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**REPORTS:** Yes

**HEARINGS:** Yes

**NEWSPAPER ARTICLES:** Yes

[974.90 G191, 2010](#)

Report of the Governor's Advisory Commission on New Jersey Gaming, Sports and Entertainment: an economic recovery plan for the state of New Jersey/Governor's Advisory Commission on New Jersey Gaming, Sports and Entertainment.

by New Jersey. Governor's Gaming, Sports and Entertainment Advisory Commission.  
[Trenton, NJ: New Jersey Office of the Governor, 2010]

[974.90 R311, 2010](#)

Committee meeting of Senate Legislative Oversight Committee: testimony from invited guests regarding the history, mission, and vision for the New Jersey Sports and Exposition Authority and the New Jersey Meadowlands Sports complex: [March 3, 2010, Trenton, New Jersey]. By New Jersey. Legislature. Senate Legislative Oversight Committee.

[974.90 R424 2010i](#)

Draft transition report [of the] New Jersey gaming/sports and entertainment committee  
[Trenton, NJ: New Jersey Office of the Governor, 2010]

"Christie signs bill that attempts to make horse racing independent and self-sustaining in New Jersey," 8-6-11, NewJerseyNewsroom.com

"Christie signs bill allowing racetracks to be privatized," 8-6-11, The Record

"Workers move to void Meadowlands contract," 8-6-11, The Star Ledger

"Union members want deal voided, 8-6-11, The Record

"Authority to aid racetracks," 8-6-11, Home News Tribune

"Authority to assist tracks," 8-6-11, Asbury Park Press

LAW

P.L.2011, CHAPTER 96, *approved August 5, 2011*

Assembly, No. 3710 (Second Reprint)

1 AN ACT providing the New Jersey Sports and Exposition Authority  
2 with the power to jointly run racetrack operations and <sup>2</sup>reducing  
3 the number of thoroughbred race dates under certain circumstances,  
4 and<sup>2</sup> amending <sup>2</sup>[P.L.1971, c. 137] various parts of the statutory  
5 law<sup>2</sup>.

6

7 **BE IT ENACTED** by the Senate and General Assembly of the State  
8 of New Jersey:

9

10 <sup>2</sup>[1. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read  
11 as follows:

12 7. a. The authority or a lessee of the authority is hereby  
13 authorized, licensed and empowered to apply to the Racing  
14 Commission for a permit or permits to hold and conduct, at any of  
15 the projects set forth in paragraphs (1) and (5) of subsection a. of  
16 section 6 of P.L.1971, c.137 (C.5:10-6), horse race meetings for  
17 stake, purse or reward, and to provide a place or places on the race  
18 meeting grounds or enclosure for wagering by patrons on the results  
19 of such horse races by the parimutuel system, and to receive  
20 charges and collect all revenues, receipts and other sums from the  
21 operation thereof and, in the case of the authority, the ownership  
22 thereof.

23 b. Except as otherwise provided in this section, such horse race  
24 meetings and parimutuel wagering shall be conducted by the  
25 authority or a lessee of the authority in the manner and subject to  
26 compliance with the standards set forth in P.L.1940, c.17 (C.5:5-22  
27 et seq.) and the rules, regulations and conditions prescribed by the  
28 Racing Commission thereunder for the conduct of horse race  
29 meetings and for parimutuel betting at such meetings.

30 c. Application for said permit or permits shall be on such forms  
31 and shall include such accompanying data as the Racing  
32 Commission shall prescribe for other applicants. The Racing  
33 Commission shall proceed to review and act on any such  
34 application within 30 days after its filing and the Racing  
35 Commission is authorized in its sole discretion to determine  
36 whether a permit shall be granted to the authority or a lessee of the  
37 authority. If, after such review, the Racing Commission acts  
38 favorably on such application, a permit shall be granted to the  
39 authority or a lessee of the authority without any further approval  
40 and shall remain in force and effect so long as any bonds or notes of

**EXPLANATION** – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ARG committee amendments adopted January 20, 2011.

<sup>2</sup>Senate SSG committee amendments adopted June 20, 2011.

1 the authority remain outstanding, the provisions of any other law to  
2 the contrary notwithstanding. In granting a permit to the authority  
3 or a lessee of the authority to conduct a horse race meeting, the  
4 Racing Commission shall not be subject to any limitation as to the  
5 number of tracks authorized for the conduct of horse race meetings  
6 pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said  
7 permit shall set forth the dates to be allotted to the authority for its  
8 initial horse race meetings. Thereafter application for dates for  
9 horse race meetings by the authority or a lessee of the authority and  
10 the allotment thereof by the Racing Commission, including the  
11 renewal of the same dates theretofore allotted, shall be governed by  
12 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).  
13 Notwithstanding the provisions of any other law to the contrary, the  
14 Racing Commission shall allot annually to the authority or a lessee  
15 of the authority for the Meadowlands Complex, in the case of  
16 harness racing, not less than **'[100] the number of'** racing days  
17 **'allotted pursuant to subsection b. of section 30 of P.L.2001, c.199**  
18 **(C.5:5-156)'**, and in the case of running racing, not less than 56  
19 racing days, if and to the extent that application is made therefor.

20 d. No hearing, referendum or other election or proceeding, and  
21 no payment, surety or cash bond or other deposit, shall be required  
22 for the authority or a lessee of the authority to hold or conduct the  
23 horse race meetings with parimutuel wagering herein authorized.

24 e. The authority or a lessee of the authority shall determine the  
25 amount of the admission fee for the races and all matters relating to  
26 the collection thereof.

27 f. Distribution of sums deposited in parimutuel pools to  
28 winners thereof shall be in accordance with the provisions of  
29 section 44 of P.L.1940, c.17 (C.5:5-64) pertaining thereto. The  
30 authority or a lessee of the authority shall make disposition of the  
31 deposits remaining undistributed as follows:

32 (1) In the case of harness races:

33 (a) Hold and set aside in an account designated as a special trust  
34 account 1% of such total contributions in all pools, to be used and  
35 distributed as hereinafter provided and as provided in section 5 of  
36 P.L.1967, c.40, for the following purposes and no other:

37 (i) 42 1/2% thereof to increase purses and grant awards for  
38 starting horses, as provided or as may be provided by rules of the  
39 New Jersey Racing Commission, with payment to be made in the  
40 same manner as payment of other purses and awards;

41 (ii) 49% thereof for the establishment of a Sire Stakes Program  
42 for standardbred horses, with payment to be made to the  
43 Department of Agriculture for administration as hereinbefore  
44 provided;

45 (iii) 5 1/2% thereof to the Sire Stakes Program for purse  
46 supplements designed to improve and promote the standardbred  
47 breeding industry in New Jersey by increasing purses for owners of  
48 horses that are sired by a New Jersey registered stallion and are

1 eligible to participate in the Sire Stakes Program. The Sire Stakes  
2 Program board of trustees shall consult with the Standardbred  
3 Breeders' and Owners' Association of New Jersey before disbursing  
4 money for purse supplements;

5 (iv) 3% thereof for other New Jersey horse breeding and  
6 promotion conducted by the New Jersey Department of Agriculture.

7 Payment of the sums held and set aside pursuant to  
8 subparagraphs (iii) and (iv) shall be made to the commission every  
9 seventh day of any and every race meeting in the amount then due,  
10 as determined in the manner provided above, and shall be  
11 accompanied by a report under oath showing the total of all such  
12 contributions, together with such other information as the  
13 commission may require.

14 (b) Distribute as purse money and for programs designed to aid  
15 the horsemen and the Standardbred Breeders' and Owners'  
16 Association of New Jersey 5.1175%, or in the case of races on a  
17 charity racing day 5%, of such total contributions. Expenditures for  
18 programs designed to aid the horsemen and the Standardbred  
19 Breeders' and Owners' Association of New Jersey shall not exceed  
20 3.5% of the sum available for distribution as purse money. The  
21 formula for distribution of the purse money as either overnight  
22 purses or special stakes shall be determined by an agreement  
23 between the Standardbred Breeders' and Owners' Association of  
24 New Jersey and the authority or a lessee of the authority.  
25 Notwithstanding the foregoing, for pools where the patron is  
26 required to select two or more horses, the authority or a lessee of  
27 the authority shall distribute as purse money 5.6175%, or in the  
28 case of races on a charity racing day 5.5%, of the total contributions  
29 and for pools where the patron is required to select three or more  
30 horses, the authority or a lessee of the authority shall distribute as  
31 purse money 7.1175%, or in the case of races on a charity racing  
32 day 7%, of the total contributions. Notwithstanding the foregoing,  
33 for pools where a patron is required to select three or more horses,  
34 the authority or a lessee of the authority shall retain out of the  
35 7.1175% or 7% to be distributed as purse money a sum deemed  
36 necessary by the racing commission, for use by the commission to  
37 finance a prerace blood testing program, and such other testing  
38 programs which the commission shall deem proper and necessary  
39 and which shall be subject to the regulation and control of said  
40 commission.

41 (c) In the case of races on a racing day other than a charity  
42 racing day, distribute to the Standardbred Breeders' and Owners'  
43 Association of New Jersey for the administration of a health  
44 benefits program for horsemen .1175% of such total contributions.

45 (d) In the case of races on a racing day other than a charity  
46 racing day, distribute to the Sire Stakes Program for standardbred  
47 horses .02% of such total contributions.

1 (e) In the case of races on a racing day other than a charity  
2 racing day, distribute to the Backstretch Benevolency Programs  
3 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
4 total contributions.

5 (2) In the case of running races:

6 (a) Hold and set aside in an account designated as a special trust  
7 account .05% of such total contributions, to be used and distributed  
8 for State horse breeding and development programs, research, fairs,  
9 horse shows, youth activities, promotion and administration, as  
10 provided in section 5 of P.L.1967, c.40 (C.5:5-88).

11 (b) Distribute as purse money and for programs designed to aid  
12 the horsemen and the New Jersey Thoroughbred Horsemen's  
13 Association 4.475%, or in the case of races on a charity racing day  
14 4.24%, of such total contributions. Expenditures for programs  
15 designed to aid the horsemen and the New Jersey Thoroughbred  
16 Horsemen's Association shall not exceed 2.9% of the sum available  
17 for distribution as purse money. The formula for distribution of the  
18 purse money as either overnight purses or special stakes shall be  
19 determined by an agreement between the New Jersey Thoroughbred  
20 Horsemen's Association and the authority or a lessee of the  
21 authority. Notwithstanding the foregoing, for pools where the  
22 patron is required to select three or more horses, the authority or a  
23 lessee of the authority shall distribute as purse money 7.475%, or in  
24 the case of races on a charity racing day 7.24%, of the total  
25 contributions.

