



“Obstacles don’t define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail.” Governor Kathy Hochul

In the News-New York State



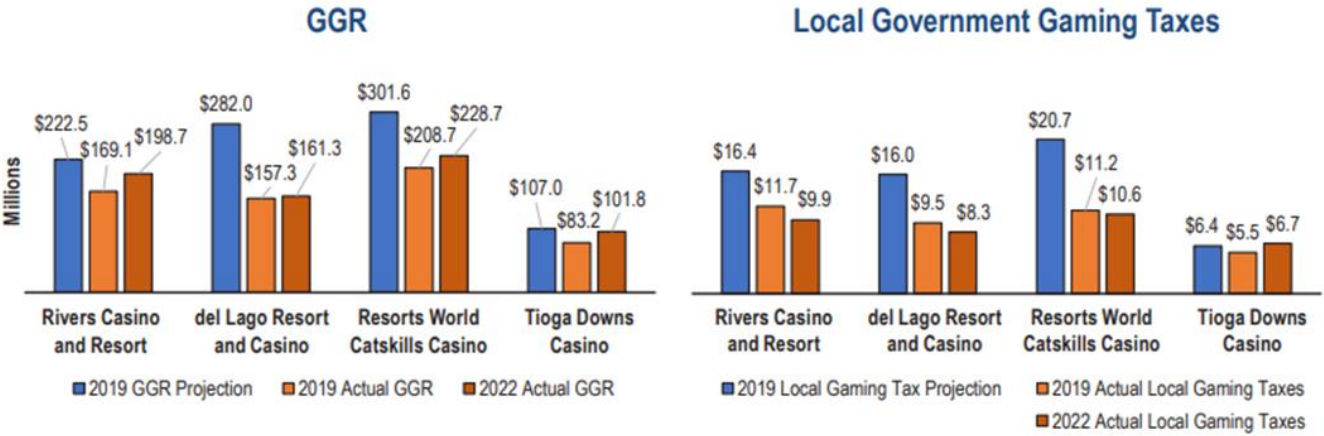
State Comptroller: *Casinos are Not a Magic Fix That Will Solve Local Fiscal Challenges*

From 2017 to 2022 New York’s four licensed casinos brought \$176 million in gaming tax revenue to host and regional local governments, but only the three smaller towns that host casinos realized significant fiscal benefits relative to their overall revenue, a [report](#) from State Comptroller Thomas DiNapoli highlights.

“Casinos are not a magic fix that will solve local fiscal challenges,” Comptroller DiNapoli said. “While casinos have generated local gaming tax revenue, the impacts vary for the communities that receive such revenues. It’s my hope that this report gives state and local officials a clearer perspective that can help potential host communities avoid the pitfalls that arise with misguided expectations about the public benefits of casinos. They are not a sure bet.”

According to the Comptroller, for the municipalities which will host the soon-to-be awarded Downstate casinos, an appropriate plan for the new revenue will be key.

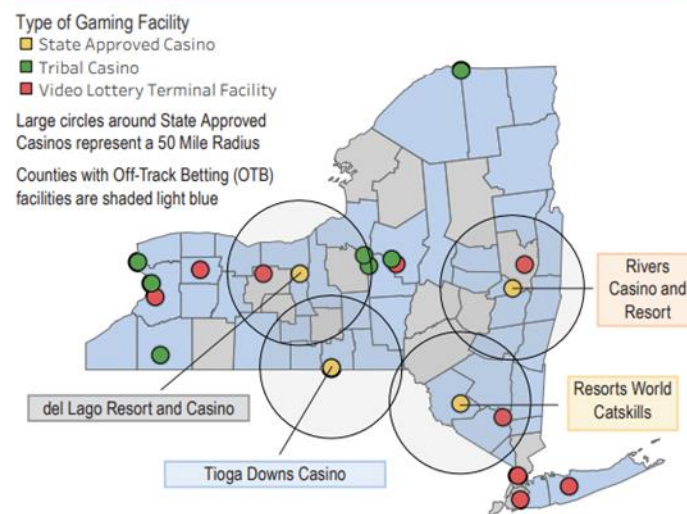
Projected vs. Actual Gross Gaming Revenue (GGR) and Local Government Gaming Taxes, by Casino



Comptroller DiNapoli’s 2020 report on gaming revenues showed that all four current casinos — del Lago Resort and Casino, Rivers Casino and Resort, Resorts World Catskills, and Tioga Downs Casino — had fallen well short of the projected gross revenues on which local taxes are levied. Three years later, these revenues and tax contributions continue to lag expectations reaching only 50-60% of initial expectations, with the sole exception of Tioga Downs in the Southern Tier.

Despite the shortfall in expected collections, local governments did benefit, with the three small host towns receiving the most compared to the size of their total revenues. In the host towns — Nichols, Tyre and Thompson — gaming tax revenue made up 30-60% of total revenue, allowing them to dramatically cut property taxes. In contrast, in the larger host city of Schenectady, as well as the four host counties, gaming tax was a much smaller percentage of local revenue, just 1-3% of their total revenue. For regional non-host counties, casino taxes generally amounted to less than 0.5% of their total revenue.

Map of Gaming Facilities in New York State



Source: NYS Gaming Commission.

Although the pandemic contributed to the shortfall, with casinos shut down for six months in 2020 followed by capacity restrictions that were not fully lifted until June 2021, all four casinos saw gross gaming revenues exceed pre-pandemic levels in 2022. That did not translate into greater local gaming taxes, however, because state amendments to New York’s gaming law allowed casinos to keep a greater percentage of their gross revenue by asking for cuts in their tax rates for Slot & Electronic Table Games (ETG) to 30%, which three did. A bill to reduce Tioga Downs’ Slot & ETG tax rate to 30% is currently pending Executive approval. The tax cuts reduced collections by a combined \$41.9 million in 2022, including \$8.4 million that would have gone to local governments.

Comptroller DiNapoli’s report underscored the importance of realistic fiscal planning by localities regarding expectations for gaming revenues. DiNapoli’s audits of two host towns found issues including budgeting challenges associated with gaming revenue and the need for proper, multi-year financial planning.

The report did not examine the non-financial impacts of hosting a casino on issues like gambling addiction or quality of life issues. Comptroller DiNapoli will be releasing a report that looks at those issues later this year.



New York Imposes New Review Process for Material Transactions Involving Health Care Entities

Health care entities in New York State are now required to provide notice of material transactions—those increasing gross revenue by \$25 million or more—to the New York State Department of Health at least 30 days prior to the closing of the transaction, under legislation signed by Governor Kathy Hochul. The new law went into effect on August 1st.

The Health Department is currently developing the form and has established a website dedicated to the [new disclosure retirement](#). Under the law, the Department of Health is required to post the transaction on its website for notice and public comment.

The following entities are considered a health care entity under Article 45-A of the PHL and are subject to the reporting requirements:

- A physician practice or group.
- A management services organization (MSO) or similar entity that provides all or substantially all administrative or management services under contract with at least one physician practice.
- A provider-sponsored organization.
- A health insurance plan.
- Any other kind of health care facility, organization, or plan that provides health care services in New York.

Article 45-A **does not apply** to insurers or pharmacy benefit managers already subject to regulation by the New York State Department of Financial Services.

A *material transaction* includes any of the following that occur during a single transaction or in a series of related transactions within a rolling 12-month period that result(s) in a health care entity increasing its total gross in-state revenues by \$25 million or more:

- A merger of one or more health care entities.
- An acquisition of one or more health care entities, including the assignment, sale, or other conveyance of assets, voting securities, membership or partnership interests or the transfer of control, such as contracting for services commonly provided through a management or administrative services agreement between a practice and an MSO.
- An affiliation agreement or contract formed between a health-care entity and another person.
- The formation of a partnership, joint venture, accountable care organization, parent organization, or MSO for the purpose of administering contracts with health plans, third-party administrators, pharmacy benefit managers, or health-care providers.

The following transactions are not considered material and are exempt from Article 45-A's notice requirement:

- Clinical affiliation of health care entities formed for the purpose of collaborating on clinical trials or graduate medical education programs.
- Any transactions already subject to the Department of Health's Certificate of Need process or an insurance-entity approval process under the New York State Public Health Law or Insurance Laws.
- De minimis transactions, which for this purpose constitutes a transaction or series of transactions that result in a health care entity increasing its total gross in-state revenues by less than \$25 million.

