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LAW/RWH

P.L.2013, CHAPTER 266, *approved January 17, 2014*
Assembly, No. 3489 (*Second Reprint*)

1 AN ACT concerning the distribution of certain proceeds for
2 standardbred ¹and thoroughbred¹ horse races, and amending and
3 supplementing various parts of the statutory law.
4

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

8 1. Section 44 of P.L.1940, c.17 (C.5:5-64) is amended to read
9 as follows:

10 44. Each holder of a permit shall distribute all sums deposited in
11 any pool where the patron is required to select one horse to the
12 winners thereof, less an amount which in harness races shall not
13 exceed 17% of the total deposits plus the breaks and which in other
14 races shall not exceed 17% of the total deposits plus the breaks. In
15 every pool where the patron is required to select two horses, the
16 holder of each permit for either harness or running track shall
17 distribute all sums deposited in each pool to the winners thereof,
18 less an amount which shall not exceed 19% of the total deposits
19 plus the breaks. In every pool where the patron is required to select
20 three or more horses, every holder of a permit shall distribute all
21 sums deposited in each pool to the winners thereof, less an amount
22 which shall not exceed 25% of the total deposits plus the breaks.
23 Every permitholder shall distribute to the persons holding winning
24 tickets in any of the aforementioned pools, as a minimum, a sum not
25 exceeding \$0.10, calculated on the basis of each dollar deposited in
26 any pool after the deduction of the said 17%, 19% or 25%, as the
27 case may be. Should the amount remaining in the pool be
28 insufficient to pay the winners the minimum, the breakage accruing
29 in that race, or any necessary portion thereof, shall be applied
30 toward making up any such deficiency. The breaks are hereby
31 defined as the odd cents over any multiple of \$0.10, calculated on
32 the basis of \$1.00 otherwise payable to a patron. Every
33 permitholder engaged in the business of conducting running race
34 meetings under this act, except the New Jersey Sports and
35 Exposition Authority established pursuant to P.L.1971, c.137
36 (C.5:10-1 et seq.) or a lessee of the authority, shall distribute as
37 purse money the breaks as herein defined, except as the same shall

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 SSG committee amendments adopted June 6, 2013.

²Assembly amendments adopted in accordance with Governor's recommendations September 9, 2013.

1 have been applied toward making up a deficiency in a pool as
2 herein provided. Every permitholder engaged in the business of
3 conducting harness race meetings under this act, except the New
4 Jersey Sports and Exposition Authority or a lessee of the authority,
5 shall retain for his own uses and purposes 50% of the breaks as
6 herein defined, except as the same shall have been applied toward
7 making up a deficiency in the pool as herein provided, and shall
8 distribute as purse money the remaining 50%. The New Jersey
9 Sports and Exposition Authority or a lessee of the authority shall
10 retain all breaks as revenue, except as the same shall have been
11 applied toward making up a deficiency in a pool as herein provided.

12 Every permitholder shall submit to the commission every
13 seventh day of any and every race meeting a report under oath
14 showing the daily and total amount of such breaks, together with
15 such other information as the commission may require. All sums
16 held by any permitholder for payment of outstanding parimutuel
17 tickets not claimed by the person or persons entitled thereto within
18 six months from the time such tickets are issued shall be paid upon
19 the expiration of such six-month holding period as follows:

20 a. In the case of running and harness races, beginning July 1,
21 1997 50% of those sums shall be paid to the racing commission for
22 deposit in the general fund of the State and disposition in
23 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

28 c. In the case of harness races, 25% of those sums shall be
29 retained by the permitholder to supplement purses for sire stakes
30 races on which there is parimutuel wagering, and 25% shall be
31 retained by the permitholder to supplement overnight purses unless
32 otherwise provided by a contractual agreement authorized under
33 section 11 of P.L. , c. (C.) (pending before the Legislature
34 as this bill).

35 Where it is shown to the satisfaction of the commission that the
36 reason for the parimutuel tickets being outstanding and unclaimed is
37 the loss, misplacement or theft of said tickets within the confines
38 and control of the parimutuel department of any permitholder, and it
39 is further shown to the satisfaction of the commission that said
40 parimutuel tickets have been cashed by such parimutuel department,
41 the commission may adjust and credit the permitholder's account
42 accordingly and the permitholder shall reimburse any employee
43 who has been held personally accountable and paid for such lost,
44 stolen or misplaced tickets. All outstanding parimutuel ticket
45 money shall be deposited in an account separate and apart from the
46 track's mutuel or general treasury account. The outstanding
47 parimutuel ticket account shall be subject to the rules and

1 regulations prescribed by the Division of New Jersey Racing
2 Commission.

3 (cf: P.L.2004, c.116, s.1)

4

5 2. Section 46 of P.L.1940, c.17 (C.5:5-66) is amended to read
6 as follows:

7 46. Every permitholder engaged in the business of conducting
8 horse race meetings under this act, except the New Jersey Sports
9 and Exposition Authority established pursuant to P.L.1971, c.137
10 (C.5:10-1 et seq.) or a lessee of the authority, shall make disposition
11 of the deposits remaining undistributed pursuant to section 44 of
12 P.L.1940, c.17 (C.5:5-64) as follows:

13 a. In the case of harness races:

14 (1) On a racing day designated or allotted as a charity racing day
15 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
16 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
17 commission, at the time and in the manner prescribed by the
18 commission, 1.25% of so much of the total contributions to all
19 parimutuel pools conducted or made on any and every horse race,
20 except that for pools where the patron is required to select two
21 horses, the permitholder shall pay 2.25% of the total contributions
22 and for pools where the patron is required to select three or more
23 horses, the permitholder shall pay 5.25% of the total contributions;

24 (2) Hold and set aside in an account designated as a special trust
25 account 1.15% of such total contributions in all pools, to be used
26 and distributed as hereinafter provided and as provided in section 5
27 of P.L.1967, c.40 (C.5:5-88), for the following purposes and no
28 other:

29 (a) 37% thereof to increase purses and grant awards for starting
30 horses, as provided or as may be provided by rules of the New
31 Jersey Racing Commission, with payment to be made in the same
32 manner as payment of other purses and awards, unless otherwise
33 provided by a contractual agreement authorized under section 11 of
34 P.L. , c. (C.) (pending before the Legislature as this bill);

35 (b) 55% thereof for the establishment of a Sire Stakes Program
36 for standardbred horses, with payment to be made to the
37 Department of Agriculture for administration as hereinbefore
38 provided;

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

47 (d) 3% thereof for other New Jersey horse breeding and
48 promotion conducted by the New Jersey Department of Agriculture.

1 (3) Retain 7.7875%, or in the case of races on a charity racing
2 day 7.20%, of so much of such total contributions for his own uses
3 and purposes. Notwithstanding the foregoing, for pools where the
4 patron is required to select two horses, the permitholder shall retain
5 8.7575%, or in the case of races on a charity racing day 7.70%, of
6 the total contributions and for pools where the patron is required to
7 select three or more horses, the permitholder shall retain 11.6675%,
8 or in the case of races on a charity racing day 9.20%, of the total
9 contributions. Each permitholder shall contribute out of its
10 11.6675% or 9.20% share of pools, where the patron is required to
11 select three or more horses, a sum deemed necessary by the racing
12 commission, to finance a prerace blood testing program, and such
13 other testing programs which the commission shall deem proper and
14 necessary and which shall be subject to the regulation and control
15 of said commission.

16 (4) Distribute as purse money and for programs designed to aid
17 the horsemen and the Standardbred Breeders' and Owners'
18 Association of New Jersey 7.69375%, or in the case of races on a
19 charity racing day 7.40%, of such total contributions. Expenditures
20 for programs designed to aid the horsemen and the Standardbred
21 Breeders' and Owners' Association of New Jersey shall not exceed
22 3.2% of the sum available for distribution as purse money. The
23 formula for distribution of the purse money as either overnight
24 purses or special stakes shall be determined by an agreement
25 between the Standardbred Breeders' and Owners' Association of
26 New Jersey and the tracks. Notwithstanding the foregoing, for pools
27 where the patron is required to select two or more horses, the
28 permitholder shall distribute as purse money 8.42875%, or in the
29 case of races on a charity racing day 7.90%, of the total
30 contributions and for pools where the patron is required to select
31 three or more horses, the permitholder shall distribute as purse
32 money 10.63375%, or in the case of races on a charity racing day
33 9.40%, of the total contributions. Notwithstanding the foregoing,
34 for pools where a patron is required to select three or more horses,
35 each permitholder shall retain out of the 10.63375% or 9.40% to be
36 distributed as purse money a sum deemed necessary by the racing
37 commission, for use by the commission to finance a prerace blood
38 testing program, and such other testing programs which the
39 commission shall deem proper and necessary and which shall be
40 subject to the regulation and control of said commission.
41 Notwithstanding the foregoing, the sum available for distribution as
42 purse money under this subsection may be distributed as provided
43 by a contractual agreement authorized under section 11 of P.L. _____,
44 c. _____ (C. _____) (pending before the Legislature as this bill).

45 (5) In the case of races on a racing day other than a charity
46 racing day, distribute to the Standardbred Breeders' and Owners'
47 Association of New Jersey for the administration of a health
48 benefits program for horsemen .29375% of such total contributions,

1 except that for pools where the patron is required to select two or
2 more horses, the amount shall be .52875%, and for pools where the
3 patron is required to select three or more horses, the amount shall
4 be 1.23375%.

5 (6) In the case of races on a racing day other than a charity
6 racing day, distribute to the Sire Stakes Program for standardbred
7 horses .05% of such total contributions, except that for pools where
8 the patron is required to select two or more horses, the amount shall
9 be .09%, and for pools where the patron is required to select three
10 or more horses, the amount shall be .21%.

11 (7) In the case of races on a racing day other than a charity
12 racing day, distribute to the Backstretch Benevolency Programs
13 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .025% of such
14 total contributions, except that for pools where the patron is
15 required to select two or more horses, the amount shall be .045%,
16 and for pools where the patron is required to select three or more
17 horses, the amount shall be .105%.

18 Except as otherwise provided by law, no admission or
19 amusement tax, excise tax, license or horse racing fee of any kind
20 shall be assessed or collected from any permitholder by the State of
21 New Jersey, or by any county or municipality, or by any other body
22 having power to assess or collect license fees or taxes.

23 b. In the case of running races:

24 (1) Where the amount derived from the parimutuel handle,
25 excluding the handle derived from intertrack wagering, does not
26 exceed \$1 million per day based on such contributions accumulated
27 and averaged during the calendar year, the permitholder shall:

28 (a) On a racing day designated or allotted as a charity racing day
29 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
30 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
31 commission, at the time and in the manner prescribed by the
32 commission, .30% of so much of the total contributions to all
33 parimutuel pools conducted or made on any and every horse race,
34 except that for pools where the patron is required to select three or
35 more horses, the permitholder shall pay 1.30% of the total
36 contributions.

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

42 (c) Retain 9.991%, or in the case of races on a charity racing
43 day 9.85%, of such total contributions for his own uses and
44 purposes. For pools where the patron is required to select two
45 horses, the permitholder shall retain 11.061%, or in the case of
46 races on a charity racing day 10.92%, of the total contributions and
47 for pools where the patron is required to select three or more horses,
48 the permitholder shall retain 13.941%, or in the case of races on a

1 charity racing day 13.33%, of the total contributions. Each
2 permitholder shall contribute out of its 13.941% or 13.33% share of
3 pools, where the patron is required to select three or more horses, a
4 sum deemed necessary by the racing commission, to finance a
5 prerace blood testing program, and such other testing programs
6 which the commission shall deem proper and necessary and which
7 shall be subject to the regulation and control of the commission.

8 (d) Distribute as purse money and for programs designed to aid
9 the horsemen and the New Jersey Thoroughbred Horsemen's
10 Association 6.141%, or in the case of races on a charity racing day
11 6.00%, of such contributions. Notwithstanding the foregoing, for
12 pools where the patron is required to select two horses, the
13 permitholder shall distribute as purse money 7.071%, or in the case
14 of races on a charity racing day 6.93%, of such contributions and
15 for pools where the patron is required to select three or more horses,
16 the permitholder shall distribute as purse money 9.631%, or in the
17 case of races on a charity racing day 9.02%, of the total
18 contributions. Expenditures for programs designed to aid the
19 horsemen and the New Jersey Thoroughbred Horsemen's
20 Association shall not exceed 2.5% of the sum available for
21 distribution as purse money from all parimutuel pools. The formula
22 for distribution of the purse money as either overnight purses or
23 special stakes shall be determined by an agreement between the
24 New Jersey Thoroughbred Horsemen's Association and the
25 permitholder. Notwithstanding the foregoing, for pools where a
26 patron is required to select three or more horses, each permitholder
27 shall retain out of the 9.631% or 9.02% to be distributed as purse
28 money a sum deemed necessary by the racing commission, for use
29 by the commission to finance a prerace blood testing program, and
30 such other testing programs which the commission shall deem
31 proper and necessary and which shall be subject to the regulation
32 and control of the commission. ¹Notwithstanding the foregoing, the
33 sum available for distribution as purse money under this subsection
34 may be distributed as provided by a contractual agreement
35 authorized under section 12 of P.L. , c. (C.) (pending before
36 the Legislature as this bill).¹

37 (e) Deduct and set aside in a special trust account for the
38 establishment and support by the commission of the thoroughbred
39 breeding industry in New Jersey .8% of such total contributions,
40 except that for pools where the patron is required to select three or
41 more horses, the amount shall be 1.3%. The money in the special
42 trust account shall be used to: (i) improve purses for closed races;
43 (ii) provide awards to owners and breeders of registered New Jersey
44 bred horses who earn portions of purses in open or closed races at
45 New Jersey race tracks or in closed races at an out-of-State track as
46 part of a multi-state event to promote thoroughbred breeding, and to
47 owners of stallions posted on the official stallion roster of the
48 Thoroughbred Breeders' Association of New Jersey, which sire such

1 New Jersey bred money earners; and (iii) provide awards to the
2 New Jersey Thoroughbred Breeders' Association for programs
3 beneficial to thoroughbred breeding in this State. In any calendar
4 year in which there is a surplus in the special trust account, the
5 surplus funds may be used to provide awards to breeders or owners
6 of registered New Jersey bred horses who earn portions of purses in
7 races at an out-of-State racetrack held at least 30 days before the
8 start of the first thoroughbred meet of the calendar year of more
9 than 10 days' duration at a racetrack in this State or at least 30 days
10 following the conclusion of the last thoroughbred meet of the
11 calendar year of more than 10 days' duration at a racetrack in this
12 State. The New Jersey thoroughbred award program shall be
13 administered and disbursed by the Thoroughbred Breeders'
14 Association of New Jersey subject to the approval of the
15 commission. The special trust account to be established pursuant to
16 this paragraph shall be separate and apart from the special trust
17 account established and maintained pursuant to subparagraph (b) of
18 this paragraph.

19 (f) (Deleted by amendment, P.L.1986, c.19.)

20 (g) In the case of races on a racing day other than a charity
21 racing day, distribute to the Thoroughbred Breeders' Association of
22 New Jersey .012% of such total contributions, except that for pools
23 where the patron is required to select three or more horses, the
24 amount shall be .052%.

25 (h) In the case of races on a racing day other than a charity
26 racing day, distribute to the Backstretch Benevolency Programs
27 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .006% of such
28 total contributions, except that for pools where the patron is
29 required to select three or more horses, the amount shall be .026%.

30 (i) (Deleted by amendment, P.L.2002, c.103).

31 (j) Except as otherwise provided by law, not be subject to an
32 admission or amusement tax, excise tax, license or horse racing fee
33 of any kind by the State of New Jersey, or by any county or
34 municipality, or by any other body having power to assess or collect
35 license fees or taxes.

36 (2) Where the amount derived from the parimutuel handle,
37 excluding the handle derived from intertrack wagering, exceeds \$1
38 million per day based on such contributions accumulated and
39 averaged during the calendar year, the permitholder shall:

40 (a) On a racing day designated or allotted as a charity racing day
41 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
42 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
43 commission, at the time and in the manner prescribed by the
44 commission, .50% of so much of the total contributions to all
45 parimutuel pools conducted or made on any and every horse race.

46 (b) Hold and set aside in an account designated as a special trust
47 account .05% of such total contributions to be used and distributed
48 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 (c) Retain 9.305%, or in the case of races on a charity racing
4 day 9.07%, of such total contributions for his own uses and
5 purposes. For pools where the patron is required to select two
6 horses, the permitholder shall retain 10.375%, or in the case of
7 races on a charity racing day 10.14%, of the total contributions and
8 for pools where the patron is required to select three or more horses,
9 the permitholder shall retain 13.545%, or in the case of races on a
10 charity racing day 13.31%, of the total contributions. Each
11 permitholder shall contribute out of its 13.545% or 13.31% share of
12 pools, where the patron is required to select three or more horses, a
13 sum deemed necessary by the racing commission, to finance a
14 prerace blood testing program, and such other testing programs
15 which the commission shall deem proper and necessary and which
16 shall be subject to the regulation and control of the commission.

17 (d) Distribute as purse money and for programs designed to aid
18 the horsemen and the New Jersey Thoroughbred Horsemen's
19 Association 6.815%, or in the case of races on a charity racing day
20 6.58%, of such contributions. Notwithstanding the foregoing, for
21 pools where the patron is required to select two horses, the
22 permitholder shall distribute as purse money 7.745%, or in the case
23 of races on a charity racing day 7.51%, of such contributions and
24 for pools where the patron is required to select three or more horses,
25 the permitholder shall distribute as purse money 10.085%, or in the
26 case of races on a charity racing day 9.85%, of the total
27 contributions. Expenditures for programs designed to aid the
28 horsemen and the New Jersey Thoroughbred Horsemen's
29 Association shall not exceed 2.5% of the sum available for
30 distribution as purse money from all parimutuel pools. The formula
31 for distribution of the purse money as either overnight purses or
32 special stakes shall be determined by an agreement between the
33 New Jersey Thoroughbred Horsemen's Association and the
34 permitholder. Notwithstanding the foregoing, for pools where a
35 patron is required to select three or more horses, each permitholder
36 shall retain out of the 10.085% or 9.85% to be distributed as purse
37 money a sum deemed necessary by the racing commission, for use
38 by the commission to finance a prerace blood testing program, and
39 such other testing programs which the commission shall deem
40 proper and necessary and which shall be subject to the regulation
41 and control of the commission. ¹Notwithstanding the foregoing, the
42 sum available for distribution as purse money under this subsection
43 may be distributed as provided by a contractual agreement
44 authorized under section 12 of P.L. , c. (C.) (pending before
45 the Legislature as this bill).¹

46 (e) Deduct and set aside in a special trust account for the
47 establishment and support by the commission of the thoroughbred
48 breeding industry in New Jersey .8% of such total contributions,

1 except that for pools where the patron is required to select three or
2 more horses, the amount shall be 1.29%. The money in the special
3 trust account shall be used to: (i) improve purses for closed races;
4 (ii) provide awards to owners and breeders of registered New Jersey
5 bred horses who earn portions of purses in open or closed races at
6 New Jersey race tracks or in closed races at an out-of-State track as
7 part of a multi-state event to promote thoroughbred breeding, and to
8 owners of stallions posted on the official stallion roster of the
9 Thoroughbred Breeders' Association of New Jersey, which sire such
10 New Jersey bred money earners; and (iii) provide awards to the
11 New Jersey Thoroughbred Breeders' Association for programs
12 beneficial to thoroughbred breeding in this State. In any calendar
13 year in which there is a surplus in the special trust account, the
14 surplus funds may be used to provide awards to breeders or owners
15 of registered New Jersey bred horses who earn portions of purses in
16 races at an out-of-State racetrack held at least 30 days before the
17 start of the first thoroughbred meet of the calendar year of more
18 than 10 days' duration at a racetrack in this State or at least 30 days
19 following the conclusion of the last thoroughbred meet of the
20 calendar year at a racetrack of more than 10 days' duration in this
21 State. The New Jersey thoroughbred award program shall be
22 administered and disbursed by the Thoroughbred Breeders'
23 Association of New Jersey subject to the approval of the
24 commission. The special trust account to be established pursuant to
25 this paragraph shall be separate and apart from the special trust
26 account established and maintained pursuant to subparagraph (b) of
27 this paragraph.

28 (f) (Deleted by amendment, P.L.1986, c.19.)

29 (g) In the case of races on a racing day other than a charity
30 racing day, distribute to the Thoroughbred Breeders' Association of
31 New Jersey .02% of such total contributions.

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

36 (i) (Deleted by amendment, P.L.2002, c.103).

37 (j) Except as otherwise provided by law, not be subject to an
38 admission or amusement tax, excise tax, license or horse racing fee
39 of any kind from any permitholder by the State of New Jersey, or by
40 any county or municipality, or by any other body having power to
41 assess or collect license fees or taxes.

42 (cf: P.L.2004, c.118, s.1)

43

44 3. Section 8 of P.L.1985, c.269 (C.5:5-117) is amended to read
45 as follows:

46 8. Except as provided by section 8 of P.L.1991, c.411 (C.5:5-
47 124) **【and】** , by the rules and regulations of the commission with
48 respect to interstate common pools, and by a contractual agreement

1 authorized by section 11¹ or section 12¹ of P.L. , c. (C.)
2 (pending before the Legislature as this bill), the in-State sending
3 track shall reserve and set aside out of the portion of the parimutuel
4 pool to be distributed as purse money pursuant to section 46 of
5 P.L.1940, c.17 (C.5:5-66) an amount equal to 25%, of the amount
6 that would be distributed as purse money pursuant to that section on
7 the basis of the parimutuel pool generated at the receiving track.
8 These sums shall be forwarded to the receiving track and shall be
9 used to supplement the payment of overnight purses at the next
10 horse race meeting to be conducted by the receiving track, except
11 that if the receiving track is conducting a horse race meeting at the
12 same time as the receipt of the simulcast horse races, the receiving
13 track shall use those sums to supplement overnight purses at that
14 horse race meeting.