26 (c) Deduct and set aside in a special trust account established  
27 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17  
28 (C.5:5-66) for the establishment and support by the commission of  
29 the thoroughbred breeding industry in New Jersey .1% of such total  
30 contributions, except that for pools where the patron is required to  
31 select three or more horses, the amount shall be .6%. The money in  
32 the special trust account shall be used to: (i) improve purses for  
33 closed races; (ii) provide awards to owners and breeders of  
34 registered New Jersey bred horses who earn portions of purses in  
35 open and closed races at New Jersey race tracks or in closed races at  
36 an out-of-State track as part of a multi-state event to promote  
37 thoroughbred breeding, and to owners of stallions posted on the  
38 official stallion roster of the Thoroughbred Breeders' Association of  
39 New Jersey, which sire such New Jersey bred money earners; and  
40 (iii) provide awards to the New Jersey Thoroughbred Breeders'  
41 Association for programs beneficial to thoroughbred breeding in  
42 this State. The New Jersey thoroughbred award program shall be  
43 administered and disbursed by the Thoroughbred Breeders'  
44 Association of New Jersey subject to the approval of the  
45 commission. The special trust account to be established pursuant to  
46 this paragraph shall be separate and apart from the special trust  
47 account established and maintained pursuant to subparagraph (a) of  
48 this paragraph.

1 (d) In the case of races on a racing day other than a charity  
2 racing day, distribute to the Thoroughbred Breeders' Association of  
3 New Jersey .02% of such total contributions.

4 (e) In the case of races on a racing day other than a charity  
5 racing day, distribute to the Backstretch Benevolency Programs  
6 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
7 total contributions.

8 Payment of the sums held and set aside pursuant to  
9 subparagraphs (a) and (c) of this subsection shall be made to the  
10 commission every seventh day of any and every race meeting in the  
11 amount then due, as determined in the manner provided above, and  
12 shall be accompanied by a report under oath showing the total of all  
13 such contributions, together with such other information as the  
14 commission may require.

15 In addition to the amounts above, in the case of races on a racing  
16 day designated or allotted as a charity racing day pursuant to  
17 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or  
18 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to « of  
19 1% of all parimutuel pools shall be paid to the commission at the  
20 time and in the manner prescribed by the commission.

21 All amounts remaining in parimutuel pools, including the breaks,  
22 after such distribution and payments shall constitute revenues of the  
23 authority or a lessee of the authority. Except as otherwise expressly  
24 provided in this section 7, the authority or a lessee of the authority  
25 shall not be required to make any payments to the Racing  
26 Commission or others in connection with contributions to  
27 parimutuel pools.

28 g. All sums held by the authority or a lessee of the authority for  
29 payment of outstanding parimutuel tickets not claimed by the  
30 person or persons entitled thereto within the time provided by law  
31 shall be paid upon the expiration of such time, without further  
32 obligation to such ticketholder, as follows:

33 (1) In the case of running and harness races, beginning July 1,  
34 1997 50% of those sums shall be paid to the Racing Commission  
35 for deposit in the general fund of the State and disposition in  
36 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

37 (2) In the case of running races, 50% of those sums shall be paid  
38 to the commission and set aside in the special trust account  
39 established pursuant to section 46b.(1)(e) and section 46b.(2)(e) of  
40 P.L.1940, c.17 (C.5:5-66); and

41 (3) In the case of harness races, 25% of those sums shall be  
42 retained by the permitholder to supplement purses for sire stakes  
43 races on which there is parimutuel wagering, and 25% shall be  
44 retained by the permitholder to supplement overnight purses.

45 h. No admission or amusement tax, excise tax, license or horse  
46 racing fee of any kind shall be assessed or collected from the  
47 authority or a lessee of the authority by the State of New Jersey, or

1 by any county or municipality, or by any other body having power  
2 to assess or collect license fees or taxes.

3 i. Any horse race meeting and the parimutuel system of  
4 wagering upon the results of horse races held at such race meeting  
5 shall not under any circumstances, if conducted as provided in the  
6 act and in conformity thereto, be held or construed to be unlawful,  
7 other statutes of the State to the contrary notwithstanding.

8 j. Each employee of the authority or a lessee of the authority  
9 engaged in the conducting of horse race meetings shall obtain the  
10 appropriate license from the Racing Commission, subject to the  
11 same terms and conditions as is required of similar employees of  
12 other permit holders. The Racing Commission may suspend any  
13 member of the authority upon approval of the Governor and the  
14 license of any employee of the authority or a lessee of the authority  
15 in connection with the conducting of horse race meetings, pending a  
16 hearing by the Racing Commission, for any violation of the New  
17 Jersey laws regulating horse racing or any rule or regulation of the  
18 commission. Such hearing shall be held and conducted in the  
19 manner provided in said laws.

20 k. Notwithstanding any other provision of law, rule, or  
21 regulation to the contrary, if the authority shall enter into an  
22 agreement with a private entity to lease a racetrack facility it owns  
23 to that entity, it may further agree with that entity to jointly operate  
24 the facility during a transitional period. The transitional period  
25 shall only last:

26 (1) until the private entity lessee has been fully licensed by the  
27 New Jersey Racing Commission and has received all necessary  
28 permits to conduct future horse race meetings at the racetrack in the  
29 manner and subject to compliance with the standards set forth in  
30 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
31 conditions prescribed by the New Jersey Racing Commission  
32 thereunder; or

33 (2) for one year from the date that the lease agreement is signed,  
34 whichever is shorter.

35 The New Jersey Racing Commission may extend the  
36 transitional period for a reasonable time frame beyond one year  
37 from the date that the lease agreement is signed, however under no  
38 circumstances can the transitional period extend beyond two years  
39 from the date that the lease agreement is signed. At the expiration  
40 of the transitional period and any extension granted by the New  
41 Jersey Racing Commission, the private entity lessee shall be  
42 required to have obtained all the necessary permits and licenses in  
43 the manner and subject to compliance with the standards set forth in  
44 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
45 conditions prescribed by the New Jersey Racing Commission  
46 thereunder. During this transitional period, the private entity  
47 lessee shall be permitted to conduct horse race meetings and  
48 wagering through its own employees or through the authority's



1 employees, provided that the authority or the private entity lessee  
2 holds a permit issued pursuant to section 30 of P.L.1940, c.17  
3 (C.5:5-50). During this transitional period, the authority may also  
4 assign any portion of the proceeds it receives from the operation of  
5 the leased racetrack to the private entity lessee. During the  
6 transitional period, the private entity lessee and the authority must  
7 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et  
8 seq.), except that the private entity need not obtain a permit  
9 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority  
10 has been granted one by the New Jersey Racing Commission.  
11 (cf: P.L.2004, c.116, s.11)]<sup>2</sup>

12

13 <sup>2</sup>1. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read  
14 as follows:

15 7. a. The authority or a lessee of the authority is hereby  
16 authorized, licensed and empowered to apply to the Racing  
17 Commission for a permit or permits to hold and conduct, at any of  
18 the projects set forth in paragraphs (1) and (5) of subsection a. of  
19 section 6 of P.L.1971, c.137 (C.5:10-6), horse race meetings for  
20 stake, purse or reward, and to provide a place or places on the race  
21 meeting grounds or enclosure for wagering by patrons on the results  
22 of such horse races by the parimutuel system, and to receive  
23 charges and collect all revenues, receipts and other sums from the  
24 operation thereof and, in the case of the authority, the ownership  
25 thereof.

26 b. Except as otherwise provided in this section, such horse race  
27 meetings and parimutuel wagering shall be conducted by the  
28 authority or a lessee of the authority in the manner and subject to  
29 compliance with the standards set forth in P.L.1940, c.17 (C.5:5-22  
30 et seq.) and the rules, regulations and conditions prescribed by the  
31 Racing Commission thereunder for the conduct of horse race  
32 meetings and for parimutuel betting at such meetings.

33 c. Application for said permit or permits shall be on such forms  
34 and shall include such accompanying data as the Racing  
35 Commission shall prescribe for other applicants. The Racing  
36 Commission shall proceed to review and act on any such  
37 application within 30 days after its filing and the Racing  
38 Commission is authorized in its sole discretion to determine  
39 whether a permit shall be granted to the authority or a lessee of the  
40 authority. If, after such review, the Racing Commission acts  
41 favorably on such application, a permit shall be granted to the  
42 authority or a lessee of the authority without any further approval  
43 and shall remain in force and effect so long as any bonds or notes of  
44 the authority remain outstanding, the provisions of any other law to  
45 the contrary notwithstanding. In granting a permit to the authority  
46 or a lessee of the authority to conduct a horse race meeting, the  
47 Racing Commission shall not be subject to any limitation as to the  
48 number of tracks authorized for the conduct of horse race meetings

1 pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said  
2 permit shall set forth the dates to be allotted to the authority for its  
3 initial horse race meetings. Thereafter application for dates for  
4 horse race meetings by the authority or a lessee of the authority and  
5 the allotment thereof by the Racing Commission, including the  
6 renewal of the same dates theretofore allotted, shall be governed by  
7 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).  
8 Notwithstanding the provisions of any other law to the contrary, the  
9 Racing Commission shall allot annually to the authority or a lessee  
10 of the authority for the Meadowlands Complex, in the case of  
11 harness racing, not less than **[100]** the number of racing days  
12 allotted pursuant to subsection b. of section 30 of P.L.2001, c.199  
13 (C.5:5-156), and in the case of running racing, not less than 56  
14 racing days, if and to the extent that application is made therefor.

15 d. No hearing, referendum or other election or proceeding, and  
16 no payment, surety or cash bond or other deposit, shall be required  
17 for the authority or a lessee of the authority to hold or conduct the  
18 horse race meetings with parimutuel wagering herein authorized.

19 e. The authority or a lessee of the authority shall determine the  
20 amount of the admission fee for the races and all matters relating to  
21 the collection thereof.

22 f. Distribution of sums deposited in parimutuel pools to  
23 winners thereof shall be in accordance with the provisions of  
24 section 44 of P.L.1940, c.17 (C.5:5-64) pertaining thereto. The  
25 authority or a lessee of the authority shall make disposition of the  
26 deposits remaining undistributed as follows:

27 (1) In the case of harness races:

28 (a) Hold and set aside in an account designated as a special trust  
29 account 1% of such total contributions in all pools, to be used and  
30 distributed as hereinafter provided and as provided in section 5 of  
31 P.L.1967, c.40, for the following purposes and no other:

32 (i) 42 1/2% thereof to increase purses and grant awards for  
33 starting horses, as provided or as may be provided by rules of the  
34 New Jersey Racing Commission, with payment to be made in the  
35 same manner as payment of other purses and awards;

36 (ii) 49% thereof for the establishment of a Sire Stakes Program  
37 for standardbred horses, with payment to be made to the  
38 Department of Agriculture for administration as hereinbefore  
39 provided;

40 (iii) 5 1/2% thereof to the Sire Stakes Program for purse  
41 supplements designed to improve and promote the standardbred  
42 breeding industry in New Jersey by increasing purses for owners of  
43 horses that are sired by a New Jersey registered stallion and are  
44 eligible to participate in the Sire Stakes Program. The Sire Stakes  
45 Program board of trustees shall consult with the Standardbred  
46 Breeders' and Owners' Association of New Jersey before disbursing  
47 money for purse supplements;

1 (iv) 3% thereof for other New Jersey horse breeding and  
2 promotion conducted by the New Jersey Department of Agriculture.

3 Payment of the sums held and set aside pursuant to  
4 subparagraphs (iii) and (iv) shall be made to the commission every  
5 seventh day of any and every race meeting in the amount then due,  
6 as determined in the manner provided above, and shall be  
7 accompanied by a report under oath showing the total of all such  
8 contributions, together with such other information as the  
9 commission may require.

