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LAW/KR

P.L.2012, CHAPTER 9, *approved May 2, 2012*

Senate, No. 1025 (*First Reprint*)

1 AN ACT concerning certain payments by casinos to out-of-State
2 racetracks and amending P.L.1992, c.19.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 11 of P.L.1992, c.19 (C.5:12-201) is amended to
8 read as follows:

9 11. **[a. Except as provided in subsection b. of this section, a]** a.
10 Except as provided in subsection b. of this section, a casino which
11 receives a simulcast horse race from an out-of-State sending track
12 shall **[not]** not pay the out-of-State sending track for the
13 transmission an amount **[equal to more than 3.5% of the parimutuel**
14 pool on each race. If the casino negotiates an agreement to pay the
15 out-of-State sending track an amount equal to less than 3.5% of the
16 parimutuel pool, the casino shall be entitled to retain the difference
17 between the amount agreed upon and 3.5%] equal to more than 6%
18 of the parimutuel pool on each race. ¹**[If the casino negotiates an**
19 agreement to pay the out-of-State sending track an amount equal to
20 less than 6% of the parimutuel pool, the casino shall be entitled to
21 retain the difference between the amount agreed upon and 6%.]¹

22 **[b. Subject to the approval of the New Jersey Racing**
23 Commission and with respect to no more than 28 races per casino
24 per calendar year, plus the number of races run annually at the
25 Breeders' Cup World Championships, a casino may pay an out-of-
26 State sending track an amount equal to not more than 6% of the
27 parimutuel pool for the transmission of a race. If the casino
28 negotiates an agreement to pay the out-of-State sending track an
29 amount equal to less than 6% of the parimutuel pool, the casino
30 shall be entitled to retain the difference between the amount agreed
31 upon and 6%.] **b. Subject to the approval of the New Jersey Racing**
32 Commission and with respect to no more than 28 races per casino
33 per calendar year, plus the number of races run annually at the
34 Breeders' Cup World Championships, a casino may pay an out-of-
35 State sending track an amount equal to not more than 9% of the
36 parimutuel pool for the transmission of a race. ¹**[If the casino**
37 negotiates an agreement to pay the out-of-State sending track an
38 amount equal to less than 9% of the parimutuel pool, the casino
39 shall be entitled to retain the difference between the amount agreed

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:

¹Senate SBA committee amendments adopted February 27, 2012.

1 upon and 9%.]'

2 (cf: P.L.2009, c.36, s.28)

3

4 2. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to
5 read as follows:

6 13. Sums wagered at a casino on races being transmitted to that
7 casino from an out-of-State sending track shall be subject to the
8 takeout rate determined pursuant to section 12 of this act, and the
9 sums resulting from that takeout rate as applied to the parimutuel
10 pool generated at the casino shall be distributed as follows, subject
11 to the provisions of section 16 of this act:

12 a. .50% of the parimutuel pool generated at the casino shall be
13 paid to the New Jersey Racing Commission for deposit in the
14 Casino Simulcasting Fund established pursuant to section 18 of this
15 act;

16 b. ~~[3.5%, or if applicable 6%,]~~ 'the actual amount paid by the
17 casino for the transmission of the race, which shall be not more
18 than' ~~6%, or if applicable~~ 'not more than' ~~9%,~~ of the parimutuel
19 pool generated at the casino shall be paid to the casino to be used
20 for payment to the out-of-State sending track for the transmission of
21 the race, as provided in section 11 of this act;

22 c. in calendar years 1993, 1994, and 1995, 2% of the
23 parimutuel pool generated at the casino shall be paid to the New
24 Jersey Racing Commission for payment to the Atlantic City
25 Racetrack until a total of \$100,000,000 in parimutuel pools has
26 been generated in wagering on simulcast races at all casinos in each
27 of those calendar years, except that if casino simulcasting in
28 Atlantic City begins after January 1, 1993 and before January 1,
29 1994, 2% of the parimutuel pool generated at the casino shall be
30 paid to the commission for payment to the Atlantic City Racetrack
31 until that portion of \$100,000,000 determined by the following
32 formula has been generated in wagering at casinos on simulcast
33 races in 1993:

34
$$A/B = C/D$$

35 here: A = 365 minus (a) the number of racing days in 1993, other
36 than live racing days, prior to the commencement of casino
37 simulcasting in Atlantic City that the Atlantic City Racetrack
38 conducts simulcasting under the provisions of the "Simulcasting
39 Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions
40 of section 37 of P.L.1992, c.19 (C.5:5-125), and (b) the number of
41 live racing days conducted by the Atlantic City Racetrack in 1993;