15 (cf: P.L.1991, c.411, s.3)

16

17 4. Section 38 of P.L.1992, c.19 (C.5:5-126) is amended to read
18 as follows:

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

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

26 (2) .50% of the parimutuel pool generated at the in-State
27 receiving track shall be deposited as follows:

28 (a) in the case of an in-State receiving track which conducts
29 harness races, in the special trust account established pursuant to or
30 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
31 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
32 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
33 appropriate, for use and distribution as provided in section
34 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
35 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
36 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
37 and (iii) of P.L.1971, c.137 (C.5:10-7); and

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

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

1 (4) on the basis of all races in each program, or if two or more
2 programs are being transmitted simultaneously, on the basis of all
3 races in all such programs running simultaneously, 3.735% of the
4 first \$100,000 of the total pool generated at the in-State receiving
5 track; 5.235% of the total pool from \$100,001 to \$150,000; 5.735%
6 of the total pool from \$150,001 to \$250,000; 6.235% of the total
7 pool from \$250,001 to \$300,000; and, if the amount of the total
8 pool is above \$300,000, 6.485% of the total amount of the pool or
9 the percentage of the parimutuel pool for overnight purses on live
10 races that the receiving track and horsemen have agreed to by
11 contract, whichever is greater, shall be paid as follows:

12 (a) in the case of an in-State receiving track which conducts
13 harness races, .1175% of the parimutuel pool to the Standardbred
14 Breeders' and Owners' Association of New Jersey for the
15 administration of a health benefits program for horsemen, and the
16 remaining amount as overnight purse money at the next race
17 meeting at the receiving track, except that if the receiving track is
18 conducting a horse race meeting at the same time as the receipt of
19 the simulcast horse races, the receiving track shall use those sums to
20 supplement overnight purses at that horse race meeting, and for
21 programs designed to aid the horsemen and the Standardbred
22 Breeders' and Owners' Association of New Jersey, as provided in
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, or as provided by a contractual agreement authorized
27 under section 11 of P.L. , c. (C.) (pending before the
28 Legislature as this bill); and

29 (b) in the case of an in-State receiving track which conducts
30 running races, as overnight purse money at the next race meeting at
31 the receiving track, except that if the receiving track is conducting a
32 horse race meeting at the same time as the receipt of the simulcast
33 horse races, the receiving track shall use those sums to supplement
34 overnight purses at that horse race meeting, and for programs
35 designed to aid the horsemen and the New Jersey Thoroughbred
36 Horseman's Benevolent Association, as provided in section
37 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of
38 P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137
39 (C.5:10-7), as appropriate ¹, or as provided by a contractual
40 agreement authorized under section 12 of P.L. , c. (C.)
41 (pending before the Legislature as this bill)¹;

42 (5) .02% of the parimutuel pool generated at the in-State
43 receiving track shall be paid as follows:

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

- 1 (b) in the case of an in-State receiving track which conducts
2 running races, to the Thoroughbred Breeders' Association of New
3 Jersey;
- 4 (6) .01% of the parimutuel pool generated at the in-State
5 receiving track shall be paid to the Backstretch Benevolency
6 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and
- 7 (7) the amount remaining after the deduction of the amounts
8 under paragraphs (2), (3), (4), (5), and (6) shall be paid to the
9 receiving track.
- 10 b. If a receiving track includes out-of-State races as part of its
11 live racing program in any way, the amount resulting from the
12 takeout rate shall be distributed as follows:
- 13 (1) (Deleted by amendment, P.L.1993, c.353.)
- 14 (2) .50% of the parimutuel pool generated at the in-State
15 receiving track shall be deposited as follows:
- 16 (a) in the case of an in-State receiving track which conducts
17 harness races, in the special trust account established pursuant to or
18 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
19 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
20 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
21 appropriate, for use and distribution as provided in section
22 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
23 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
24 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
25 and (iii) of P.L.1971, c.137 (C.5:10-7); and
- 26 (b) in the case of an in-State receiving track which conducts
27 running races, in the special trust account established pursuant to or
28 specified in section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-
29 66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
30 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
31 distribution as provided therein;
- 32 (3) .03% of the parimutuel pool generated at the in-State
33 receiving track shall be paid to the New Jersey Racing Commission
34 and set aside in the special trust account for horse breeding and
35 development for distribution and use as provided in section 5 of
36 P.L.1967, c.40 (C.5:5-88);
- 37 (4) 6.235% of the parimutuel pool generated at the in-State
38 receiving track or the percentage of the parimutuel pool for
39 overnight purses on live races that the racetrack and horsemen have
40 agreed to by contract, whichever is greater, shall be paid as follows:
- 41 (a) in the case of an in-State receiving track which conducts
42 harness races, .1175% of the parimutuel pool to the Standardbred
43 Breeders' and Owners' Association of New Jersey for the
44 administration of a health benefits program for horsemen, and the
45 remaining amount as overnight purse money at the current race
46 meeting at the receiving track and for programs designed to aid the
47 horsemen and the Standardbred Breeders' and Owners' Association
48 of New Jersey, as provided in section 46a.(4) of P.L.1940, c.17

1 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
2 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of
3 P.L.1971, c.137 (C.5:10-7), as appropriate, or as provided by a
4 contractual agreement authorized under section 11 of P.L. _____,
5 c. (C. _____) (pending before the Legislature as this bill); and
6 (b) in the case of an in-State receiving track which conducts
7 running races, as overnight purse money at the current race meeting
8 at the receiving track and for programs designed to aid the
9 horsemen and the New Jersey Thoroughbred Horseman's
10 Benevolent Association, as provided in section 46b.(1)(d) or (2)(d)
11 of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201
12 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as
13 appropriate ¹, or as provided by a contractual agreement authorized
14 under section 12 of P.L. _____, c. (C. _____) (pending before the
15 Legislature as this bill)¹;
16 (5) .02% of the parimutuel pool generated at the in-State
17 receiving track shall be paid as follows:
18 (a) in the case of an in-State receiving track which conducts
19 harness races, to the Sire Stakes Program for standardbred horses;
20 and
21 (b) in the case of an in-State receiving track which conducts
22 running races, to the Thoroughbred Breeders' Association of New
23 Jersey;
24 (6) .01% of the parimutuel pool generated at the in-State
25 receiving track shall be paid to the Backstretch Benevolency
26 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and
27 (7) the amount remaining after the deduction of the amounts
28 under paragraphs (2), (3), (4), (5), and (6) shall be paid to the
29 receiving track.
30 c. All breakage moneys and outstanding parimutuel ticket
31 moneys resulting from the wagering at the receiving track on the
32 additional out-of-State simulcast races authorized by section 37
33 shall be divided as follows:
34 (1) 50% shall be paid to the receiving track; and
35 (2) 50% shall be paid as follows:
36 (a) in the case of an in-State receiving track which conducts
37 harness races, as overnight purse money at the receiving track and
38 for programs designed to aid the horsemen and the Standardbred
39 Breeders' and Owners' Association of New Jersey, as provided in
40 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
41 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
42 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
43 appropriate, or as provided by a contractual agreement authorized
44 under section 11 of P.L. _____, c. (C. _____) (pending before the
45 Legislature as this bill); and
46 (b) in the case of an in-State receiving track which conducts
47 running races, as overnight purse money at the receiving track and
48 for programs designed to aid the horsemen and the New Jersey

1 Thoroughbred Horseman's Benevolent Association, as provided in
2 section 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section
3 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of
4 P.L.1971, c.137 (C.5:10-7), as appropriate ¹, or as provided by a
5 contractual agreement authorized under section 12 of P.L. , c.
6 (C.) (pending before the Legislature as this bill)¹.

7 d. Nothing set forth in this section shall be construed to
8 prohibit the distribution of amounts resulting from the parimutuel
9 pool for an out-of-state program in a manner that is inconsistent
10 with the provisions of subsection a., subsection b., or subsection c.
11 of this section, if such alternative distribution is consistent with and
12 pursuant to an agreement between the permit holder at Monmouth
13 Park, the permit holder at the Meadowlands Racetrack, the
14 Standardbred Breeders' and Owners' Association of New Jersey,
15 and the New Jersey Thoroughbred Horsemen's Association.
16 (cf: P.L.2011, c.96, s.4)

17

18 5. Section 21 of P.L.2001, c.199 (C.5:5-147) is amended to
19 read as follows:

20 21. Sums wagered at an off-track wagering facility on races
21 being transmitted to that off-track wagering facility from an in-State
22 sending track and sums wagered through the account wagering
23 system on a race conducted at an in-State host track shall be
24 deposited in the parimutuel pool generated at the in-State track for
25 those races and shall be distributed in accordance with the
26 provisions of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of
27 P.L.1984, c.236 (C.5:5-64.1), as appropriate. Such sums wagered at
28 an off-track wagering facility or through the account wagering
29 system which remain undistributed pursuant to those sections shall
30 be distributed as follows, except that moneys resulting from
31 breakage on amounts wagered at the off-track wagering facility or
32 through the account wagering system and from outstanding
33 parimutuel ticket moneys issued at the off-track wagering facility or
34 through the account wagering system shall be distributed as
35 provided by subsection g. of this section.

36 a. 6% of the parimutuel pool generated at the off-track
37 wagering facility or through the account wagering system shall be
38 paid to the in-State track for overnight purses or, in the case of
39 standardbred races, may be distributed as provided by a contractual
40 agreement authorized under section 11 of P.L. , c. (C.)
41 (pending before the Legislature as this bill) ¹or, in the case of
42 thoroughbred races, may be distributed as provided by a contractual
43 agreement authorized under section 12 of P.L. , c. (C.)
44 (pending before the Legislature as this bill)¹. In the event that (1)
45 any racetrack at which a horse race meeting was conducted in
46 calendar year 2000 ceases to operate as a racetrack prior to calendar
47 year 2003 and (2) an off-track wagering facility is operated on that
48 former racetrack site, 6.15% of the parimutuel pool generated at

1 that off-track wagering facility shall be paid to the in-State sending
2 track for overnight purses.

3 b. 0.6% of the parimutuel pool generated at the off-track
4 wagering facility or through the account wagering system shall be
5 set aside as follows:

6 (1) in the case of harness races conducted by an in-State track,
7 in the special trust account established pursuant to or specified in
8 section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of
9 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), sections 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); and

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

22 c. 0.02% of the parimutuel pool generated at the off-track
23 wagering facility or through the account wagering system shall be
24 paid to Breeding and Development.

25 d. 0.02% of the parimutuel pool generated at the off-track
26 wagering facility or through the account wagering system shall be
27 paid to Backstretch Benevolency.

28 e. 0.06% of the parimutuel pool generated at the off-track
29 wagering facility or through the account wagering system shall be
30 set aside as follows: (1) in the case of harness races, to Health and
31 Welfare; and (2) in the case of running races, to Thoroughbred
32 Breeders and Stallions.

33 f. The remainder of the parimutuel pool after deduction of the
34 amounts under subsections a. through f. of this section shall be paid
35 to the off-track wagering licensee or the account wagering licensee,
36 as appropriate on a pro rata basis, as determined by the commission
37 based upon the volume of wagering handled by each licensee.

38 g. All breakage moneys and outstanding parimutuel ticket
39 moneys resulting from wagering at the off-track wagering facility or
40 through the account wagering system on races conducted by an in-
41 State track shall be paid to the commission for racing costs in
42 accordance with section 26 of this act. If in any calendar year the
43 total amount of breakage moneys and outstanding parimutuel ticket
44 moneys referred to herein exceeds amounts required to pay racing
45 costs as provided in section 26 of this act, such remaining funds
46 shall be allocated as follows: 50% to the off-track wagering licensee
47 or the account wagering licensee, as appropriate and 50% to the

1 New Jersey Racing Industry Special Fund.

2 (cf: P.L.2001, c.199, s.21)

3

4 6. Section 27 of P.L.2001, c.199 (C.5:5-153) is amended to
5 read as follows:

6 27. The commission shall establish and administer a separate
7 fund to be known as the "New Jersey Racing Industry Special
8 Fund" into which shall be deposited the sums dedicated to the fund
9 by sections 19, 21 and 25 of this act. Money deposited in this
10 special fund shall be disbursed monthly by the commission and
11 used as follows:

12 a. 92% shall be distributed as follows:

13 (1) in the case of money deposited into the special fund from the
14 off-track wagering facility located on the former site of the Atlantic
15 City Race Course, or, if no off-track wagering facility exists on that
16 former site, the off-track wagering facility located closest to that
17 former site, 100% to permit holders conducting thoroughbred
18 racing;

19 (2) except as provided in paragraph (1), 65% to permit holders
20 conducting thoroughbred racing and 35% to permit holders
21 conducting harness racing;

22 Of the allocations made pursuant to this subsection to permit
23 holders conducting thoroughbred racing, specific distributions shall
24 be made to the overnight thoroughbred purse account of each permit
25 holder and for programs designed to aid the thoroughbred horsemen
26 and the New Jersey Thoroughbred Horseman's Association.
27 Expenditures for programs designed to aid the thoroughbred
28 horsemen and the New Jersey Thoroughbred Horseman's
29 Association shall not exceed 2.9% of such allocations. Distribution
30 among thoroughbred permit holders shall be based on the following
31 formula: total overnight thoroughbred purse distribution for each
32 permit holder in the prior calendar year divided by the total
33 overnight thoroughbred purse distribution of all permit holders in
34 the prior calendar year. ¹Notwithstanding the foregoing, the sum
35 allocated to permit holders conducting thoroughbred races under
36 this subsection may be distributed as provided by a contractual
37 agreement authorized under section 12 of P.L. , c. (C.)
38 (pending before the Legislature as this bill).¹

39 Of the allocations made pursuant to this subsection to permit
40 holders conducting standardbred racing, specific distributions shall
41 be made to the overnight standardbred purse account of each permit
42 holder and for programs designed to aid the standardbred horsemen
43 and the Standardbred Breeders' and Owners' Association of New
44 Jersey. Expenditures for programs designed to aid the standardbred
45 horsemen and the Standardbred Breeders' and Owners' Association
46 of New Jersey shall not exceed 5% of such allocations. Distribution
47 among standardbred permit holders shall be based on the following
48 formula: total overnight standardbred purse distribution for each

1 permit holder in the prior calendar year divided by the total
2 overnight standardbred purse distribution of all permit holders in
3 the prior calendar year. Notwithstanding the foregoing, the sum
4 allocated to permit holders conducting harness racing under this
5 subsection may be distributed as provided by a contractual
6 agreement authorized under section 11 of P.L. _____, c. _____
7 (pending before the Legislature as this bill).

8 b. 8% shall be distributed as follows:

9 (1) in the case of money deposited into the special fund from the
10 off-track wagering facility located on the former site of the Atlantic
11 City Race Course, or, if no off-track wagering facility exists on that
12 former site, the off-track wagering facility located closest to that
13 former site, 100% to thoroughbred funds; and

14 (2) except as provided in paragraph (1), 65% to thoroughbred
15 funds and 35% to harness funds.

16 Of the amounts distributed to thoroughbred funds pursuant to
17 this subsection, the following distributions shall apply: 94% to
18 Thoroughbred Breeders and Stallions; 3% to Backstretch
19 Benevolency; and 3% to Breeding and Development.

20 Of the amount distributed to harness funds pursuant to this
21 subsection, the following distributions shall apply: 75% to Sire
22 Stakes; 8% to Breeders and Stallions; 3.5% to Backstretch
23 Benevolency; 10% to Health and Welfare; and 3.5% to Breeding
24 and Development.

25 (cf: P.L.2011, c.50, s.2)

26

27 7. Section 14 of P.L.2011, c.15 (C.5:5-181) is amended to read
28 as follows:

29 14. Of the monies distributed to overnight purses pursuant to
30 subsection b. of section 13 of this act, P.L.2011, c.15 (C.5:5-180),
31 all moneys derived from exchange wagering on thoroughbred races
32 shall be paid to overnight purses for thoroughbred races and all
33 monies derived from exchange wagering on standardbred races
34 shall be paid to overnight purses for standardbred races. On or after
35 January 1, 2014, the formula for allocating overnight purse monies
36 from exchange wagering to overnight purses set forth in this section
37 may be modified by the mutual agreement of the Standardbred
38 Breeders and Owners Association of New Jersey and the New
39 Jersey Thoroughbred Horsemen's Association. Nothing contained
40 in this section shall be construed as a precedent for establishing the
41 division of overnight purse amounts between standardbred races
42 and thoroughbred races.

43 Notwithstanding the foregoing, the sum derived from exchange
44 wagering on standardbred races pursuant to subsection b. of section
45 13 of P.L.2011, c.15 (C.5:5-180) may be distributed as provided by
46 a contractual agreement authorized under section 11 of P.L. _____,
47 c. _____) (pending before the Legislature as this bill).

48 ¹Notwithstanding the foregoing, the sum derived from exchange

1 wagering on thoroughbred races pursuant to subsection b. of section
2 13 of P.L.2011, c.15 (C.5:5-180) may be distributed as provided by
3 a contractual agreement authorized under section 12 of P.L. , c.
4 (C.) (pending before the Legislature as this bill).¹
5 (cf: P.L.2011, c.15, s.14)

6
7 8. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read
8 as follows:

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

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

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

1 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).
2 Notwithstanding the provisions of any other law to the contrary, the
3 Racing Commission shall allot annually to the authority or a lessee
4 of the authority for the Meadowlands Complex, in the case of
5 harness racing, not less than the number of racing days allotted
6 pursuant to subsection b. of section 30 of P.L.2001, c.199 (C.5:5-
7 156), and in the case of running racing, not less than 56 racing days,
8 if and to the extent that application is made therefor.

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

13 e. The authority or a lessee of the authority shall determine the
14 amount of the admission fee for the races and all matters relating to
15 the collection thereof.

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

21 (1) In the case of harness races:

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

26 (i) 42 1/2% thereof to increase purses and grant awards for
27 starting horses, as provided or as may be provided by rules of the
28 New Jersey Racing Commission, with payment to be made in the
29 same manner as payment of other purses and awards, unless
30 otherwise provided by a contractual agreement authorized under
31 section 11 of P.L. , c. (C.) (pending before the Legislature
32 as this bill);

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 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. Notwithstanding the foregoing, the sum available for
33 distribution as purse money under this subsection may be
34 distributed as provided by a contractual agreement authorized under
35 section 11 of P.L. , c. (C.) (pending before the Legislature
36 as this bill).

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. ¹Notwithstanding the foregoing, the sum available
21 for distribution as purse money under this subsection may be
22 distributed as provided by a contractual agreement authorized under
23 section 12 of P.L. , c. (C.) (pending before the Legislature
24 as this bill).¹
- 25 (c) Deduct and set aside in a special trust account established
26 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17
27 (C.5:5-66) for the establishment and support by the commission of
28 the thoroughbred breeding industry in New Jersey .1% of such total
29 contributions, except that for pools where the patron is required to
30 select three or more horses, the amount shall be .6%. The money in
31 the special trust account shall be used to: (i) improve purses for
32 closed races; (ii) provide awards to owners and breeders of
33 registered New Jersey bred horses who earn portions of purses in
34 open and closed races at New Jersey race tracks or in closed races at
35 an out-of-State track as part of a multi-state event to promote
36 thoroughbred breeding, and to owners of stallions posted on the
37 official stallion roster of the Thoroughbred Breeders' Association of
38 New Jersey, which sire such New Jersey bred money earners; and
39 (iii) provide awards to the New Jersey Thoroughbred Breeders'
40 Association for programs beneficial to thoroughbred breeding in
41 this State. The New Jersey thoroughbred award program shall be
42 administered and disbursed by the Thoroughbred Breeders'
43 Association of New Jersey subject to the approval of the
44 commission. The special trust account to be established pursuant to
45 this paragraph shall be separate and apart from the special trust
46 account established and maintained pursuant to subparagraph (a) of
47 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 1/2 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 unless
45 otherwise provided by a contractual agreement authorized under
46 section 11 of P.L. , c. (C.) (pending before the Legislature
47 as this bill).