10 (b) Distribute as purse money and for programs designed to aid  
11 the horsemen and the Standardbred Breeders' and Owners'  
12 Association of New Jersey 5.1175%, or in the case of races on a  
13 charity racing day 5%, of such total contributions. Expenditures for  
14 programs designed to aid the horsemen and the Standardbred  
15 Breeders' and Owners' Association of New Jersey shall not exceed  
16 5% of the sum available for distribution as purse money. The  
17 formula for distribution of the purse money as either overnight  
18 purses or special stakes shall be determined by an agreement  
19 between the Standardbred Breeders' and Owners' Association of  
20 New Jersey and the authority or a lessee of the authority.  
21 Notwithstanding the foregoing, for pools where the patron is  
22 required to select two or more horses, the authority or a lessee of  
23 the authority shall distribute as purse money 5.6175%, or in the  
24 case of races on a charity racing day 5.5%, of the total contributions  
25 and for pools where the patron is required to select three or more  
26 horses, the authority or a lessee of the authority shall distribute as  
27 purse money 7.1175%, or in the case of races on a charity racing  
28 day 7%, of the total contributions. Notwithstanding the foregoing,  
29 for pools where a patron is required to select three or more horses,  
30 the authority or a lessee of the authority shall retain out of the  
31 7.1175% or 7% to be distributed as purse money a sum deemed  
32 necessary by the racing commission, for use by the commission to  
33 finance a prerace blood testing program, and such other testing  
34 programs which the commission shall deem proper and necessary  
35 and which shall be subject to the regulation and control of said  
36 commission.

37 (c) In the case of races on a racing day other than a charity  
38 racing day, distribute to the Standardbred Breeders' and Owners'  
39 Association of New Jersey for the administration of a health  
40 benefits program for horsemen .1175% of such total contributions.

41 (d) In the case of races on a racing day other than a charity  
42 racing day, distribute to the Sire Stakes Program for standardbred  
43 horses .02% of such total contributions.

44 (e) In the case of races on a racing day other than a charity  
45 racing day, distribute to the Backstretch Benevolency Programs  
46 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
47 total contributions.

48 (2) In the case of running races:

1 (a) Hold and set aside in an account designated as a special trust  
2 account .05% of such total contributions, to be used and distributed  
3 for State horse breeding and development programs, research, fairs,  
4 horse shows, youth activities, promotion and administration, as  
5 provided in section 5 of P.L.1967, c.40 (C.5:5-88).

6 (b) Distribute as purse money and for programs designed to aid  
7 the horsemen and the New Jersey Thoroughbred Horsemen's  
8 Association 4.475%, or in the case of races on a charity racing day  
9 4.24%, of such total contributions. Expenditures for programs  
10 designed to aid the horsemen and the New Jersey Thoroughbred  
11 Horsemen's Association shall not exceed 2.9% of the sum available  
12 for distribution as purse money. The formula for distribution of the  
13 purse money as either overnight purses or special stakes shall be  
14 determined by an agreement between the New Jersey Thoroughbred  
15 Horsemen's Association and the authority or a lessee of the  
16 authority. Notwithstanding the foregoing, for pools where the  
17 patron is required to select three or more horses, the authority or a  
18 lessee of the authority shall distribute as purse money 7.475%, or in  
19 the case of races on a charity racing day 7.24%, of the total  
20 contributions.

21 (c) Deduct and set aside in a special trust account established  
22 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17  
23 (C.5:5-66) for the establishment and support by the commission of  
24 the thoroughbred breeding industry in New Jersey .1% of such total  
25 contributions, except that for pools where the patron is required to  
26 select three or more horses, the amount shall be .6%. The money in  
27 the special trust account shall be used to: (i) improve purses for  
28 closed races; (ii) provide awards to owners and breeders of  
29 registered New Jersey bred horses who earn portions of purses in  
30 open and closed races at New Jersey race tracks or in closed races at  
31 an out-of-State track as part of a multi-state event to promote  
32 thoroughbred breeding, and to owners of stallions posted on the  
33 official stallion roster of the Thoroughbred Breeders' Association of  
34 New Jersey, which sire such New Jersey bred money earners; and  
35 (iii) provide awards to the New Jersey Thoroughbred Breeders'  
36 Association for programs beneficial to thoroughbred breeding in  
37 this State. The New Jersey thoroughbred award program shall be  
38 administered and disbursed by the Thoroughbred Breeders'  
39 Association of New Jersey subject to the approval of the  
40 commission. The special trust account to be established pursuant to  
41 this paragraph shall be separate and apart from the special trust  
42 account established and maintained pursuant to subparagraph (a) of  
43 this paragraph.

44 (d) In the case of races on a racing day other than a charity  
45 racing day, distribute to the Thoroughbred Breeders' Association of  
46 New Jersey .02% of such total contributions.

47 (e) In the case of races on a racing day other than a charity  
48 racing day, distribute to the Backstretch Benevolency Programs

1 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
2 total contributions.

3 Payment of the sums held and set aside pursuant to  
4 subparagraphs (a) and (c) of this subsection shall be made to the  
5 commission every seventh day of any and every race meeting in the  
6 amount then due, as determined in the manner provided above, and  
7 shall be accompanied by a report under oath showing the total of all  
8 such contributions, together with such other information as the  
9 commission may require.

10 In addition to the amounts above, in the case of races on a racing  
11 day designated or allotted as a charity racing day pursuant to  
12 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or  
13 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to " of  
14 1% of all parimutuel pools shall be paid to the commission at the  
15 time and in the manner prescribed by the commission.

16 All amounts remaining in parimutuel pools, including the breaks,  
17 after such distribution and payments shall constitute revenues of the  
18 authority or a lessee of the authority. Except as otherwise expressly  
19 provided in this section 7, the authority or a lessee of the authority  
20 shall not be required to make any payments to the Racing  
21 Commission or others in connection with contributions to  
22 parimutuel pools.

23 g. All sums held by the authority or a lessee of the authority for  
24 payment of outstanding parimutuel tickets not claimed by the  
25 person or persons entitled thereto within the time provided by law  
26 shall be paid upon the expiration of such time, without further  
27 obligation to such ticketholder, as follows:

28 (1) In the case of running and harness races, beginning July 1,  
29 1997 50% of those sums shall be paid to the Racing Commission  
30 for deposit in the general fund of the State and disposition in  
31 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

32 (2) In the case of running races, 50% of those sums shall be paid  
33 to the commission and set aside in the special trust account  
34 established pursuant to section 46b.(1)(e) and section 46b.(2)(e) of  
35 P.L.1940, c.17 (C.5:5-66); and

36 (3) In the case of harness races, 25% of those sums shall be  
37 retained by the permitholder to supplement purses for sire stakes  
38 races on which there is parimutuel wagering, and 25% shall be  
39 retained by the permitholder to supplement overnight purses.

40 h. No admission or amusement tax, excise tax, license or horse  
41 racing fee of any kind shall be assessed or collected from the  
42 authority or a lessee of the authority by the State of New Jersey, or  
43 by any county or municipality, or by any other body having power  
44 to assess or collect license fees or taxes.

45 i. Any horse race meeting and the parimutuel system of  
46 wagering upon the results of horse races held at such race meeting  
47 shall not under any circumstances, if conducted as provided in the

1 act and in conformity thereto, be held or construed to be unlawful,  
2 other statutes of the State to the contrary notwithstanding.

3 j. Each employee of the authority or a lessee of the authority  
4 engaged in the conducting of horse race meetings shall obtain the  
5 appropriate license from the Racing Commission, subject to the  
6 same terms and conditions as is required of similar employees of  
7 other permit holders. The Racing Commission may suspend any  
8 member of the authority upon approval of the Governor and the  
9 license of any employee of the authority or a lessee of the authority  
10 in connection with the conducting of horse race meetings, pending a  
11 hearing by the Racing Commission, for any violation of the New  
12 Jersey laws regulating horse racing or any rule or regulation of the  
13 commission. Such hearing shall be held and conducted in the  
14 manner provided in said laws.

15 k. Notwithstanding any other provision of law, rule, or  
16 regulation to the contrary, if the authority shall enter into an  
17 agreement with a private entity to lease a racetrack facility it owns  
18 to that entity, it may further agree with that entity to jointly operate  
19 the facility during a transitional period. The transitional period  
20 shall only last:

21 (1) until the private entity lessee has been fully licensed by the  
22 New Jersey Racing Commission and has received all necessary  
23 permits to conduct future horse race meetings at the racetrack in the  
24 manner and subject to compliance with the standards set forth in  
25 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
26 conditions prescribed by the New Jersey Racing Commission  
27 thereunder; or

28 (2) for one year from the date that the lease agreement is signed,  
29 whichever is shorter.

30 The New Jersey Racing Commission may extend the  
31 transitional period for a reasonable time frame beyond one year  
32 from the date that the lease agreement is signed, however under no  
33 circumstances can the transitional period extend beyond two years  
34 from the date that the lease agreement is signed. At the expiration  
35 of the transitional period and any extension granted by the New  
36 Jersey Racing Commission, the private entity lessee shall be  
37 required to have obtained all the necessary permits and licenses in  
38 the manner and subject to compliance with the standards set forth in  
39 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
40 conditions prescribed by the New Jersey Racing Commission  
41 thereunder. During this transitional period, the private entity  
42 lessee shall be permitted to conduct horse race meetings and  
43 wagering through its own employees or through the authority's  
44 employees, provided that the authority or the private entity lessee  
45 holds a permit issued pursuant to section 30 of P.L.1940, c.17  
46 (C.5:5-50). During this transitional period, the authority may also  
47 assign any portion of the proceeds it receives from the operation of  
48 the leased racetrack to the private entity lessee. During the

1 transitional period, the private entity lessee and the authority must  
2 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et  
3 seq.), except that the private entity need not obtain a permit  
4 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority  
5 has been granted one by the New Jersey Racing Commission.<sup>2</sup>  
6 (cf: P.L.2011, c.50, s.3)  
7

8 <sup>2</sup>2. Section 30 of P.L.2001, c.199 (C.5:5-156) is amended to  
9 read as follows:

10 30. a. The permit holder at Monmouth Park and the thoroughbred  
11 permit holder at Meadowlands Racetrack together shall schedule  
12 [(1) no fewer than 120 thoroughbred race dates in the aggregate in  
13 each of calendar years 2004 through 2007; (2) no fewer than 141  
14 thoroughbred race dates in the aggregate in each of calendar years  
15 2008 through 2016, except that in calendar year 2010 the permit  
16 holder at Monmouth Park and the thoroughbred permit holder at  
17 Meadowlands Racetrack may schedule no fewer than 71 race dates  
18 in the aggregate and all to take place at Monmouth Park; and (3)  
19 beginning in calendar year 2017 and in each calendar year  
20 thereafter, no fewer than 141 thoroughbred race dates in the  
21 aggregate, provided that in calendar year 2017 and in each calendar  
22 year thereafter the permit holders may schedule fewer than 141  
23 thoroughbred race dates in the aggregate if the commission  
24 determines, upon application by the permit holders, that scheduling  
25 fewer dates in that calendar year is in the best interest of the racing  
26 industry and the State. In making its determination, the commission  
27 shall consider all factors, including, but not limited to, handle,  
28 number of starters, interstate competition, and export marketability.  
29 Notwithstanding the foregoing in (3), in no calendar year shall the  
30 permit holders schedule, in the aggregate, fewer than 120  
31 thoroughbred race dates] annually no fewer than 141 thoroughbred  
32 race dates, except that the thoroughbred permit holder may decrease  
33 the annual number of scheduled thoroughbred race dates to no  
34 fewer than 71 thoroughbred race dates upon written consent from  
35 the New Jersey Thoroughbred Horsemen's Association.