42 B = 365 (the number of calendar days in 1993);

43 C = the amount of the parimutuel pool generated in wagering on
44 simulcast races in 1993 of which 2% is to be paid to the New Jersey
45 Racing Commission for payment to the Atlantic City Racetrack;

46 D = \$100,000,000;

47 d. of the amount remaining after the deduction of the amounts
48 under subsections a., b., and c. from the amount of the takeout rate,

1 **【65% shall be paid to the casino during the first 18 months after the**
2 **effective date of this act;】** **【60%】** 55% shall be paid to the casino
3 **【during the next succeeding 12 months after that 18-month period;**
4 **55% shall be paid to the casino during the next succeeding 12**
5 **months after that 12-month period; and 50% shall be paid to the**
6 **casino commencing with the 43rd month after the effective date;**
7 **except that if, at any time during the 42-month period following the**
8 **effective date, wagering on sports events is authorized by law and a**
9 **casino commences such wagering, 50% shall be paid to the casino**
10 **upon the commencement of such wagering by that casino】;**

11 e. .50% of the parimutuel pool generated at the casino shall be
12 paid to the New Jersey Racing Commission and shall be deposited
13 by that commission as follows:

14 (1) 50% in the special trust account established pursuant to or
15 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
16 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
17 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
18 appropriate, for use and distribution as provided in section
19 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
20 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
21 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
22 and (iii) of P.L.1971, c.137 (C.5:10-7), as appropriate; and

23 (2) 50% in the special trust account established pursuant to or
24 specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-
25 66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
26 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
27 distribution as provided therein;

28 f. .03% of the parimutuel pool generated at the casino shall be
29 paid to the New Jersey Racing Commission and set aside in the
30 special trust account for horse breeding and development for
31 distribution and use as provided in section 5 of P.L.1967, c.40
32 (C.5:5-88); and

33 g. the amount remaining after the deduction of the amounts
34 under subsections a., b., c., d., e., and f. from the amount of the
35 takeout rate shall be distributed as follows:

36 (1) 43% of that remaining amount shall be paid to the New
37 Jersey Racing Commission and shall be distributed by that
38 commission, on the basis of the following formula, among the New
39 Jersey racetracks for their own use:

$$A/B = C/D$$

41 here: A = the gross parimutuel pool generated at each racetrack
42 during the preceding calendar year, including the parimutuel pool
43 on simulcast races;

44 B = the gross parimutuel pool generated at racetracks Statewide
45 during the preceding calendar year, including the parimutuel pool
46 on simulcast races;

47 C = the amount to be paid to each racetrack from the moneys
48 available for distribution pursuant to this paragraph;

1 D = the total amount of moneys available for distribution
2 pursuant to this paragraph;

3 (2) 43% of that remaining amount shall be paid to the New
4 Jersey Racing Commission and, subject to the provisions of section
5 14 of this act, shall be distributed by that commission, in the
6 following year and on the basis of the following formula, among the
7 New Jersey racetracks for payment as purse money and for
8 programs designed to aid horsemen and horsemen's organizations as
9 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
10 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
11 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
12 case of harness races, and section 46b.(1)(d) or 46b.(2)(d) of
13 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
14 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case
15 of running races:

16
$$A/B = C/D$$

17 here: A = the total amount distributed by each racetrack pursuant to
18 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
19 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
20 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
21 case of harness races, or section 46b.(1)(d) or 46b.(2)(d) of
22 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
23 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case
24 of running races, during the preceding calendar year, plus any
25 additional amounts paid out by each racetrack for overnight purses
26 during the preceding calendar year from the permit holder's share of
27 the parimutuel pool;

28 B = the total amount distributed by racetracks Statewide pursuant
29 to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
30 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
31 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in
32 the case of harness races, and pursuant to section 46b.(1)(d) and
33 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
34 c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-
35 7), in the case of running races, during the preceding calendar year,
36 plus any additional amounts paid out by racetracks for overnight
37 purses during the preceding calendar year from the permit holders'
38 share of the parimutuel pool;

39 C = the amount to be paid to each racetrack from the moneys
40 available for distribution pursuant to this paragraph;

41 D = the total amount of moneys available for distribution
42 pursuant to this paragraph; and

43 (3) 14% of that remaining amount shall be paid to the New
44 Jersey Racing Commission for deposit in the Casino Simulcasting
45 Special Fund established pursuant to section 15 of this act.

46 In addition, all breakage moneys and outstanding parimutuel
47 ticket moneys resulting from the wagering at the casino shall be

1 paid to the New Jersey Racing Commission and deposited in the
2 Casino Simulcasting Special Fund.