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

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

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

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

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

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

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

1 thereunder. During this transitional period, the private entity
2 lessee shall be permitted to conduct horse race meetings and
3 wagering through its own employees or through the authority's
4 employees, provided that the authority or the private entity lessee
5 holds a permit issued pursuant to section 30 of P.L.1940, c.17
6 (C.5:5-50). During this transitional period, the authority may also
7 assign any portion of the proceeds it receives from the operation of
8 the leased racetrack to the private entity lessee. During the
9 transitional period, the private entity lessee and the authority must
10 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et
11 seq.), except that the private entity need not obtain a permit
12 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority
13 has been granted one by the New Jersey Racing Commission.
14 (cf: P.L.2011, c.96, s.1)

15

16 9. Section 8 of P.L.1992, c.19 (C.5:12-198) is amended to read
17 as follows:

18 8. Sums wagered at a casino on races being transmitted to that
19 casino from an in-State sending track shall be deposited in the
20 parimutuel pool generated at the in-State sending track for those
21 races and shall be distributed in accordance with the provisions of
22 section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
23 c.236 (C.5:5-64.1), as appropriate. The sums wagered at a casino
24 which remain undistributed pursuant to those sections shall be
25 distributed as follows:

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

30 b. 8.25% of the pool generated at the casino for a race where
31 the patron is required to select one horse, 9.25% of the pool
32 generated at the casino for a race where the patron is required to
33 select two horses, and 12.25% of the pool generated at the casino
34 for a race where the patron is required to select three or more horses
35 shall be paid to the casino receiving the simulcast race;

36 c. .50% of the pool generated at the casino shall be set aside as
37 follows:

38 (1) in the case of harness races being transmitted from an in-
39 State sending track, in the special trust account established pursuant
40 to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66),
41 section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of
42 P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137
43 (C.5:10-7), as appropriate, for use and distribution as provided in
44 section 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section
45 2b.(1), (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section
46 5a.(1)(a), (b), and (c) of P.L.1982, c.201 (C.5:5-98), or section
47 7f.(1)(a)(i), (ii), and (iii) of P.L.1971, c.137 (C.5:10-7), as
48 appropriate; and

1 (2) in the case of running races being transmitted from an in-
2 State sending track, in the special trust account established pursuant
3 to or specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17
4 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
5 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
6 distribution as provided therein;

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

12 e. 7.72% of the pool generated at the casino for a race where the
13 patron is required to select one horse, 8.72% of the pool generated
14 at the casino for a race where the patron is required to select two
15 horses, and 11.72% of the pool generated at the casino for a race
16 where the patron is required to select three or more horses shall be
17 distributed as follows:

18 (1) 0% of that amount shall be retained by the sending track,
19 except that each sending track shall contribute, out of its share of a
20 pool generated for a race where the patron is required to select three
21 or more horses, a sum deemed necessary by the New Jersey Racing
22 Commission for use by the commission to finance a prerace
23 bloodtesting program and such other testing programs which that
24 commission shall deem proper and necessary and which shall be
25 subject to the regulation and control of that commission; and

26 (2) 0% of that amount shall be distributed as follows:

27 (a) in the case of harness races being transmitted from an in-
28 State sending track, as overnight purse money at the sending track
29 and for programs designed to aid the horsemen and the
30 Standardbred Breeders' and Owners' Association of New Jersey, as
31 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
32 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
33 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
34 appropriate, including the retention, out of this share of a
35 parimutuel pool where the patron is required to select three or more
36 horses, of a sum deemed necessary by the New Jersey Racing
37 Commission for use by that commission to finance a prerace blood
38 testing program and such other testing programs which that
39 commission shall deem proper and necessary and which shall be
40 subject to the regulation and control of that commission, or as
41 provided by a contractual agreement authorized under section 11 of
42 P.L. , c. (C.) (pending before the Legislature as this bill);
43 and

44 (b) in the case of running races being transmitted from an in-
45 State sending track, as overnight purse money at the sending track
46 and for programs designed to aid the horsemen and the New Jersey
47 Thoroughbred Horseman's Benevolent Association, as provided in
48 section 46b.(1) (d) and (2) (d) of P.L.1940, c.17 (C.5:5-66), section

1 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of
2 P.L.1971, c.137 (C.5:10-7), as appropriate, including the retention,
3 out of this share of a parimutuel pool where the patron is required to
4 select three or more horses, of a sum deemed necessary by the New
5 Jersey Racing Commission for use by that commission to finance a
6 prerace blood testing program and such other testing programs
7 which that commission shall deem proper and necessary and which
8 shall be subject to the regulation and control of that commission ¹,
9 or as provided by a contractual agreement authorized under section
10 12 of P.L. , c. (C.) (pending before the Legislature as this
11 bill)¹.
12 (cf: P.L.1992, c.19, s.8)

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

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

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

26 b. the actual amount paid by the casino for the transmission of
27 the race, which shall be not more than 6%, or if applicable not more
28 than 9%, of the parimutuel pool generated at the casino shall be
29 paid to the casino to be used for payment to the out-of-State sending
30 track for the transmission of the race, as provided in section 11 of
31 this act;

32 c. in calendar years 1993, 1994, and 1995, 2% of the
33 parimutuel pool generated at the casino shall be paid to the New
34 Jersey Racing Commission for payment to the Atlantic City
35 Racetrack until a total of \$100,000,000 in parimutuel pools has
36 been generated in wagering on simulcast races at all casinos in each
37 of those calendar years, except that if casino simulcasting in
38 Atlantic City begins after January 1, 1993 and before January 1,
39 1994, 2% of the parimutuel pool generated at the casino shall be
40 paid to the commission for payment to the Atlantic City Racetrack
41 until that portion of \$100,000,000 determined by the following
42 formula has been generated in wagering at casinos on simulcast
43 races in 1993:

44 $A/B = C/D$

45 here: A = 365 minus (a) the number of racing days in 1993, other
46 than live racing days, prior to the commencement of casino
47 simulcasting in Atlantic City that the Atlantic City Racetrack
48 conducts simulcasting under the provisions of the "Simulcasting

1 Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions
2 of section 37 of P.L.1992, c.19 (C.5:5-125), and (b) the number of
3 live racing days conducted by the Atlantic City Racetrack in 1993;

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

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

8 D = \$100,000,000;

9 d. of the amount remaining after the deduction of the amounts
10 under subsections a., b., and c. from the amount of the takeout rate,
11 55% shall be paid to the casino;

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

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

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

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

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

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

$$41 \quad A/B = C/D$$

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

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

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

3 D = the total amount of moneys available for distribution
4 pursuant to this paragraph;

5 (2) 43% of that remaining amount shall be paid to the New
6 Jersey Racing Commission and, subject to the provisions of section
7 14 of this act, shall be distributed by that commission, in the
8 following year and on the basis of the following formula, among the
9 New Jersey racetracks for payment as purse money and for
10 programs designed to aid horsemen and horsemen's organizations as
11 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
12 of 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, except that the amount distributed to
15 standardbred racetracks for payment as purse money may be
16 distributed as provided by a contractual agreement authorized under
17 section 11 of P.L. , c. (C.) (pending before the Legislature
18 as this bill), and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17
19 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section
20 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races
21 ¹, except that the amount distributed to thoroughbred racetracks for
22 payment as purse money may be distributed as provided by a
23 contractual agreement authorized under section 12 of P.L. , c.
24 (C.) (pending before the Legislature as this bill)¹:

25 $A/B = C/D$

26 here: A = the total amount distributed by each racetrack pursuant to
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), in the
30 case of harness races, or section 46b.(1)(d) or 46b.(2)(d) of
31 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
32 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case
33 of running races, during the preceding calendar year, plus any
34 additional amounts paid out by each racetrack for overnight purses
35 during the preceding calendar year from the permit holder's share of
36 the parimutuel pool;

37 B = the total amount distributed by racetracks Statewide pursuant
38 to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
39 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
40 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in
41 the case of harness races, and pursuant to section 46b.(1)(d) and
42 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
43 c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-
44 7), in the case of running races, during the preceding calendar year,
45 plus any additional amounts paid out by racetracks for overnight
46 purses during the preceding calendar year from the permit holders'
47 share of the parimutuel pool;

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

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

5 (3) 14% of that remaining amount shall be paid to the New
6 Jersey Racing Commission for deposit in the Casino Simulcasting
7 Special Fund established pursuant to section 15 of this act.

8 In addition, all breakage moneys and outstanding parimutuel
9 ticket moneys resulting from the wagering at the casino shall be
10 paid to the New Jersey Racing Commission and deposited in the
11 Casino Simulcasting Special Fund.

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

16 $A/B = C/D$

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

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

42 C = the amount to be paid by the racetrack for overnight purse
43 money and for programs designed to aid horsemen and horsemen's
44 organizations as provided in section 46a.(4) of P.L.1940, c.17
45 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
46 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of
47 P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section
48 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2)

1 of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971,
2 c.137 (C.5:10-7), in the case of running races;

3 D = the total amount of moneys available to the racetrack for
4 distribution as overnight purse money and for programs designed to
5 aid horsemen and horsemen's organizations pursuant to this
6 paragraph.

7 (cf: P.L.2012, c.9, s.2)

8

9 11. (New section) A harness racing permitholder may enter into
10 a contractual agreement with the Standardbred Breeders' and
11 Owners' Association of New Jersey providing that a portion of the
12 purse monies that are statutorily dedicated to the permitholder or
13 the association will be expended for ²the purposes of a use that
14 the New Jersey Racing Commission approves as directly²
15 advancing, preserving, and enhancing the overall economic well-
16 being of the standardbred horse racing and breeding industry in
17 New Jersey. The portion of purse monies that are redistributed
18 pursuant to a contractual agreement under this section shall be used
19 to advance, preserve, and enhance the overall economic well-being
20 of the standardbred horse racing and breeding industry in New
21 Jersey. A contractual agreement authorized pursuant to this section
22 shall not redistribute any money that is statutorily dedicated for
23 programs designed to aid the horsemen and the Standardbred
24 Breeders' and Owners' Association of New Jersey or for the
25 administration of a health benefits program for the horsemen.

26 The permitholder and the association shall include any
27 expenditures resulting from a contractual agreement authorized
28 pursuant to this section in their respective annual budgets and
29 audited financial statements, which shall be submitted to the
30 ²racings commission New Jersey Racing Commission² as
31 provided for by law or regulation.

32 The permitholder and the association shall provide a copy of any
33 contractual agreement authorized pursuant to this section to the
34 ²racings commission New Jersey Racing Commission² upon
35 ²request by the racing commission its execution and obtain the
36 New Jersey Racing Commission's approval of the agreement prior
37 to any redistribution of any portion of these purse monies².

38

39 ¹12. (New section) A permitholder conducting thoroughbred
40 racing may enter into a contractual agreement with the New Jersey
41 Thoroughbred Horsemen's Association providing that a portion of
42 the purse monies that are statutorily dedicated to the permitholder
43 or the association will be expended for ²the purposes of a use that
44 the New Jersey Racing Commission approves as directly²
45 advancing, preserving, and enhancing the overall economic well-
46 being of the thoroughbred horse racing industry in New Jersey. The
47 portion of purse monies that are redistributed pursuant to a

1 contractual agreement under this section shall be used to advance,
2 preserve, and enhance the overall economic well-being of the
3 thoroughbred horse racing industry in New Jersey. A contractual
4 agreement authorized pursuant to this section shall not redistribute
5 any money that is statutorily dedicated for programs designed to aid
6 the horsemen and the New Jersey Thoroughbred Horsemen's
7 Association or for the administration of a health benefits program
8 for the horsemen.

9 The permitholder and the association shall include any
10 expenditures resulting from a contractual agreement authorized
11 pursuant to this section in their respective annual budgets and
12 audited financial statements, which shall be submitted to the
13 ²[racing commission] New Jersey Racing Commission² as
14 provided for by law or regulation.

15 The permitholder and the association shall provide a copy of any
16 contractual agreement authorized pursuant to this section to the
17 ²[racing commission] New Jersey Racing Commission² upon
18 ²[request by the racing commission] its execution and obtain the
19 New Jersey Racing Commission's approval of the agreement prior
20 to any redistribution of any portion of these purse monies^{2, 1}

21

22 ¹[12.] 13.¹ This act shall take effect immediately.

23

24

25

26

27 Allows monies statutorily dedicated to standardbred or
28 thoroughbred horse racing purses to be used for benefit of horse
29 racing industry, subject to agreement between permitholder and
30 representative horsemen's organization.

[Corrected Copy]

ASSEMBLY, No. 3489

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED DECEMBER 3, 2012

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Assemblywoman CONNIE WAGNER

District 38 (Bergen and Passaic)

Assemblyman RALPH R. CAPUTO

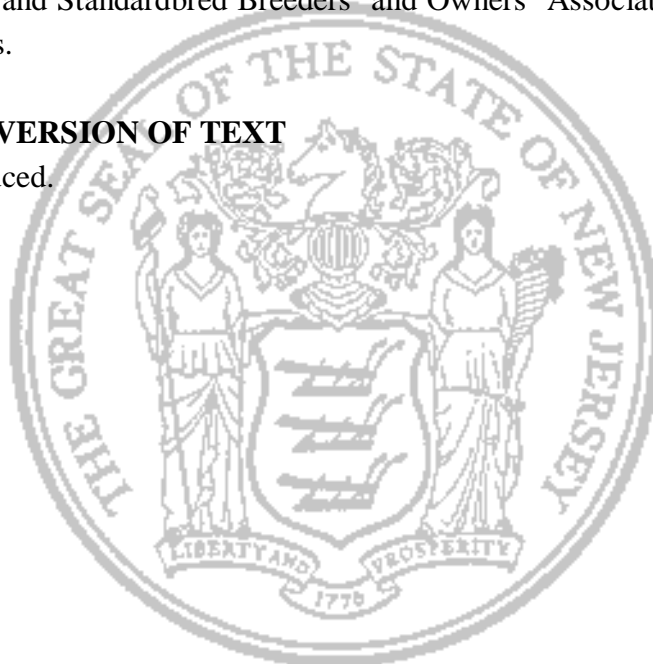
District 28 (Essex)

SYNOPSIS

Allows monies statutorily dedicated to standardbred horse racing purses to be used for benefit of standardbred horse racing and breeding industry; allows permitholder and Standardbred Breeders' and Owners' Association to agree on use of monies.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/9/2013)

1 AN ACT concerning the distribution of certain proceeds for
2 standardbred horse races, and amending and supplementing
3 various parts of the statutory law.

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

7
8 1. Section 44 of P.L.1940, c.17 (C.5:5-64) is amended to read
9 as follows:

10 44. Each holder of a permit shall distribute all sums deposited in
11 any pool where the patron is required to select one horse to the
12 winners thereof, less an amount which in harness races shall not
13 exceed 17% of the total deposits plus the breaks and which in other
14 races shall not exceed 17% of the total deposits plus the breaks. In
15 every pool where the patron is required to select two horses, the
16 holder of each permit for either harness or running track shall
17 distribute all sums deposited in each pool to the winners thereof,
18 less an amount which shall not exceed 19% of the total deposits
19 plus the breaks. In every pool where the patron is required to select
20 three or more horses, every holder of a permit shall distribute all
21 sums deposited in each pool to the winners thereof, less an amount
22 which shall not exceed 25% of the total deposits plus the breaks.
23 Every permitholder shall distribute to the persons holding winning
24 tickets in any of the aforementioned pools, as a minimum, a sum not
25 exceeding \$0.10, calculated on the basis of each dollar deposited in
26 any pool after the deduction of the said 17%, 19% or 25%, as the
27 case may be. Should the amount remaining in the pool be
28 insufficient to pay the winners the minimum, the breakage accruing
29 in that race, or any necessary portion thereof, shall be applied
30 toward making up any such deficiency. The breaks are hereby
31 defined as the odd cents over any multiple of \$0.10, calculated on
32 the basis of \$1.00 otherwise payable to a patron. Every
33 permitholder engaged in the business of conducting running race
34 meetings under this act, except the New Jersey Sports and
35 Exposition Authority established pursuant to P.L.1971, c.137
36 (C.5:10-1 et seq.) or a lessee of the authority, shall distribute as
37 purse money the breaks as herein defined, except as the same shall
38 have been applied toward making up a deficiency in a pool as
39 herein provided. Every permitholder engaged in the business of
40 conducting harness race meetings under this act, except the New
41 Jersey Sports and Exposition Authority or a lessee of the authority,
42 shall retain for his own uses and purposes 50% of the breaks as
43 herein defined, except as the same shall have been applied toward
44 making up a deficiency in the pool as herein provided, and shall
45 distribute as purse money the remaining 50%. The New Jersey

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 Sports and Exposition Authority or a lessee of the authority shall
2 retain all breaks as revenue, except as the same shall have been
3 applied toward making up a deficiency in a pool as herein provided.

4 Every permitholder shall submit to the commission every
5 seventh day of any and every race meeting a report under oath
6 showing the daily and total amount of such breaks, together with
7 such other information as the commission may require. All sums
8 held by any permitholder for payment of outstanding parimutuel
9 tickets not claimed by the person or persons entitled thereto within
10 six months from the time such tickets are issued shall be paid upon
11 the expiration of such six-month holding period as follows:

12 a. In the case of running and harness races, beginning July 1,
13 1997 50% of those sums shall be paid to the racing commission for
14 deposit in the general fund of the State and disposition in
15 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

20 c. In the case of harness races, 25% of those sums shall be
21 retained by the permitholder to supplement purses for sire stakes
22 races on which there is parimutuel wagering, and 25% shall be
23 retained by the permitholder to supplement overnight purses unless
24 otherwise provided by a contractual agreement authorized under
25 section 11 of P.L. , c. (C.) (pending before the Legislature
26 as this bill).

27 Where it is shown to the satisfaction of the commission that the
28 reason for the parimutuel tickets being outstanding and unclaimed is
29 the loss, misplacement or theft of said tickets within the confines
30 and control of the parimutuel department of any permitholder, and it
31 is further shown to the satisfaction of the commission that said
32 parimutuel tickets have been cashed by such parimutuel department,
33 the commission may adjust and credit the permitholder's account
34 accordingly and the permitholder shall reimburse any employee
35 who has been held personally accountable and paid for such lost,
36 stolen or misplaced tickets. All outstanding parimutuel ticket
37 money shall be deposited in an account separate and apart from the
38 track's mutuel or general treasury account. The outstanding
39 parimutuel ticket account shall be subject to the rules and
40 regulations prescribed by the Division of New Jersey Racing
41 Commission.

42 (cf: P.L.2004, c.116, s.1)

43

44 2. Section 46 of P.L.1940, c.17 (C.5:5-66) is amended to read
45 as follows:

46 46. Every permitholder engaged in the business of conducting
47 horse race meetings under this act, except the New Jersey Sports
48 and Exposition Authority established pursuant to P.L.1971, c.137

1 (C.5:10-1 et seq.) or a lessee of the authority, shall make disposition
2 of the deposits remaining undistributed pursuant to section 44 of
3 P.L.1940, c.17 (C.5:5-64) as follows:

4 a. In the case of harness races:

5 (1) On a racing day designated or allotted as a charity racing day
6 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
7 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
8 commission, at the time and in the manner prescribed by the
9 commission, 1.25% of so much of the total contributions to all
10 parimutuel pools conducted or made on any and every horse race,
11 except that for pools where the patron is required to select two
12 horses, the permitholder shall pay 2.25% of the total contributions
13 and for pools where the patron is required to select three or more
14 horses, the permitholder shall pay 5.25% of the total contributions;

15 (2) Hold and set aside in an account designated as a special trust
16 account 1.15% of such total contributions in all pools, to be used
17 and distributed as hereinafter provided and as provided in section 5
18 of P.L.1967, c.40 (C.5:5-88), for the following purposes and no
19 other:

20 (a) 37% thereof to increase purses and grant awards for starting
21 horses, as provided or as may be provided by rules of the New
22 Jersey Racing Commission, with payment to be made in the same
23 manner as payment of other purses and awards, unless otherwise
24 provided by a contractual agreement authorized under section 11 of
25 P.L. , c. (C.) (pending before the Legislature as this bill);

26 (b) 55% thereof for the establishment of a Sire Stakes Program
27 for standardbred horses, with payment to be made to the
28 Department of Agriculture for administration as hereinbefore
29 provided;

30 (c) 5% thereof to the Sire Stakes Program for purse supplements
31 designed to improve and promote the standardbred breeding
32 industry in New Jersey by increasing purses for owners of horses
33 that are sired by a New Jersey registered stallion and are eligible to
34 participate in the Sire Stakes Program. The Sire Stakes Program
35 board of trustees shall consult with the Standardbred Breeders' and
36 Owners' Association of New Jersey before disbursing money for
37 purse supplements;

38 (d) 3% thereof for other New Jersey horse breeding and
39 promotion conducted by the New Jersey Department of Agriculture.

40 (3) Retain 7.7875%, or in the case of races on a charity racing
41 day 7.20%, of so much of such total contributions for his own uses
42 and purposes. Notwithstanding the foregoing, for pools where the
43 patron is required to select two horses, the permitholder shall retain
44 8.7575%, or in the case of races on a charity racing day 7.70%, of
45 the total contributions and for pools where the patron is required to
46 select three or more horses, the permitholder shall retain 11.6675%,
47 or in the case of races on a charity racing day 9.20%, of the total
48 contributions. Each permitholder shall contribute out of its

1 11.6675% or 9.20% share of pools, where the patron is required to
2 select three or more horses, a sum deemed necessary by the racing
3 commission, to finance a prerace blood testing program, and such
4 other testing programs which the commission shall deem proper and
5 necessary and which shall be subject to the regulation and control
6 of said commission.

7 (4) Distribute as purse money and for programs designed to aid
8 the horsemen and the Standardbred Breeders' and Owners'
9 Association of New Jersey 7.69375%, or in the case of races on a
10 charity racing day 7.40%, of such total contributions. Expenditures
11 for programs designed to aid the horsemen and the Standardbred
12 Breeders' and Owners' Association of New Jersey shall not exceed
13 3.2% of the sum available for distribution as purse money. The
14 formula for distribution of the purse money as either overnight
15 purses or special stakes shall be determined by an agreement
16 between the Standardbred Breeders' and Owners' Association of
17 New Jersey and the tracks. Notwithstanding the foregoing, for pools
18 where the patron is required to select two or more horses, the
19 permitholder shall distribute as purse money 8.42875%, or in the
20 case of races on a charity racing day 7.90%, of the total
21 contributions and for pools where the patron is required to select
22 three or more horses, the permitholder shall distribute as purse
23 money 10.63375%, or in the case of races on a charity racing day
24 9.40%, of the total contributions. Notwithstanding the foregoing,
25 for pools where a patron is required to select three or more horses,
26 each permitholder shall retain out of the 10.63375% or 9.40% to be
27 distributed as purse money a sum deemed necessary by the racing
28 commission, for use by the commission to finance a prerace blood
29 testing program, and such other testing programs which the
30 commission shall deem proper and necessary and which shall be
31 subject to the regulation and control of said commission.
32 Notwithstanding the foregoing, the sum available for distribution as
33 purse money under this subsection may be distributed as provided
34 by a contractual agreement authorized under section 11 of P.L. , c.
35 (C.) (pending before the Legislature as this bill).

36 (5) In the case of races on a racing day other than a charity
37 racing day, distribute to the Standardbred Breeders' and Owners'
38 Association of New Jersey for the administration of a health
39 benefits program for horsemen .29375% of such total contributions,
40 except that for pools where the patron is required to select two or
41 more horses, the amount shall be .52875%, and for pools where the
42 patron is required to select three or more horses, the amount shall
43 be 1.23375%.

44 (6) In the case of races on a racing day other than a charity
45 racing day, distribute to the Sire Stakes Program for standardbred
46 horses .05% of such total contributions, except that for pools where
47 the patron is required to select two or more horses, the amount shall

1 be .09%, and for pools where the patron is required to select three
2 or more horses, the amount shall be .21%.

3 (7) In the case of races on a racing day other than a charity
4 racing day, distribute to the Backstretch Benevolency Programs
5 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .025% of such
6 total contributions, except that for pools where the patron is
7 required to select two or more horses, the amount shall be .045%,
8 and for pools where the patron is required to select three or more
9 horses, the amount shall be .105%.

10 Except as otherwise provided by law, no admission or
11 amusement tax, excise tax, license or horse racing fee of any kind
12 shall be assessed or collected from any permitholder by the State of
13 New Jersey, or by any county or municipality, or by any other body
14 having power to assess or collect license fees or taxes.