In the News-New York City



Adams Administration Touts Progress in Creating and Connecting New Yorkers to Affordable Housing

New York City Mayor Eric Adams this week announced the City has made significant progress in the effort to create affordable housing. In Fiscal Year 2023 (FY23), the administration produced 26,682 affordable homes through new construction and preservation deals closed by the New York City Department of Housing Preservation and Development (HPD), the New York City Housing Authority (NYCHA), and the New York City Housing Development Corporation (HDC) – a 22 percent increase over the prior year.

That total includes 12,278 homes that will be newly constructed, the second-highest number of new affordable homes funded in one year since tracking began in 1976. HPD increased their affordable housing production by 45 percent over FY22.

According to the Administration, nearly one-quarter (23 percent) of all homes that HPD financed last year will serve extremely low-income households, those earning between 0 percent and 30 percent of area median income. At the same time, projects that rely on the 421-a affordable housing incentive program made up fully half of the new construction units financed last year.

To date, the Adams administration has committed \$24 billion for affordable housing.

"Older New Yorkers consistently cite the cost of housing as one of their top concerns. So AARP New York congratulates the mayor and his team for financing over 27,000 new units of affordable housing, surpassing their already ambitious goal by more than 30 percent," said Beth Finkel, New York state director, AARP. "We are particularly pleased that nearly 1,700 of these units will be designated for senior housing, because older adults represent the city's fastest growing demographic. The 65-plus age group grew 36 percent in the decade from 2011 to 2021, while the under-65 population shrank. Providing sufficient affordable housing for older New Yorkers is critical."



Bills Passed by the City Council

Introduction 5-A, sponsored by Deputy Speaker Diana Ayala -- Requires building owners to produce records of lead-based hazard inspections and investigations and any remediation measures taken whenever an owner is issued a lead-based paint violation.

Introduction 6-A, sponsored by Deputy Speaker Diana Ayala -- Expands the current lead-based hazard remediation requirement for buildings at turnover to all units where a child under 6 years old lives prior to turnover of that unit and require owners to conduct this remediation work by July 1, 2027.

Introduction 31-C, sponsored by Council Member Marjorie Velázquez -- Establishes a permanent outdoor dining program allowing sidewalk cafés to operate year-round and roadway cafés to operate during the months of April through November.

Introduction 289-A, sponsored by Council Member Carlina Rivera -- Requires the Department of Transportation to create a searchable map that shows all of the City's bike lanes with information about obstructions caused by street construction, maintenance, or repairs, and the location of temporary bicycle lanes.

Introduction 384-A, sponsored by Council Member Selvena Brooks-Powers -- Creates an office of the Homeowner Advocate within the Department of Housing Preservation and Development to provide information, resources and assistance to homeowners.

Introduction 689-A, sponsored by Public Advocate Jumaane Williams -- Eliminates the Department of Building permit, inspection or other service fees related to certain green building projects for one to three family homes.

Introduction 750-A, sponsored by Deputy Speaker Diana Ayala -- Requires the Departments of Housing Preservation and Development and Health and Mental Hygiene to annually identify and inspect buildings where children live and where there might be a risk of exposure to lead-based hazards.

Briefs

New York to Provide \$108 Million to Schools to Address Pandemic Learning Loss and Support Mental Health

Governor Kathy Hochul this week announced \$108 million is available for school districts to support student well-being through expanding mental health supports. The new State matching fund, the \$100 million Recover from COVID School Program, will provide funding to create or expand programs to help students address trauma caused by the pandemic, prioritizing school districts with the highest need. A portion of the \$100 million Recover from COVID School Program is available to address student learning loss exacerbated by the pandemic.

Individual school districts or BOCES, a consortium of school districts or BOCES, or any combination of these entities may apply for the Mental Health Recover from COVID School Program (RECOVS) Grant and the Learning Loss RECOVS Grant. Funding will be awarded over two years (\$50 million annually). Application submissions are due by August 18, 2023. More information and application details can be found [here](#).

Additionally, \$8.3 million is available for grants to create school-based mental health clinics. The New York State Office of Mental Health (OMH) today issued a Request for Applications to provide up to \$25,000 in start-up costs for OMH-licensed providers to create new school-based mental health clinic satellites and to support recently established school-based mental health clinic satellites. An additional \$20,000 will be available for clinics being established in high-needs districts where more than 50 percent of the students are economically disadvantaged. Application submissions are due by October 5, 2023. More information and application details can be found [here](#).

Comptroller DiNapoli: State Needs to Supercharge Efforts to Meet Renewable Electricity Goals

New York renewable generators will need to increase production over 200% to meet the State's Climate Leadership and Community Protection Act (CLCPA)'s 2030 goal of 70% renewable electricity consumption, according to a report issued this week by State Comptroller Thomas DiNapoli.

Based upon projections from the New York Independent System Operator (NYISO), Comptroller DiNapoli's report found that renewable generators in New York would need to produce an additional 78,073-gigawatt hours above 2022 levels, an increase of over 200%, to reach the CLCPA's 2030 goal of 70% renewable electricity consumption.

The Comptroller noted that, to meet the benchmark, state agencies must consistently and proactively continue streamlining permit and interconnection study procedures and develop the necessary infrastructure to connect renewable projects to the grid and New Yorkers' homes.

Veterans Sue NY's Cannabis Regulator Over Conditional Adult-Use Retail License Program

Four military veterans filed a lawsuit in state Supreme Court this week against the state Office of Cannabis Management (OCM) asserting the OCM violated New York's Marijuana Regulation and Taxation Act (MRTA) by prioritizing licenses for individuals with prior drug convictions.

The complaint argues that the OCM overstepped its authority by establishing an initial licensing period for justice involved individual only and that "the initial adult-use cannabis retail dispensary license application period shall be opened for all applicants at the same time."

Under the MRTA (Chapter 92 of the Laws of 2021), the state is required to award fifty percent of adult-use cannabis licenses to social and economic equity applicants and ensure inclusion of (a) individuals from communities disproportionately impacted by the enforcement of cannabis prohibition; (b) minority-owned businesses; (c) women-owned businesses; (d) minority and women-owned businesses; (e) distressed farmers; and (f) service-disabled veterans.

The law also provides that under the social and economic equity plan, "extra priority" shall be given to applications that demonstrate that an applicant is a member of a community disproportionately impacted by the enforcement of cannabis prohibition; has an income lower than eighty percent of the median income of the county in which the applicant resides; and was convicted of a marijuana-related offense prior or had a parent, guardian, child, spouse, or dependent, or was a dependent of an individual who was convicted of a marijuana-related offense.

The lawsuit is similar to a case filed in March by a coalition of medical marijuana license holders and recreational market hopefuls whose civil complaint, which is pending, seeks a court order to open the retail licensing process "for all applicants immediately."

New York State Shuts Down Seven Unlicensed Cannabis Stores in Upstate New York

First Illegal Cannabis Stores to Be Padlocked Shut in New York Under New State Law, "I'm Stuck" Illegally Sold Cannabis to Underage Customers in Cayuga, Oswego, & Wayne Counties

New York Attorney General Letitia James, Governor Kathy Hochul, and the Office of Cannabis Management (OCM) this week shut down seven unlicensed cannabis dispensaries in Cayuga, Oswego, and Wayne counties that were also illegally selling cannabis to underage customers.

The unlicensed dispensary chain, "I'm Stuck," has eight locations across Cayuga, Monroe, Oswego, and Wayne counties and is selling cannabis without the proper authorization from OCM. In addition to making illicit retail sales, "I'm Stuck" processed and packaged cannabis products without a license, creating significant health risk to consumers.

According to the Attorney General, the chain's owner, David Tulley, ignored repeated notices and OCM orders to stop selling cannabis without a license at his "I'm Stuck" stores, and investigators from the Office of the Attorney General (OAG) also observed store clerks selling cannabis products to underage customers on multiple occasions.

In addition to shutting down Tulley's stores, Attorney General James and OCM seek penalties from Tulley, his companies, and the building owners where his stores are located for allowing an unlawful business to operate on their properties. Tulley could be fined millions of dollars in penalties as a result of this action.

Coming Up

New York State
No Scheduled Hearings

New York City
Thursday, August 10th

Subcommittee on Zoning and Franchises, 250 Broadway – Committee Room – 14th Floor, 11 a.m.

Joint - Committee on General Welfare & Immigration, Council Chambers - City Hall, 1 p.m.
Oversight - The Mayor's 60-day Shelter Stay Limit for Adult Migrants.

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