3 If a racetrack conducts both harness races and running races, the
4 moneys the racetrack receives for payment pursuant to paragraph
5 (2) of subsection g. above shall be distributed on the basis of the
6 following formula:

$$7 \quad A/B = C/D$$

8 here: A = the total amount distributed by the racetrack pursuant to
9 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
10 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
11 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
12 appropriate, in the case of harness races, plus any additional
13 amounts paid out by the racetrack for overnight purses for harness
14 races during the preceding calendar year from the permit holder's
15 share of the parimutuel pool, or pursuant to section 46b.(1)(d) or
16 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
17 c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7),
18 as appropriate, in the case of running races, plus any additional
19 amounts paid out by the racetrack for overnight purses for running
20 races during the preceding calendar year from the permit holder's
21 share of the parimutuel pool, as the case may be;

22 B = the total amount distributed by the racetrack pursuant to
23 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
24 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
25 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
26 appropriate, and pursuant to section 46b.(1)(d) or 46b.(2)(d) of
27 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
28 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as
29 appropriate, plus any additional amounts paid out by the racetrack
30 for overnight purses for both harness and running races during the
31 preceding calendar year from the permit holder's share of the
32 parimutuel pool;

33 C = the amount to be paid by the racetrack for overnight purse
34 money and for programs designed to aid horsemen and horsemen's
35 organizations as provided in section 46a.(4) of P.L.1940, c.17
36 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
37 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of
38 P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section
39 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2)
40 of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971,
41 c.137 (C.5:10-7), in the case of running races;

42 D = the total amount of moneys available to the racetrack for
43 distribution as overnight purse money and for programs designed to
44 aid horsemen and horsemen's organizations pursuant to this
45 paragraph.

46 (cf: P.L.2009, c.36, s.29)

47

48 3. This act shall take effect immediately.

S1025 [1R]

6

1

2

3

4

5

Allows casino to pay up to 6% or 9% of parimutuel pool to out-of-State racetrack for simulcast races; provides casino retains 55% of certain remaining takeout rate amounts.

SENATE, No. 1025

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JANUARY 17, 2012

Sponsored by:
Senator JIM WHELAN
District 2 (Atlantic)

SYNOPSIS

Allows casino to pay up to 6% or 9% of parimutuel pool to out-of-State racetrack for simulcast races; provides casino retains 55% of certain remaining takeout rate amounts.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain payments by casinos to out-of-State
2 racetracks and amending P.L.1992, c.19.

3

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

6

7 1. Section 11 of P.L.1992, c.19 (C.5:12-201) is amended to
8 read as follows:

9 11. **[a.** Except as provided in subsection b. of this section, **a]** a.
10 Except as provided in subsection b. of this section, a casino which
11 receives a simulcast horse race from an out-of-State sending track
12 shall **[not]** not pay the out-of-State sending track for the
13 transmission an amount **[equal to more than 3.5% of the parimutuel**
14 pool on each race. If the casino negotiates an agreement to pay the
15 out-of-State sending track an amount equal to less than 3.5% of the
16 parimutuel pool, the casino shall be entitled to retain the difference
17 between the amount agreed upon and 3.5% **]** equal to more than 6%
18 of the parimutuel pool on each race. If the casino negotiates an
19 agreement to pay the out-of-State sending track an amount equal to
20 less than 6% of the parimutuel pool, the casino shall be entitled to
21 retain the difference between the amount agreed upon and 6%.

22 **[b.** Subject to the approval of the New Jersey Racing
23 Commission and with respect to no more than 28 races per casino
24 per calendar year, plus the number of races run annually at the
25 Breeders' Cup World Championships, a casino may pay an out-of-
26 State sending track an amount equal to not more than 6% of the
27 parimutuel pool for the transmission of a race. If the casino
28 negotiates an agreement to pay the out-of-State sending track an
29 amount equal to less than 6% of the parimutuel pool, the casino
30 shall be entitled to retain the difference between the amount agreed
31 upon and 6%. **]** b. Subject to the approval of the New Jersey Racing
32 Commission and with respect to no more than 28 races per casino
33 per calendar year, plus the number of races run annually at the
34 Breeders' Cup World Championships, a casino may pay an out-of-
35 State sending track an amount equal to not more than 9% of the
36 parimutuel pool for the transmission of a race. If the casino
37 negotiates an agreement to pay the out-of-State sending track an
38 amount equal to less than 9% of the parimutuel pool, the casino
39 shall be entitled to retain the difference between the amount agreed
40 upon and 9%.