15 b. In the case of running races:

16 (1) Where the amount derived from the parimutuel handle,
17 excluding the handle derived from intertrack wagering, does not
18 exceed \$1 million per day based on such contributions accumulated
19 and averaged during the calendar year, the permitholder shall:

20 (a) On a racing day designated or allotted as a charity racing day
21 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
22 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
23 commission, at the time and in the manner prescribed by the
24 commission, .30% of so much of the total contributions to all
25 parimutuel pools conducted or made on any and every horse race,
26 except that for pools where the patron is required to select three or
27 more horses, the permitholder shall pay 1.30% of the total
28 contributions.

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

34 (c) Retain 9.991%, or in the case of races on a charity racing
35 day 9.85%, of such total contributions for his own uses and
36 purposes. For pools where the patron is required to select two
37 horses, the permitholder shall retain 11.061%, or in the case of
38 races on a charity racing day 10.92%, of the total contributions and
39 for pools where the patron is required to select three or more horses,
40 the permitholder shall retain 13.941%, or in the case of races on a
41 charity racing day 13.33%, of the total contributions. Each
42 permitholder shall contribute out of its 13.941% or 13.33% share of
43 pools, where the patron is required to select three or more horses, a
44 sum deemed necessary by the racing commission, to finance a
45 prerace blood testing program, and such other testing programs
46 which the commission shall deem proper and necessary and which
47 shall be subject to the regulation and control of the commission.

1 (d) Distribute as purse money and for programs designed to aid
2 the horsemen and the New Jersey Thoroughbred Horsemen's
3 Association 6.141%, or in the case of races on a charity racing day
4 6.00%, of such contributions. Notwithstanding the foregoing, for
5 pools where the patron is required to select two horses, the
6 permitholder shall distribute as purse money 7.071%, or in the case
7 of races on a charity racing day 6.93%, of such contributions and
8 for pools where the patron is required to select three or more horses,
9 the permitholder shall distribute as purse money 9.631%, or in the
10 case of races on a charity racing day 9.02%, of the total
11 contributions. Expenditures for programs designed to aid the
12 horsemen and the New Jersey Thoroughbred Horsemen's
13 Association shall not exceed 2.5% of the sum available for
14 distribution as purse money from all parimutuel pools. The formula
15 for distribution of the purse money as either overnight purses or
16 special stakes shall be determined by an agreement between the
17 New Jersey Thoroughbred Horsemen's Association and the
18 permitholder. Notwithstanding the foregoing, for pools where a
19 patron is required to select three or more horses, each permitholder
20 shall retain out of the 9.631% or 9.02% to be distributed as purse
21 money a sum deemed necessary by the racing commission, for use
22 by the commission to finance a prerace blood testing program, and
23 such other testing programs which the commission shall deem
24 proper and necessary and which shall be subject to the regulation
25 and control of the commission.

26 (e) Deduct and set aside in a special trust account for the
27 establishment and support by the commission of the thoroughbred
28 breeding industry in New Jersey .8% of such total contributions,
29 except that for pools where the patron is required to select three or
30 more horses, the amount shall be 1.3%. The money in the special
31 trust account shall be used to: (i) improve purses for closed races;
32 (ii) provide awards to owners and breeders of registered New Jersey
33 bred horses who earn portions of purses in open or closed races at
34 New Jersey race tracks or in closed races at an out-of-State track as
35 part of a multi-state event to promote thoroughbred breeding, and to
36 owners of stallions posted on the official stallion roster of the
37 Thoroughbred Breeders' Association of New Jersey, which sire such
38 New Jersey bred money earners; and (iii) provide awards to the
39 New Jersey Thoroughbred Breeders' Association for programs
40 beneficial to thoroughbred breeding in this State. In any calendar
41 year in which there is a surplus in the special trust account, the
42 surplus funds may be used to provide awards to breeders or owners
43 of registered New Jersey bred horses who earn portions of purses in
44 races at an out-of-State racetrack held at least 30 days before the
45 start of the first thoroughbred meet of the calendar year of more
46 than 10 days' duration at a racetrack in this State or at least 30 days
47 following the conclusion of the last thoroughbred meet of the
48 calendar year of more than 10 days' duration at a racetrack in this

1 State. The New Jersey thoroughbred award program shall be
2 administered and disbursed by the Thoroughbred Breeders'
3 Association of New Jersey subject to the approval of the
4 commission. The special trust account to be established pursuant to
5 this paragraph shall be separate and apart from the special trust
6 account established and maintained pursuant to subparagraph (b) of
7 this paragraph.

8 (f) (Deleted by amendment, P.L.1986, c.19.)

9 (g) In the case of races on a racing day other than a charity
10 racing day, distribute to the Thoroughbred Breeders' Association of
11 New Jersey .012% of such total contributions, except that for pools
12 where the patron is required to select three or more horses, the
13 amount shall be .052%.

14 (h) In the case of races on a racing day other than a charity
15 racing day, distribute to the Backstretch Benevolency Programs
16 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .006% of such
17 total contributions, except that for pools where the patron is
18 required to select three or more horses, the amount shall be .026%.

19 (i) (Deleted by amendment, P.L.2002, c.103).

20 (j) Except as otherwise provided by law, not be subject to an
21 admission or amusement tax, excise tax, license or horse racing fee
22 of any kind by the State of New Jersey, or by any county or
23 municipality, or by any other body having power to assess or collect
24 license fees or taxes.

25 (2) Where the amount derived from the parimutuel handle,
26 excluding the handle derived from intertrack wagering, exceeds \$1
27 million per day based on such contributions accumulated and
28 averaged during the calendar year, the permitholder shall:

29 (a) On a racing day designated or allotted as a charity racing day
30 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
31 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
32 commission, at the time and in the manner prescribed by the
33 commission, .50% of so much of the total contributions to all
34 parimutuel pools conducted or made on any and every horse race.

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

40 (c) Retain 9.305%, or in the case of races on a charity racing
41 day 9.07%, of such total contributions for his own uses and
42 purposes. For pools where the patron is required to select two
43 horses, the permitholder shall retain 10.375%, or in the case of
44 races on a charity racing day 10.14%, of the total contributions and
45 for pools where the patron is required to select three or more horses,
46 the permitholder shall retain 13.545%, or in the case of races on a
47 charity racing day 13.31%, of the total contributions. Each
48 permitholder shall contribute out of its 13.545% or 13.31% share of

1 pools, where the patron is required to select three or more horses, a
2 sum deemed necessary by the racing commission, to finance a
3 prerace blood testing program, and such other testing programs
4 which the commission shall deem proper and necessary and which
5 shall be subject to the regulation and control of the commission.

6 (d) Distribute as purse money and for programs designed to aid
7 the horsemen and the New Jersey Thoroughbred Horsemen's
8 Association 6.815%, or in the case of races on a charity racing day
9 6.58%, of such contributions. Notwithstanding the foregoing, for
10 pools where the patron is required to select two horses, the
11 permitholder shall distribute as purse money 7.745%, or in the case
12 of races on a charity racing day 7.51%, of such contributions and
13 for pools where the patron is required to select three or more horses,
14 the permitholder shall distribute as purse money 10.085%, or in the
15 case of races on a charity racing day 9.85%, of the total
16 contributions. Expenditures for programs designed to aid the
17 horsemen and the New Jersey Thoroughbred Horsemen's
18 Association shall not exceed 2.5% of the sum available for
19 distribution as purse money from all parimutuel pools. The formula
20 for distribution of the purse money as either overnight purses or
21 special stakes shall be determined by an agreement between the
22 New Jersey Thoroughbred Horsemen's Association and the
23 permitholder. Notwithstanding the foregoing, for pools where a
24 patron is required to select three or more horses, each permitholder
25 shall retain out of the 10.085% or 9.85% to be distributed as purse
26 money a sum deemed necessary by the racing commission, for use
27 by the commission to finance a prerace blood testing program, and
28 such other testing programs which the commission shall deem
29 proper and necessary and which shall be subject to the regulation
30 and control of the commission.

31 (e) Deduct and set aside in a special trust account for the
32 establishment and support by the commission of the thoroughbred
33 breeding industry in New Jersey .8% of such total contributions,
34 except that for pools where the patron is required to select three or
35 more horses, the amount shall be 1.29%. The money in the special
36 trust account shall be used to: (i) improve purses for closed races;
37 (ii) provide awards to owners and breeders of registered New Jersey
38 bred horses who earn portions of purses in open or closed races at
39 New Jersey race tracks or in closed races at an out-of-State track as
40 part of a multi-state event to promote thoroughbred breeding, and to
41 owners of stallions posted on the official stallion roster of the
42 Thoroughbred Breeders' Association of New Jersey, which sire such
43 New Jersey bred money earners; and (iii) provide awards to the
44 New Jersey Thoroughbred Breeders' Association for programs
45 beneficial to thoroughbred breeding in this State. In any calendar
46 year in which there is a surplus in the special trust account, the
47 surplus funds may be used to provide awards to breeders or owners
48 of registered New Jersey bred horses who earn portions of purses in

1 races at an out-of-State racetrack held at least 30 days before the
2 start of the first thoroughbred meet of the calendar year of more
3 than 10 days' duration at a racetrack in this State or at least 30 days
4 following the conclusion of the last thoroughbred meet of the
5 calendar year at a racetrack of more than 10 days' duration in this
6 State. The New Jersey thoroughbred award program shall be
7 administered and disbursed by the Thoroughbred Breeders'
8 Association of New Jersey subject to the approval of the
9 commission. The special trust account to be established pursuant to
10 this paragraph shall be separate and apart from the special trust
11 account established and maintained pursuant to subparagraph (b) of
12 this paragraph.

13 (f) (Deleted by amendment, P.L.1986, c.19.)

14 (g) In the case of races on a racing day other than a charity
15 racing day, distribute to the Thoroughbred Breeders' Association of
16 New Jersey .02% of such total contributions.

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

21 (i) (Deleted by amendment, P.L.2002, c.103).

22 (j) Except as otherwise provided by law, not be subject to an
23 admission or amusement tax, excise tax, license or horse racing fee
24 of any kind from any permitholder by the State of New Jersey, or by
25 any county or municipality, or by any other body having power to
26 assess or collect license fees or taxes.

27 (cf: P.L.2004, c.118, s.1)

28

29 3. Section 8 of P.L.1985, c.269 (C.5:5-117) is amended to read
30 as follows:

31 8. Except as provided by section 8 of P.L.1991, c.411 (C.5:5-
32 124) **and** , by the rules and regulations of the commission with
33 respect to interstate common pools, and by a contractual agreement
34 authorized by section 11 of P.L. , c. (C.) (pending before
35 the Legislature as this bill), the in-State sending track shall reserve
36 and set aside out of the portion of the parimutuel pool to be
37 distributed as purse money pursuant to section 46 of P.L.1940, c.17
38 (C.5:5-66) an amount equal to 25%, of the amount that would be
39 distributed as purse money pursuant to that section on the basis of
40 the parimutuel pool generated at the receiving track. These sums
41 shall be forwarded to the receiving track and shall be used to
42 supplement the payment of overnight purses at the next horse race
43 meeting to be conducted by the receiving track, except that if the
44 receiving track is conducting a horse race meeting at the same time
45 as the receipt of the simulcast horse races, the receiving track shall
46 use those sums to supplement overnight purses at that horse race
47 meeting.

48 (cf: P.L.1991, c.411, s.3)

1 4. Section 38 of P.L.1992, c.19 (C.5:5-126) is amended to read
2 as follows:

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

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

10 (2) .50% of the parimutuel pool generated at the in-State
11 receiving track shall be deposited as follows:

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

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

28 (3) .03% of the parimutuel pool generated at the in-State
29 receiving track shall be paid to the New Jersey Racing Commission
30 and set aside in the special trust account for horse breeding and
31 development for distribution and use as provided in section 5 of
32 P.L.1967, c.40 (C.5:5-88);

33 (4) on the basis of all races in each program, or if two or more
34 programs are being transmitted simultaneously, on the basis of all
35 races in all such programs running simultaneously, 3.735% of the
36 first \$100,000 of the total pool generated at the in-State receiving
37 track; 5.235% of the total pool from \$100,001 to \$150,000; 5.735%
38 of the total pool from \$150,001 to \$250,000; 6.235% of the total
39 pool from \$250,001 to \$300,000; and, if the amount of the total
40 pool is above \$300,000, 6.485% of the total amount of the pool or
41 the percentage of the parimutuel pool for overnight purses on live
42 races that the receiving track and horsemen have agreed to by
43 contract, whichever is greater, shall be paid as follows:

44 (a) in the case of an in-State receiving track which conducts
45 harness races, .1175% of the parimutuel pool to the Standardbred
46 Breeders' and Owners' Association of New Jersey for the
47 administration of a health benefits program for horsemen, and the
48 remaining amount as overnight purse money at the next race

1 meeting at the receiving track, except that if the receiving track is
2 conducting a horse race meeting at the same time as the receipt of
3 the simulcast horse races, the receiving track shall use those sums to
4 supplement overnight purses at that horse race meeting, and for
5 programs designed to aid the horsemen and the Standardbred
6 Breeders' and Owners' Association of New Jersey, as provided in
7 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
8 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
9 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
10 appropriate, or as provided by a contractual agreement authorized
11 under section 11 of P.L. , c. (C.) (pending before the
12 Legislature as this bill); and

13 (b) in the case of an in-State receiving track which conducts
14 running races, as overnight purse money at the next race meeting at
15 the receiving track, except that if the receiving track is conducting a
16 horse race meeting at the same time as the receipt of the simulcast
17 horse races, the receiving track shall use those sums to supplement
18 overnight purses at that horse race meeting, and for programs
19 designed to aid the horsemen and the New Jersey Thoroughbred
20 Horseman's Benevolent Association, as provided in section
21 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of
22 P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137
23 (C.5:10-7), as appropriate;

24 (5) .02% of the parimutuel pool generated at the in-State
25 receiving track shall be paid as follows:

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

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

32 (6) .01% of the parimutuel pool generated at the in-State
33 receiving track shall be paid to the Backstretch Benevolency
34 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

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

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

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

42 (2) .50% of the parimutuel pool generated at the in-State
43 receiving track shall be deposited as follows:

44 (a) in the case of an in-State receiving track which conducts
45 harness races, in the special trust account established pursuant to or
46 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
47 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
48 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as

1 appropriate, for use and distribution as provided in section
2 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
3 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
4 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
5 and (iii) of P.L.1971, c.137 (C.5:10-7); and

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

12 (3) .03% of the parimutuel pool generated at the in-State
13 receiving track shall be paid to the New Jersey Racing Commission
14 and set aside in the special trust account for horse breeding and
15 development for distribution and use as provided in section 5 of
16 P.L.1967, c.40 (C.5:5-88);

17 (4) 6.235% of the parimutuel pool generated at the in-State
18 receiving track or the percentage of the parimutuel pool for
19 overnight purses on live races that the racetrack and horsemen have
20 agreed to by contract, whichever is greater, shall be paid as follows:

21 (a) in the case of an in-State receiving track which conducts
22 harness races, .1175% of the parimutuel pool to the Standardbred
23 Breeders' and Owners' Association of New Jersey for the
24 administration of a health benefits program for horsemen, and the
25 remaining amount as overnight purse money at the current race
26 meeting at the receiving track and for programs designed to aid the
27 horsemen and the Standardbred Breeders' and Owners' Association
28 of New Jersey, 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), as appropriate, or as provided by a
32 contractual agreement authorized under section 11 of P.L. _____, c.
33 (C. _____) (pending before the Legislature as this bill); and

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

42 (5) .02% of the parimutuel pool generated at the in-State
43 receiving track shall be paid as follows:

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

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

4 (6) .01% of the parimutuel pool generated at the in-State
5 receiving track shall be paid to the Backstretch Benevolency
6 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

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

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

14 (1) 50% shall be paid to the receiving track; and

15 (2) 50% shall be paid as follows:

16 (a) in the case of an in-State receiving track which conducts
17 harness races, as overnight purse money at the receiving track and
18 for programs designed to aid the horsemen and the Standardbred
19 Breeders' and Owners' Association of New Jersey, as provided in
20 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
21 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
22 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
23 appropriate, or as provided by a contractual agreement authorized
24 under section 11 of P.L. , c. (C.) (pending before the
25 Legislature as this bill); and

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

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

42 (cf: P.L.2011, c.96, s.4)

43

44 5. Section 21 of P.L.2001, c.199 (C.5:5-147) is amended to
45 read as follows:

46 21. Sums wagered at an off-track wagering facility on races
47 being transmitted to that off-track wagering facility from an in-State
48 sending track and sums wagered through the account wagering

1 system on a race conducted at an in-State host track shall be
2 deposited in the parimutuel pool generated at the in-State track for
3 those races and shall be distributed in accordance with the
4 provisions of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of
5 P.L.1984, c.236 (C.5:5-64.1), as appropriate. Such sums wagered at
6 an off-track wagering facility or through the account wagering
7 system which remain undistributed pursuant to those sections shall
8 be distributed as follows, except that moneys resulting from
9 breakage on amounts wagered at the off-track wagering facility or
10 through the account wagering system and from outstanding
11 parimutuel ticket moneys issued at the off-track wagering facility or
12 through the account wagering system shall be distributed as
13 provided by subsection g. of this section.

14 a. 6% of the parimutuel pool generated at the off-track
15 wagering facility or through the account wagering system shall be
16 paid to the in-State track for overnight purses or, in the case of
17 standardbred races, may be distributed as provided by a contractual
18 agreement authorized under section 11 of P.L. _____, c. _____
19 (pending before the Legislature as this bill). In the event that (1)
20 any racetrack at which a horse race meeting was conducted in
21 calendar year 2000 ceases to operate as a racetrack prior to calendar
22 year 2003 and (2) an off-track wagering facility is operated on that
23 former racetrack site, 6.15% of the parimutuel pool generated at
24 that off-track wagering facility shall be paid to the in-State sending
25 track for overnight purses.

26 b. 0.6% of the parimutuel pool generated at the off-track
27 wagering facility or through the account wagering system shall be
28 set aside as follows:

29 (1) in the case of harness races conducted by an in-State track,
30 in the special trust account established pursuant to or specified in
31 section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of
32 P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
33 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
34 appropriate, for use and distribution as provided in section
35 46a.(2)(a),(b) and (c) of P.L.1940, c.17 (C.5:5-66), sections 2b.(1),
36 (2) and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b)
37 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii)
38 and (iii) of P.L.1971, c.137 (C.5:10-7); and

39 (2) in the case of running races conducted by an in-State track,
40 in the special trust account established pursuant to or specified in
41 section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section
42 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of
43 P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution
44 as provided therein, as appropriate.

45 c. 0.02% of the parimutuel pool generated at the off-track
46 wagering facility or through the account wagering system shall be
47 paid to Breeding and Development.

1 d. 0.02% of the parimutuel pool generated at the off-track
2 wagering facility or through the account wagering system shall be
3 paid to Backstretch Benevolency.

4 e. 0.06% of the parimutuel pool generated at the off-track
5 wagering facility or through the account wagering system shall be
6 set aside as follows: (1) in the case of harness races, to Health and
7 Welfare; and (2) in the case of running races, to Thoroughbred
8 Breeders and Stallions.

9 f. The remainder of the parimutuel pool after deduction of the
10 amounts under subsections a. through f. of this section shall be paid
11 to the off-track wagering licensee or the account wagering licensee,
12 as appropriate on a pro rata basis, as determined by the commission
13 based upon the volume of wagering handled by each licensee.

14 g. All breakage moneys and outstanding parimutuel ticket
15 moneys resulting from wagering at the off-track wagering facility or
16 through the account wagering system on races conducted by an in-
17 State track shall be paid to the commission for racing costs in
18 accordance with section 26 of this act. If in any calendar year the
19 total amount of breakage moneys and outstanding parimutuel ticket
20 moneys referred to herein exceeds amounts required to pay racing
21 costs as provided in section 26 of this act, such remaining funds
22 shall be allocated as follows: 50% to the off-track wagering licensee
23 or the account wagering licensee, as appropriate and 50% to the
24 New Jersey Racing Industry Special Fund.

25 (cf: P.L.2001, c.199, s.21)

26

27 6. Section 27 of P.L.2001, c.199 (C.5:5-153) is amended to
28 read as follows:

29 27. The commission shall establish and administer a separate
30 fund to be known as the "New Jersey Racing Industry Special
31 Fund" into which shall be deposited the sums dedicated to the fund
32 by sections 19, 21 and 25 of this act. Money deposited in this
33 special fund shall be disbursed monthly by the commission and
34 used as follows:

35 a. 92% shall be distributed as follows:

36 (1) in the case of money deposited into the special fund from the
37 off-track wagering facility located on the former site of the Atlantic
38 City Race Course, or, if no off-track wagering facility exists on that
39 former site, the off-track wagering facility located closest to that
40 former site, 100% to permit holders conducting thoroughbred
41 racing;

42 (2) except as provided in paragraph (1), 65% to permit holders
43 conducting thoroughbred racing and 35% to permit holders
44 conducting harness racing;

45 Of the allocations made pursuant to this subsection to permit
46 holders conducting thoroughbred racing, specific distributions shall
47 be made to the overnight thoroughbred purse account of each permit
48 holder and for programs designed to aid the thoroughbred horsemen

1 and the New Jersey Thoroughbred Horseman's Association.
2 Expenditures for programs designed to aid the thoroughbred
3 horsemen and the New Jersey Thoroughbred Horseman's
4 Association shall not exceed 2.9% of such allocations. Distribution
5 among thoroughbred permit holders shall be based on the following
6 formula: total overnight thoroughbred purse distribution for each
7 permit holder in the prior calendar year divided by the total
8 overnight thoroughbred purse distribution of all permit holders in
9 the prior calendar year.

10 Of the allocations made pursuant to this subsection to permit
11 holders conducting standardbred racing, specific distributions shall
12 be made to the overnight standardbred purse account of each permit
13 holder and for programs designed to aid the standardbred horsemen
14 and the Standardbred Breeders' and Owners' Association of New
15 Jersey. Expenditures for programs designed to aid the standardbred
16 horsemen and the Standardbred Breeders' and Owners' Association
17 of New Jersey shall not exceed 5% of such allocations. Distribution
18 among standardbred permit holders shall be based on the following
19 formula: total overnight standardbred purse distribution for each
20 permit holder in the prior calendar year divided by the total
21 overnight standardbred purse distribution of all permit holders in
22 the prior calendar year. Notwithstanding the foregoing, the sum
23 allocated to permit holders conducting harness racing under this
24 subsection may be distributed as provided by a contractual
25 agreement authorized under section 11 of P.L. , c. (C.)
26 (pending before the Legislature as this bill).

