Suspension and revocation of a lottery agent's license.

Purpose: To revise the rules for the procedure and grounds for suspension and revocation of a lottery license for sales agents.

Text of proposed rule: Section 5001.19 of Title 9 of the NYCRR is amended to read as follows:

§ 5001.19. Suspension and revocation of license.

(a) At the discretion of the commission, the agent's license may be suspended or revoked or have such license renewal rejected for any of the reasons set forth in section 1607 of the Tax Law or for any of the following reasons, or any combination thereof:

[(1) failure to account for lottery tickets received or the proceeds of lottery tickets or failure to comply with instructions of the commission concerning licensed activity;]