36 b. The standardbred permit holder at Meadowlands Racetrack  
37 shall schedule annually no fewer than 151 standardbred race dates,  
38 except that the standardbred permit holder may decrease the annual  
39 number of scheduled standardbred race dates to no fewer than 75  
40 standardbred race dates upon written consent from the Standardbred  
41 Breeders' and Owners' Association of New Jersey.

42 c. The permit holders at Freehold Raceway shall schedule  
43 annually no fewer than 192 standardbred race dates, except that the  
44 permit holders may decrease the annual number of scheduled race  
45 dates to no fewer than 75 standardbred race dates upon written  
46 consent from the Standardbred Breeders' and Owners' Association  
47 of New Jersey.

1 d. Notwithstanding subsection a. of this section, the permit  
2 holder at Monmouth Park and the thoroughbred permit holder at  
3 Meadowlands Racetrack may schedule 120 thoroughbred race dates  
4 in the aggregate in each calendar year from 2004 through 2007 only  
5 if the thoroughbred permit holder at Meadowlands Racetrack or the  
6 permit holder at Monmouth Park guarantee in each calendar year  
7 from 2004 through 2007 at least \$4,200,000 in thoroughbred stakes  
8 at Meadowlands Racetrack and Monmouth Park, and guarantee the  
9 average daily overnight purses for thoroughbred race meetings at  
10 the following levels: (1) at least \$300,000 at Meadowlands  
11 Racetrack in each calendar year from 2004 through 2007; (2) for the  
12 traditional meet at Monmouth Park, at least \$320,000 in calendar  
13 year 2004, at least \$325,000 in calendar year 2005, at least  
14 \$330,000 in calendar year 2006 and at least \$335,000 in calendar  
15 year 2007; and (3) for the 18-day supplemental meet at Monmouth  
16 Park, at least \$300,000 in each calendar year from 2004 through  
17 2006. In any calendar year from 2004 through 2007 in which the  
18 permit holder at the Meadowlands Racetrack or the permit holder at  
19 Monmouth Park, as appropriate, fails to guarantee the required  
20 minimum for thoroughbred stakes or the required minimum in  
21 average in daily overnight purses pursuant to this subsection, the  
22 permit holder at Monmouth Park and the thoroughbred permit  
23 holder at Meadowlands Racetrack together shall schedule no fewer  
24 than 141 thoroughbred race dates in the aggregate in that calendar  
25 year.<sup>2</sup>

26 (cf: P.L.2011, c.50, s.1)

27

28 <sup>2</sup>3. Section 5 of P.L.1992, c.19 (C.5:12-195) is amended to read  
29 as follows:

30 5. A permit holder which wishes to conduct casino  
31 simulcasting shall request the approval of the New Jersey Racing  
32 Commission in its annual application for horse race meeting dates  
33 filed with that commission pursuant to section 23 of P.L.1940, c.17  
34 (C.5:5-43), or, if applying between the submittal of annual  
35 applications, through such supplemental application as that  
36 commission shall deem appropriate. The New Jersey Racing  
37 Commission shall not approve the request of any permit holder to  
38 conduct casino simulcasting unless the permit holder will conduct a  
39 number of live racing programs during the period for which the  
40 permit is issued which is equal to the following:

41 a. in the case of harness races, each permit holder shall conduct  
42 at least the number of live racing programs required under  
43 subsections b. and c. of section 30 of P.L.2001, c.199 (C.5:5-156);  
44 and

45 b. in the case of running races, Monmouth Racetrack and  
46 Meadowlands Racetrack shall conduct at least the same number of  
47 live racing programs 【conducted in 1991 and】 required under  
48 subsection a. of section 30 of P.L.2001, c.199 (C.5:5-156), and each



1 of the other permit holders conducting running races shall conduct  
2 at least five live racing programs, except that in calendar year 2010  
3 Monmouth Racetrack may conduct at least 71 live racing programs  
4 and Meadowlands Racetrack may conduct zero live racing  
5 programs.

6 For the purpose of satisfying the requirements of this section for  
7 the conduct of live racing programs, any live racing program or part  
8 thereof which is cancelled because of weather or another act of God  
9 shall be deemed to have been conducted, subject to the approval of  
10 the New Jersey Racing Commission.<sup>2</sup>

11 (cf: P.L.2010, c.18, s.2)

12

13 <sup>2</sup>4. Section 38 of P.L.1992, c.19 (C.5:5-126) is amended to read  
14 as follows:

15 38. a. If a receiving track which is authorized by the New Jersey  
16 Racing Commission to receive the racing program, in full or in part,  
17 from an out-of-State sending track pursuant to section 37 of this act  
18 is not conducting live racing at the time of receiving the out-of-  
19 State races, the amount resulting from the takeout rate shall be  
20 distributed as follows:

21 (1) (Deleted by amendment, P.L.1993, c.353.)

22 (2) .50% of the parimutuel pool generated at the in-State  
23 receiving track shall be deposited as follows:

24 (a) in the case of an in-State receiving track which conducts  
25 harness races, in the special trust account established pursuant to or  
26 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.  
27 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201  
28 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as  
29 appropriate, for use and distribution as provided in section  
30 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),  
31 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),  
32 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),  
33 and (iii) of P.L.1971, c.137 (C.5:10-7); and

34 (b) in the case of an in-State receiving track which conducts  
35 running races, in the special trust account established pursuant to or  
36 specified in section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66),  
37 section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of  
38 P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution  
39 as provided therein;

40 (3) .03% of the parimutuel pool generated at the in-State  
41 receiving track shall be paid to the New Jersey Racing Commission  
42 and set aside in the special trust account for horse breeding and  
43 development for distribution and use as provided in section 5 of  
44 P.L.1967, c.40 (C.5:5-88);

45 (4) on the basis of all races in each program, or if two or more  
46 programs are being transmitted simultaneously, on the basis of all  
47 races in all such programs running simultaneously, 3.735% of the  
48 first \$100,000 of the total pool generated at the in-State receiving

1 track; 5.235% of the total pool from \$100,001 to \$150,000; 5.735%  
2 of the total pool from \$150,001 to \$250,000; 6.235% of the total  
3 pool from \$250,001 to \$300,000; and, if the amount of the total  
4 pool is above \$300,000, 6.485% of the total amount of the pool or  
5 the percentage of the parimutuel pool for overnight purses on live  
6 races that the receiving track and horsemen have agreed to by  
7 contract, whichever is greater, shall be paid as follows:

8 (a) in the case of an in-State receiving track which conducts  
9 harness races, .1175% of the parimutuel pool to the Standardbred  
10 Breeders' and Owners' Association of New Jersey for the  
11 administration of a health benefits program for horsemen, and the  
12 remaining amount as overnight purse money at the next race  
13 meeting at the receiving track, except that if the receiving track is  
14 conducting a horse race meeting at the same time as the receipt of  
15 the simulcast horse races, the receiving track shall use those sums to  
16 supplement overnight purses at that horse race meeting, and for  
17 programs designed to aid the horsemen and the Standardbred  
18 Breeders' and Owners' Association of New Jersey, as provided in  
19 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of  
20 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201  
21 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as  
22 appropriate; and

23 (b) in the case of an in-State receiving track which conducts  
24 running races, as overnight purse money at the next race meeting at  
25 the receiving track, except that if the receiving track is conducting a  
26 horse race meeting at the same time as the receipt of the simulcast  
27 horse races, the receiving track shall use those sums to supplement  
28 overnight purses at that horse race meeting, and for programs  
29 designed to aid the horsemen and the New Jersey Thoroughbred  
30 Horseman's Benevolent Association, as provided in section  
31 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of  
32 P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137  
33 (C.5:10-7), as appropriate;

34 (5) .02% of the parimutuel pool generated at the in-State  
35 receiving track shall be paid as follows:

36 (a) in the case of an in-State receiving track which conducts  
37 harness races, to the Sire Stakes Program for standardbred horses;  
38 and

39 (b) in the case of an in-State receiving track which conducts  
40 running races, to the Thoroughbred Breeders' Association of New  
41 Jersey;

42 (6) .01% of the parimutuel pool generated at the in-State  
43 receiving track shall be paid to the Backstretch Benevolency  
44 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

45 (7) the amount remaining after the deduction of the amounts under  
46 paragraphs (2), (3), (4), (5), and (6) shall be paid to the receiving  
47 track.

1       b. If a receiving track includes out-of-State races as part of its  
2 live racing program in any way, the amount resulting from the  
3 takeout rate shall be distributed as follows:

4       (1) (Deleted by amendment, P.L.1993, c.353.)

5       (2) .50% of the parimutuel pool generated at the in-State  
6 receiving track shall be deposited as follows:

7       (a) in the case of an in-State receiving track which conducts  
8 harness races, in the special trust account established pursuant to or  
9 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.  
10 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201  
11 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as  
12 appropriate, for use and distribution as provided in section  
13 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),  
14 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),  
15 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),  
16 and (iii) of P.L.1971, c.137 (C.5:10-7); and

17       (b) in the case of an in-State receiving track which conducts  
18 running races, in the special trust account established pursuant to or  
19 specified in section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-  
20 66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section  
21 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and  
22 distribution as provided therein;

23       (3) .03% of the parimutuel pool generated at the in-State  
24 receiving track shall be paid to the New Jersey Racing Commission  
25 and set aside in the special trust account for horse breeding and  
26 development for distribution and use as provided in section 5 of  
27 P.L.1967, c.40 (C.5:5-88);

28       (4) 6.235% of the parimutuel pool generated at the in-State  
29 receiving track or the percentage of the parimutuel pool for  
30 overnight purses on live races that the racetrack and horsemen have  
31 agreed to by contract, whichever is greater, shall be paid as follows:

32       (a) in the case of an in-State receiving track which conducts  
33 harness races, .1175% of the parimutuel pool to the Standardbred  
34 Breeders' and Owners' Association of New Jersey for the  
35 administration of a health benefits program for horsemen, and the  
36 remaining amount as overnight purse money at the current race  
37 meeting at the receiving track and for programs designed to aid the  
38 horsemen and the Standardbred Breeders' and Owners' Association  
39 of New Jersey, as provided in section 46a.(4) of P.L.1940, c.17  
40 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section  
41 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of  
42 P.L.1971, c.137 (C.5:10-7), as appropriate; and

43       (b) in the case of an in-State receiving track which conducts  
44 running races, as overnight purse money at the current race meeting  
45 at the receiving track and for programs designed to aid the  
46 horsemen and the New Jersey Thoroughbred Horseman's  
47 Benevolent Association, as provided in section 46b.(1)(d) or (2)(d)  
48 of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201

1 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as  
2 appropriate;

3 (5) .02% of the parimutuel pool generated at the in-State  
4 receiving track shall be paid as follows:

5 (a) in the case of an in-State receiving track which conducts  
6 harness races, to the Sire Stakes Program for standardbred horses;  
7 and

8 (b) in the case of an in-State receiving track which conducts  
9 running races, to the Thoroughbred Breeders' Association of New  
10 Jersey;

11 (6) .01% of the parimutuel pool generated at the in-State  
12 receiving track shall be paid to the Backstretch Benevolency  
13 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

14 (7) the amount remaining after the deduction of the amounts  
15 under paragraphs (2), (3), (4), (5), and (6) shall be paid to the  
16 receiving track.