27 b. 8% shall be distributed as follows:

28 (1) in the case of money deposited into the special fund from the
29 off-track wagering facility located on the former site of the Atlantic
30 City Race Course, or, if no off-track wagering facility exists on that
31 former site, the off-track wagering facility located closest to that
32 former site, 100% to thoroughbred funds; and

33 (2) except as provided in paragraph (1), 65% to thoroughbred
34 funds and 35% to harness funds.

35 Of the amounts distributed to thoroughbred funds pursuant to
36 this subsection, the following distributions shall apply: 94% to
37 Thoroughbred Breeders and Stallions; 3% to Backstretch
38 Benevolency; and 3% to Breeding and Development.

39 Of the amount distributed to harness funds pursuant to this
40 subsection, the following distributions shall apply: 75% to Sire
41 Stakes; 8% to Breeders and Stallions; 3.5% to Backstretch
42 Benevolency; 10% to Health and Welfare; and 3.5% to Breeding
43 and Development.

44 (cf: P.L.2011, c.50, s.2)

45

46 7. Section 14 of P.L.2011, c.15 (C.5:5-181) is amended to read
47 as follows:

1 14. Of the monies distributed to overnight purses pursuant to
2 subsection b. of section 13 of this act, P.L.2011, c.15 (C.5:5-180),
3 all moneys derived from exchange wagering on thoroughbred races
4 shall be paid to overnight purses for thoroughbred races and all
5 monies derived from exchange wagering on standardbred races
6 shall be paid to overnight purses for standardbred races. On or after
7 January 1, 2014, the formula for allocating overnight purse monies
8 from exchange wagering to overnight purses set forth in this section
9 may be modified by the mutual agreement of the Standardbred
10 Breeders and Owners Association of New Jersey and the New
11 Jersey Thoroughbred Horsemen's Association. Nothing contained
12 in this section shall be construed as a precedent for establishing the
13 division of overnight purse amounts between standardbred races
14 and thoroughbred races.

15 Notwithstanding the foregoing, the sum derived from exchange
16 wagering on standardbred races pursuant to subsection b. of section
17 13 of P.L.2011, c.15 (C.5:5-180) may be distributed as provided by
18 a contractual agreement authorized under section 11 of P.L. , c.
19 (C.) (pending before the Legislature as this bill).
20 (cf: P.L.2011, c.15, s.14)

21

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

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

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

42 c. Application for said permit or permits shall be on such forms
43 and shall include such accompanying data as the Racing
44 Commission shall prescribe for other applicants. The Racing
45 Commission shall proceed to review and act on any such
46 application within 30 days after its filing and the Racing
47 Commission is authorized in its sole discretion to determine
48 whether a permit shall be granted to the authority or a lessee of the

1 authority. If, after such review, the Racing Commission acts
2 favorably on such application, a permit shall be granted to the
3 authority or a lessee of the authority without any further approval
4 and shall remain in force and effect so long as any bonds or notes of
5 the authority remain outstanding, the provisions of any other law to
6 the contrary notwithstanding. In granting a permit to the authority
7 or a lessee of the authority to conduct a horse race meeting, the
8 Racing Commission shall not be subject to any limitation as to the
9 number of tracks authorized for the conduct of horse race meetings
10 pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said
11 permit shall set forth the dates to be allotted to the authority for its
12 initial horse race meetings. Thereafter application for dates for
13 horse race meetings by the authority or a lessee of the authority and
14 the allotment thereof by the Racing Commission, including the
15 renewal of the same dates theretofore allotted, shall be governed by
16 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).
17 Notwithstanding the provisions of any other law to the contrary, the
18 Racing Commission shall allot annually to the authority or a lessee
19 of the authority for the Meadowlands Complex, in the case of
20 harness racing, not less than the number of racing days allotted
21 pursuant to subsection b. of section 30 of P.L.2001, c.199 (C.5:5-
22 156), and in the case of running racing, not less than 56 racing days,
23 if and to the extent that application is made therefor.

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

28 e. The authority or a lessee of the authority shall determine the
29 amount of the admission fee for the races and all matters relating to
30 the collection thereof.

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

36 (1) In the case of harness races:

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

41 (i) 42 1/2% thereof to increase purses and grant awards for
42 starting horses, as provided or as may be provided by rules of the
43 New Jersey Racing Commission, with payment to be made in the
44 same manner as payment of other purses and awards, unless
45 otherwise provided by a contractual agreement authorized under
46 section 11 of P.L. , c. (C.) (pending before the Legislature
47 as this bill);

1 (ii) 49% thereof for the establishment of a Sire Stakes Program
2 for standardbred horses, with payment to be made to the
3 Department of Agriculture for administration as hereinbefore
4 provided;

5 (iii) 5 1/2% thereof to the Sire Stakes Program for purse
6 supplements designed to improve and promote the standardbred
7 breeding industry in New Jersey by increasing purses for owners of
8 horses that are sired by a New Jersey registered stallion and are
9 eligible to participate in the Sire Stakes Program. The Sire Stakes
10 Program board of trustees shall consult with the Standardbred
11 Breeders' and Owners' Association of New Jersey before disbursing
12 money for purse supplements;

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

15 Payment of the sums held and set aside pursuant to
16 subparagraphs (iii) and (iv) shall be made to the commission every
17 seventh day of any and every race meeting in the amount then due,
18 as determined in the manner provided above, and shall be
19 accompanied by a report under oath showing the total of all such
20 contributions, together with such other information as the
21 commission may require.

22 (b) Distribute as purse money and for programs designed to aid
23 the horsemen and the Standardbred Breeders' and Owners'
24 Association of New Jersey 5.1175%, or in the case of races on a
25 charity racing day 5%, of such total contributions. Expenditures for
26 programs designed to aid the horsemen and the Standardbred
27 Breeders' and Owners' Association of New Jersey shall not exceed
28 5% of the sum available for distribution as purse money. The
29 formula for distribution of the purse money as either overnight
30 purses or special stakes shall be determined by an agreement
31 between the Standardbred Breeders' and Owners' Association of
32 New Jersey and the authority or a lessee of the authority.
33 Notwithstanding the foregoing, for pools where the patron is
34 required to select two or more horses, the authority or a lessee of
35 the authority shall distribute as purse money 5.6175%, or in the
36 case of races on a charity racing day 5.5%, of the total contributions
37 and for pools where the patron is required to select three or more
38 horses, the authority or a lessee of the authority shall distribute as
39 purse money 7.1175%, or in the case of races on a charity racing
40 day 7%, of the total contributions. Notwithstanding the foregoing,
41 for pools where a patron is required to select three or more horses,
42 the authority or a lessee of the authority shall retain out of the
43 7.1175% or 7% to be distributed as purse money a sum deemed
44 necessary by the racing commission, for use by the commission to
45 finance a prerace blood testing program, and such other testing
46 programs which the commission shall deem proper and necessary
47 and which shall be subject to the regulation and control of said
48 commission. Notwithstanding the foregoing, the sum available for

1 distribution as purse money under this subsection may be
2 distributed as provided by a contractual agreement authorized under
3 section 11 of P.L. , c. (C.) (pending before the Legislature
4 as this bill).

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

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

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

16 (2) In the case of running races:

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

22 (b) Distribute as purse money and for programs designed to aid
23 the horsemen and the New Jersey Thoroughbred Horsemen's
24 Association 4.475%, or in the case of races on a charity racing day
25 4.24%, of such total contributions. Expenditures for programs
26 designed to aid the horsemen and the New Jersey Thoroughbred
27 Horsemen's Association shall not exceed 2.9% of the sum available
28 for distribution as purse money. The formula for distribution of the
29 purse money as either overnight purses or special stakes shall be
30 determined by an agreement between the New Jersey Thoroughbred
31 Horsemen's Association and the authority or a lessee of the
32 authority. Notwithstanding the foregoing, for pools where the
33 patron is required to select three or more horses, the authority or a
34 lessee of the authority shall distribute as purse money 7.475%, or in
35 the case of races on a charity racing day 7.24%, of the total
36 contributions.

37 (c) Deduct and set aside in a special trust account established
38 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17
39 (C.5:5-66) for the establishment and support by the commission of
40 the thoroughbred breeding industry in New Jersey .1% of such total
41 contributions, except that for pools where the patron is required to
42 select three or more horses, the amount shall be .6%. The money in
43 the special trust account shall be used to: (i) improve purses for
44 closed races; (ii) provide awards to owners and breeders of
45 registered New Jersey bred horses who earn portions of purses in
46 open and closed races at New Jersey race tracks or in closed races at
47 an out-of-State track as part of a multi-state event to promote
48 thoroughbred breeding, and to owners of stallions posted on the

1 official stallion roster of the Thoroughbred Breeders' Association of
2 New Jersey, which sire such New Jersey bred money earners; and
3 (iii) provide awards to the New Jersey Thoroughbred Breeders'
4 Association for programs beneficial to thoroughbred breeding in
5 this State. The New Jersey thoroughbred award program shall be
6 administered and disbursed by the Thoroughbred Breeders'
7 Association of New Jersey subject to the approval of the
8 commission. The special trust account to be established pursuant to
9 this paragraph shall be separate and apart from the special trust
10 account established and maintained pursuant to subparagraph (a) of
11 this paragraph.

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

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

19 Payment of the sums held and set aside pursuant to
20 subparagraphs (a) and (c) of this subsection shall be made to the
21 commission every seventh day of any and every race meeting in the
22 amount then due, as determined in the manner provided above, and
23 shall be accompanied by a report under oath showing the total of all
24 such contributions, together with such other information as the
25 commission may require.

26 In addition to the amounts above, in the case of races on a racing
27 day designated or allotted as a charity racing day pursuant to
28 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or
29 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of
30 1% of all parimutuel pools shall be paid to the commission at the
31 time and in the manner prescribed by the commission.

32 All amounts remaining in parimutuel pools, including the breaks,
33 after such distribution and payments shall constitute revenues of the
34 authority or a lessee of the authority. Except as otherwise expressly
35 provided in this section 7, the authority or a lessee of the authority
36 shall not be required to make any payments to the Racing
37 Commission or others in connection with contributions to
38 parimutuel pools.

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

44 (1) In the case of running and harness races, beginning July 1,
45 1997 50% of those sums shall be paid to the Racing Commission
46 for deposit in the general fund of the State and disposition in
47 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

5 (3) In the case of harness races, 25% of those sums shall be
6 retained by the permitholder to supplement purses for sire stakes
7 races on which there is parimutuel wagering, and 25% shall be
8 retained by the permitholder to supplement overnight purses unless
9 otherwise provided by a contractual agreement authorized under
10 section 11 of P.L. , c. (C.) (pending before the Legislature
11 as this bill).

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

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

22 j. Each employee of the authority or a lessee of the authority
23 engaged in the conducting of horse race meetings shall obtain the
24 appropriate license from the Racing Commission, subject to the
25 same terms and conditions as is required of similar employees of
26 other permitholders. The Racing Commission may suspend any
27 member of the authority upon approval of the Governor and the
28 license of any employee of the authority or a lessee of the authority
29 in connection with the conducting of horse race meetings, pending a
30 hearing by the Racing Commission, for any violation of the New
31 Jersey laws regulating horse racing or any rule or regulation of the
32 commission. Such hearing shall be held and conducted in the
33 manner provided in said laws.

34 k. Notwithstanding any other provision of law, rule, or
35 regulation to the contrary, if the authority shall enter into an
36 agreement with a private entity to lease a racetrack facility it owns
37 to that entity, it may further agree with that entity to jointly operate
38 the facility during a transitional period. The transitional period
39 shall only last:

40 (1) until the private entity lessee has been fully licensed by the
41 New Jersey Racing Commission and has received all necessary
42 permits to conduct future horse race meetings at the racetrack in the
43 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; or

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

1 The New Jersey Racing Commission may extend the
2 transitional period for a reasonable time frame beyond one year
3 from the date that the lease agreement is signed, however under no
4 circumstances can the transitional period extend beyond two years
5 from the date that the lease agreement is signed. At the expiration
6 of the transitional period and any extension granted by the New
7 Jersey Racing Commission, the private entity lessee shall be
8 required to have obtained all the necessary permits and licenses in
9 the manner and subject to compliance with the standards set forth in
10 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and
11 conditions prescribed by the New Jersey Racing Commission
12 thereunder. During this transitional period, the private entity
13 lessee shall be permitted to conduct horse race meetings and
14 wagering through its own employees or through the authority's
15 employees, provided that the authority or the private entity lessee
16 holds a permit issued pursuant to section 30 of P.L.1940, c.17
17 (C.5:5-50). During this transitional period, the authority may also
18 assign any portion of the proceeds it receives from the operation of
19 the leased racetrack to the private entity lessee. During the
20 transitional period, the private entity lessee and the authority must
21 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et
22 seq.), except that the private entity need not obtain a permit
23 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority
24 has been granted one by the New Jersey Racing Commission.

25 (cf: P.L.2011, c.96, s.1)

26

27 9. Section 8 of P.L.1992, c.19 (C.5:12-198) is amended to read
28 as follows:

29 8. Sums wagered at a casino on races being transmitted to that
30 casino from an in-State sending track shall be deposited in the
31 parimutuel pool generated at the in-State sending track for those
32 races and shall be distributed in accordance with the provisions of
33 section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
34 c.236 (C.5:5-64.1), as appropriate. The sums wagered at a casino
35 which remain undistributed pursuant to those sections shall be
36 distributed as follows:

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

41 b. 8.25% of the pool generated at the casino for a race where
42 the patron is required to select one horse, 9.25% of the pool
43 generated at the casino for a race where the patron is required to
44 select two horses, and 12.25% of the pool generated at the casino
45 for a race where the patron is required to select three or more horses
46 shall be paid to the casino receiving the simulcast race;

47 c. .50% of the pool generated at the casino shall be set aside as
48 follows:

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

12 (2) in the case of running races being transmitted from an in-
13 State sending track, in the special trust account established pursuant
14 to or specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17
15 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
16 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
17 distribution as provided therein;

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

23 e. 7.72% of the pool generated at the casino for a race where the
24 patron is required to select one horse, 8.72% of the pool generated
25 at the casino for a race where the patron is required to select two
26 horses, and 11.72% of the pool generated at the casino for a race
27 where the patron is required to select three or more horses shall be
28 distributed as follows:

29 (1) 50% of that amount shall be retained by the sending track,
30 except that each sending track shall contribute, out of its share of a
31 pool generated for a race where the patron is required to select three
32 or more horses, a sum deemed necessary by the New Jersey Racing
33 Commission for use by the commission to finance a prerace
34 bloodtesting program and such other testing programs which that
35 commission shall deem proper and necessary and which shall be
36 subject to the regulation and control of that commission; and

37 (2) 50% of that amount shall be distributed as follows:

38 (a) in the case of harness races being transmitted from an in-
39 State sending track, as overnight purse money at the sending track
40 and for programs designed to aid the horsemen and the
41 Standardbred Breeders' and Owners' Association of New Jersey, as
42 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
43 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
44 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
45 appropriate, including the retention, out of this share of a
46 parimutuel pool where the patron is required to select three or more
47 horses, of a sum deemed necessary by the New Jersey Racing
48 Commission for use by that commission to finance a prerace blood

1 testing program and such other testing programs which that
2 commission shall deem proper and necessary and which shall be
3 subject to the regulation and control of that commission, or as
4 provided by a contractual agreement authorized under section 11 of
5 P.L. , c. (C.) (pending before the Legislature as this bill);
6 and
7 (b) in the case of running races being transmitted from an in-
8 State sending track, as overnight purse money at the sending track
9 and for programs designed to aid the horsemen and the New Jersey
10 Thoroughbred Horseman's Benevolent Association, as provided in
11 section 46b.(1) (d) and (2) (d) of P.L.1940, c.17 (C.5:5-66), section
12 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of
13 P.L.1971, c.137 (C.5:10-7), as appropriate, including the retention,
14 out of this share of a parimutuel pool where the patron is required to
15 select three or more horses, of a sum deemed necessary by the New
16 Jersey Racing Commission for use by that commission to finance a
17 prerace blood testing program and such other testing programs
18 which that commission shall deem proper and necessary and which
19 shall be subject to the regulation and control of that commission.
20 (cf: P.L.1992, c.19, s.8)

21
22 10. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to
23 read as follows:

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

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

34 b. the actual amount paid by the casino for the transmission of
35 the race, which shall be not more than 6%, or if applicable not more
36 than 9%, of the parimutuel pool generated at the casino shall be
37 paid to the casino to be used for payment to the out-of-State sending
38 track for the transmission of the race, as provided in section 11 of
39 this act;

40 c. in calendar years 1993, 1994, and 1995, 2% of the
41 parimutuel pool generated at the casino shall be paid to the New
42 Jersey Racing Commission for payment to the Atlantic City
43 Racetrack until a total of \$100,000,000 in parimutuel pools has
44 been generated in wagering on simulcast races at all casinos in each
45 of those calendar years, except that if casino simulcasting in
46 Atlantic City begins after January 1, 1993 and before January 1,
47 1994, 2% of the parimutuel pool generated at the casino shall be
48 paid to the commission for payment to the Atlantic City Racetrack

1 until that portion of \$100,000,000 determined by the following
2 formula has been generated in wagering at casinos on simulcast
3 races in 1993:

4 $A/B = C/D$

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

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

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

16 D = \$100,000,000;

17 d. of the amount remaining after the deduction of the amounts
18 under subsections a., b., and c. from the amount of the takeout rate,
19 55% shall be paid to the casino;

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

23 (1) 50% in the special trust account established pursuant to or
24 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
25 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
26 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
27 appropriate, for use and distribution as provided in section
28 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
29 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
30 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
31 and (iii) of P.L.1971, c.137 (C.5:10-7), as appropriate; and

32 (2) 50% in the special trust account established pursuant to or
33 specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-
34 66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
35 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
36 distribution as provided therein;

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

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

45 (1) 43% of that remaining amount shall be paid to the New
46 Jersey Racing Commission and shall be distributed by that

1 commission, on the basis of the following formula, among the New
2 Jersey racetracks for their own use:

3 $A/B = C/D$

4 here: A = the gross parimutuel pool generated at each racetrack
5 during the preceding calendar year, including the parimutuel pool
6 on simulcast races;

7 B = the gross parimutuel pool generated at racetracks Statewide
8 during the preceding calendar year, including the parimutuel pool
9 on simulcast races;

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

12 D = the total amount of moneys available for distribution
13 pursuant to this paragraph;

14 (2) 43% of that remaining amount shall be paid to the New
15 Jersey Racing Commission and, subject to the provisions of section
16 14 of this act, shall be distributed by that commission, in the
17 following year and on the basis of the following formula, among the
18 New Jersey racetracks for payment as purse money and for
19 programs designed to aid horsemen and horsemen's organizations as
20 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
21 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
22 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
23 case of harness races, except that the amount distributed to
24 standardbred racetracks for payment as purse money may be
25 distributed as provided by a contractual agreement authorized under
26 section 11 of P.L. , c. (C.) (pending before the Legislature
27 as this bill), and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17
28 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section
29 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races:

30 $A/B = C/D$

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

42 B = the total amount distributed by racetracks Statewide pursuant
43 to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
44 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
45 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in
46 the case of harness races, and pursuant to section 46b.(1)(d) and
47 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
48 c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-

1 7), in the case of running races, during the preceding calendar year,
2 plus any additional amounts paid out by racetracks for overnight
3 purses during the preceding calendar year from the permit holders'
4 share of the parimutuel pool;

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

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

9 (3) 14% of that remaining amount shall be paid to the New
10 Jersey Racing Commission for deposit in the Casino Simulcasting
11 Special Fund established pursuant to section 15 of this act.

12 In addition, all breakage moneys and outstanding parimutuel
13 ticket moneys resulting from the wagering at the casino shall be
14 paid to the New Jersey Racing Commission and deposited in the
15 Casino Simulcasting Special Fund.

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

20 $A/B = C/D$

21 here: A = the total amount distributed by the racetrack pursuant to
22 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), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
25 appropriate, in the case of harness races, plus any additional
26 amounts paid out by the racetrack for overnight purses for harness
27 races during the preceding calendar year from the permit holder's
28 share of the parimutuel pool, or pursuant to section 46b.(1)(d) or
29 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
30 c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7),
31 as appropriate, in the case of running races, plus any additional
32 amounts paid out by the racetrack for overnight purses for running
33 races during the preceding calendar year from the permit holder's
34 share of the parimutuel pool, as the case may be;

35 B = the total amount distributed by the racetrack pursuant to
36 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
37 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
38 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
39 appropriate, and pursuant to section 46b.(1)(d) or 46b.(2)(d) of
40 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
41 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as
42 appropriate, plus any additional amounts paid out by the racetrack
43 for overnight purses for both harness and running races during the
44 preceding calendar year from the permit holder's share of the
45 parimutuel pool;

46 C = the amount to be paid by the racetrack for overnight purse
47 money and for programs designed to aid horsemen and horsemen's
48 organizations as provided in section 46a.(4) of P.L.1940, c.17

1 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
2 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of
3 P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section
4 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2)
5 of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971,
6 c.137 (C.5:10-7), in the case of running races;

7 D = the total amount of moneys available to the racetrack for
8 distribution as overnight purse money and for programs designed to
9 aid horsemen and horsemen's organizations pursuant to this
10 paragraph.

11 (cf: P.L.2012, c.9, s.2)

12

13 11. (New section) A harness racing permitholder may enter into
14 a contractual agreement with the Standardbred Breeders' and
15 Owners' Association of New Jersey providing that a portion of the
16 purse monies that are statutorily dedicated to the permitholder or
17 the association will be expended for the purposes of advancing,
18 preserving, and enhancing the overall economic well-being of the
19 standardbred horse racing and breeding industry in New Jersey.
20 The portion of purse monies that are redistributed pursuant to a
21 contractual agreement under this section shall be used to advance,
22 preserve, and enhance the overall economic well-being of the
23 standardbred horse racing and breeding industry in New Jersey. A
24 contractual agreement authorized pursuant to this section shall not
25 redistribute any money that is statutorily dedicated for programs
26 designed to aid the horsemen and the Standardbred Breeders' and
27 Owners' Association of New Jersey or for the administration of a
28 health benefits program for the horsemen.