41 (cf: P.L.2009, c.36, s.28)

42

43 2. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to
44 read as follows:

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 13. Sums wagered at a casino on races being transmitted to that
2 casino from an out-of-State sending track shall be subject to the
3 takeout rate determined pursuant to section 12 of this act, and the
4 sums resulting from that takeout rate as applied to the parimutuel
5 pool generated at the casino shall be distributed as follows, subject
6 to the provisions of section 16 of this act:

7 a. .50% of the parimutuel pool generated at the casino shall be
8 paid to the New Jersey Racing Commission for deposit in the
9 Casino Simulcasting Fund established pursuant to section 18 of this
10 act;

11 b. **[3.5%, or if applicable 6%,]** 6%, **or if applicable 9%**, of the
12 parimutuel pool generated at the casino shall be paid to the casino
13 to be used for payment to the out-of-State sending track for the
14 transmission of the race, as provided in section 11 of this act;

15 c. in calendar years 1993, 1994, and 1995, 2% of the
16 parimutuel pool generated at the casino shall be paid to the New
17 Jersey Racing Commission for payment to the Atlantic City
18 Racetrack until a total of \$100,000,000 in parimutuel pools has
19 been generated in wagering on simulcast races at all casinos in each
20 of those calendar years, except that if casino simulcasting in
21 Atlantic City begins after January 1, 1993 and before January 1,
22 1994, 2% of the parimutuel pool generated at the casino shall be
23 paid to the commission for payment to the Atlantic City Racetrack
24 until that portion of \$100,000,000 determined by the following
25 formula has been generated in wagering at casinos on simulcast
26 races in 1993:

$$27 \quad A/B = C/D$$

28 here: A = 365 minus (a) the number of racing days in 1993, other
29 than live racing days, prior to the commencement of casino
30 simulcasting in Atlantic City that the Atlantic City Racetrack
31 conducts simulcasting under the provisions of the "Simulcasting
32 Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions
33 of section 37 of P.L.1992, c.19 (C.5:5-125), and (b) the number of
34 live racing days conducted by the Atlantic City Racetrack in 1993;

35 B = 365 (the number of calendar days in 1993);

36 C = the amount of the parimutuel pool generated in wagering on
37 simulcast races in 1993 of which 2% is to be paid to the New Jersey
38 Racing Commission for payment to the Atlantic City Racetrack;

39 D = \$100,000,000;

40 d. of the amount remaining after the deduction of the amounts
41 under subsections a., b., and c. from the amount of the takeout rate,
42 **[65% shall be paid to the casino during the first 18 months after the**
43 **effective date of this act;]** **[60%]** 55% shall be paid to the casino
44 **[during the next succeeding 12 months after that 18-month period;**
45 **55% shall be paid to the casino during the next succeeding 12**
46 **months after that 12-month period; and 50% shall be paid to the**
47 **casino commencing with the 43rd month after the effective date;**
48 **except that if, at any time during the 42-month period following the**

1 effective date, wagering on sports events is authorized by law and a
2 casino commences such wagering, 50% shall be paid to the casino
3 upon the commencement of such wagering by that casino】;

4 e. .50% of the parimutuel pool generated at the casino shall be
5 paid to the New Jersey Racing Commission and shall be deposited
6 by that commission as follows:

7 (1) 50% in the special trust account established pursuant to or
8 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
9 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
10 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
11 appropriate, for use and distribution as provided in section
12 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
13 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
14 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
15 and (iii) of P.L.1971, c.137 (C.5:10-7), as appropriate; and

16 (2) 50% in the special trust account established pursuant to or
17 specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-
18 66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
19 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
20 distribution as provided therein;

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

26 g. the amount remaining after the deduction of the amounts
27 under subsections a., b., c., d., e., and f. from the amount of the
28 takeout rate shall be distributed as follows:

29 (1) 43% of that remaining amount shall be paid to the New
30 Jersey Racing Commission and shall be distributed by that
31 commission, on the basis of the following formula, among the New
32 Jersey racetracks for their own use:

$$A/B = C/D$$

34 here: A = the gross parimutuel pool generated at each racetrack
35 during the preceding calendar year, including the parimutuel pool
36 on simulcast races;

37 B = the gross parimutuel pool generated at racetracks Statewide
38 during the preceding calendar year, including the parimutuel pool
39 on simulcast races;

40 C = the amount to be paid to each racetrack from the moneys
41 available for distribution pursuant to this paragraph;

42 D = the total amount of moneys available for distribution
43 pursuant to this paragraph;

44 (2) 43% of that remaining amount shall be paid to the New
45 Jersey Racing Commission and, subject to the provisions of section
46 14 of this act, shall be distributed by that commission, in the
47 following year and on the basis of the following formula, among the
48 New Jersey racetracks for payment as purse money and for