17 c. All breakage moneys and outstanding parimutuel ticket  
18 moneys resulting from the wagering at the receiving track on the  
19 additional out-of-State simulcast races authorized by section 37  
20 shall be divided as follows:

21 (1) 50% shall be paid to the receiving track; and

22 (2) 50% shall be paid as follows:

23 (a) in the case of an in-State receiving track which conducts  
24 harness races, as overnight purse money at the receiving track and  
25 for programs designed to aid the horsemen and the Standardbred  
26 Breeders' and Owners' Association of New Jersey, as provided in  
27 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of  
28 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201  
29 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as  
30 appropriate; and

31 (b) in the case of an in-State receiving track which conducts  
32 running races, as overnight purse money at the receiving track and  
33 for programs designed to aid the horsemen and the New Jersey  
34 Thoroughbred Horseman's Benevolent Association, as provided in  
35 section 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section  
36 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of  
37 P.L.1971, c.137 (C.5:10-7), as appropriate.

38 d. Nothing set forth in this section shall be construed to prohibit  
39 the distribution of amounts resulting from the parimutuel pool for  
40 an out-of-state program in a manner that is inconsistent with the  
41 provisions of subsection a., subsection b., or subsection c. of this  
42 section, if such alternative distribution is consistent with and  
43 pursuant to an agreement between the permit holder at Monmouth  
44 Park, the permit holder at the Meadowlands Racetrack, the  
45 Standardbred Breeders' and Owners' Association of New Jersey,  
46 and the New Jersey Thoroughbred Horsemen's Association.<sup>2</sup>

47 (cf: P.L.1993, c.353, s.5)

1       <sup>2</sup>[2.] 5.<sup>2</sup> This act shall take effect immediately.

2

3

4

5

6       Allows NJSEA to jointly run racetracks; conforms standardbred  
7 racing days to off-track and account wagering law; decreases  
8 thoroughbred racing days at Monmouth Park and Meadowlands to  
9 71 with horsemen's consent.

# ASSEMBLY, No. 3710

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JANUARY 10, 2011

**Sponsored by:**

**Assemblyman RONALD S. DANCER**

**District 30 (Burlington, Mercer, Monmouth and Ocean)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Salem, Cumberland and Gloucester)**

**Assemblyman JOSEPH R. MALONE, III**

**District 30 (Burlington, Mercer, Monmouth and Ocean)**

**Co-Sponsored by:**

**Assemblyman O'Scanlon and Assemblywoman Casagrande**

**SYNOPSIS**

Provides New Jersey Sports and Exposition Authority with the power to jointly run racetrack operations.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/11/2011)**

A3710 DANCER, BURZICHELLI

2

1 AN ACT providing the New Jersey Sports and Exposition Authority  
2 with the power to jointly run racetrack operations and amending  
3 P.L.1971, c. 137.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read as  
9 follows:

10 7. a. The authority or a lessee of the authority is hereby  
11 authorized, licensed and empowered to apply to the Racing  
12 Commission for a permit or permits to hold and conduct, at any of  
13 the projects set forth in paragraphs (1) and (5) of subsection a. of  
14 section 6 of P.L.1971, c.137 (C.5:10-6), horse race meetings for  
15 stake, purse or reward, and to provide a place or places on the race  
16 meeting grounds or enclosure for wagering by patrons on the results  
17 of such horse races by the parimutuel system, and to receive  
18 charges and collect all revenues, receipts and other sums from the  
19 operation thereof and, in the case of the authority, the ownership  
20 thereof.

21 b. Except as otherwise provided in this section, such horse race  
22 meetings and parimutuel wagering shall be conducted by the  
23 authority or a lessee of the authority in the manner and subject to  
24 compliance with the standards set forth in P.L.1940, c.17 (C.5:5-22  
25 et seq.) and the rules, regulations and conditions prescribed by the  
26 Racing Commission thereunder for the conduct of horse race  
27 meetings and for parimutuel betting at such meetings.

28 c. Application for said permit or permits shall be on such forms  
29 and shall include such accompanying data as the Racing  
30 Commission shall prescribe for other applicants. The Racing  
31 Commission shall proceed to review and act on any such  
32 application within 30 days after its filing and the Racing  
33 Commission is authorized in its sole discretion to determine  
34 whether a permit shall be granted to the authority or a lessee of the  
35 authority. If, after such review, the Racing Commission acts  
36 favorably on such application, a permit shall be granted to the  
37 authority or a lessee of the authority without any further approval  
38 and shall remain in force and effect so long as any bonds or notes of  
39 the authority remain outstanding, the provisions of any other law to  
40 the contrary notwithstanding. In granting a permit to the authority  
41 or a lessee of the authority to conduct a horse race meeting, the  
42 Racing Commission shall not be subject to any limitation as to the  
43 number of tracks authorized for the conduct of horse race meetings  
44 pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said  
45 permit shall set forth the dates to be allotted to the authority for its

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 initial horse race meetings. Thereafter application for dates for  
2 horse race meetings by the authority or a lessee of the authority and  
3 the allotment thereof by the Racing Commission, including the  
4 renewal of the same dates theretofore allotted, shall be governed by  
5 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).  
6 Notwithstanding the provisions of any other law to the contrary, the  
7 Racing Commission shall allot annually to the authority or a lessee  
8 of the authority for the Meadowlands Complex, in the case of  
9 harness racing, not less than 100 racing days, and in the case of  
10 running racing, not less than 56 racing days, if and to the extent that  
11 application is made therefor.

12 d. No hearing, referendum or other election or proceeding, and  
13 no payment, surety or cash bond or other deposit, shall be required  
14 for the authority or a lessee of the authority to hold or conduct the  
15 horse race meetings with parimutuel wagering herein authorized.

16 e. The authority or a lessee of the authority shall determine the  
17 amount of the admission fee for the races and all matters relating to  
18 the collection thereof.

19 f. Distribution of sums deposited in parimutuel pools to  
20 winners thereof shall be in accordance with the provisions of  
21 section 44 of P.L.1940, c.17 (C.5:5-64) pertaining thereto. The  
22 authority or a lessee of the authority shall make disposition of the  
23 deposits remaining undistributed as follows:

24 (1) In the case of harness races:

25 (a) Hold and set aside in an account designated as a special trust  
26 account 1% of such total contributions in all pools, to be used and  
27 distributed as hereinafter provided and as provided in section 5 of  
28 P.L.1967, c.40, for the following purposes and no other:

29 (i) 4 1/2% thereof to increase purses and grant awards for  
30 starting horses, as provided or as may be provided by rules of the  
31 New Jersey Racing Commission, with payment to be made in the  
32 same manner as payment of other purses and awards;

33 (ii) 49% thereof for the establishment of a Sire Stakes Program  
34 for standardbred horses, with payment to be made to the  
35 Department of Agriculture for administration as hereinbefore  
36 provided;

37 (iii) 5 1/2% thereof to the Sire Stakes Program for purse  
38 supplements designed to improve and promote the standardbred  
39 breeding industry in New Jersey by increasing purses for owners of  
40 horses that are sired by a New Jersey registered stallion and are  
41 eligible to participate in the Sire Stakes Program. The Sire Stakes  
42 Program board of trustees shall consult with the Standardbred  
43 Breeders' and Owners' Association of New Jersey before disbursing  
44 money for purse supplements;

45 (iv) 3% thereof for other New Jersey horse breeding and  
46 promotion conducted by the New Jersey Department of Agriculture.

47 Payment of the sums held and set aside pursuant to  
48 subparagraphs (iii) and (iv) shall be made to the commission every



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1 seventh day of any and every race meeting in the amount then due,  
2 as determined in the manner provided above, and shall be  
3 accompanied by a report under oath showing the total of all such  
4 contributions, together with such other information as the  
5 commission may require.

6 (b) Distribute as purse money and for programs designed to aid  
7 the horsemen and the Standardbred Breeders' and Owners'  
8 Association of New Jersey 5.1175%, or in the case of races on a  
9 charity racing day 5%, of such total contributions. Expenditures for  
10 programs designed to aid the horsemen and the Standardbred  
11 Breeders' and Owners' Association of New Jersey shall not exceed  
12 3.5% of the sum available for distribution as purse money. The  
13 formula for distribution of the purse money as either overnight  
14 purses or special stakes shall be determined by an agreement  
15 between the Standardbred Breeders' and Owners' Association of  
16 New Jersey and the authority or a lessee of the authority.  
17 Notwithstanding the foregoing, for pools where the patron is  
18 required to select two or more horses, the authority or a lessee of  
19 the authority shall distribute as purse money 5.6175%, or in the  
20 case of races on a charity racing day 5.5%, of the total contributions  
21 and for pools where the patron is required to select three or more  
22 horses, the authority or a lessee of the authority shall distribute as  
23 purse money 7.1175%, or in the case of races on a charity racing  
24 day 7%, of the total contributions. Notwithstanding the foregoing,  
25 for pools where a patron is required to select three or more horses,  
26 the authority or a lessee of the authority shall retain out of the  
27 7.1175% or 7% to be distributed as purse money a sum deemed  
28 necessary by the racing commission, for use by the commission to  
29 finance a prerace blood testing program, and such other testing  
30 programs which the commission shall deem proper and necessary  
31 and which shall be subject to the regulation and control of said  
32 commission.

33 (c) In the case of races on a racing day other than a charity  
34 racing day, distribute to the Standardbred Breeders' and Owners'  
35 Association of New Jersey for the administration of a health  
36 benefits program for horsemen .1175% of such total contributions.

37 (d) In the case of races on a racing day other than a charity  
38 racing day, distribute to the Sire Stakes Program for standardbred  
39 horses .02% of such total contributions.

40 (e) In the case of races on a racing day other than a charity  
41 racing day, distribute to the Backstretch Benevolency Programs  
42 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
43 total contributions.

44 (2) In the case of running races:

45 (a) Hold and set aside in an account designated as a special trust  
46 account .05% of such total contributions, to be used and distributed  
47 for State horse breeding and development programs, research, fairs,

1 horse shows, youth activities, promotion and administration, as  
2 provided in section 5 of P.L.1967, c.40 (C.5:5-88).

3 (b) Distribute as purse money and for programs designed to aid  
4 the horsemen and the New Jersey Thoroughbred Horsemen's  
5 Association 4.475%, or in the case of races on a charity racing day  
6 4.24%, of such total contributions. Expenditures for programs  
7 designed to aid the horsemen and the New Jersey Thoroughbred  
8 Horsemen's Association shall not exceed 2.9% of the sum available  
9 for distribution as purse money. The formula for distribution of the  
10 purse money as either overnight purses or special stakes shall be  
11 determined by an agreement between the New Jersey Thoroughbred  
12 Horsemen's Association and the authority or a lessee of the  
13 authority. Notwithstanding the foregoing, for pools where the  
14 patron is required to select three or more horses, the authority or a  
15 lessee of the authority shall distribute as purse money 7.475%, or in  
16 the case of races on a charity racing day 7.24%, of the total  
17 contributions.

18 (c) Deduct and set aside in a special trust account established  
19 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17  
20 (C.5:5-66) for the establishment and support by the commission of  
21 the thoroughbred breeding industry in New Jersey .1% of such total  
22 contributions, except that for pools where the patron is required to  
23 select three or more horses, the amount shall be .6%. The money in  
24 the special trust account shall be used to: (i) improve purses for  
25 closed races; (ii) provide awards to owners and breeders of  
26 registered New Jersey bred horses who earn portions of purses in  
27 open and closed races at New Jersey race tracks or in closed races at  
28 an out-of-State track as part of a multi-state event to promote  
29 thoroughbred breeding, and to owners of stallions posted on the  
30 official stallion roster of the Thoroughbred Breeders' Association of  
31 New Jersey, which sire such New Jersey bred money earners; and  
32 (iii) provide awards to the New Jersey Thoroughbred Breeders'  
33 Association for programs beneficial to thoroughbred breeding in  
34 this State. The New Jersey thoroughbred award program shall be  
35 administered and disbursed by the Thoroughbred Breeders'  
36 Association of New Jersey subject to the approval of the  
37 commission. The special trust account to be established pursuant to  
38 this paragraph shall be separate and apart from the special trust  
39 account established and maintained pursuant to subparagraph (a) of  
40 this paragraph.

41 (d) In the case of races on a racing day other than a charity  
42 racing day, distribute to the Thoroughbred Breeders' Association of  
43 New Jersey .02% of such total contributions.

44 (e) In the case of races on a racing day other than a charity  
45 racing day, distribute to the Backstretch Benevolency Programs  
46 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
47 total contributions.

1 Payment of the sums held and set aside pursuant to  
2 subparagraphs (a) and (c) of this subsection shall be made to the  
3 commission every seventh day of any and every race meeting in the  
4 amount then due, as determined in the manner provided above, and  
5 shall be accompanied by a report under oath showing the total of all  
6 such contributions, together with such other information as the  
7 commission may require.

8 In addition to the amounts above, in the case of races on a racing  
9 day designated or allotted as a charity racing day pursuant to  
10 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or  
11 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to « of  
12 1% of all parimutuel pools shall be paid to the commission at the  
13 time and in the manner prescribed by the commission.

14 All amounts remaining in parimutuel pools, including the breaks,  
15 after such distribution and payments shall constitute revenues of the  
16 authority or a lessee of the authority. Except as otherwise expressly  
17 provided in this section 7, the authority or a lessee of the authority  
18 shall not be required to make any payments to the Racing  
19 Commission or others in connection with contributions to  
20 parimutuel pools.

21 g. All sums held by the authority or a lessee of the authority for  
22 payment of outstanding parimutuel tickets not claimed by the  
23 person or persons entitled thereto within the time provided by law  
24 shall be paid upon the expiration of such time, without further  
25 obligation to such ticketholder, as follows:

26 (1) In the case of running and harness races, beginning July 1,  
27 1997 50% of those sums shall be paid to the Racing Commission  
28 for deposit in the general fund of the State and disposition in  
29 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

30 (2) In the case of running races, 50% of those sums shall be paid  
31 to the commission and set aside in the special trust account  
32 established pursuant to section 46b.(1)(e) and section 46b.(2)(e) of  
33 P.L.1940, c.17 (C.5:5-66); and

34 (3) In the case of harness races, 25% of those sums shall be  
35 retained by the permitholder to supplement purses for sire stakes  
36 races on which there is parimutuel wagering, and 25% shall be  
37 retained by the permitholder to supplement overnight purses.

38 h. No admission or amusement tax, excise tax, license or horse  
39 racing fee of any kind shall be assessed or collected from the  
40 authority or a lessee of the authority by the State of New Jersey, or  
41 by any county or municipality, or by any other body having power  
42 to assess or collect license fees or taxes.

43 i. Any horse race meeting and the parimutuel system of  
44 wagering upon the results of horse races held at such race meeting  
45 shall not under any circumstances, if conducted as provided in the  
46 act and in conformity thereto, be held or construed to be unlawful,  
47 other statutes of the State to the contrary notwithstanding.

1 j. Each employee of the authority or a lessee of the authority  
2 engaged in the conducting of horse race meetings shall obtain the  
3 appropriate license from the Racing Commission, subject to the  
4 same terms and conditions as is required of similar employees of  
5 other permit holders. The Racing Commission may suspend any  
6 member of the authority upon approval of the Governor and the  
7 license of any employee of the authority or a lessee of the authority  
8 in connection with the conducting of horse race meetings, pending a  
9 hearing by the Racing Commission, for any violation of the New  
10 Jersey laws regulating horse racing or any rule or regulation of the  
11 commission. Such hearing shall be held and conducted in the  
12 manner provided in said laws.

13 k. Notwithstanding any other provision of law, rule, or  
14 regulation to the contrary, if the authority shall enter into an  
15 agreement with a private entity to lease a racetrack facility it owns  
16 to that entity, it may further agree with that entity to jointly operate  
17 the facility during a transitional period. The transitional period  
18 shall only last:

19 (1) until the private entity lessee has been fully licensed by the  
20 New Jersey Racing Commission and has received all necessary  
21 permits to conduct future horse race meetings at the racetrack in the  
22 manner and subject to compliance with the standards set forth in  
23 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
24 conditions prescribed by the New Jersey Racing Commission  
25 thereunder; or

26 (2) for one year from the date that the lease agreement is signed,  
27 whichever is shorter.

28 The New Jersey Racing Commission may extend the  
29 transitional period for a reasonable time frame beyond one year  
30 from the date that the lease agreement is signed, however under no  
31 circumstances can the transitional period extend beyond two years  
32 from the date that the lease agreement is signed. At the expiration  
33 of the transitional period and any extension granted by the New  
34 Jersey Racing Commission, the private entity lessee shall be  
35 required to have obtained all the necessary permits and licenses in  
36 the manner and subject to compliance with the standards set forth in  
37 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
38 conditions prescribed by the New Jersey Racing Commission  
39 thereunder. During this transitional period, the private entity  
40 lessee shall be permitted to conduct horse race meetings and  
41 wagering through its own employees or through the authority's  
42 employees, provided that the authority or the private entity lessee  
43 holds a permit issued pursuant to section 30 of P.L.1940, c.17  
44 (C.5:5-50). During this transitional period, the authority may also  
45 assign any portion of the proceeds it receives from the operation of  
46 the leased racetrack to the private entity lessee. During the  
47 transitional period, the private entity lessee and the authority must  
48 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et

1 seq.), except that the private entity need not obtain a permit  
2 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority  
3 has been granted one by the New Jersey Racing Commission.  
4 (cf: P.L.2004, c.116, s.11)

5

6 2. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill provides the New Jersey Sports and Exposition  
12 Authority (the authority) with the power to jointly run racetrack  
13 operations with a racetrack lessee during a transitional period.

14 If the authority enters into an agreement to lease one of its  
15 racetracks to a private entity, there would need to be a transitional  
16 period where the facility could be jointly operated so the lessee and  
17 its employees can obtain the permits and licenses required by the  
18 New Jersey Racing Commission to operate the racetrack. Various  
19 statutory restrictions placed upon the authority's racetrack  
20 operations, such as the requirement that only authority employees  
21 conduct horse race meetings, would inhibit its ability to seamlessly  
22 transition operational control to a private entity lessee. Therefore,  
23 this bill provides the authority with the flexibility necessary to craft  
24 and effectuate a viable lease agreement for one of its racetrack  
25 facilities without disrupting previously scheduled events.

ASSEMBLY REGULATORY OVERSIGHT AND GAMING  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 3710**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 20, 2011

The Assembly Regulatory Oversight and Gaming Committee reports favorably and with committee amendments Assembly, No. 3710.

As amended by the committee, this bill provides the New Jersey Sports and Exposition Authority (the authority) with the power to jointly run racetrack operations with a racetrack lessee during a transitional period.

If the authority enters into an agreement to lease one of its racetracks to a private entity, there would need to be a transitional period where the facility could be jointly operated so the lessee and its employees can obtain the permits and licenses required by the New Jersey Racing Commission to operate the racetrack. Various statutory restrictions placed upon the authority's racetrack operations, such as the requirement that only duly licensed employees conduct horse race meetings, would inhibit its ability to seamlessly transition operational control to a private entity lessee. Therefore, this bill provides the authority with the flexibility necessary to craft and effectuate a viable lease agreement for one of its racetrack facilities without disrupting previously scheduled events.

As amended by the committee, this bill also conforms the number of annual standardbred racing days allotted at the Meadowlands Racetrack to that required under the "Off-Track and Account Wagering Act."

COMMITTEE AMENDMENTS:

The committee amended the bill to conform the number of annual standardbred racing days allotted at the Meadowlands Racetrack to that required under the "Off-Track and Account Wagering Act."

SENATE STATE GOVERNMENT, WAGERING, TOURISM &  
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

[First Reprint]  
**ASSEMBLY, No. 3710**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 20, 2011

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably and with committee amendments Assembly, No. 3710 (1R).

As amended by the committee, this bill provides the New Jersey Sports and Exposition Authority (the authority) with the power to jointly run racetrack operations with a racetrack lessee during a transitional period.

If the authority enters into an agreement to lease one of its racetracks to a private entity, there would need to be a transitional period where the facility could be jointly operated so the lessee and its employees can obtain the permits and licenses required by the New Jersey Racing Commission to operate the racetrack. Various statutory restrictions placed upon the authority's racetrack operations, such as the requirement that only duly licensed employees conduct horse race meetings, would inhibit its ability to seamlessly transition operational control to a private entity lessee. Therefore, this bill provides the authority with the flexibility necessary to craft and effectuate a viable lease agreement for one of its racetrack facilities without disrupting previously scheduled events.

This bill also conforms the number of annual standardbred racing days allotted at the Meadowlands Racetrack to that required under the "Off-Track and Account Wagering Act." As amended, the bill also reduces the number of annual thoroughbred racing days at Monmouth Park and the Meadowlands to no fewer than 71, upon consent from the New Jersey Thoroughbred Horsemen's Association. The bill also clarifies that the distribution of certain amounts generated from out-of-state races, which is agreed upon by the permit holders and the horsemen, would not be inconsistent with current law and would be honored pursuant to such agreement.

As amended, this bill identical to Senate, No. 2640 (1R).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(b) reduce the number of annual thoroughbred racing days at Monmouth Park and the Meadowlands to no fewer than 71, upon consent from the New Jersey Thoroughbred Horsemen's Association;

(c) clarify that the distribution of certain amounts generated from out-of-state races, which is agreed upon by the permit holders and the horsemen, would not be inconsistent with current law and would be honored pursuant to such agreement; and

(d) update the bill's text to the most current version of the law, as amended by section 3 of P.L.2011, c.50.



# SENATE, No. 2640

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JANUARY 20, 2011

**Sponsored by:**

**Senator ROBERT W. SINGER**

**District 30 (Burlington, Mercer, Monmouth and Ocean)**

**Senator JOSEPH M. KYRILLOS, JR.**

**District 13 (Middlesex and Monmouth)**

**SYNOPSIS**

Provides New Jersey Sports and Exposition Authority with the power to jointly run racetrack operations.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT providing the New Jersey Sports and Exposition Authority  
2 with the power to jointly run racetrack operations and amending  
3 P.L.1971, c. 137.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
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11 authorized, licensed and empowered to apply to the Racing  
12 Commission for a permit or permits to hold and conduct, at any of  
13 the projects set forth in paragraphs (1) and (5) of subsection a. of  
14 section 6 of P.L.1971, c.137 (C.5:10-6), horse race meetings for  
15 stake, purse or reward, and to provide a place or places on the race  
16 meeting grounds or enclosure for wagering by patrons on the results  
17 of such horse races by the parimutuel system, and to receive  
18 charges and collect all revenues, receipts and other sums from the  
19 operation thereof and, in the case of the authority, the ownership  
20 thereof.

21 b. Except as otherwise provided in this section, such horse race  
22 meetings and parimutuel wagering shall be conducted by the  
23 authority or a lessee of the authority in the manner and subject to  
24 compliance with the standards set forth in P.L.1940, c.17 (C.5:5-22  
25 et seq.) and the rules, regulations and conditions prescribed by the  
26 Racing Commission thereunder for the conduct of horse race  
27 meetings and for parimutuel betting at such meetings.

28 c. Application for said permit or permits shall be on such forms  
29 and shall include such accompanying data as the Racing  
30 Commission shall prescribe for other applicants. The Racing  
31 Commission shall proceed to review and act on any such  
32 application within 30 days after its filing and the Racing  
33 Commission is authorized in its sole discretion to determine  
34 whether a permit shall be granted to the authority or a lessee of the  
35 authority. If, after such review, the Racing Commission acts  
36 favorably on such application, a permit shall be granted to the  
37 authority or a lessee of the authority without any further approval  
38 and shall remain in force and effect so long as any bonds or notes of  
39 the authority remain outstanding, the provisions of any other law to  
40 the contrary notwithstanding. In granting a permit to the authority  
41 or a lessee of the authority to conduct a horse race meeting, the  
42 Racing Commission shall not be subject to any limitation as to the  
43 number of tracks authorized for the conduct of horse race meetings  
44 pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said  
45 permit shall set forth the dates to be allotted to the authority for its

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**Matter underlined thus is new matter.**

1 initial horse race meetings. Thereafter application for dates for  
2 horse race meetings by the authority or a lessee of the authority and  
3 the allotment thereof by the Racing Commission, including the  
4 renewal of the same dates theretofore allotted, shall be governed by  
5 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).  
6 Notwithstanding the provisions of any other law to the contrary, the  
7 Racing Commission shall allot annually to the authority or a lessee  
8 of the authority for the Meadowlands Complex, in the case of  
9 harness racing, not less than 100 racing days, and in the case of  
10 running racing, not less than 56 racing days, if and to the extent that  
11 application is made therefor.

12 d. No hearing, referendum or other election or proceeding, and  
13 no payment, surety or cash bond or other deposit, shall be required  
14 for the authority or a lessee of the authority to hold or conduct the  
15 horse race meetings with parimutuel wagering herein authorized.

16 e. The authority or a lessee of the authority shall determine the  
17 amount of the admission fee for the races and all matters relating to  
18 the collection thereof.

19 f. Distribution of sums deposited in parimutuel pools to  
20 winners thereof shall be in accordance with the provisions of  
21 section 44 of P.L.1940, c.17 (C.5:5-64) pertaining thereto. The  
22 authority or a lessee of the authority shall make disposition of the  
23 deposits remaining undistributed as follows:

24 (1) In the case of harness races:

25 (a) Hold and set aside in an account designated as a special trust  
26 account 1% of such total contributions in all pools, to be used and  
27 distributed as hereinafter provided and as provided in section 5 of  
28 P.L.1967, c.40, for the following purposes and no other:

29 (i) 4 1/2% thereof to increase purses and grant awards for  
30 starting horses, as provided or as may be provided by rules of the  
31 New Jersey Racing Commission, with payment to be made in the  
32 same manner as payment of other purses and awards;

33 (ii) 49% thereof for the establishment of a Sire Stakes Program  
34 for standardbred horses, with payment to be made to the  
35 Department of Agriculture for administration as hereinbefore  
36 provided;

37 (iii) 5 1/2% thereof to the Sire Stakes Program for purse  
38 supplements designed to improve and promote the standardbred  
39 breeding industry in New Jersey by increasing purses for owners of  
40 horses that are sired by a New Jersey registered stallion and are  
41 eligible to participate in the Sire Stakes Program. The Sire Stakes  
42 Program board of trustees shall consult with the Standardbred  
43 Breeders' and Owners' Association of New Jersey before disbursing  
44 money for purse supplements;

45 (iv) 3% thereof for other New Jersey horse breeding and  
46 promotion conducted by the New Jersey Department of Agriculture.

47 Payment of the sums held and set aside pursuant to  
48 subparagraphs (iii) and (iv) shall be made to the commission every

1 seventh day of any and every race meeting in the amount then due,  
2 as determined in the manner provided above, and shall be  
3 accompanied by a report under oath showing the total of all such  
4 contributions, together with such other information as the  
5 commission may require.

6 (b) Distribute as purse money and for programs designed to aid  
7 the horsemen and the Standardbred Breeders' and Owners'  
8 Association of New Jersey 5.1175%, or in the case of races on a  
9 charity racing day 5%, of such total contributions. Expenditures for  
10 programs designed to aid the horsemen and the Standardbred  
11 Breeders' and Owners' Association of New Jersey shall not exceed  
12 3.5% of the sum available for distribution as purse money. The  
13 formula for distribution of the purse money as either overnight  
14 purses or special stakes shall be determined by an agreement  
15 between the Standardbred Breeders' and Owners' Association of  
16 New Jersey and the authority or a lessee of the authority.  
17 Notwithstanding the foregoing, for pools where the patron is  
18 required to select two or more horses, the authority or a lessee of  
19 the authority shall distribute as purse money 5.6175%, or in the  
20 case of races on a charity racing day 5.5%, of the total contributions  
21 and for pools where the patron is required to select three or more  
22 horses, the authority or a lessee of the authority shall distribute as  
23 purse money 7.1175%, or in the case of races on a charity racing  
24 day 7%, of the total contributions. Notwithstanding the foregoing,  
25 for pools where a patron is required to select three or more horses,  
26 the authority or a lessee of the authority shall retain out of the  
27 7.1175% or 7% to be distributed as purse money a sum deemed  
28 necessary by the racing commission, for use by the commission to  
29 finance a prerace blood testing program, and such other testing  
30 programs which the commission shall deem proper and necessary  
31 and which shall be subject to the regulation and control of said  
32 commission.

33 (c) In the case of races on a racing day other than a charity  
34 racing day, distribute to the Standardbred Breeders' and Owners'  
35 Association of New Jersey for the administration of a health  
36 benefits program for horsemen .1175% of such total contributions.

37 (d) In the case of races on a racing day other than a charity  
38 racing day, distribute to the Sire Stakes Program for standardbred  
39 horses .02% of such total contributions.

40 (e) In the case of races on a racing day other than a charity  
41 racing day, distribute to the Backstretch Benevolency Programs  
42 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
43 total contributions.

44 (2) In the case of running races:

45 (a) Hold and set aside in an account designated as a special trust  
46 account .05% of such total contributions, to be used and distributed  
47 for State horse breeding and development programs, research, fairs,

1 horse shows, youth activities, promotion and administration, as  
2 provided in section 5 of P.L.1967, c.40 (C.5:5-88).

3 (b) Distribute as purse money and for programs designed to aid  
4 the horsemen and the New Jersey Thoroughbred Horsemen's  
5 Association 4.475%, or in the case of races on a charity racing day  
6 4.24%, of such total contributions. Expenditures for programs  
7 designed to aid the horsemen and the New Jersey Thoroughbred  
8 Horsemen's Association shall not exceed 2.9% of the sum available  
9 for distribution as purse money. The formula for distribution of the  
10 purse money as either overnight purses or special stakes shall be  
11 determined by an agreement between the New Jersey Thoroughbred  
12 Horsemen's Association and the authority or a lessee of the  
13 authority. Notwithstanding the foregoing, for pools where the  
14 patron is required to select three or more horses, the authority or a  
15 lessee of the authority shall distribute as purse money 7.475%, or in  
16 the case of races on a charity racing day 7.24%, of the total  
17 contributions.

18 (c) Deduct and set aside in a special trust account established  
19 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17  
20 (C.5:5-66) for the establishment and support by the commission of  
21 the thoroughbred breeding industry in New Jersey .1% of such total  
22 contributions, except that for pools where the patron is required to  
23 select three or more horses, the amount shall be .6%. The money in  
24 the special trust account shall be used to: (i) improve purses for  
25 closed races; (ii) provide awards to owners and breeders of  
26 registered New Jersey bred horses who earn portions of purses in  
27 open and closed races at New Jersey race tracks or in closed races at  
28 an out-of-State track as part of a multi-state event to promote  
29 thoroughbred breeding, and to owners of stallions posted on the  
30 official stallion roster of the Thoroughbred Breeders' Association of  
31 New Jersey, which sire such New Jersey bred money earners; and  
32 (iii) provide awards to the New Jersey Thoroughbred Breeders'  
33 Association for programs beneficial to thoroughbred breeding in  
34 this State. The New Jersey thoroughbred award program shall be  
35 administered and disbursed by the Thoroughbred Breeders'  
36 Association of New Jersey subject to the approval of the  
37 commission. The special trust account to be established pursuant to  
38 this paragraph shall be separate and apart from the special trust  
39 account established and maintained pursuant to subparagraph (a) of  
40 this paragraph.

41 (d) In the case of races on a racing day other than a charity  
42 racing day, distribute to the Thoroughbred Breeders' Association of  
43 New Jersey .02% of such total contributions.

44 (e) In the case of races on a racing day other than a charity  
45 racing day, distribute to the Backstretch Benevolency Programs  
46 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such  
47 total contributions.

1 Payment of the sums held and set aside pursuant to  
2 subparagraphs (a) and (c) of this subsection shall be made to the  
3 commission every seventh day of any and every race meeting in the  
4 amount then due, as determined in the manner provided above, and  
5 shall be accompanied by a report under oath showing the total of all  
6 such contributions, together with such other information as the  
7 commission may require.

8 In addition to the amounts above, in the case of races on a racing  
9 day designated or allotted as a charity racing day pursuant to  
10 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or  
11 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to « of  
12 1% of all parimutuel pools shall be paid to the commission at the  
13 time and in the manner prescribed by the commission.

14 All amounts remaining in parimutuel pools, including the breaks,  
15 after such distribution and payments shall constitute revenues of the  
16 authority or a lessee of the authority. Except as otherwise expressly  
17 provided in this section 7, the authority or a lessee of the authority  
18 shall not be required to make any payments to the Racing  
19 Commission or others in connection with contributions to  
20 parimutuel pools.

21 g. All sums held by the authority or a lessee of the authority for  
22 payment of outstanding parimutuel tickets not claimed by the  
23 person or persons entitled thereto within the time provided by law  
24 shall be paid upon the expiration of such time, without further  
25 obligation to such ticketholder, as follows:

26 (1) In the case of running and harness races, beginning July 1,  
27 1997 50% of those sums shall be paid to the Racing Commission  
28 for deposit in the general fund of the State and disposition in  
29 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

30 (2) In the case of running races, 50% of those sums shall be paid  
31 to the commission and set aside in the special trust account  
32 established pursuant to section 46b.(1)(e) and section 46b.(2)(e) of  
33 P.L.1940, c.17 (C.5:5-66); and

34 (3) In the case of harness races, 25% of those sums shall be  
35 retained by the permitholder to supplement purses for sire stakes  
36 races on which there is parimutuel wagering, and 25% shall be  
37 retained by the permitholder to supplement overnight purses.

38 h. No admission or amusement tax, excise tax, license or horse  
39 racing fee of any kind shall be assessed or collected from the  
40 authority or a lessee of the authority by the State of New Jersey, or  
41 by any county or municipality, or by any other body having power  
42 to assess or collect license fees or taxes.

43 i. Any horse race meeting and the parimutuel system of  
44 wagering upon the results of horse races held at such race meeting  
45 shall not under any circumstances, if conducted as provided in the  
46 act and in conformity thereto, be held or construed to be unlawful,  
47 other statutes of the State to the contrary notwithstanding.

1 j. Each employee of the authority or a lessee of the authority  
2 engaged in the conducting of horse race meetings shall obtain the  
3 appropriate license from the Racing Commission, subject to the  
4 same terms and conditions as is required of similar employees of  
5 other permitholders. The Racing Commission may suspend any  
6 member of the authority upon approval of the Governor and the  
7 license of any employee of the authority or a lessee of the authority  
8 in connection with the conducting of horse race meetings, pending a  
9 hearing by the Racing Commission, for any violation of the New  
10 Jersey laws regulating horse racing or any rule or regulation of the  
11 commission. Such hearing shall be held and conducted in the  
12 manner provided in said laws.

13 k. Notwithstanding any other provision of law, rule, or  
14 regulation to the contrary, if the authority shall enter into an  
15 agreement with a private entity to lease a racetrack facility it owns  
16 to that entity, it may further agree with that entity to jointly operate  
17 the facility during a transitional period. The transitional period  
18 shall only last:

19 (1) until the private entity lessee has been fully licensed by the  
20 New Jersey Racing Commission and has received all necessary  
21 permits to conduct future horse race meetings at the racetrack in the  
22 manner and subject to compliance with the standards set forth in  
23 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
24 conditions prescribed by the New Jersey Racing Commission  
25 thereunder; or

26 (2) for one year from the date that the lease agreement is signed,  
27 whichever is shorter.

28 The New Jersey Racing Commission may extend the  
29 transitional period for a reasonable time frame beyond one year  
30 from the date that the lease agreement is signed, however under no  
31 circumstances can the transitional period extend beyond two years  
32 from the date that the lease agreement is signed. At the expiration  
33 of the transitional period and any extension granted by the New  
34 Jersey Racing Commission, the private entity lessee shall be  
35 required to have obtained all the necessary permits and licenses in  
36 the manner and subject to compliance with the standards set forth in  
37 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and  
38 conditions prescribed by the New Jersey Racing Commission  
39 thereunder. During this transitional period, the private entity  
40 lessee shall be permitted to conduct horse race meetings and  
41 wagering through its own employees or through the authority's  
42 employees, provided that the authority or the private entity lessee  
43 holds a permit issued pursuant to section 30 of P.L.1940, c.17  
44 (C.5:5-50). During this transitional period, the authority may also  
45 assign any portion of the proceeds it receives from the operation of  
46 the leased racetrack to the private entity lessee. During the  
47 transitional period, the private entity lessee and the authority must  
48 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et

1 seq.), except that the private entity need not obtain a permit  
2 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority  
3 has been granted one by the New Jersey Racing Commission.  
4 (cf: P.L.2004, c.116, s.11)

5

6 2. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill provides the New Jersey Sports and Exposition  
12 Authority (the authority) with the power to jointly run racetrack  
13 operations with a racetrack lessee during a transitional period.

14 If the authority enters into an agreement to lease one of its  
15 racetracks to a private entity, there would need to be a transitional  
16 period where the facility could be jointly operated so the lessee and  
17 its employees can obtain the permits and licenses required by the  
18 New Jersey Racing Commission to operate the racetrack. Various  
19 statutory restrictions placed upon the authority's racetrack  
20 operations, such as the requirement that only authority employees  
21 conduct horse race meetings, would inhibit its ability to seamlessly  
22 transition operational control to a private entity lessee. Therefore,  
23 this bill provides the authority with the flexibility necessary to craft  
24 and effectuate a viable lease agreement for one of its racetrack  
25 facilities without disrupting previously scheduled events.



SENATE STATE GOVERNMENT, WAGERING, TOURISM &  
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

**SENATE, No. 2640**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 20, 2011

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably and with committee amendments Senate, No. 2640.

As amended by the committee, this bill provides the New Jersey Sports and Exposition Authority (the authority) with the power to jointly run racetrack operations with a racetrack lessee during a transitional period.

If the authority enters into an agreement to lease one of its racetracks to a private entity, there would need to be a transitional period where the facility could be jointly operated so the lessee and its employees can obtain the permits and licenses required by the New Jersey Racing Commission to operate the racetrack. Various statutory restrictions placed upon the authority's racetrack operations, such as the requirement that only authority employees conduct horse race meetings, would inhibit its ability to seamlessly transition operational control to a private entity lessee. Therefore, this bill provides the authority with the flexibility necessary to craft and effectuate a viable lease agreement for one of its racetrack facilities without disrupting previously scheduled events.

As amended, the bill conforms the number of annual standardbred racing days allotted at the Meadowlands Racetrack to that required under the "Off-Track and Account Wagering Act," and reduces the number of annual thoroughbred racing days at Monmouth Park and the Meadowlands to no fewer than 71, upon consent from the New Jersey Thoroughbred Horsemen's Association. The bill also clarifies that the distribution of certain amounts generated from out-of-state races, which is agreed upon by the permit holders and the horsemen, would not be inconsistent with current law and would be honored pursuant to such agreement.

As amended, this bill identical to Assembly, No. 3710 (2R).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(a) conform the number of annual standardbred racing days allotted at the Meadowlands Racetrack to that required under the “Off-Track and Account Wagering Act;”

(b) reduce the number of annual thoroughbred racing days at Monmouth Park and the Meadowlands to no fewer than 71, upon consent from the New Jersey Thoroughbred Horsemen’s Association;

(c) clarify that the distribution of certain amounts generated from out-of-state races, which is agreed upon by the permit holders and the horsemen, would not be inconsistent with current law and would be honored pursuant to such agreement; and

(d) update the bill’s text to the most current version of the law, as amended by section 3 of P.L.2011, c.50.



## Governor Christie Signs Legislation Making an Independent, Self-Sustaining Horse Racing Industry in New Jersey a Reality

Friday, August 5, 2011 Tags: [Jobs and the Economy](#)

Trenton, NJ – Acting on his commitment to create a self-sustaining horse racing industry in the Garden State, Governor Chris Christie today signed legislation that facilitates the operational takeover of horse racing from the New Jersey Sports & Exposition Authority (NJSEA) by private sector operators and authorizes the joint management of Monmouth Park and the Meadowlands Racetrack for a one-year transitional period. In addition, the legislation reduces the statutorily mandated thoroughbred racing days and permits horsemen’s organizations and track operators to mutually agree to a revised split of simulcast revenues collected at the tracks. The Governor signed the bill on the eve of the Hambletonian, a 30-year racing tradition and the richest harness racing event of its kind.

“My goal has always been to ensure a financially sound and independent future for New Jersey’s storied horse racing legacy,” said Governor Christie. “With the legislation I am signing today, we are taking the critical next step toward securing an independent and self-sustaining horse racing industry in the Garden State – one that no longer depends upon casino subsidies for its survival. We are also saving the state’s beleaguered taxpayers tens of millions of dollars in annual operational subsidies at both venues. I want to thank the NJSEA, Jeff Gural, Morris Bailey, Tom Lucento and John Forbes, the leaders of the standard bred and thoroughbred owners associations, for their commitment to finding a long-term solution that benefits the industry and those who rely on it for their livelihoods, as well as the taxpayers of this state.”

Acting to reverse the decline of New Jersey’s horse racing industry, the bill, A-3710, gives the NJSEA the power to jointly run racetrack operations at Monmouth Park and the Meadowlands with the tracks’ new private operators during the transitional period of transfer, ensuring the industry and live racing continue uninterrupted. It also permits the New Jersey Racing Commission to extend the transitional period for a reasonable amount of time but not beyond two years from the date that the lease agreement is executed.

Additionally, the legislation calls for the replication of Monmouth Park’s “elite meet” from the 2010 racing season by reducing thoroughbred race dates from 141 to 71. Finally, the bill provides for flexibility in the manner in which simulcast funds are divided between the breeds as long as such alternative distribution is agreed upon by the horsemen’s organizations and the racetrack operators.

Sponsors of A-3710 include Assemblymembers Ronald S. Dancer (R-Burlington, Mercer, Monmouth, Ocean), John J. Burzichelli (D-Salem, Cumberland, Gloucester), Joseph R. Malone, III (R- Burlington, Mercer, Monmouth, Ocean) and Gordon M. Johnson (D-Bergen).

Governor Christie has been steadfast in his commitment to put the New Jersey horse racing industry on the path of self-sufficiency, save New Jersey taxpayers millions of dollars annually and end the racing industry’s reliance on purse subsidies. He has taken numerous actions over the past year to provide the racing industry with the tools it needs to become vibrant and independent by:

- Negotiating agreements to end public subsidies of operations and purses for standard bred and thoroughbred racing;
- Supporting the expedited development of off-track wagering (OTW) facilities in New Jersey and the construction of a new grandstand at the Meadowlands with private capital;
- Signing legislation to remove barriers to the establishment of OTWs by permitting persons other than racetrack operators to run OTW facilities, making OTWs a permitted use in all commercial and industrial municipal land use zones, and increasing the accessibility to liquor licenses for OTW operators;
- Signing measures that allow for “exchange wagering” at New Jersey’s horse racing venues as well as establishing a single pari-mutuel pool for every horse race to provide opportunities to increase revenue for the racing industry by attracting new bettors.

In February 2010, Governor Christie issued Executive Order 11, creating the New Jersey Gaming, Sports and Entertainment Advisory Commission, to provide recommendations to comprehensively address the unprecedented financial and structural challenges confronting New Jersey’s gaming, professional sports and entertainment industries. Specifically, the Hanson Commission focused its work on five key issues confronting New Jersey’s gaming, professional sports, and entertainment industries, including the viability of New Jersey’s horse racing industry. In July and November 2010, it provided recommendations for the creation of a sustainable industry structure to preserve live horse racing as well as reinvigorating the industry in the Garden State.

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