29 The permitholder and the association shall include any
30 expenditures resulting from a contractual agreement authorized
31 pursuant to this section in their respective annual budgets and
32 audited financial statements, which shall be submitted to the racing
33 commission as provided for by law or regulation.

34 The permitholder and the association shall provide a copy of any
35 contractual agreement authorized pursuant to this section to the
36 racing commission upon request by the racing commission.

37

38 12. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill would allow harness racing permitholders and the
44 Standardbred Breeders' and Owners' Association of New Jersey to
45 enter into contractual agreements to provide that a portion of purse
46 monies that are statutorily dedicated to the permitholder or the
47 association may be expended for the purposes of advancing,
48 preserving, and enhancing the overall economic well-being of the

1 State's standardbred horse racing and breeding industry in order to
2 maintain the industry's financial self-sustainability. Such
3 contractual agreements would not be permitted to reduce the
4 statutorily dedicated funds for programs designed to aid the
5 horsemen and the Standardbred Breeders' and Owners' Association
6 or for the administration of a health benefits program for the
7 horsemen.

8 Under the bill, the harness racing permitholder and the
9 Standardbred Breeders' and Owners' Association of New Jersey
10 would be required to provide a copy of a contractual agreement to
11 the New Jersey Racing Commission upon request by the racing
12 commission. The permitholder and the association would also be
13 required to include the contractually agreed upon expenditures
14 authorized by this bill in their annual reports and audited financial
15 statements submitted to the racing commission as provided for by
16 law or regulation.

17 In 2011, the State's horse racing tracks became subject to
18 contractual agreements for their private operations and management
19 to achieve fiscal self-sustainability. A new era of partnerships
20 between the track's permitholder and horsemen's organization has
21 emerged with these private stakeholders desiring to enter into
22 mutually beneficial agreements to share their portions of statutorily
23 dedicated funds from the wagering pools to advance and promote
24 the State's horse racing and breeding industry with increased fan
25 attendance and wagering.

ASSEMBLY REGULATORY OVERSIGHT AND GAMING
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3489

STATE OF NEW JERSEY

DATED: JANUARY 14, 2013

The Assembly Regulatory Oversight and Gaming Committee reports favorably Assembly Bill No. 3489.

This bill would allow harness racing permitholders and the Standardbred Breeders' and Owners' Association of New Jersey to enter into contractual agreements to provide that a portion of purse monies that are statutorily dedicated to the permitholder or the association may be expended for the purposes of advancing, preserving, and enhancing the overall economic well-being of the State's standardbred horse racing and breeding industry in order to maintain the industry's financial self-sustainability. Such contractual agreements would not be permitted to reduce the statutorily dedicated funds for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association or for the administration of a health benefits program for the horsemen.

Under the bill, the harness racing permitholder and the Standardbred Breeders' and Owners' Association of New Jersey would be required to provide a copy of a contractual agreement to the New Jersey Racing Commission upon request by the racing commission. The permitholder and the association would also be required to include the contractually agreed upon expenditures authorized by this bill in their annual budgets and audited financial statements submitted to the racing commission as provided for by law or regulation.

In 2011, the State's horse racing tracks became subject to contractual agreements for their private operations and management to achieve fiscal self-sustainability. A new era of partnerships between the track's permitholder and horsemen's organization has emerged with these private stakeholders desiring to enter into mutually beneficial agreements to share their portions of statutorily dedicated funds from the wagering pools to advance and promote the State's horse racing and breeding industry with increased fan attendance and wagering.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3489

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2013

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably and with committee amendments Assembly Bill No. 3489.

As amended by the committee, this bill would allow harness permitholders and the Standardbred Breeders' and Owners' Association of New Jersey, and running permitholders and the New Jersey Thoroughbred Horsemen's Association, to enter into contractual agreements to provide that a portion of purse monies that are statutorily dedicated to the permitholder or the respective association may be expended for the purposes of advancing, preserving, and enhancing the overall economic well-being of the State's horse racing and breeding industry in order to maintain the industry's financial self-sustainability. Such contractual agreements would not be permitted to reduce the statutorily dedicated funds for programs designed to aid the horsemen and the respective association or for the administration of a health benefits program for the horsemen.

Under the bill, the horse racing permitholder and the respective association would be required to provide a copy of a contractual agreement to the New Jersey Racing Commission upon request by the racing commission. The permitholder and the association would also be required to include the contractually agreed upon expenditures authorized by this bill in their annual budgets and audited financial statements submitted to the racing commission as provided for by law or regulation.

In 2011, the State's horse racing tracks became subject to contractual agreements for their private operations and management to achieve fiscal self-sustainability. A new era of partnerships between the track's permitholder and horsemen's organization has emerged with these private stakeholders desiring to enter into mutually beneficial agreements to share their portions of statutorily dedicated funds from the wagering pools to advance and promote the State's horse racing and breeding industry with increased fan attendance and wagering.

As reported by the committee, Assembly Bill No. 3489(1R) is identical to Senate Bill No. 2540(1R) which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The amendments expand the bill's provisions to also allow a permitholder conducting thoroughbred racing to enter into a contractual agreement with the New Jersey Thoroughbred Horsemen's Association providing that a portion of the purse monies that are statutorily dedicated to the permitholder or the association will be expended for the purposes of advancing, preserving, and enhancing the overall economic well-being of the thoroughbred horse racing industry in New Jersey.

SENATE, No. 2540

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED FEBRUARY 4, 2013

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Allows monies statutorily dedicated to standardbred horse racing purses to be used for benefit of standardbred horse racing and breeding industry; allows permitholder and Standardbred Breeders' and Owners' Association to agree on use of monies.

CURRENT VERSION OF TEXT

As introduced.



S2540 SWEENEY

2

1 AN ACT concerning the distribution of certain proceeds for
2 standardbred horse races, and amending and supplementing
3 various parts of the statutory law.

4

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

7

8 1. Section 44 of P.L.1940, c.17 (C.5:5-64) is amended to read
9 as follows:

10 44. Each holder of a permit shall distribute all sums deposited in
11 any pool where the patron is required to select one horse to the
12 winners thereof, less an amount which in harness races shall not
13 exceed 17% of the total deposits plus the breaks and which in other
14 races shall not exceed 17% of the total deposits plus the breaks. In
15 every pool where the patron is required to select two horses, the
16 holder of each permit for either harness or running track shall
17 distribute all sums deposited in each pool to the winners thereof,
18 less an amount which shall not exceed 19% of the total deposits
19 plus the breaks. In every pool where the patron is required to select
20 three or more horses, every holder of a permit shall distribute all
21 sums deposited in each pool to the winners thereof, less an amount
22 which shall not exceed 25% of the total deposits plus the breaks.
23 Every permitholder shall distribute to the persons holding winning
24 tickets in any of the aforementioned pools, as a minimum, a sum not
25 exceeding \$0.10, calculated on the basis of each dollar deposited in
26 any pool after the deduction of the said 17%, 19% or 25%, as the
27 case may be. Should the amount remaining in the pool be
28 insufficient to pay the winners the minimum, the breakage accruing
29 in that race, or any necessary portion thereof, shall be applied
30 toward making up any such deficiency. The breaks are hereby
31 defined as the odd cents over any multiple of \$0.10, calculated on
32 the basis of \$1.00 otherwise payable to a patron. Every
33 permitholder engaged in the business of conducting running race
34 meetings under this act, except the New Jersey Sports and
35 Exposition Authority established pursuant to P.L.1971, c.137
36 (C.5:10-1 et seq.) or a lessee of the authority, shall distribute as
37 purse money the breaks as herein defined, except as the same shall
38 have been applied toward making up a deficiency in a pool as
39 herein provided. Every permitholder engaged in the business of
40 conducting harness race meetings under this act, except the New
41 Jersey Sports and Exposition Authority or a lessee of the authority,
42 shall retain for his own uses and purposes 50% of the breaks as
43 herein defined, except as the same shall have been applied toward
44 making up a deficiency in the pool as herein provided, and shall
45 distribute as purse money the remaining 50%. The New Jersey

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 Sports and Exposition Authority or a lessee of the authority shall
2 retain all breaks as revenue, except as the same shall have been
3 applied toward making up a deficiency in a pool as herein provided.

4 Every permitholder shall submit to the commission every
5 seventh day of any and every race meeting a report under oath
6 showing the daily and total amount of such breaks, together with
7 such other information as the commission may require. All sums
8 held by any permitholder for payment of outstanding parimutuel
9 tickets not claimed by the person or persons entitled thereto within
10 six months from the time such tickets are issued shall be paid upon
11 the expiration of such six-month holding period as follows:

12 a. In the case of running and harness races, beginning July 1,
13 1997 50% of those sums shall be paid to the racing commission for
14 deposit in the general fund of the State and disposition in
15 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

20 c. In the case of harness races, 25% of those sums shall be
21 retained by the permitholder to supplement purses for sire stakes
22 races on which there is parimutuel wagering, and 25% shall be
23 retained by the permitholder to supplement overnight purses unless
24 otherwise provided by a contractual agreement authorized under
25 section 11 of P.L. , c. (C.) (pending before the Legislature
26 as this bill).

27 Where it is shown to the satisfaction of the commission that the
28 reason for the parimutuel tickets being outstanding and unclaimed is
29 the loss, misplacement or theft of said tickets within the confines
30 and control of the parimutuel department of any permitholder, and it
31 is further shown to the satisfaction of the commission that said
32 parimutuel tickets have been cashed by such parimutuel department,
33 the commission may adjust and credit the permitholder's account
34 accordingly and the permitholder shall reimburse any employee
35 who has been held personally accountable and paid for such lost,
36 stolen or misplaced tickets. All outstanding parimutuel ticket
37 money shall be deposited in an account separate and apart from the
38 track's mutuel or general treasury account. The outstanding
39 parimutuel ticket account shall be subject to the rules and
40 regulations prescribed by the Division of New Jersey Racing
41 Commission.

42 (cf: P.L.2004, c.116, s.1)

43

44 2. Section 46 of P.L.1940, c.17 (C.5:5-66) is amended to read
45 as follows:

46 46. Every permitholder engaged in the business of conducting
47 horse race meetings under this act, except the New Jersey Sports
48 and Exposition Authority established pursuant to P.L.1971, c.137

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1 (C.5:10-1 et seq.) or a lessee of the authority, shall make disposition
2 of the deposits remaining undistributed pursuant to section 44 of
3 P.L.1940, c.17 (C.5:5-64) as follows:

4 a. In the case of harness races:

5 (1) On a racing day designated or allotted as a charity racing day
6 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
7 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
8 commission, at the time and in the manner prescribed by the
9 commission, 1.25% of so much of the total contributions to all
10 parimutuel pools conducted or made on any and every horse race,
11 except that for pools where the patron is required to select two
12 horses, the permitholder shall pay 2.25% of the total contributions
13 and for pools where the patron is required to select three or more
14 horses, the permitholder shall pay 5.25% of the total contributions;

15 (2) Hold and set aside in an account designated as a special trust
16 account 1.15% of such total contributions in all pools, to be used
17 and distributed as hereinafter provided and as provided in section 5
18 of P.L.1967, c.40 (C.5:5-88), for the following purposes and no
19 other:

20 (a) 37% thereof to increase purses and grant awards for starting
21 horses, as provided or as may be provided by rules of the New
22 Jersey Racing Commission, with payment to be made in the same
23 manner as payment of other purses and awards, unless otherwise
24 provided by a contractual agreement authorized under section 11 of
25 P.L. , c. (C.) (pending before the Legislature as this bill);

26 (b) 55% thereof for the establishment of a Sire Stakes Program
27 for standardbred horses, with payment to be made to the
28 Department of Agriculture for administration as hereinbefore
29 provided;

30 (c) 5% thereof to the Sire Stakes Program for purse supplements
31 designed to improve and promote the standardbred breeding
32 industry in New Jersey by increasing purses for owners of horses
33 that are sired by a New Jersey registered stallion and are eligible to
34 participate in the Sire Stakes Program. The Sire Stakes Program
35 board of trustees shall consult with the Standardbred Breeders' and
36 Owners' Association of New Jersey before disbursing money for
37 purse supplements;

38 (d) 3% thereof for other New Jersey horse breeding and
39 promotion conducted by the New Jersey Department of Agriculture.

40 (3) Retain 7.7875%, or in the case of races on a charity racing
41 day 7.20%, of so much of such total contributions for his own uses
42 and purposes. Notwithstanding the foregoing, for pools where the
43 patron is required to select two horses, the permitholder shall retain
44 8.7575%, or in the case of races on a charity racing day 7.70%, of
45 the total contributions and for pools where the patron is required to
46 select three or more horses, the permitholder shall retain 11.6675%,
47 or in the case of races on a charity racing day 9.20%, of the total
48 contributions. Each permitholder shall contribute out of its

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1 11.6675% or 9.20% share of pools, where the patron is required to
2 select three or more horses, a sum deemed necessary by the racing
3 commission, to finance a prerace blood testing program, and such
4 other testing programs which the commission shall deem proper and
5 necessary and which shall be subject to the regulation and control
6 of said commission.

7 (4) Distribute as purse money and for programs designed to aid
8 the horsemen and the Standardbred Breeders' and Owners'
9 Association of New Jersey 7.69375%, or in the case of races on a
10 charity racing day 7.40%, of such total contributions. Expenditures
11 for programs designed to aid the horsemen and the Standardbred
12 Breeders' and Owners' Association of New Jersey shall not exceed
13 3.2% of the sum available for distribution as purse money. The
14 formula for distribution of the purse money as either overnight
15 purses or special stakes shall be determined by an agreement
16 between the Standardbred Breeders' and Owners' Association of
17 New Jersey and the tracks. Notwithstanding the foregoing, for pools
18 where the patron is required to select two or more horses, the
19 permitholder shall distribute as purse money 8.42875%, or in the
20 case of races on a charity racing day 7.90%, of the total
21 contributions and for pools where the patron is required to select
22 three or more horses, the permitholder shall distribute as purse
23 money 10.63375%, or in the case of races on a charity racing day
24 9.40%, of the total contributions. Notwithstanding the foregoing,
25 for pools where a patron is required to select three or more horses,
26 each permitholder shall retain out of the 10.63375% or 9.40% to be
27 distributed as purse money a sum deemed necessary by the racing
28 commission, for use by the commission to finance a prerace blood
29 testing program, and such other testing programs which the
30 commission shall deem proper and necessary and which shall be
31 subject to the regulation and control of said commission.
32 Notwithstanding the foregoing, the sum available for distribution as
33 purse money under this subsection may be distributed as provided
34 by a contractual agreement authorized under section 11 of P.L. _____,
35 c. _____ (C. _____) (pending before the Legislature as this bill).

36 (5) In the case of races on a racing day other than a charity
37 racing day, distribute to the Standardbred Breeders' and Owners'
38 Association of New Jersey for the administration of a health
39 benefits program for horsemen .29375% of such total contributions,
40 except that for pools where the patron is required to select two or
41 more horses, the amount shall be .52875%, and for pools where the
42 patron is required to select three or more horses, the amount shall
43 be 1.23375%.

44 (6) In the case of races on a racing day other than a charity
45 racing day, distribute to the Sire Stakes Program for standardbred
46 horses .05% of such total contributions, except that for pools where
47 the patron is required to select two or more horses, the amount shall

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1 be .09%, and for pools where the patron is required to select three
2 or more horses, the amount shall be .21%.

3 (7) In the case of races on a racing day other than a charity
4 racing day, distribute to the Backstretch Benevolency Programs
5 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .025% of such
6 total contributions, except that for pools where the patron is
7 required to select two or more horses, the amount shall be .045%,
8 and for pools where the patron is required to select three or more
9 horses, the amount shall be .105%.

10 Except as otherwise provided by law, no admission or
11 amusement tax, excise tax, license or horse racing fee of any kind
12 shall be assessed or collected from any permitholder by the State of
13 New Jersey, or by any county or municipality, or by any other body
14 having power to assess or collect license fees or taxes.

15 b. In the case of running races:

16 (1) Where the amount derived from the parimutuel handle,
17 excluding the handle derived from intertrack wagering, does not
18 exceed \$1 million per day based on such contributions accumulated
19 and averaged during the calendar year, the permitholder shall:

20 (a) On a racing day designated or allotted as a charity racing day
21 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
22 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
23 commission, at the time and in the manner prescribed by the
24 commission, .30% of so much of the total contributions to all
25 parimutuel pools conducted or made on any and every horse race,
26 except that for pools where the patron is required to select three or
27 more horses, the permitholder shall pay 1.30% of the total
28 contributions.

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

34 (c) Retain 9.991%, or in the case of races on a charity racing
35 day 9.85%, of such total contributions for his own uses and
36 purposes. For pools where the patron is required to select two
37 horses, the permitholder shall retain 11.061%, or in the case of
38 races on a charity racing day 10.92%, of the total contributions and
39 for pools where the patron is required to select three or more horses,
40 the permitholder shall retain 13.941%, or in the case of races on a
41 charity racing day 13.33%, of the total contributions. Each
42 permitholder shall contribute out of its 13.941% or 13.33% share of
43 pools, where the patron is required to select three or more horses, a
44 sum deemed necessary by the racing commission, to finance a
45 prerace blood testing program, and such other testing programs
46 which the commission shall deem proper and necessary and which
47 shall be subject to the regulation and control of the commission.

1 (d) Distribute as purse money and for programs designed to aid
2 the horsemen and the New Jersey Thoroughbred Horsemen's
3 Association 6.141%, or in the case of races on a charity racing day
4 6.00%, of such contributions. Notwithstanding the foregoing, for
5 pools where the patron is required to select two horses, the
6 permitholder shall distribute as purse money 7.071%, or in the case
7 of races on a charity racing day 6.93%, of such contributions and
8 for pools where the patron is required to select three or more horses,
9 the permitholder shall distribute as purse money 9.631%, or in the
10 case of races on a charity racing day 9.02%, of the total
11 contributions. Expenditures for programs designed to aid the
12 horsemen and the New Jersey Thoroughbred Horsemen's
13 Association shall not exceed 2.5% of the sum available for
14 distribution as purse money from all parimutuel pools. The formula
15 for distribution of the purse money as either overnight purses or
16 special stakes shall be determined by an agreement between the
17 New Jersey Thoroughbred Horsemen's Association and the
18 permitholder. Notwithstanding the foregoing, for pools where a
19 patron is required to select three or more horses, each permitholder
20 shall retain out of the 9.631% or 9.02% to be distributed as purse
21 money a sum deemed necessary by the racing commission, for use
22 by the commission to finance a prerace blood testing program, and
23 such other testing programs which the commission shall deem
24 proper and necessary and which shall be subject to the regulation
25 and control of the commission.

26 (e) Deduct and set aside in a special trust account for the
27 establishment and support by the commission of the thoroughbred
28 breeding industry in New Jersey .8% of such total contributions,
29 except that for pools where the patron is required to select three or
30 more horses, the amount shall be 1.3%. The money in the special
31 trust account shall be used to: (i) improve purses for closed races;
32 (ii) provide awards to owners and breeders of registered New Jersey
33 bred horses who earn portions of purses in open or closed races at
34 New Jersey race tracks or in closed races at an out-of-State track as
35 part of a multi-state event to promote thoroughbred breeding, and to
36 owners of stallions posted on the official stallion roster of the
37 Thoroughbred Breeders' Association of New Jersey, which sire such
38 New Jersey bred money earners; and (iii) provide awards to the
39 New Jersey Thoroughbred Breeders' Association for programs
40 beneficial to thoroughbred breeding in this State. In any calendar
41 year in which there is a surplus in the special trust account, the
42 surplus funds may be used to provide awards to breeders or owners
43 of registered New Jersey bred horses who earn portions of purses in
44 races at an out-of-State racetrack held at least 30 days before the
45 start of the first thoroughbred meet of the calendar year of more
46 than 10 days' duration at a racetrack in this State or at least 30 days
47 following the conclusion of the last thoroughbred meet of the
48 calendar year of more than 10 days' duration at a racetrack in this

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8

1 State. The New Jersey thoroughbred award program shall be
2 administered and disbursed by the Thoroughbred Breeders'
3 Association of New Jersey subject to the approval of the
4 commission. The special trust account to be established pursuant to
5 this paragraph shall be separate and apart from the special trust
6 account established and maintained pursuant to subparagraph (b) of
7 this paragraph.

8 (f) (Deleted by amendment, P.L.1986, c.19.)

9 (g) In the case of races on a racing day other than a charity
10 racing day, distribute to the Thoroughbred Breeders' Association of
11 New Jersey .012% of such total contributions, except that for pools
12 where the patron is required to select three or more horses, the
13 amount shall be .052%.

14 (h) In the case of races on a racing day other than a charity
15 racing day, distribute to the Backstretch Benevolency Programs
16 Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8) .006% of such
17 total contributions, except that for pools where the patron is
18 required to select three or more horses, the amount shall be .026%.

19 (i) (Deleted by amendment, P.L.2002, c.103).

20 (j) Except as otherwise provided by law, not be subject to an
21 admission or amusement tax, excise tax, license or horse racing fee
22 of any kind by the State of New Jersey, or by any county or
23 municipality, or by any other body having power to assess or collect
24 license fees or taxes.

25 (2) Where the amount derived from the parimutuel handle,
26 excluding the handle derived from intertrack wagering, exceeds \$1
27 million per day based on such contributions accumulated and
28 averaged during the calendar year, the permitholder shall:

29 (a) On a racing day designated or allotted as a charity racing day
30 pursuant to P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15
31 (C.5:5-44.8), or section 1 of P.L.1997, c.80 (C.5:5-44.9), pay to the
32 commission, at the time and in the manner prescribed by the
33 commission, .50% of so much of the total contributions to all
34 parimutuel pools conducted or made on any and every horse race.

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

40 (c) Retain 9.305%, or in the case of races on a charity racing
41 day 9.07%, of such total contributions for his own uses and
42 purposes. For pools where the patron is required to select two
43 horses, the permitholder shall retain 10.375%, or in the case of
44 races on a charity racing day 10.14%, of the total contributions and
45 for pools where the patron is required to select three or more horses,
46 the permitholder shall retain 13.545%, or in the case of races on a
47 charity racing day 13.31%, of the total contributions. Each
48 permitholder shall contribute out of its 13.545% or 13.31% share of

1 pools, where the patron is required to select three or more horses, a
2 sum deemed necessary by the racing commission, to finance a
3 prerace blood testing program, and such other testing programs
4 which the commission shall deem proper and necessary and which
5 shall be subject to the regulation and control of the commission.