1 programs designed to aid horsemen and horsemen's organizations as
2 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
3 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
4 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
5 case of harness races, and section 46b.(1)(d) or 46b.(2)(d) of
6 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
7 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case
8 of running races:

9

$$A/B = C/D$$

10 here: A = the total amount distributed by each racetrack pursuant to
11 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
12 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
13 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
14 case of harness races, or section 46b.(1)(d) or 46b.(2)(d) of
15 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
16 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case
17 of running races, during the preceding calendar year, plus any
18 additional amounts paid out by each racetrack for overnight purses
19 during the preceding calendar year from the permit holder's share of
20 the parimutuel pool;

21 B = the total amount distributed by racetracks Statewide pursuant
22 to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
23 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
24 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in
25 the case of harness races, and pursuant to section 46b.(1)(d) and
26 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
27 c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-
28 7), in the case of running races, during the preceding calendar year,
29 plus any additional amounts paid out by racetracks for overnight
30 purses during the preceding calendar year from the permit holders'
31 share of the parimutuel pool;

32 C = the amount to be paid to each racetrack from the moneys
33 available for distribution pursuant to this paragraph;

34 D = the total amount of moneys available for distribution
35 pursuant to this paragraph; and

36 (3) 14% of that remaining amount shall be paid to the New
37 Jersey Racing Commission for deposit in the Casino Simulcasting
38 Special Fund established pursuant to section 15 of this act.

39 In addition, all breakage moneys and outstanding parimutuel
40 ticket moneys resulting from the wagering at the casino shall be
41 paid to the New Jersey Racing Commission and deposited in the
42 Casino Simulcasting Special Fund.

43 If a racetrack conducts both harness races and running races, the
44 moneys the racetrack receives for payment pursuant to paragraph
45 (2) of subsection g. above shall be distributed on the basis of the
46 following formula:

47

$$A/B = C/D$$

1 here: A = the total amount distributed by the racetrack pursuant to
2 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
3 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
4 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
5 appropriate, in the case of harness races, plus any additional
6 amounts paid out by the racetrack for overnight purses for harness
7 races during the preceding calendar year from the permit holder's
8 share of the parimutuel pool, or pursuant to section 46b.(1)(d) or
9 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
10 c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7),
11 as appropriate, in the case of running races, plus any additional
12 amounts paid out by the racetrack for overnight purses for running
13 races during the preceding calendar year from the permit holder's
14 share of the parimutuel pool, as the case may be;

15 B = the total amount distributed by the racetrack pursuant to
16 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
17 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
18 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
19 appropriate, and pursuant to section 46b.(1)(d) or 46b.(2)(d) of
20 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
21 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as
22 appropriate, plus any additional amounts paid out by the racetrack
23 for overnight purses for both harness and running races during the
24 preceding calendar year from the permit holder's share of the
25 parimutuel pool;

26 C = the amount to be paid by the racetrack for overnight purse
27 money and for programs designed to aid horsemen and horsemen's
28 organizations as provided in section 46a.(4) of P.L.1940, c.17
29 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
30 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of
31 P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section
32 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2)
33 of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971,
34 c.137 (C.5:10-7), in the case of running races;

35 D = the total amount of moneys available to the racetrack for
36 distribution as overnight purse money and for programs designed to
37 aid horsemen and horsemen's organizations pursuant to this
38 paragraph.

39 (cf: P.L.2009, c.36, s.29)

40

41 3. This act shall take effect immediately.

42

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STATEMENT

45

46 Existing law limits the amount that a casino may pay an out-of-
47 State racetrack for transmission of a simulcast horse race to no
48 more than 3.5% of the parimutuel pool on each race or, in the case

S1025 WHELAN

7

1 of not more than 28 races per calendar year and for races run
2 annually at the Breeders' Cup World Cup Championships, 6% of
3 the parimutuel pool on each race. This bill would allow a casino and
4 an out-of-State racetrack, instead, to negotiate a higher percentage.
5 Under the bill, the rate would increase from 3.5% to 6%, or from
6 6% to 9%, as appropriate. The bill would also allow the casino
7 licensees to retain 55% of certain remaining takeout rate amounts.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1025

STATE OF NEW JERSEY

DATED: JANUARY 23, 2012

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably Senate Bill No. 1025.

Existing law limits the amount that a casino may pay an out-of-State racetrack for the transmission of a simulcast horse race to no more than 3.5% of the parimutuel pool on each race or, in the case of not more than 28 races per calendar year and for races run annually at the Breeders' Cup World Championships, 6% of the parimutuel pool on each race. This bill would allow a casino and an out-of-State racetrack, instead, to negotiate a higher percentage. Under the bill, the rate would increase from 3.5% to 6%, or from 6% to 9%, as appropriate. The bill would also allow the casino licensees to retain 55% of certain remaining takeout rate amounts.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1025

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 27, 2012

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1025, with committee amendments.

As amended, this bill allows casinos to pay an increased percentage of the parimutuel pool to an out-of-State racetrack for transmission of a simulcast horse race. Existing law limits the amount that a casino may pay an out-of-State racetrack for transmission of a simulcast horse race to no more than 3.5% of the parimutuel pool on each race, or, in the case of not more than 28 races per calendar year and for races run annually at the Breeders' Cup World Cup Championships, 6% of the parimutuel pool on each race. Under the bill, the rate will increase from 3.5% to 6%, or, from 6% to 9%, as appropriate. The bill will also allow the casino licensees to retain 55% of certain remaining "takeout rate" amounts, the actual amount paid by the casino for the transmission of the out-of-State race.

Casinos and out-of-State racetrack may continue the practice of negotiating a transmission fee that is less than but not more than the new higher maximum percentage on each race. However, if a casino negotiates an agreement to pay an out-of-State sending track a race transmission fee that is less than maximum statutory percentage, the casino will not be allowed to retain the difference between a lower negotiated fee and the maximum percentages of the parimutuel pool allowed to be paid for that fee.

COMMITTEE AMENDMENTS:

The committee amended the bill to delete language which would have allowed the casino to retain the difference if the casino negotiates an agreement to pay the out-of-State sending track a race transmission fee that is less than the maximum percentages of the parimutuel pool allowed to be paid for that fee. Accordingly, the amendments also provide that the casinos are allowed to receive as a distribution from the takeout rate amounts, the actual amount paid by the casino for the transmission of the out-of-State race.

FISCAL IMPACT:

This bill was not certified as requiring a Fiscal Note, as its provisions do not increase or decrease State or local revenues.

ASSEMBLY, No. 1531

STATE OF NEW JERSEY 215th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Assemblywoman CONNIE WAGNER

District 38 (Bergen and Passaic)

Assemblyman RUBEN J. RAMOS, JR.

District 33 (Hudson)

SYNOPSIS

Allows casino to pay up to 6% or 9% of parimutuel pool to out-of-State racetrack for simulcast races; provides casino retains 55% of certain remaining takeout rate amounts.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 3/6/2012)

1 AN ACT concerning certain payments by casinos to out-of-State
2 racetracks and amending P.L.1992, c.19.

3

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

6

7 1. Section 11 of P.L.1992, c.19 (C.5:12-201) is amended to
8 read as follows:

9 11. a. Except as provided in subsection b. of this section, a
10 casino which receives a simulcast horse race from an out-of-State
11 sending track shall not pay the out-of-State sending track for the
12 transmission an amount ~~equal to more than 3.5% of the parimutuel~~
13 ~~pool on each race. If the casino negotiates an agreement to pay the~~
14 ~~out-of-State sending track an amount equal to less than 3.5% of the~~
15 ~~parimutuel pool, the casino shall be entitled to retain the difference~~
16 ~~between the amount agreed upon and 3.5%] equal to more than 6%~~
17 ~~of the parimutuel pool on each race. If the casino negotiates an~~
18 ~~agreement to pay the out-of-State sending track an amount equal to~~
19 ~~less than 6% of the parimutuel pool, the casino shall be entitled to~~
20 ~~retain the difference between the amount agreed upon and 6%.~~

21 ~~[b. Subject to the approval of the New Jersey Racing~~
22 ~~Commission and with respect to no more than 28 races per casino~~
23 ~~per calendar year, plus the number of races run annually at the~~
24 ~~Breeders' Cup World Championships, a casino may pay an out-of-~~
25 ~~State sending track an amount equal to not more than 6% of the~~
26 ~~parimutuel pool for the transmission of a race. If the casino~~
27 ~~negotiates an agreement to pay the out-of-State sending track an~~
28 ~~amount equal to less than 6% of the parimutuel pool, the casino~~
29 ~~shall be entitled to retain the difference between the amount agreed~~
30 ~~upon and 6%.] b. Subject to the approval of the New Jersey Racing~~
31 ~~Commission and with respect to no more than 28 races per casino~~
32 ~~per calendar year, plus the number of races run annually at the~~
33 ~~Breeders' Cup World Championships, a casino may pay an out-of-~~
34 ~~State sending track an amount equal to not more than 9% of the~~
35 ~~parimutuel pool for the transmission of a race. If the casino~~
36 ~~negotiates an agreement to pay the out-of-State sending track an~~
37 ~~amount equal to less than 9% of the parimutuel pool, the casino~~
38 ~~shall be entitled to retain the difference between the amount agreed~~
39 ~~upon and 9%.~~

40 (cf: P.L.2009, c.36, s.28)

41

42 2. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to
43 read as follows:

44 13. Sums wagered at a casino on races being transmitted to that

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 casino from an out-of-State sending track shall be subject to the
 2 takeout rate determined pursuant to section 12 of this act, and the
 3 sums resulting from that takeout rate as applied to the parimutuel
 4 pool generated at the casino shall be distributed as follows, subject
 5 to the provisions of section 16 of this act:

6 a. .50% of the parimutuel pool generated at the casino shall be
 7 paid to the New Jersey Racing Commission for deposit in the
 8 Casino Simulcasting Fund established pursuant to section 18 of this
 9 act;

10 b. **[3.5%, or if applicable 6%,]** 6%, or if applicable 9%, of the
 11 parimutuel pool generated at the casino shall be paid to the casino
 12 to be used for payment to the out-of-State sending track for the
 13 transmission of the race, as provided in section 11 of this act;

14 c. in calendar years 1993, 1994, and 1995, 2% of the
 15 parimutuel pool generated at the casino shall be paid to the New
 16 Jersey Racing Commission for payment to the Atlantic City
 17 Racetrack until a total of \$100,000,000 in parimutuel pools has
 18 been generated in wagering on simulcast races at all casinos in each
 19 of those calendar years, except that if casino simulcasting in
 20 Atlantic City begins after January 1, 1993 and before January 1,
 21 1994, 2% of the parimutuel pool generated at the casino shall be
 22 paid to the commission for payment to the Atlantic City Racetrack
 23 until that portion of \$100,000,000 determined by the following
 24 formula has been generated in wagering at casinos on simulcast
 25 races in 1993:

$$A/B = C/D$$

27 here: A = 365 minus (a) the number of racing days in 1993, other
 28 than live racing days, prior to the commencement of casino
 29 simulcasting in Atlantic City that the Atlantic City Racetrack
 30 conducts simulcasting under the provisions of the "Simulcasting
 31 Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions
 32 of section 37 of P.L.1992, c.19 (C.5:5-125), and (b) the number of
 33 live racing days conducted by the Atlantic City Racetrack in 1993;

34 B = 365 (the number of calendar days in 1993);

35 C = the amount of the parimutuel pool generated in wagering on
 36 simulcast races in 1993 of which 2% is to be paid to the New Jersey
 37 Racing Commission for payment to the Atlantic City Racetrack;

38 D = \$100,000,000;

39 d. of the amount remaining after the deduction of the amounts
 40 under subsections a., b., and c. from the amount of the takeout rate,
 41 **[65% shall be paid to the casino during the first 18 months after the**
 42 **effective date of this act;]** **[60%]** 55% shall be paid to the casino
 43 **[during the next succeeding 12 months after that 18-month period;**
 44 **55% shall be paid to the casino during the next succeeding 12**
 45 **months after that 12-month period; and 50% shall be paid to the**
 46 **casino commencing with the 43rd month after the effective date;**
 47 **except that if, at any time during the 42-month period following the**

1 effective date, wagering on sports events is authorized by law and a
2 casino commences such wagering, 50% shall be paid to the casino
3 upon the commencement of such wagering by that casino];

4 e. .50% of the parimutuel pool generated at the casino shall be
5 paid to the New Jersey Racing Commission and shall be deposited
6 by that commission as follows:

7 (1) 50% in the special trust account established pursuant to or
8 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
9 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
10 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
11 appropriate, for use and distribution as provided in section
12 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
13 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
14 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
15 and (iii) of P.L.1971, c.137 (C.5:10-7), as appropriate; and

16 (2) 50% in the special trust account established pursuant to or
17 specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-
18 66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
19 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
20 distribution as provided therein;

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

26 g. the amount remaining after the deduction of the amounts
27 under subsections a., b., c., d., e., and f. from the amount of the
28 takeout rate shall be distributed as follows:

29 (1) 43% of that remaining amount shall be paid to the New
30 Jersey Racing Commission and shall be distributed by that
31 commission, on the basis of the following formula, among the New
32 Jersey racetracks for their own use:

$$33 \quad A/B = C/D$$

34 here: A = the gross parimutuel pool generated at each racetrack
35 during the preceding calendar year, including the parimutuel pool
36 on simulcast races;

37 B = the gross parimutuel pool generated at racetracks Statewide
38 during the preceding calendar year, including the parimutuel pool
39 on simulcast races;

40 C = the amount to be paid to each racetrack from the moneys
41 available for distribution pursuant to this paragraph;

42 D = the total amount of moneys available for distribution
43 pursuant to this paragraph;

44 (2) 43% of that remaining amount shall be paid to the New
45 Jersey Racing Commission and, subject to the provisions of section
46 14 of this act, shall be distributed by that commission, in the
47 following year and on the basis of the following formula, among the

1 New Jersey racetracks for payment as purse money and for
2 programs designed to aid horsemen and horsemen's organizations as
3 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
4 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
5 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
6 case of harness races, and section 46b.(1)(d) or 46b.(2)(d) of
7 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
8 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case
9 of running races:

10 $A/B = C/D$

11 here: A = the total amount distributed by each racetrack pursuant to
12 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
13 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
14 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
15 case of harness races, or section 46b.(1)(d) or 46b.(2)(d) of
16 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
17 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case
18 of running races, during the preceding calendar year, plus any
19 additional amounts paid out by each racetrack for overnight purses
20 during the preceding calendar year from the permit holder's share of
21 the parimutuel pool;

22 B = the total amount distributed by racetracks Statewide pursuant
23 to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
24 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
25 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in
26 the case of harness races, and pursuant to section 46b.(1)(d) and
27 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
28 c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-
29 7), in the case of running races, during the preceding calendar year,
30 plus any additional amounts paid out by racetracks for overnight
31 purses during the preceding calendar year from the permit holders'
32 share of the parimutuel pool;

33 C = the amount to be paid to each racetrack from the moneys
34 available for distribution pursuant to this paragraph;

35 D = the total amount of moneys available for distribution
36 pursuant to this paragraph; and

37 (3) 14% of that remaining amount shall be paid to the New
38 Jersey Racing Commission for deposit in the Casino Simulcasting
39 Special Fund established pursuant to section 15 of this act.

40 In addition, all breakage moneys and outstanding parimutuel
41 ticket moneys resulting from the wagering at the casino shall be
42 paid to the New Jersey Racing Commission and deposited in the
43 Casino Simulcasting Special Fund.

44 If a racetrack conducts both harness races and running races, the
45 moneys the racetrack receives for payment pursuant to paragraph
46 (2) of subsection g. above shall be distributed on the basis of the
47 following formula:

1 STATEMENT

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Existing law limits the amount that a casino may pay an out-of-State racetrack for transmission of a simulcast horse race to no more than 3.5% of the parimutuel pool on each race or, in the case of not more than 28 races per calendar year and for races run annually at the Breeders' Cup World Cup Championships, 6% of the parimutuel pool on each race. This bill would allow a casino and an out-of-State racetrack, instead, to negotiate a higher percentage. Under the bill, the rate would increase from 3.5% to 6%, or from 6% to 9%, as appropriate. The bill would also allow the casino licensees to retain 55% of certain remaining takeout rate amounts.

ASSEMBLY REGULATORY OVERSIGHT AND GAMING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1531

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 5, 2012

The Assembly Regulatory Oversight and Gaming Committee reports favorably and with committee amendments Assembly Bill No.1531.

Existing law limits the amount that a casino may pay an out-of-State racetrack for transmission of a simulcast horse race to no more than 3.5% of the parimutuel pool on each race or, in the case of not more than 28 races per calendar year and for races run annually at the Breeders' Cup World Cup Championships, 6% of the parimutuel pool on each race. This bill would allow a casino and an out-of-State racetrack, instead, to negotiate a higher percentage. Under the bill, the rate would increase from 3.5% to 6%, or from 6% to 9%, as appropriate. The bill would also allow the casino licensees to retain 55% of certain remaining takeout rate amounts.

Under the bill, as amended, the casino would not be permitted to retain the difference if the casino negotiates an agreement to pay the out-of-State sending track a race transmission fee that is less than the maximum percentages of the parimutuel pool allowed to be paid for that fee. Accordingly, the bill as amended also provides that the casinos are entitled to receive as a distribution from the takeout rate amounts the actual amount paid by the casino for the transmission of the race.

This bill was pre-filed for introduction in the 2012-2013 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

As amended by the committee, this bill is identical to Senate, No. 1025 (1R).

COMMITTEE AMENDMENTS:

The committee amended the bill to delete language which would have allowed the casino to retain the difference if the casino negotiates an agreement to pay the out-of-State sending track a race transmission fee that is less than the maximum percentages of the parimutuel pool

allowed to be paid for that fee. Accordingly, the amendments also provide that the casinos are entitled to receive as a distribution from the takeout rate amounts the actual amount paid by the casino for the transmission of the race.