6 (d) Distribute as purse money and for programs designed to aid
7 the horsemen and the New Jersey Thoroughbred Horsemen's
8 Association 6.815%, or in the case of races on a charity racing day
9 6.58%, of such contributions. Notwithstanding the foregoing, for
10 pools where the patron is required to select two horses, the
11 permitholder shall distribute as purse money 7.745%, or in the case
12 of races on a charity racing day 7.51%, of such contributions and
13 for pools where the patron is required to select three or more horses,
14 the permitholder shall distribute as purse money 10.085%, or in the
15 case of races on a charity racing day 9.85%, of the total
16 contributions. Expenditures for programs designed to aid the
17 horsemen and the New Jersey Thoroughbred Horsemen's
18 Association shall not exceed 2.5% of the sum available for
19 distribution as purse money from all parimutuel pools. The formula
20 for distribution of the purse money as either overnight purses or
21 special stakes shall be determined by an agreement between the
22 New Jersey Thoroughbred Horsemen's Association and the
23 permitholder. Notwithstanding the foregoing, for pools where a
24 patron is required to select three or more horses, each permitholder
25 shall retain out of the 10.085% or 9.85% to be distributed as purse
26 money a sum deemed necessary by the racing commission, for use
27 by the commission to finance a prerace blood testing program, and
28 such other testing programs which the commission shall deem
29 proper and necessary and which shall be subject to the regulation
30 and control of the commission.

31 (e) Deduct and set aside in a special trust account for the
32 establishment and support by the commission of the thoroughbred
33 breeding industry in New Jersey .8% of such total contributions,
34 except that for pools where the patron is required to select three or
35 more horses, the amount shall be 1.29%. The money in the special
36 trust account shall be used to: (i) improve purses for closed races;
37 (ii) provide awards to owners and breeders of registered New Jersey
38 bred horses who earn portions of purses in open or closed races at
39 New Jersey race tracks or in closed races at an out-of-State track as
40 part of a multi-state event to promote thoroughbred breeding, and to
41 owners of stallions posted on the official stallion roster of the
42 Thoroughbred Breeders' Association of New Jersey, which sire such
43 New Jersey bred money earners; and (iii) provide awards to the
44 New Jersey Thoroughbred Breeders' Association for programs
45 beneficial to thoroughbred breeding in this State. In any calendar
46 year in which there is a surplus in the special trust account, the
47 surplus funds may be used to provide awards to breeders or owners
48 of registered New Jersey bred horses who earn portions of purses in

1 races at an out-of-State racetrack held at least 30 days before the
2 start of the first thoroughbred meet of the calendar year of more
3 than 10 days' duration at a racetrack in this State or at least 30 days
4 following the conclusion of the last thoroughbred meet of the
5 calendar year at a racetrack of more than 10 days' duration in this
6 State. The New Jersey thoroughbred award program shall be
7 administered and disbursed by the Thoroughbred Breeders'
8 Association of New Jersey subject to the approval of the
9 commission. The special trust account to be established pursuant to
10 this paragraph shall be separate and apart from the special trust
11 account established and maintained pursuant to subparagraph (b) of
12 this paragraph.

13 (f) (Deleted by amendment, P.L.1986, c.19.)

14 (g) In the case of races on a racing day other than a charity
15 racing day, distribute to the Thoroughbred Breeders' Association of
16 New Jersey .02% of such total contributions.

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

21 (i) (Deleted by amendment, P.L.2002, c.103).

22 (j) Except as otherwise provided by law, not be subject to an
23 admission or amusement tax, excise tax, license or horse racing fee
24 of any kind from any permitholder by the State of New Jersey, or by
25 any county or municipality, or by any other body having power to
26 assess or collect license fees or taxes.

27 (cf: P.L.2004, c.118, s.1)

28

29 3. Section 8 of P.L.1985, c.269 (C.5:5-117) is amended to read
30 as follows:

31 8. Except as provided by section 8 of P.L.1991, c.411 (C.5:5-
32 124) **and** , by the rules and regulations of the commission with
33 respect to interstate common pools, and by a contractual agreement
34 authorized by section 11 of P.L. , c. (C.) (pending before
35 the Legislature as this bill), the in-State sending track shall reserve
36 and set aside out of the portion of the parimutuel pool to be
37 distributed as purse money pursuant to section 46 of P.L.1940, c.17
38 (C.5:5-66) an amount equal to 25%, of the amount that would be
39 distributed as purse money pursuant to that section on the basis of
40 the parimutuel pool generated at the receiving track. These sums
41 shall be forwarded to the receiving track and shall be used to
42 supplement the payment of overnight purses at the next horse race
43 meeting to be conducted by the receiving track, except that if the
44 receiving track is conducting a horse race meeting at the same time
45 as the receipt of the simulcast horse races, the receiving track shall
46 use those sums to supplement overnight purses at that horse race
47 meeting.

48 (cf: P.L.1991, c.411, s.3)

1 4. Section 38 of P.L.1992, c.19 (C.5:5-126) is amended to read
2 as follows:

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

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

10 (2) .50% of the parimutuel pool generated at the in-State
11 receiving track shall be deposited as follows:

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

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

28 (3) .03% of the parimutuel pool generated at the in-State
29 receiving track shall be paid to the New Jersey Racing Commission
30 and set aside in the special trust account for horse breeding and
31 development for distribution and use as provided in section 5 of
32 P.L.1967, c.40 (C.5:5-88);

33 (4) on the basis of all races in each program, or if two or more
34 programs are being transmitted simultaneously, on the basis of all
35 races in all such programs running simultaneously, 3.735% of the
36 first \$100,000 of the total pool generated at the in-State receiving
37 track; 5.235% of the total pool from \$100,001 to \$150,000; 5.735%
38 of the total pool from \$150,001 to \$250,000; 6.235% of the total
39 pool from \$250,001 to \$300,000; and, if the amount of the total
40 pool is above \$300,000, 6.485% of the total amount of the pool or
41 the percentage of the parimutuel pool for overnight purses on live
42 races that the receiving track and horsemen have agreed to by
43 contract, whichever is greater, shall be paid as follows:

44 (a) in the case of an in-State receiving track which conducts
45 harness races, .1175% of the parimutuel pool to the Standardbred
46 Breeders' and Owners' Association of New Jersey for the
47 administration of a health benefits program for horsemen, and the
48 remaining amount as overnight purse money at the next race

1 meeting at the receiving track, except that if the receiving track is
2 conducting a horse race meeting at the same time as the receipt of
3 the simulcast horse races, the receiving track shall use those sums to
4 supplement overnight purses at that horse race meeting, and for
5 programs designed to aid the horsemen and the Standardbred
6 Breeders' and Owners' Association of New Jersey, as provided in
7 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
8 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
9 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
10 appropriate, or as provided by a contractual agreement authorized
11 under section 11 of P.L. , c. (C.) (pending before the
12 Legislature as this bill); and

13 (b) in the case of an in-State receiving track which conducts
14 running races, as overnight purse money at the next race meeting at
15 the receiving track, except that if the receiving track is conducting a
16 horse race meeting at the same time as the receipt of the simulcast
17 horse races, the receiving track shall use those sums to supplement
18 overnight purses at that horse race meeting, and for programs
19 designed to aid the horsemen and the New Jersey Thoroughbred
20 Horseman's Benevolent Association, as provided in section
21 46b.(1)(d) or (2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of
22 P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137
23 (C.5:10-7), as appropriate;

24 (5) .02% of the parimutuel pool generated at the in-State
25 receiving track shall be paid as follows:

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

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

32 (6) .01% of the parimutuel pool generated at the in-State
33 receiving track shall be paid to the Backstretch Benevolency
34 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

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

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

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

42 (2) .50% of the parimutuel pool generated at the in-State
43 receiving track shall be deposited as follows:

44 (a) in the case of an in-State receiving track which conducts
45 harness races, in the special trust account established pursuant to or
46 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
47 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
48 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as

1 appropriate, for use and distribution as provided in section
2 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
3 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
4 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
5 and (iii) of P.L.1971, c.137 (C.5:10-7); and

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

12 (3) .03% of the parimutuel pool generated at the in-State
13 receiving track shall be paid to the New Jersey Racing Commission
14 and set aside in the special trust account for horse breeding and
15 development for distribution and use as provided in section 5 of
16 P.L.1967, c.40 (C.5:5-88);

17 (4) 6.235% of the parimutuel pool generated at the in-State
18 receiving track or the percentage of the parimutuel pool for
19 overnight purses on live races that the racetrack and horsemen have
20 agreed to by contract, whichever is greater, shall be paid as follows:

21 (a) in the case of an in-State receiving track which conducts
22 harness races, .1175% of the parimutuel pool to the Standardbred
23 Breeders' and Owners' Association of New Jersey for the
24 administration of a health benefits program for horsemen, and the
25 remaining amount as overnight purse money at the current race
26 meeting at the receiving track and for programs designed to aid the
27 horsemen and the Standardbred Breeders' and Owners' Association
28 of New Jersey, 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), as appropriate, or as provided by a
32 contractual agreement authorized under section 11 of P.L. _____,
33 c. (C. _____) (pending before the Legislature as this bill); and

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

42 (5) .02% of the parimutuel pool generated at the in-State
43 receiving track shall be paid as follows:

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

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

4 (6) .01% of the parimutuel pool generated at the in-State
5 receiving track shall be paid to the Backstretch Benevolency
6 Programs Fund created pursuant to P.L.1993, c.15 (C.5:5-44.8); and

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

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

14 (1) 50% shall be paid to the receiving track; and

15 (2) 50% shall be paid as follows:

16 (a) in the case of an in-State receiving track which conducts
17 harness races, as overnight purse money at the receiving track and
18 for programs designed to aid the horsemen and the Standardbred
19 Breeders' and Owners' Association of New Jersey, as provided in
20 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
21 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
22 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
23 appropriate, or as provided by a contractual agreement authorized
24 under section 11 of P.L. , c. (C.) (pending before the
25 Legislature as this bill); and

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

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

42 (cf: P.L.2011, c.96, s.4)

43
44 5. Section 21 of P.L.2001, c.199 (C.5:5-147) is amended to
45 read as follows:

46 21. Sums wagered at an off-track wagering facility on races
47 being transmitted to that off-track wagering facility from an in-State
48 sending track and sums wagered through the account wagering

1 system on a race conducted at an in-State host track shall be
2 deposited in the parimutuel pool generated at the in-State track for
3 those races and shall be distributed in accordance with the
4 provisions of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of
5 P.L.1984, c.236 (C.5:5-64.1), as appropriate. Such sums wagered at
6 an off-track wagering facility or through the account wagering
7 system which remain undistributed pursuant to those sections shall
8 be distributed as follows, except that moneys resulting from
9 breakage on amounts wagered at the off-track wagering facility or
10 through the account wagering system and from outstanding
11 parimutuel ticket moneys issued at the off-track wagering facility or
12 through the account wagering system shall be distributed as
13 provided by subsection g. of this section.

14 a. 6% of the parimutuel pool generated at the off-track
15 wagering facility or through the account wagering system shall be
16 paid to the in-State track for overnight purses or, in the case of
17 standardbred races, may be distributed as provided by a contractual
18 agreement authorized under section 11 of P.L. _____, c. _____
19 (pending before the Legislature as this bill). In the event that (1)
20 any racetrack at which a horse race meeting was conducted in
21 calendar year 2000 ceases to operate as a racetrack prior to calendar
22 year 2003 and (2) an off-track wagering facility is operated on that
23 former racetrack site, 6.15% of the parimutuel pool generated at
24 that off-track wagering facility shall be paid to the in-State sending
25 track for overnight purses.

26 b. 0.6% of the parimutuel pool generated at the off-track
27 wagering facility or through the account wagering system shall be
28 set aside as follows:

29 (1) in the case of harness races conducted by an in-State track,
30 in the special trust account established pursuant to or specified in
31 section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of
32 P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
33 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
34 appropriate, for use and distribution as provided in section
35 46a.(2)(a),(b) and (c) of P.L.1940, c.17 (C.5:5-66), sections 2b.(1),
36 (2) and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b)
37 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii)
38 and (iii) of P.L.1971, c.137 (C.5:10-7); and

39 (2) in the case of running races conducted by an in-State track,
40 in the special trust account established pursuant to or specified in
41 section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section
42 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of
43 P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution
44 as provided therein, as appropriate.

45 c. 0.02% of the parimutuel pool generated at the off-track
46 wagering facility or through the account wagering system shall be
47 paid to Breeding and Development.

1 d. 0.02% of the parimutuel pool generated at the off-track
2 wagering facility or through the account wagering system shall be
3 paid to Backstretch Benevolency.

4 e. 0.06% of the parimutuel pool generated at the off-track
5 wagering facility or through the account wagering system shall be
6 set aside as follows: (1) in the case of harness races, to Health and
7 Welfare; and (2) in the case of running races, to Thoroughbred
8 Breeders and Stallions.

9 f. The remainder of the parimutuel pool after deduction of the
10 amounts under subsections a. through f. of this section shall be paid
11 to the off-track wagering licensee or the account wagering licensee,
12 as appropriate on a pro rata basis, as determined by the commission
13 based upon the volume of wagering handled by each licensee.

14 g. All breakage moneys and outstanding parimutuel ticket
15 moneys resulting from wagering at the off-track wagering facility or
16 through the account wagering system on races conducted by an in-
17 State track shall be paid to the commission for racing costs in
18 accordance with section 26 of this act. If in any calendar year the
19 total amount of breakage moneys and outstanding parimutuel ticket
20 moneys referred to herein exceeds amounts required to pay racing
21 costs as provided in section 26 of this act, such remaining funds
22 shall be allocated as follows: 50% to the off-track wagering licensee
23 or the account wagering licensee, as appropriate and 50% to the
24 New Jersey Racing Industry Special Fund.

25 (cf: P.L.2001, c.199, s.21)

26

27 6. Section 27 of P.L.2001, c.199 (C.5:5-153) is amended to
28 read as follows:

29 27. The commission shall establish and administer a separate
30 fund to be known as the "New Jersey Racing Industry Special
31 Fund" into which shall be deposited the sums dedicated to the fund
32 by sections 19, 21 and 25 of this act. Money deposited in this
33 special fund shall be disbursed monthly by the commission and
34 used as follows:

35 a. 92% shall be distributed as follows:

36 (1) in the case of money deposited into the special fund from the
37 off-track wagering facility located on the former site of the Atlantic
38 City Race Course, or, if no off-track wagering facility exists on that
39 former site, the off-track wagering facility located closest to that
40 former site, 100% to permit holders conducting thoroughbred
41 racing;

42 (2) except as provided in paragraph (1), 65% to permit holders
43 conducting thoroughbred racing and 35% to permit holders
44 conducting harness racing;

45 Of the allocations made pursuant to this subsection to permit
46 holders conducting thoroughbred racing, specific distributions shall
47 be made to the overnight thoroughbred purse account of each permit
48 holder and for programs designed to aid the thoroughbred horsemen

1 and the New Jersey Thoroughbred Horseman's Association.
2 Expenditures for programs designed to aid the thoroughbred
3 horsemen and the New Jersey Thoroughbred Horseman's
4 Association shall not exceed 2.9% of such allocations. Distribution
5 among thoroughbred permit holders shall be based on the following
6 formula: total overnight thoroughbred purse distribution for each
7 permit holder in the prior calendar year divided by the total
8 overnight thoroughbred purse distribution of all permit holders in
9 the prior calendar year.

10 Of the allocations made pursuant to this subsection to permit
11 holders conducting standardbred racing, specific distributions shall
12 be made to the overnight standardbred purse account of each permit
13 holder and for programs designed to aid the standardbred horsemen
14 and the Standardbred Breeders' and Owners' Association of New
15 Jersey. Expenditures for programs designed to aid the standardbred
16 horsemen and the Standardbred Breeders' and Owners' Association
17 of New Jersey shall not exceed 5% of such allocations. Distribution
18 among standardbred permit holders shall be based on the following
19 formula: total overnight standardbred purse distribution for each
20 permit holder in the prior calendar year divided by the total
21 overnight standardbred purse distribution of all permit holders in
22 the prior calendar year. Notwithstanding the foregoing, the sum
23 allocated to permit holders conducting harness racing under this
24 subsection may be distributed as provided by a contractual
25 agreement authorized under section 11 of P.L. , c. (C.)
26 (pending before the Legislature as this bill).

27 b. 8% shall be distributed as follows:

28 (1) in the case of money deposited into the special fund from the
29 off-track wagering facility located on the former site of the Atlantic
30 City Race Course, or, if no off-track wagering facility exists on that
31 former site, the off-track wagering facility located closest to that
32 former site, 100% to thoroughbred funds; and

33 (2) except as provided in paragraph (1), 65% to thoroughbred
34 funds and 35% to harness funds.

35 Of the amounts distributed to thoroughbred funds pursuant to
36 this subsection, the following distributions shall apply: 94% to
37 Thoroughbred Breeders and Stallions; 3% to Backstretch
38 Benevolency; and 3% to Breeding and Development.

39 Of the amount distributed to harness funds pursuant to this
40 subsection, the following distributions shall apply: 75% to Sire
41 Stakes; 8% to Breeders and Stallions; 3.5% to Backstretch
42 Benevolency; 10% to Health and Welfare; and 3.5% to Breeding
43 and Development.

44 (cf: P.L.2011, c.50, s.2)

45

46 7. Section 14 of P.L.2011, c.15 (C.5:5-181) is amended to read
47 as follows:

1 14. Of the monies distributed to overnight purses pursuant to
2 subsection b. of section 13 of this act, P.L.2011, c.15 (C.5:5-180),
3 all moneys derived from exchange wagering on thoroughbred races
4 shall be paid to overnight purses for thoroughbred races and all
5 monies derived from exchange wagering on standardbred races
6 shall be paid to overnight purses for standardbred races. On or after
7 January 1, 2014, the formula for allocating overnight purse monies
8 from exchange wagering to overnight purses set forth in this section
9 may be modified by the mutual agreement of the Standardbred
10 Breeders and Owners Association of New Jersey and the New
11 Jersey Thoroughbred Horsemen's Association. Nothing contained
12 in this section shall be construed as a precedent for establishing the
13 division of overnight purse amounts between standardbred races
14 and thoroughbred races.

15 Notwithstanding the foregoing, the sum derived from exchange
16 wagering on standardbred races pursuant to subsection b. of section
17 13 of P.L.2011, c.15 (C.5:5-180) may be distributed as provided by
18 a contractual agreement authorized under section 11 of P.L. _____,
19 c. (C. _____) (pending before the Legislature as this bill).
20 (cf: P.L.2011, c.15, s.14)

21

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

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

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

42 c. Application for said permit or permits shall be on such forms
43 and shall include such accompanying data as the Racing
44 Commission shall prescribe for other applicants. The Racing
45 Commission shall proceed to review and act on any such
46 application within 30 days after its filing and the Racing
47 Commission is authorized in its sole discretion to determine
48 whether a permit shall be granted to the authority or a lessee of the

1 authority. If, after such review, the Racing Commission acts
2 favorably on such application, a permit shall be granted to the
3 authority or a lessee of the authority without any further approval
4 and shall remain in force and effect so long as any bonds or notes of
5 the authority remain outstanding, the provisions of any other law to
6 the contrary notwithstanding. In granting a permit to the authority
7 or a lessee of the authority to conduct a horse race meeting, the
8 Racing Commission shall not be subject to any limitation as to the
9 number of tracks authorized for the conduct of horse race meetings
10 pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said
11 permit shall set forth the dates to be allotted to the authority for its
12 initial horse race meetings. Thereafter application for dates for
13 horse race meetings by the authority or a lessee of the authority and
14 the allotment thereof by the Racing Commission, including the
15 renewal of the same dates theretofore allotted, shall be governed by
16 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).
17 Notwithstanding the provisions of any other law to the contrary, the
18 Racing Commission shall allot annually to the authority or a lessee
19 of the authority for the Meadowlands Complex, in the case of
20 harness racing, not less than the number of racing days allotted
21 pursuant to subsection b. of section 30 of P.L.2001, c.199 (C.5:5-
22 156), and in the case of running racing, not less than 56 racing days,
23 if and to the extent that application is made therefor.

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

28 e. The authority or a lessee of the authority shall determine the
29 amount of the admission fee for the races and all matters relating to
30 the collection thereof.

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

36 (1) In the case of harness races:

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

41 (i) 42 1/2% thereof to increase purses and grant awards for
42 starting horses, as provided or as may be provided by rules of the
43 New Jersey Racing Commission, with payment to be made in the
44 same manner as payment of other purses and awards, unless
45 otherwise provided by a contractual agreement authorized under
46 section 11 of P.L. , c. (C.) (pending before the Legislature
47 as this bill);

1 (ii) 49% thereof for the establishment of a Sire Stakes Program
2 for standardbred horses, with payment to be made to the
3 Department of Agriculture for administration as hereinbefore
4 provided;

5 (iii) 5 1/2% thereof to the Sire Stakes Program for purse
6 supplements designed to improve and promote the standardbred
7 breeding industry in New Jersey by increasing purses for owners of
8 horses that are sired by a New Jersey registered stallion and are
9 eligible to participate in the Sire Stakes Program. The Sire Stakes
10 Program board of trustees shall consult with the Standardbred
11 Breeders' and Owners' Association of New Jersey before disbursing
12 money for purse supplements;

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

15 Payment of the sums held and set aside pursuant to
16 subparagraphs (iii) and (iv) shall be made to the commission every
17 seventh day of any and every race meeting in the amount then due,
18 as determined in the manner provided above, and shall be
19 accompanied by a report under oath showing the total of all such
20 contributions, together with such other information as the
21 commission may require.

22 (b) Distribute as purse money and for programs designed to aid
23 the horsemen and the Standardbred Breeders' and Owners'
24 Association of New Jersey 5.1175%, or in the case of races on a
25 charity racing day 5%, of such total contributions. Expenditures for
26 programs designed to aid the horsemen and the Standardbred
27 Breeders' and Owners' Association of New Jersey shall not exceed
28 5% of the sum available for distribution as purse money. The
29 formula for distribution of the purse money as either overnight
30 purses or special stakes shall be determined by an agreement
31 between the Standardbred Breeders' and Owners' Association of
32 New Jersey and the authority or a lessee of the authority.
33 Notwithstanding the foregoing, for pools where the patron is
34 required to select two or more horses, the authority or a lessee of
35 the authority shall distribute as purse money 5.6175%, or in the
36 case of races on a charity racing day 5.5%, of the total contributions
37 and for pools where the patron is required to select three or more
38 horses, the authority or a lessee of the authority shall distribute as
39 purse money 7.1175%, or in the case of races on a charity racing
40 day 7%, of the total contributions. Notwithstanding the foregoing,
41 for pools where a patron is required to select three or more horses,
42 the authority or a lessee of the authority shall retain out of the
43 7.1175% or 7% to be distributed as purse money a sum deemed
44 necessary by the racing commission, for use by the commission to
45 finance a prerace blood testing program, and such other testing
46 programs which the commission shall deem proper and necessary
47 and which shall be subject to the regulation and control of said
48 commission. Notwithstanding the foregoing, the sum available for

1 distribution as purse money under this subsection may be
2 distributed as provided by a contractual agreement authorized under
3 section 11 of P.L. , c. (C.) (pending before the Legislature
4 as this bill).

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

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

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

16 (2) In the case of running races:

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

22 (b) Distribute as purse money and for programs designed to aid
23 the horsemen and the New Jersey Thoroughbred Horsemen's
24 Association 4.475%, or in the case of races on a charity racing day
25 4.24%, of such total contributions. Expenditures for programs
26 designed to aid the horsemen and the New Jersey Thoroughbred
27 Horsemen's Association shall not exceed 2.9% of the sum available
28 for distribution as purse money. The formula for distribution of the
29 purse money as either overnight purses or special stakes shall be
30 determined by an agreement between the New Jersey Thoroughbred
31 Horsemen's Association and the authority or a lessee of the
32 authority. Notwithstanding the foregoing, for pools where the
33 patron is required to select three or more horses, the authority or a
34 lessee of the authority shall distribute as purse money 7.475%, or in
35 the case of races on a charity racing day 7.24%, of the total
36 contributions.

37 (c) Deduct and set aside in a special trust account established
38 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17
39 (C.5:5-66) for the establishment and support by the commission of
40 the thoroughbred breeding industry in New Jersey .1% of such total
41 contributions, except that for pools where the patron is required to
42 select three or more horses, the amount shall be .6%. The money in
43 the special trust account shall be used to: (i) improve purses for
44 closed races; (ii) provide awards to owners and breeders of
45 registered New Jersey bred horses who earn portions of purses in
46 open and closed races at New Jersey race tracks or in closed races at
47 an out-of-State track as part of a multi-state event to promote
48 thoroughbred breeding, and to owners of stallions posted on the

1 official stallion roster of the Thoroughbred Breeders' Association of
2 New Jersey, which sire such New Jersey bred money earners; and
3 (iii) provide awards to the New Jersey Thoroughbred Breeders'
4 Association for programs beneficial to thoroughbred breeding in
5 this State. The New Jersey thoroughbred award program shall be
6 administered and disbursed by the Thoroughbred Breeders'
7 Association of New Jersey subject to the approval of the
8 commission. The special trust account to be established pursuant to
9 this paragraph shall be separate and apart from the special trust
10 account established and maintained pursuant to subparagraph (a) of
11 this paragraph.

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

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

19 Payment of the sums held and set aside pursuant to
20 subparagraphs (a) and (c) of this subsection shall be made to the
21 commission every seventh day of any and every race meeting in the
22 amount then due, as determined in the manner provided above, and
23 shall be accompanied by a report under oath showing the total of all
24 such contributions, together with such other information as the
25 commission may require.

26 In addition to the amounts above, in the case of races on a racing
27 day designated or allotted as a charity racing day pursuant to
28 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or
29 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of
30 1% of all parimutuel pools shall be paid to the commission at the
31 time and in the manner prescribed by the commission.

32 All amounts remaining in parimutuel pools, including the breaks,
33 after such distribution and payments shall constitute revenues of the
34 authority or a lessee of the authority. Except as otherwise expressly
35 provided in this section 7, the authority or a lessee of the authority
36 shall not be required to make any payments to the Racing
37 Commission or others in connection with contributions to
38 parimutuel pools.

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

44 (1) In the case of running and harness races, beginning July 1,
45 1997 50% of those sums shall be paid to the Racing Commission
46 for deposit in the general fund of the State and disposition in
47 accordance with section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

5 (3) In the case of harness races, 25% of those sums shall be
6 retained by the permitholder to supplement purses for sire stakes
7 races on which there is parimutuel wagering, and 25% shall be
8 retained by the permitholder to supplement overnight purses unless
9 otherwise provided by a contractual agreement authorized under
10 section 11 of P.L. , c. (C.) (pending before the Legislature
11 as this bill).

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

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

22 j. Each employee of the authority or a lessee of the authority
23 engaged in the conducting of horse race meetings shall obtain the
24 appropriate license from the Racing Commission, subject to the
25 same terms and conditions as is required of similar employees of
26 other permitholders. The Racing Commission may suspend any
27 member of the authority upon approval of the Governor and the
28 license of any employee of the authority or a lessee of the authority
29 in connection with the conducting of horse race meetings, pending a
30 hearing by the Racing Commission, for any violation of the New
31 Jersey laws regulating horse racing or any rule or regulation of the
32 commission. Such hearing shall be held and conducted in the
33 manner provided in said laws.

34 k. Notwithstanding any other provision of law, rule, or
35 regulation to the contrary, if the authority shall enter into an
36 agreement with a private entity to lease a racetrack facility it owns
37 to that entity, it may further agree with that entity to jointly operate
38 the facility during a transitional period. The transitional period
39 shall only last:

40 (1) until the private entity lessee has been fully licensed by the
41 New Jersey Racing Commission and has received all necessary
42 permits to conduct future horse race meetings at the racetrack in the
43 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; or

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

1 The New Jersey Racing Commission may extend the
2 transitional period for a reasonable time frame beyond one year
3 from the date that the lease agreement is signed, however under no
4 circumstances can the transitional period extend beyond two years
5 from the date that the lease agreement is signed. At the expiration
6 of the transitional period and any extension granted by the New
7 Jersey Racing Commission, the private entity lessee shall be
8 required to have obtained all the necessary permits and licenses in
9 the manner and subject to compliance with the standards set forth in
10 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and
11 conditions prescribed by the New Jersey Racing Commission
12 thereunder. During this transitional period, the private entity
13 lessee shall be permitted to conduct horse race meetings and
14 wagering through its own employees or through the authority's
15 employees, provided that the authority or the private entity lessee
16 holds a permit issued pursuant to section 30 of P.L.1940, c.17
17 (C.5:5-50). During this transitional period, the authority may also
18 assign any portion of the proceeds it receives from the operation of
19 the leased racetrack to the private entity lessee. During the
20 transitional period, the private entity lessee and the authority must
21 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et
22 seq.), except that the private entity need not obtain a permit
23 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority
24 has been granted one by the New Jersey Racing Commission.

25 (cf: P.L.2011, c.96, s.1)

26

27 9. Section 8 of P.L.1992, c.19 (C.5:12-198) is amended to read
28 as follows:

29 8. Sums wagered at a casino on races being transmitted to that
30 casino from an in-State sending track shall be deposited in the
31 parimutuel pool generated at the in-State sending track for those
32 races and shall be distributed in accordance with the provisions of
33 section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
34 c.236 (C.5:5-64.1), as appropriate. The sums wagered at a casino
35 which remain undistributed pursuant to those sections shall be
36 distributed as follows:

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

41 b. 8.25% of the pool generated at the casino for a race where
42 the patron is required to select one horse, 9.25% of the pool
43 generated at the casino for a race where the patron is required to
44 select two horses, and 12.25% of the pool generated at the casino
45 for a race where the patron is required to select three or more horses
46 shall be paid to the casino receiving the simulcast race;

47 c. .50% of the pool generated at the casino shall be set aside as
48 follows:

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

12 (2) in the case of running races being transmitted from an in-
13 State sending track, in the special trust account established pursuant
14 to or specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17
15 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
16 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
17 distribution as provided therein;

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

23 e. 7.72% of the pool generated at the casino for a race where the
24 patron is required to select one horse, 8.72% of the pool generated
25 at the casino for a race where the patron is required to select two
26 horses, and 11.72% of the pool generated at the casino for a race
27 where the patron is required to select three or more horses shall be
28 distributed as follows:

29 (1) 0% of that amount shall be retained by the sending track,
30 except that each sending track shall contribute, out of its share of a
31 pool generated for a race where the patron is required to select three
32 or more horses, a sum deemed necessary by the New Jersey Racing
33 Commission for use by the commission to finance a prerace
34 bloodtesting program and such other testing programs which that
35 commission shall deem proper and necessary and which shall be
36 subject to the regulation and control of that commission; and

37 (2) 0% of that amount shall be distributed as follows:

38 (a) in the case of harness races being transmitted from an in-
39 State sending track, as overnight purse money at the sending track
40 and for programs designed to aid the horsemen and the
41 Standardbred Breeders' and Owners' Association of New Jersey, as
42 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
43 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
44 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
45 appropriate, including the retention, out of this share of a
46 parimutuel pool where the patron is required to select three or more
47 horses, of a sum deemed necessary by the New Jersey Racing
48 Commission for use by that commission to finance a prerace blood

1 testing program and such other testing programs which that
2 commission shall deem proper and necessary and which shall be
3 subject to the regulation and control of that commission, or as
4 provided by a contractual agreement authorized under section 11 of
5 P.L. , c. (C.) (pending before the Legislature as this bill);

6 and

7 (b) in the case of running races being transmitted from an in-
8 State sending track, as overnight purse money at the sending track
9 and for programs designed to aid the horsemen and the New Jersey
10 Thoroughbred Horseman's Benevolent Association, as provided in
11 section 46b.(1) (d) and (2) (d) of P.L.1940, c.17 (C.5:5-66), section
12 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of
13 P.L.1971, c.137 (C.5:10-7), as appropriate, including the retention,
14 out of this share of a parimutuel pool where the patron is required to
15 select three or more horses, of a sum deemed necessary by the New
16 Jersey Racing Commission for use by that commission to finance a
17 prerace blood testing program and such other testing programs
18 which that commission shall deem proper and necessary and which
19 shall be subject to the regulation and control of that commission.
20 (cf: P.L.1992, c.19, s.8)

21

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

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

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

34 b. the actual amount paid by the casino for the transmission of
35 the race, which shall be not more than 6%, or if applicable not more
36 than 9%, of the parimutuel pool generated at the casino shall be
37 paid to the casino to be used for payment to the out-of-State sending
38 track for the transmission of the race, as provided in section 11 of
39 this act;

40 c. in calendar years 1993, 1994, and 1995, 2% of the
41 parimutuel pool generated at the casino shall be paid to the New
42 Jersey Racing Commission for payment to the Atlantic City
43 Racetrack until a total of \$100,000,000 in parimutuel pools has
44 been generated in wagering on simulcast races at all casinos in each
45 of those calendar years, except that if casino simulcasting in
46 Atlantic City begins after January 1, 1993 and before January 1,
47 1994, 2% of the parimutuel pool generated at the casino shall be
48 paid to the commission for payment to the Atlantic City Racetrack

1 until that portion of \$100,000,000 determined by the following
2 formula has been generated in wagering at casinos on simulcast
3 races in 1993:

4 $A/B = C/D$

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

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

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

16 D = \$100,000,000;

17 d. of the amount remaining after the deduction of the amounts
18 under subsections a., b., and c. from the amount of the takeout rate,
19 55% shall be paid to the casino;

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

23 (1) 50% in the special trust account established pursuant to or
24 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
25 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
26 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
27 appropriate, for use and distribution as provided in section
28 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1),
29 (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b),
30 and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii),
31 and (iii) of P.L.1971, c.137 (C.5:10-7), as appropriate; and

32 (2) 50% in the special trust account established pursuant to or
33 specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-
34 66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
35 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
36 distribution as provided therein;

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

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

45 (1) 43% of that remaining amount shall be paid to the New
46 Jersey Racing Commission and shall be distributed by that
47 commission, on the basis of the following formula, among the New
48 Jersey racetracks for their own use:

1 A/B = C/D

2 here: A = the gross parimutuel pool generated at each racetrack
3 during the preceding calendar year, including the parimutuel pool
4 on simulcast races;

5 B = the gross parimutuel pool generated at racetracks Statewide
6 during the preceding calendar year, including the parimutuel pool
7 on simulcast races;

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

10 D = the total amount of moneys available for distribution
11 pursuant to this paragraph;

12 (2) 43% of that remaining amount shall be paid to the New
13 Jersey Racing Commission and, subject to the provisions of section
14 14 of this act, shall be distributed by that commission, in the
15 following year and on the basis of the following formula, among the
16 New Jersey racetracks for payment as purse money and for
17 programs designed to aid horsemen and horsemen's organizations as
18 provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d.
19 of 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, except that the amount distributed to
22 standardbred racetracks for payment as purse money may be
23 distributed as provided by a contractual agreement authorized under
24 section 11 of P.L. , c. (C.) (pending before the Legislature
25 as this bill), and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17
26 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section
27 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races:

28 A/B = C/D

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

40 B = the total amount distributed by racetracks Statewide pursuant
41 to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
42 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
43 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in
44 the case of harness races, and pursuant to section 46b.(1)(d) and
45 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
46 c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-
47 7), in the case of running races, during the preceding calendar year,
48 plus any additional amounts paid out by racetracks for overnight

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29

1 purses during the preceding calendar year from the permit holders'
2 share of the parimutuel pool;

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

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

7 (3) 14% of that remaining amount shall be paid to the New
8 Jersey Racing Commission for deposit in the Casino Simulcasting
9 Special Fund established pursuant to section 15 of this act.

10 In addition, all breakage moneys and outstanding parimutuel
11 ticket moneys resulting from the wagering at the casino shall be
12 paid to the New Jersey Racing Commission and deposited in the
13 Casino Simulcasting Special Fund.

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

18 $A/B = C/D$

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

33 B = the total amount distributed by the racetrack pursuant to
34 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
35 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
36 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as
37 appropriate, and pursuant to section 46b.(1)(d) or 46b.(2)(d) of
38 P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-
39 98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as
40 appropriate, plus any additional amounts paid out by the racetrack
41 for overnight purses for both harness and running races during the
42 preceding calendar year from the permit holder's share of the
43 parimutuel pool;

44 C = the amount to be paid by the racetrack for overnight purse
45 money and for programs designed to aid horsemen and horsemen's
46 organizations as provided in section 46a.(4) of P.L.1940, c.17
47 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
48 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of

1 P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section
2 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2)
3 of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971,
4 c.137 (C.5:10-7), in the case of running races;

5 D = the total amount of moneys available to the racetrack for
6 distribution as overnight purse money and for programs designed to
7 aid horsemen and horsemen's organizations pursuant to this
8 paragraph.

9 (cf: P.L.2012, c.9, s.2)

10

11 11. (New section) A harness racing permitholder may enter into
12 a contractual agreement with the Standardbred Breeders' and
13 Owners' Association of New Jersey providing that a portion of the
14 purse monies that are statutorily dedicated to the permitholder or
15 the association will be expended for the purposes of advancing,
16 preserving, and enhancing the overall economic well-being of the
17 standardbred horse racing and breeding industry in New Jersey.
18 The portion of purse monies that are redistributed pursuant to a
19 contractual agreement under this section shall be used to advance,
20 preserve, and enhance the overall economic well-being of the
21 standardbred horse racing and breeding industry in New Jersey. A
22 contractual agreement authorized pursuant to this section shall not
23 redistribute any money that is statutorily dedicated for programs
24 designed to aid the horsemen and the Standardbred Breeders' and
25 Owners' Association of New Jersey or for the administration of a
26 health benefits program for the horsemen.

27 The permitholder and the association shall include any
28 expenditures resulting from a contractual agreement authorized
29 pursuant to this section in their respective annual budgets and
30 audited financial statements, which shall be submitted to the racing
31 commission as provided for by law or regulation.

32 The permitholder and the association shall provide a copy of any
33 contractual agreement authorized pursuant to this section to the
34 racing commission upon request by the racing commission.

35

36 12. This act shall take effect immediately.

37

38

39

STATEMENT

40

41 This bill would allow harness racing permitholders and the
42 Standardbred Breeders' and Owners' Association of New Jersey to
43 enter into contractual agreements to provide that a portion of purse
44 monies that are statutorily dedicated to the permitholder or the
45 association may be expended for the purposes of advancing,
46 preserving, and enhancing the overall economic well-being of the
47 State's standardbred horse racing and breeding industry in order to
48 maintain the industry's financial self-sustainability. Such

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1 contractual agreements would not be permitted to reduce the
2 statutorily dedicated funds for programs designed to aid the
3 horsemen and the Standardbred Breeders' and Owners' Association
4 or for the administration of a health benefits program for the
5 horsemen.

6 Under the bill, the harness racing permitholder and the
7 Standardbred Breeders' and Owners' Association of New Jersey
8 would be required to provide a copy of a contractual agreement to
9 the New Jersey Racing Commission upon request by the racing
10 commission. The permitholder and the association would also be
11 required to include the contractually agreed upon expenditures
12 authorized by this bill in their annual budgets and audited financial
13 statements submitted to the racing commission as provided for by
14 law or regulation.

15 In 2011, the State's horse racing tracks became subject to
16 contractual agreements for their private operations and management
17 to achieve fiscal self-sustainability. A new era of partnerships
18 between the track's permitholder and horsemen's organization has
19 emerged with these private stakeholders desiring to enter into
20 mutually beneficial agreements to share their portions of statutorily
21 dedicated funds from the wagering pools to advance and promote
22 the State's horse racing and breeding industry with increased fan
23 attendance and wagering.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO
SENATE, No. 2540

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2013

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 2540.

As amended by the committee, this bill would allow harness permitholders and the Standardbred Breeders' and Owners' Association of New Jersey, and running permitholders and the New Jersey Thoroughbred Horsemen's Association, to enter into contractual agreements to provide that a portion of purse monies that are statutorily dedicated to the permitholder or the respective association may be expended for the purposes of advancing, preserving, and enhancing the overall economic well-being of the State's horse racing and breeding industry in order to maintain the industry's financial self-sustainability. Such contractual agreements would not be permitted to reduce the statutorily dedicated funds for programs designed to aid the horsemen and the respective association or for the administration of a health benefits program for the horsemen.

Under the bill, the horse racing permitholder and the respective association would be required to provide a copy of a contractual agreement to the New Jersey Racing Commission upon request by the racing commission. The permitholder and the association would also be required to include the contractually agreed upon expenditures authorized by this bill in their annual budgets and audited financial statements submitted to the racing commission as provided for by law or regulation.

In 2011, the State's horse racing tracks became subject to contractual agreements for their private operations and management to achieve fiscal self-sustainability. A new era of partnerships between the track's permitholder and horsemen's organization has emerged with these private stakeholders desiring to enter into mutually beneficial agreements to share their portions of statutorily dedicated funds from the wagering pools to advance and promote the State's horse racing and breeding industry with increased fan attendance and wagering.

As reported by the committee, Senate Bill No. 2540 (1R) is identical to Assembly Bill No. 3489 (1R) which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The amendments expand the bill's provisions to also allow a permitholder conducting thoroughbred racing to enter into a contractual agreement with the New Jersey Thoroughbred Horsemen's Association providing that a portion of the purse monies that are statutorily dedicated to the permitholder or the association will be expended for the purposes of advancing, preserving, and enhancing the overall economic well-being of the thoroughbred horse racing industry in New Jersey.

ASSEMBLY BILL NO. 3489
(First Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3489 (First Reprint) with my recommendations for reconsideration.

This bill would allow a horse racing permitholder to enter into a contractual agreement with a horsemen's association to redistribute a portion of statutorily designated purse monies for the purposes of advancing, preserving, and enhancing the overall economic well-being of the State's horse racing and breeding industry. The bill would allow a harness racing permitholder to enter into an agreement with the Standardbred Breeders' and Owners' Association of New Jersey, in the case of harness racing, and a thoroughbred permitholder to enter into an agreement with the Thoroughbred Horsemen's Association, in the case of running races.

I commend the sponsors' efforts to further effectuate the privatization of New Jersey's horse racing industry by allowing permitholders and horsemen's associations to enter into private contracts to distribute purse monies as they see fit in order to enhance the well-being of New Jersey's horse racing industry. However, while the purpose of the bill is salutary, the broad language of the bill has the potential to adversely impact the overall integrity of New Jersey's horse racing industry. Specifically, the bill's broad language potentially would allow parties to mask their parochial interests in contractual agreements purported to be in the best interests of the industry.

Based upon the foregoing, I return this legislation with my recommendations to provide safeguards that ensure that all contractual agreements made pursuant to this bill are indeed in the best interests of New Jersey's self-sustaining horse racing industry.

Accordingly, I herewith return Assembly Bill No. 3489 (First Reprint) and recommend that it be amended as follows:

- Page 31, Section 11, Line 5: Delete "the purposes of" and insert "a use that the New Jersey Racing Commission approves as directly"
- Page 31, Section 11, Lines 20-21: Delete "racing commission" and insert "New Jersey Racing Commission"
- Page 31, Section 11, Line 24: Delete "racing commission" and insert "New Jersey Racing Commission"
- Page 31, Section 11, Line 24: Delete "request by the racing commission" and insert "its execution and obtain the New Jersey Racing Commission's approval of the agreement prior to any redistribution of any portion of these purse monies"
- Page 31, Section 12, Line 30: Delete "the purposes of" and insert "a use that the New Jersey Racing Commission approves as directly"
- Page 31, Section 12, Lines 44-45: Delete "racing commission" and insert "New Jersey Racing Commission"
- Page 31, Section 12, Line 48: Delete "racing commission" and insert "New Jersey Racing Commission"
- Page 31, Section 12, Line 48: Delete "request by the racing commission" and insert "its execution and obtain the New Jersey Racing Commission's approval of the agreement prior to any redistribution of any portion of these purse monies"

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor