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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

"McGreevey signs law allowing leasing of racetracks," 8-10-2004 The Record, p.A3

"Racetrack leasing OK'd by new law," 8-10-2004 The Times, p.A6

"Racetrack lease law enacted," 8-10-2004 Home News Tribune, p.A3

"Governor signs law allowing leasing of horse race tracks," 8-10-2004 Burlington County Times, p.C5

"Report, mentioned in press release, published by Lehrman Brothers, not released to public as of 8-2004

P.L. 2004, CHAPTER 116, *approved August 8, 2004*

Senate, No. 1127 (*Second Reprint*)

1 **AN ACT**¹ [providing for the leasing of horse race tracks owned by the
2 New Jersey Sports and Exposition Authority] concerning horse
3 racing and the New Jersey Sports and Exposition Authority¹,
4 amending various parts of the statutory law ¹and supplementing
5 P.L.1971, c.137 (C.5:10-1 et seq.)¹.

6

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

9

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

12 44. Each holder of a permit shall distribute all sums deposited in
13 any pool where the patron is required to select one horse to the
14 winners thereof, less an amount which in harness races shall not
15 exceed 17% of the total deposits plus the breaks and which in other
16 races shall not exceed 17% of the total deposits plus the breaks. In
17 every pool where the patron is required to select two horses, the
18 holder of each permit for either harness or running track shall
19 distribute all sums deposited in each pool to the winners thereof, less
20 an amount which shall not exceed 19% of the total deposits plus the
21 breaks. In every pool where the patron is required to select three or
22 more horses, every holder of a permit shall distribute all sums
23 deposited in each pool to the winners thereof, less an amount which
24 shall not exceed 25% of the total deposits plus the breaks. Every
25 permitholder shall distribute to the persons holding winning tickets in
26 any of the aforementioned pools, as a minimum, a sum not exceeding
27 \$0.10, calculated on the basis of each dollar deposited in any pool
28 after the deduction of the said 17%, 19% or 25%, as the case may be.
29 Should the amount remaining in the pool be insufficient to pay the
30 winners the minimum, the breakage accruing in that race, or any
31 necessary portion thereof, shall be applied toward making up any such
32 deficiency. The breaks are hereby defined as the odd cents over any
33 multiple of \$0.10, calculated on the basis of \$1.00 otherwise payable
34 to a patron. Every permitholder engaged in the business of conducting
35 running race meetings under this act, except the New Jersey Sports
36 and Exposition Authority established pursuant to P.L.1971, c.137
37 (C.5:10-1 et seq.) [and the Garden State Racetrack as provided in
38 section 5 of P.L.1982, c.201 (C.5:5-98)] or a lessee of the authority,

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:

¹ Senate SWT committee amendments adopted June 7, 2004.

² Senate floor amendments adopted June 17, 2004.

1 shall distribute as purse money the breaks as herein defined, except as
2 the same shall have been applied toward making up a deficiency in a
3 pool as herein provided. Every permitholder engaged in the business
4 of conducting harness race meetings under this act, except the New
5 Jersey Sports and Exposition Authority [and the Garden State
6 Racetrack as provided in section 5 of P.L.1982, c.201 (C.5:5-98)] or
7 a lessee of the authority, shall retain for his own uses and purposes
8 50% of the breaks as herein defined, except as the same shall have
9 been applied toward making up a deficiency in the pool as herein
10 provided, and shall distribute as purse money the remaining 50%. The
11 New Jersey Sports and Exposition Authority or a lessee of the
12 authority shall retain all breaks [commencing on May 10, 1971] as
13 revenue [to the authority], except as the same shall have been applied
14 toward making up a deficiency in a pool as herein provided.

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

23 a. In the case of running and harness races, beginning July 1, 1997
24 50% of those sums shall be paid to the racing commission for deposit
25 in the general fund of the State and disposition in accordance with
26 section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

31 c. In the case of harness races, 25% of those sums shall be retained
32 by the permitholder to supplement purses for sire stakes races on
33 which there is parimutuel wagering, and 25% shall be retained by the
34 permitholder to supplement overnight purses.

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 and
38 control of the parimutuel department of any permitholder, and it is
39 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 who
43 has been held personally accountable and paid for such lost, stolen or
44 misplaced tickets. All outstanding parimutuel ticket money shall be
45 deposited in an account separate and apart from the track's mutuel or
46 general treasury account. The outstanding parimutuel ticket account

1 shall be subject to the rules and regulations prescribed by the Division
2 of New Jersey Racing Commission.
3 (cf: P.L.1997, c.29, s.1)

4
5 2. Section 46 of P.L.1940, c.17, s.46 (C.5:5-66) is amended to
6 read as follows:

7 46. Every permitholder engaged in the business of conducting
8 horse race meetings under this act, except the New Jersey Sports and
9 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 horses,
21 the permitholder shall pay 2.25% of the total contributions and for
22 pools where the patron is required to select three or more horses, the
23 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 and
26 distributed as hereinafter provided and as provided in section 5 of
27 P.L.1967, c.40 (C.5:5-88), for the following purposes and no other:

28 (a) 37% thereof to increase purses and grant awards for starting
29 horses, as provided or as may be provided by rules of the New Jersey
30 Racing Commission, with payment to be made in the same manner as
31 payment of other purses and awards;

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

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

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

44 (3) Retain 7.7875%, or in the case of races on a charity racing day
45 7.20%, of so much of such total contributions for his own uses and
46 purposes. Notwithstanding the foregoing, for pools where the patron

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

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

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

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

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

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

10 Except as otherwise provided by law, no admission or amusement
11 tax, excise tax, license or horse racing fee of any kind shall be assessed
12 or collected from any permitholder by the State of New Jersey, or by
13 any county or municipality, or by any other body having power to
14 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 for
31 State horse breeding and development programs, research, fairs, horse
32 shows, youth activities, promotion and administration, as provided in
33 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 day
35 9.85%, of such total contributions for his own uses and purposes. For
36 pools where the patron is required to select two horses, the
37 permitholder shall retain 11.061%, or in the case of races on a charity
38 racing day 10.92%, of the total contributions and for pools where the
39 patron is required to select three or more horses, the permitholder
40 shall retain 13.941%, or in the case of races on a charity racing day
41 13.33%, of the total contributions. Each permitholder shall contribute
42 out of its 13.941% or 13.33% share of pools, where the patron is
43 required to select three or more horses, a sum deemed necessary by
44 the racing commission, to finance a prerace blood testing program, and
45 such other testing programs which the commission shall deem proper
46 and necessary and which shall be subject to the regulation and control

1 of the commission.

2 (d) Distribute as purse money and for programs designed to aid the
3 horsemen and the New Jersey Thoroughbred Horsemen's Association
4 6.141%, or in the case of races on a charity racing day 6.00%, of such
5 contributions. Notwithstanding the foregoing, for pools where the
6 patron is required to select two horses, the permitholder shall
7 distribute as purse money 7.071%, or in the case of races on a charity
8 racing day 6.93%, of such contributions and for pools where the
9 patron is required to select three or more horses, the permitholder
10 shall distribute as purse money 9.631%, or in the case of races on a
11 charity racing day 9.02%, of the total contributions. Expenditures for
12 programs designed to aid the horsemen and the New Jersey
13 Thoroughbred Horsemen's Association shall not exceed 2.5% of the
14 sum available for distribution as purse money from all parimutuel
15 pools. The formula for distribution of the purse money as either
16 overnight purses or special stakes shall be determined by an agreement
17 between the New Jersey Thoroughbred Horsemen's Association and
18 the 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 by
22 the commission to finance a prerace blood testing program, and such
23 other testing programs which the commission shall deem proper and
24 necessary and which shall be subject to the regulation and control of
25 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 trust
31 account shall be used to: (i) improve purses for closed races; (ii)
32 provide awards to owners and breeders of registered New Jersey bred
33 horses who earn portions of purses in open and closed races at New
34 Jersey race tracks or in closed races at an out-of-State track as part of
35 a multi-state event to promote thoroughbred breeding, and to owners
36 of stallions posted on the official stallion roster of the Thoroughbred
37 Breeders' Association of New Jersey, which sire such New Jersey bred
38 money earners; and (iii) provide awards to the New Jersey
39 Thoroughbred Breeders' Association for programs beneficial to
40 thoroughbred breeding in this State. The New Jersey thoroughbred
41 award program shall be administered and disbursed by the
42 Thoroughbred Breeders' Association of New Jersey subject to the
43 approval of the commission. The special trust account to be
44 established pursuant to this paragraph shall be separate and apart from
45 the special trust account established and maintained pursuant to
46 subparagraph (b) of this paragraph.

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

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

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

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

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

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

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

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

33 (c) Retain 9.305%, or in the case of races on a charity racing day
34 9.07%, of such total contributions for his own uses and purposes. For
35 pools where the patron is required to select two horses, the
36 permitholder shall retain 10.375%, or in the case of races on a charity
37 racing day 10.14%, of the total contributions and for pools where the
38 patron is required to select three or more horses, the permitholder
39 shall retain 13.545%, or in the case of races on a charity racing day
40 13.31%, of the total contributions. Each permitholder shall contribute
41 out of its 13.545% or 13.31% share of pools, where the patron is
42 required to select three or more horses, a sum deemed necessary by
43 the racing commission, to finance a prerace blood testing program, and
44 such other testing programs which the commission shall deem proper
45 and necessary and which shall be subject to the regulation and control
46 of the commission.

1 (d) Distribute as purse money and for programs designed to aid the
2 horsemen and the New Jersey Thoroughbred Horsemen's Association
3 6.815%, or in the case of races on a charity racing day 6.58%, of such
4 contributions. Notwithstanding the foregoing, for pools where the
5 patron is required to select two horses, the permitholder shall
6 distribute as purse money 7.745%, or in the case of races on a charity
7 racing day 7.51%, of such contributions and for pools where the
8 patron is required to select three or more horses, the permitholder
9 shall distribute as purse money 10.085%, or in the case of races on a
10 charity racing day 9.85%, of the total contributions. Expenditures for
11 programs designed to aid the horsemen and the New Jersey
12 Thoroughbred Horsemen's Association shall not exceed 2.5% of the
13 sum available for distribution as purse money from all parimutuel
14 pools. The formula for distribution of the purse money as either
15 overnight purses or special stakes shall be determined by an agreement
16 between the New Jersey Thoroughbred Horsemen's Association and
17 the permitholder. Notwithstanding the foregoing, for pools where a
18 patron is required to select three or more horses, each permitholder
19 shall retain out of the 10.085% or 9.85% to be distributed as purse
20 money a sum deemed necessary by the racing commission, for use by
21 the commission to finance a prerace blood testing program, and such
22 other testing programs which the commission shall deem proper and
23 necessary and which shall be subject to the regulation and control of
24 the commission.

25 (e) Deduct and set aside in a special trust account for the
26 establishment and support by the commission of the thoroughbred
27 breeding industry in New Jersey .8% of such total contributions,
28 except that for pools where the patron is required to select three or
29 more horses, the amount shall be 1.29%. The money in the special
30 trust account shall be used to: (i) improve purses for closed races; (ii)
31 provide awards to owners and breeders of registered New Jersey bred
32 horses who earn portions of purses in open and closed races at New
33 Jersey race tracks or in closed races at an out-of-State track as part of
34 a multi-state event to promote thoroughbred breeding, and to owners
35 of stallions posted on the official stallion roster of the Thoroughbred
36 Breeders' Association of New Jersey, which sire such New Jersey bred
37 money earners; and (iii) provide awards to the New Jersey
38 Thoroughbred Breeders' Association for programs beneficial to
39 thoroughbred breeding in this State. The New Jersey thoroughbred
40 award program shall be administered and disbursed by the
41 Thoroughbred Breeders' Association of New Jersey subject to the
42 approval of the commission. The special trust account to be
43 established pursuant to this paragraph shall be separate and apart from
44 the special trust account established and maintained pursuant to
45 subparagraph (b) of this paragraph.

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

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

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

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

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

14 (cf: P.L.2002, c.103, s.1)

15
16 3. Section 2 of P.L.2001, c.199 (C.5:5-128) is amended to read as
17 follows:

18 2. The Legislature finds and declares that:

19 a. The horse racing industry is economically important to this
20 State, and the general welfare of the people of the State will be
21 promoted by the advancement of horse racing and related projects and
22 facilities in the State.

23 b. It is the intent of the Legislature, by authorizing off-track
24 wagering and account wagering in this State, to promote the economic
25 future of the horse racing industry in this State, to foster the potential
26 for increased commerce, employment and recreational opportunities
27 in this State and to preserve the State's open spaces.

28 c. It is the further intent of the Legislature that facilities offering
29 off-track wagering opportunities to the public also offer other
30 amenities such as quality dining and handicapping facilities.

31 d. The Legislature has determined that the New Jersey Racing
32 Commission is best suited to oversee, license and regulate off-track
33 wagering and account wagering in the State, and that the New Jersey
34 Sports and Exposition Authority, by virtue of its experience in the
35 operation of parimutuel wagering facilities and other
36 entertainment-related projects in this State, is particularly well-suited
37 to coordinate with other parties to promote the uniformity and success
38 of off-track wagering throughout the State and to ensure the fiscal
39 soundness and technical reliability of an account wagering system,
40 pursuant to the terms of this act.

41 e. In establishing off-track wagering facilities, the authority will not
42 be performing an essential government function but rather an
43 essentially private business function. Numerous municipalities,
44 residents and businesses will be impacted by the establishment of
45 off-track wagering facilities throughout the State. A municipality may
46 oppose the placement of an off-track wagering facility within its

1 boundaries at the discretion of the authority and the commission. A
2 municipality may want an off-track wagering facility sited within its
3 boundaries, but only if the municipality receives an appropriate level
4 of property tax for municipal services. Therefore, fundamental
5 fairness dictates that any municipality be empowered to refuse the
6 siting of a facility within its boundaries. Fundamental fairness also
7 dictates that an off-track wagering facility, even if owned and not
8 leased by the authority, be subject to local property tax requirements.

9 f. By regulation of the Division of Alcoholic Beverage Control,
10 there exist special licenses that permit the sale of alcoholic beverages
11 on public property. These special licenses, typically available to the
12 authority, are inexpensive and circumvent the traditional method for
13 obtaining a license to sell alcoholic beverages. Because the
14 establishment of off-track wagering facilities is, in reality, essentially
15 a private business function and not an essential government function,
16 the authority is not permitted to receive a special license. Under this
17 act, only a private holder of a Class C plenary retail consumption
18 license is permitted to provide alcoholic beverages at an off-track
19 wagering facility.

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

21

22 4. Section 3 of P.L.2001, c.199 (C.5:5-129) is amended to read as
23 follows:

24 3. As used in this act:

25 "Account holder" means a resident of this State over age 18 who
26 establishes an account pursuant to this act through which account
27 wagers are placed.

28 "Account wagering" means a form of parimutuel wagering in which
29 an account holder may deposit money in an account with the account
30 wagering licensee and then use the account balance to pay for
31 parimutuel wagers by the account holder.

32 "Account wagering licensee" means the New Jersey Sports and
33 Exposition Authority or its assignee, provided that the commission has
34 granted its approval for the authority to establish an account wagering
35 system as provided for in this act.

36 "Account wagering system" means the system through which
37 account wagers are processed by the account wagering licensee
38 pursuant to this act.

39 "Authority" means the New Jersey Sports and Exposition Authority
40 created by section 4 of P.L.1971, c.137 (C.5:10-4).

41 "Backstretch Benevolency" means the Backstretch Benevolency
42 Programs Fund established pursuant to section 1 of P.L.1993, c.15
43 (C.5:5-44.8).

44 "Breeders and Stallions" means the distribution from the special
45 trust account created pursuant to section 46 a. (2) of P.L.1940, c.17
46 (C.5:5-66) for the purposes of subparagraph (c) of that citation.

1 "Breeding and Development" means the New Jersey Horse
2 Breeding and Development Account established pursuant to section 5
3 of P.L.1967, c.40 (C.5:5-88).

4 "Commission" means the New Jersey Racing Commission created
5 by section 1 of P.L.1940, c.17 (C.5:5-22).

6 "Executive Director" means the Executive Director of the
7 commission.

8 "Health and Welfare" means moneys distributed to the
9 Standardbred Breeders' and Owners' Association for the administration
10 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
11 c.17 (C.5:5-66).

12 "In-State host track" means a racetrack within this State which is
13 operated by a permit holder which conducts a horse race upon which
14 account wagers are placed pursuant to this act.

15 "In-State sending track" means a racetrack within this State which
16 is operated by a permit holder and is equipped to conduct off-track
17 simulcasting.

18 "In-State track" means an in-State host track or an in-State sending
19 track.

20 "Interstate common pool" means the parimutuel pool established
21 within this State or in another state or foreign nation within which is
22 combined parimutuel pools of one or more receiving tracks located in
23 one or more states or foreign nations upon a race at an out-of-State
24 sending track or out-of-State host track for the purpose of establishing
25 payoff prices in the various jurisdictions.

26 "Jockey's Health and Welfare" means a health and welfare trust
27 established by the organization certified by the New Jersey Racing
28 Commission as representing a majority of the active licensed
29 thoroughbred jockeys in New Jersey for the purpose of providing
30 health and welfare benefits to active, disabled and retired New Jersey
31 jockeys and their dependents based upon reasonable criteria by that
32 organization.

33 "New Jersey Racing Industry Special Fund" means the fund
34 established pursuant to section 27 of this act.

35 "New Jersey Thoroughbred [Horseman's] Horsemen's Association"
36 means the association representing the majority of New Jersey
37 thoroughbred owners and trainers responsible for receiving and
38 distributing funds for programs designed to aid thoroughbred
39 horsemen.

40 "Off-track simulcasting" means the simultaneous audio or visual
41 transmission of horse races conducted at in-State and out-of-State
42 racetracks to off-track wagering facilities and parimutuel wagering at
43 those off-track wagering facilities on the results of those races.

44 "Off-track wagering" means parimutuel wagering at an off-track
45 wagering facility as authorized under this act.

46 "Off-track wagering facility" means a licensed facility, other than a

1 racetrack, at which parimutuel wagering is conducted pursuant to this
2 act.

3 "Off-track wagering licensee" means the New Jersey Sports and
4 Exposition Authority or its assignee, provided that the commission has
5 granted its approval for the authority to conduct an off-track wagering
6 facility as provided for in this act.

7 "Out-of-State host track" means a racetrack in a jurisdiction other
8 than the State of New Jersey, the operator of which is lawfully
9 permitted to conduct a horse race meeting and which conducts horse
10 races upon which account wagers may be placed pursuant to this act.

11 "Out-of-State sending track" means a racetrack in a jurisdiction
12 other than the State of New Jersey which is equipped to conduct
13 off-track simulcasting and the operator of which is lawfully permitted
14 to conduct a horse race meeting and to provide simulcast horse races
15 to off-track wagering facilities in this State.

16 "Out-of-State track" means an out-of-State host track or an
17 out-of-State sending track.

18 "Outstanding parimutuel ticket" means a winning parimutuel ticket
19 which is not claimed within six months of sale.

20 "Parimutuel" means any system whereby wagers with respect to the
21 outcome of a horse race are placed with, or in, a wagering pool
22 conducted by an authorized person, and in which the participants are
23 wagering with each other and not against the person conducting the
24 wagering pool.

25 "Participation agreement" means the written contract that provides
26 for the establishment or implementation of either (a) an off-track
27 wagering facility or facilities or (b) an account wagering system. Each
28 such contract shall set forth the manner in which the off-track
29 wagering facility or facilities or the account wagering system shall be
30 managed, operated and capitalized, as well as how expenses and
31 revenues shall be allocated and distributed by and among the authority
32 and the other eligible participants.

33 "Permit holder" means the holder of an annual permit to conduct a
34 horse race meeting issued by the commission.

35 "Racetrack" means the physical facility where a permit holder
36 conducts a horse race meeting with parimutuel wagering.

37 "Racing costs" means the prospective and actual costs for all
38 licensing, investigation, operation, regulation, supervision and
39 enforcement activities and functions performed by the commission.

40 "Simulcast horse races" means horse races conducted at an in-State
41 sending track or an out-of-State sending track, as the case may be, and
42 transmitted simultaneously by picture to a receiving track or an
43 off-track wagering facility.

44 "Sire Stakes" means the Sire Stakes Program established pursuant
45 to section 1 of P.L.1971, c.85 (C.5:5-91).

46 "Standardbred Drivers' Health and Welfare" means a health and

1 welfare trust established by the Standardbred Breeders' and Owners'
2 Association of New Jersey for the purpose of providing health and
3 welfare benefits to active, disabled and retired New Jersey
4 standardbred drivers and their dependents based upon reasonable
5 criteria by that organization.

6 "Takeout" means that portion of a wager which is deducted from
7 or not included in the parimutuel pool, and which is distributed other
8 than to persons placing wagers.

9 "Thoroughbred Breeders and Stallions" means the special trust
10 account created pursuant to section 46 b.(1)(e) of P.L.1940, c.17
11 (C.5:5-66).

12 (cf: P.L.2001, c.199, s.3)

13

14 5. Section 4 of P.L.2001, c.199 (C.5:5-130) is amended to read as
15 follows:

16 4. a. The commission is authorized to issue a license to the
17 authority to permit off-track wagering at a specified facility, upon
18 application of the authority and in accordance with the provisions of
19 this act. A license issued pursuant to this act shall be valid for a
20 period of one year. The commission shall issue a license only if the
21 [authority schedules] permit holder at Monmouth Park and the
22 thoroughbred permit holder at Meadowlands Racetrack schedule at
23 least the minimum number of race dates required in section 30 of this
24 act, P.L.2001, c.199 (C.5:5-156), and it is satisfied that the authority
25 has entered into a participation agreement with each and every other
26 person, partnership, association, corporation, or authority or the
27 successor in interest to such person, partnership, association,
28 corporation or authority that:

29 (1) held a valid permit to hold or conduct a race horse meeting
30 within this State in the calendar year 2000;

31 (2) has complied with the terms of such permit; and

32 (3) is in good standing with the commission and the State of New
33 Jersey.

34 An off-track wagering license may not be transferred or assigned to
35 a successor in interest without the approval of the commission and the
36 Attorney General, which approval may not be unreasonably withheld.

37 b. As part of the license application process, any participation
38 agreement entered into for the purposes of this section, or any
39 modification to the agreement made thereafter, shall be reviewed by
40 the commission and the Attorney General to determine whether the
41 agreement meets the requirements of this act and shall be subject to
42 the approval of the commission and the Attorney General.

43 (cf: P.L.2001, c.199, s.4)

44

45 6. Section 5 of P.L.2001, c.199 (C.5:5-131) is amended to read as
46 follows:

1 5. a. At the time of filing an application for an off-track wagering
2 license, the authority shall submit to the commission a non-refundable
3 filing fee in an amount established by regulation by the commission,
4 and a certification in a form prescribed by the commission which
5 specifies, but is not limited to, the following information:

6 (1) a plan depicting the proposed facility and improvements
7 thereon, including information about the size, seating capacity, parking
8 and services to be provided at the facility;

9 (2) the location of the proposed facility, and relevant demographic
10 or other information concerning the municipality and surrounding area
11 where the proposed facility is to be located;

12 (3) the number of permanent and part-time jobs expected to be
13 created at the proposed facility, and gross revenues expected to be
14 generated by the facility;

15 (4) the fire evacuation plan for the proposed facility;

16 (5) the type of food and beverages available; and

17 (6) such other information as the commission may require.

18 b. [A] The authority shall file a separate application and
19 certification [shall be filed] for each proposed off-track wagering
20 facility [that the authority proposes to establish].

21 c. The commission shall establish by regulation procedures and
22 conditions for renewal of licenses issued under this act.

23 d. The commission shall by regulation establish the maximum hours
24 of operation of off-track wagering facilities.

25 e. Notwithstanding R.S.33:1-42, alcoholic beverages may be
26 offered for on-premise consumption at an off-track wagering facility
27 only if provided by a Class C plenary retail consumption licensee, by
28 an agreement or contract with the authority, pursuant to the provisions
29 of R.S.33:1-1 et seq. in accordance with such procedures as
30 established by statute and by regulation of the Division of Alcoholic
31 Beverage Control. The authority shall not hold a license to provide
32 alcoholic beverages at an off-track wagering facility.

33 f. Persons under the age of 18 years shall not be permitted in any
34 off-track wagering facility, except in dining areas if accompanied by
35 a parent or guardian.

36 g. The commission shall by regulation establish minimum standards
37 for off-track wagering facilities, including, but not limited to,
38 standards for size, seating capacity, parking and services to be
39 provided.

40 h. The authority, in lieu of obtaining municipal zoning and planning
41 approvals that may otherwise be required in connection with the
42 off-track wagering facility, shall submit a written notice of its intention
43 to site an off-track wagering facility to the governing body of the
44 municipality within which the facility would be sited. The notice shall
45 identify the proposed site of the facility by street address, if any, or by
46 reference to lot and block numbers as shown on the current tax

1 duplicate in the municipal tax assessor's offices. Within 45 days of its
2 receipt of the authority's notice of intention, the municipal governing
3 body may disapprove of the proposed site of an off-track wagering
4 facility by adopting a resolution which shall be valid and binding upon
5 the authority and the commission upon delivery of a duly certified
6 copy of the resolution to the authority and the commission. Whenever
7 a municipality determines to consider a resolution disapproving a
8 proposed off-track wagering facility, the authority shall be given an
9 opportunity to offer a public presentation of the proposed facility prior
10 to consideration of the resolution. A resolution disapproving a
11 proposed off-track wagering facility shall state the reasons for
12 disapproval.

13 In the event the governing body shall not adopt such a resolution,
14 the authority may seek a license for an off-track wagering facility in
15 that municipality and the commission may grant the authority the
16 license provided that:

17 (1) the proposed off-track wagering facility site is not in an area
18 zoned residential;

19 (2) the authority has submitted its plans to the municipal planning
20 board, and complied with the provisions of section 22 of P.L.1975,
21 c.291 (C.40:55D-31); and

22 (3) the authority has made reasonable efforts to address the
23 reasonable concerns expressed by the municipal planning board.

24 (cf: P.L.2001, c.199, s.5)

25

26 7. Section 7 of P.L.2001, c.199 (C.5:5-133) is amended to read as
27 follows:

28 7. a. No sooner than 30 days nor later than 60 days following the
29 public hearing, the commission shall make a final determination on the
30 license application. The commission shall approve the application if
31 it determines that the plan for the proposed facility includes
32 appropriate standards of quality for the premises and services it will
33 provide and that the authority has demonstrated by clear and
34 convincing evidence that establishment of the proposed off-track
35 wagering facility will not be inimical to the interests of the public and
36 the horse racing industry in this State. The commission shall submit
37 its determination to the Attorney General for review and approval.
38 The determination of the commission shall be deemed approved by the
39 Attorney General if not affirmatively approved or disapproved by the
40 Attorney General within 14 days of the date of submission. The
41 decision of the Attorney General shall be deemed a final decision.
42 Upon approval by the Attorney General, the commission shall issue to
43 the authority an off-track wagering license specifying the location, the
44 periods of time during a calendar year and the hours of operation
45 during which off-track wagering is permitted at the facility, and
46 prescribing any other conditions or terms the commission deems

1 appropriate.

2 b. With the approval of the commission, the authority may assign
3 an off-track wagering license to a permit holder, provided that the
4 authority shall retain responsibility for license renewals. In the event
5 the authority assigns an off-track wagering license, the assignee shall
6 reimburse the authority for its costs associated with the application for
7 the license. With the approval of the commission, the off-track
8 wagering licensee may enter into a contract or agreement with a
9 person or entity to conduct or operate an off-track wagering facility
10 for the licensee and to act as the agent of the licensee in all off-track
11 wagering matters approved by the commission.

12 (cf: P.L.2001, c.199, s.7)

13

14 8. Section 13 of P.L.2001, c.199 (C.5:5-139) is amended to read
15 as follows:

16 13. a. The commission is authorized to issue a license to the
17 authority to establish an account wagering system in accordance with
18 the provisions of this act, P.L.2001, c.199 (C.5:5-127 et seq.). A
19 license issued pursuant to this act shall be valid for a term of one year.
20 The commission shall issue a license only if the [authority schedules]
21 permit holder at Monmouth Park and the thoroughbred permit holder
22 at Meadowlands Racetrack schedule at least the minimum number of
23 race dates required in section 30 of this act, P.L.2001, c.199 (C.5:5-
24 156), and it is satisfied that the authority has entered into a
25 participation agreement with each and every person, partnership,
26 association, corporation or authority or the successor in interest to
27 such person, partnership, association, corporation or authority that:

28 (1) held a valid permit to hold or conduct a race horse meeting
29 within this State in the calendar year 2000 consisting of at least 40 live
30 race dates in the aggregate at the permit holder's racetrack;

31 (2) has complied with the terms of such permit; and

32 (3) is in good standing with the commission and the State of New
33 Jersey.

34 An account wagering license may not be transferred or assigned to
35 a successor in interest without the approval of the commission and the
36 Attorney General, which approval may not be unreasonably withheld.

37 b. As part of the license application process, any participation
38 agreement, or any modification to the agreement made thereafter,
39 entered into for the purposes of this section shall be reviewed by the
40 commission and the Attorney General to determine whether the
41 agreement meets the requirements of this act and shall be subject to
42 the approval of the commission and the Attorney General.

43 c. At the time of filing an application for licensure under this
44 section, the authority shall submit to the commission a non-refundable
45 filing fee in an amount established by regulation by the commission,
46 and a certification in a form prescribed by the commission which

1 specifies, but is not limited to, information about the operation of the
2 account wagering system and the authority's participation therein.
3 (cf: P.L.2001, c.199, s.13)

4
5 9. Section 14 of P.L.2001, c.199 (C.5:5-140) is amended to read
6 as follows:

7 14. a. Within 14 days of receipt of a completed application,
8 certification and applicable fees, the executive director shall determine
9 whether the same is in due form and meets the requirements of law in
10 all respects, and upon being satisfied thereof, the executive director,
11 within 45 days of receipt of a completed application, certification and
12 applicable fees, shall hold a public hearing, the costs of which shall be
13 paid by the applicant.

14 b. No sooner than 30 days nor later than 60 days following the
15 public hearing, the commission shall make a final determination on the
16 application. The commission shall approve the application if it
17 determines that the authority has demonstrated by clear and convincing
18 evidence that wagers placed through the proposed account wagering
19 system will be accurately processed and that there will be sufficient
20 safeguards to maintain the integrity of the horse racing industry in this
21 State. The commission's determination shall be submitted to the
22 Attorney General for review and approval. The determination of the
23 commission shall be deemed approved by the Attorney General if not
24 affirmatively approved or disapproved by the Attorney General within
25 14 days of the date of submission. The decision of the Attorney
26 General shall be deemed a final decision. Upon approval by the
27 Attorney General, the commission shall issue to the authority a license
28 to participate in the account wagering system.

29 c. With the approval of the commission, ~~[an] the authority may~~
30 assign the account wagering license to a permit holder, provided that
31 the authority shall retain responsibility for license renewals. In the
32 event the authority assigns the account wagering license, the assignee
33 shall reimburse the authority for its costs associated with the
34 application for the license. With the approval of the commission, the
35 account wagering licensee may enter into a contract or agreement with
36 a person or entity to conduct or operate an account wagering system
37 or facility for the licensee and to act as the agent of the licensee in all
38 account wagering matters approved by the commission.

39 (cf: P.L.2001, c.199, s.14)

40

41 10. Section 30 of P.L.2001, c.199 (C.5:5-156) is amended to read
42 as follows:

43 30. a. The permit holder at Monmouth Park and the thoroughbred
44 permit holder at ~~[the] Meadowlands Racetrack~~ together shall schedule
45 (1) no fewer than ¹[141] 120¹ thoroughbred race dates in the
46 aggregate in each of calendar years ¹[2002, 2003 and] ¹2004 ¹through

1 2007¹; ¹[and]¹ (2) ¹no fewer than 141 thoroughbred race dates in the
2 aggregate in each of calendar years 2008 through 2016; and (3)
3 beginning in calendar year 2017 and in each calendar year thereafter.¹
4 no fewer than 141 thoroughbred race dates in the aggregate ¹[in each
5 calendar year thereafter]¹, provided that ¹in calendar year 2017 and
6 in each calendar year thereafter¹ the permit holders may schedule
7 fewer than 141 thoroughbred race dates in the aggregate if the
8 commission determines, upon application by the permit holders, that
9 scheduling fewer dates in that calendar year is in the best interest of
10 the racing industry and the State. In making its determination, the
11 commission shall consider all factors, including, but not limited to,
12 handle, number of starters, interstate competition, and export
13 marketability. Notwithstanding the foregoing ¹in (3)¹, in no calendar
14 year shall the permit holders schedule, in the aggregate, fewer than
15 120 thoroughbred race dates [;].

16 b. [the] The standardbred permit holder at [the] Meadowlands
17 Racetrack shall schedule annually no fewer than 151 standardbred race
18 dates [; and]¹.¹

19 c. [the] The permit holders at Freehold Raceway shall schedule
20 annually no fewer than 192 standardbred race dates.

21 d. Notwithstanding subsection a. of this section, the permit holder
22 at Monmouth Park and the thoroughbred permit holder at
23 Meadowlands Racetrack may schedule 120 thoroughbred race dates
24 in the aggregate in each calendar year from 2004 through 2007
25 ¹[during which the permit holder at Monmouth Park generates an
26 average of at least \$300,000 in daily overnight purses at Monmouth
27 Park and the Thoroughbred permit holder at Meadowlands Racetrack
28 generates an average of at least \$240,000 in overnight purses for the
29 thoroughbred horse race meeting at the Meadowlands.] only if the
30 thoroughbred permit holder at Meadowlands Racetrack or the permit
31 holder at Monmouth Park guarantee in each calendar year from 2004
32 through 2007 at least \$4,200,000 in thoroughbred stakes at
33 Meadowlands Racetrack and Monmouth Park, and guarantee the
34 average daily overnight purses for thoroughbred race meetings at the
35 following levels: (1) at least \$300,000 at Meadowlands Racetrack in
36 each calendar year from 2004 through 2007; (2) for the traditional
37 meet at Monmouth Park, at least \$320,000 in calendar year 2004, at
38 least \$325,000 in calendar year 2005, at least \$330,000 in calendar
39 year 2006 and at least \$335,000 in calendar year 2007; and (3) for the
40 18-day supplemental meet at Monmouth Park, at least \$300,000 in
41 each calendar year from 2004 through 2006. In any calendar year
42 from 2004 through 2007 in which the permit holder at the
43 Meadowlands Racetrack or the permit holder at Monmouth Park, as
44 appropriate, fails to guarantee the required minimum for thoroughbred
45 stakes or the required minimum in average in daily overnight purses

1 pursuant to this subsection, the permit holder at Monmouth Park and
2 the thoroughbred permit holder at Meadowlands Racetrack together
3 shall schedule no fewer than 141 thoroughbred race dates in the
4 aggregate in that calendar year¹.

5 (cf: P.L.2001, c.199, s.30)

6
7 11. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read as
8 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 the
12 projects set forth in paragraphs (1) and (5) of subsection a. of section
13 6 of P.L.1971, c.137 (C.5:10-6), horse race meetings for stake, purse
14 or reward, and to provide a place or places on the race meeting
15 grounds or enclosure for wagering by patrons on the results of such
16 horse races by the parimutuel system, and to receive charges and
17 collect all revenues, receipts and other sums from the [ownership and]
18 operation thereof [; provided that only the authority through its
19 employees shall conduct such horse race meetings and wagering and
20 the authority is expressly prohibited from placing in the control of any
21 other person, firm or corporation the conduct of such horse race
22 meetings, or wagering] and, in the case of the authority, the ownership
23 thereof.

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

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

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

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

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

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

24 (1) In the case of harness races:

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

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

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

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

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

46 Payment of the sums held and set aside pursuant to subparagraphs

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

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

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

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

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

42 (2) In the case of running races:

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

1 provided in section 5 of P.L.1967, c.40 (C.5:5-88).

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

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

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

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

45 Payment of the sums held and set aside pursuant to subparagraphs
46 (a) and (c) of this subsection shall be made to the commission every

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

5 In addition to the amounts above, in the case of races on a racing
6 day designated or allotted as a charity racing day pursuant to
7 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or
8 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of
9 1% of all parimutuel pools shall be paid to the commission at the time
10 and in the manner prescribed by the commission.

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

17 [In the event that a written agreement between the authority and
18 the respective horsemen's associations shall require the distribution of
19 additional sums of money to increase purses or contributions to the
20 special trust accounts hereinabove provided, or both, any such
21 distribution to be made in the year 1981 shall be made by the authority
22 only from, and to the extent of, available moneys from the preceding
23 year set aside for such purpose, after application of the authority's
24 revenues, moneys or other funds as provided in subsections c.(1), (2),
25 (3), (4), (5), (6) and (7) of section 6 of P.L.1971, c.137 (C.5:10-6).]

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

31 (1) In the case of running and harness races, beginning July 1, 1997
32 50% of those sums shall be paid to the Racing Commission for deposit
33 in the general fund of the State and disposition in accordance with
34 section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

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

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

1 or collect license fees or taxes.

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

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

19 (cf: P.L.2003, c.151, s.4)

20

21 ¹12. (New section) If the authority seeks proposals to lease one
22 or both of its horse racetrack facilities, it shall promptly provide
23 written notification thereof to the President of the Senate and the
24 Speaker of the General Assembly. Within 20 days after the receipt of
25 such notice, the President of the Senate and Speaker of the General
26 Assembly shall designate a member of the Senate and a member the
27 General Assembly, as appropriate, to serve as a liaison between the
28 Legislature and the authority with respect to the potential leasing of
29 one or both of the authority's horse racetracks, and shall provide
30 written notification to the authority of the designations. The President
31 and Chief Executive Officer of the authority shall describe to the
32 liaisons each significant proposal and the authority's analysis of each
33 significant proposal. Any recommendation regarding a lease proposal
34 submitted by the President and Chief Executive Officer or staff of the
35 authority to the board of commissioners shall include the opinions of
36 the liaisons. The authority's members shall not award the contract in
37 a lease transaction less than 45 days after the liaisons receive
38 descriptions and analyses of the proposals.¹

39

40 ¹13. Section 4 of P.L.1971, c.137 (C.5:10-4) is amended to read
41 as follows:

42 4. a. There is hereby established in the Department of Community
43 Affairs a public body corporate and politic, with corporate succession,
44 to be known as the "New Jersey Sports and Exposition Authority."
45 The authority is hereby constituted as an instrumentality of the State
46 exercising public and essential governmental functions, and the

1 exercise by the authority of the powers conferred by the act shall be
2 deemed and held to be an essential governmental function of the State
3 and the application of the revenue derived from the projects to the
4 purposes provided in this act shall be deemed and held to be applied
5 in support of government.

6 b. The authority shall consist of the State Treasurer, the President
7 of the New Jersey Sports and Exposition Authority, and a member of
8 the Hackensack Meadowlands Development Commission, to be
9 appointed by the Governor, who shall be members ex officio, [and] 11
10 members appointed by the Governor with the advice and consent of
11 the Senate .one member appointed by the President of the Senate and
12 one member appointed by the Speaker of the General Assembly, for
13 terms of four years [, provided that the members of the authority
14 (other than the ex officio members) first appointed by the Governor
15 shall serve for terms of one year, two years, three years and four years,
16 respectively]. Each member shall hold office for the term of his
17 appointment and until his successor shall have been appointed and
18 qualified. A member shall be eligible for reappointment. Any vacancy
19 in the membership occurring other than by expiration of term shall be
20 filled in the same manner as the original appointment but for the
21 unexpired term only.

22 c. Each appointed member may be removed from office by the
23 Governor, for cause, after a public hearing, and may be suspended by
24 the Governor pending the completion of such hearing. Each member
25 before entering upon his duties shall take and subscribe an oath to
26 perform the duties of his office faithfully, impartially and justly to the
27 best of his ability. A record of such oaths shall be filed in the office of
28 the Secretary of State.

29 d. The chairman shall be appointed by the Governor from the
30 members of the authority other than ex officio members, and the
31 members of the authority shall elect one of their number as vice
32 chairman thereof. The authority shall elect a secretary and a treasurer,
33 who need not be members, and the same person may be elected to
34 serve both as secretary and treasurer. The powers of the authority shall
35 be vested in the members thereof in office from time to time and
36 [eight] ²[ten] nine² members of the authority shall constitute a
37 quorum at any meeting thereof. Action may be taken and motions and
38 resolutions adopted by the authority at any meeting thereof by the
39 affirmative vote of at least [eight] ²[ten] eight² members of the
40 authority. No vacancy in the membership of the authority shall impair
41 the right of a quorum of the members to exercise all the powers and
42 perform all the duties of the authority.

43 e. Each member and the treasurer of the authority shall execute a
44 bond to be conditioned upon the faithful performance of the duties of
45 such member or treasurer, as the case may be, in such form and
46 amount as may be prescribed by the Director of the Division of Budget

1 and Accounting in the Department of the Treasury. Such bonds shall
2 be filed in the office of the Secretary of State. At all times thereafter
3 the members and treasurer of the authority shall maintain such bonds
4 in full force and effect. All costs of such bonds shall be borne by the
5 authority.

6 f. The members of the authority shall serve without compensation,
7 but the authority shall reimburse its members for actual expenses
8 necessarily incurred in the discharge of their duties. Notwithstanding
9 the provisions of any other law, no officer or employee of the State
10 shall be deemed to have forfeited or shall forfeit his office or
11 employment or any benefits or emoluments thereof by reason of his
12 acceptance of the office of ex officio member of the authority or his
13 services therein.

14 g. Each ex officio member of the authority may designate an officer
15 or employee of his department or agency to represent him at meetings
16 of the authority, and each such designee may lawfully vote and
17 otherwise act on behalf of the member for whom he constitutes the
18 designee. Any such designation shall be in writing delivered to the
19 authority and shall continue in effect until revoked or amended by
20 writing delivered to the authority.

21 h. The authority may be dissolved by act of the Legislature on
22 condition that the authority has no debts or obligations outstanding or
23 that provision has been made for the payment or retirement of such
24 debts or obligations. Upon any such dissolution of the authority all
25 property, funds and assets thereof shall be vested in the State.

26 i. A true copy of the minutes of every meeting of the authority shall
27 be forthwith delivered by and under the certification of the secretary
28 thereof to the Governor. No action taken at such meeting by the
29 authority shall have force or effect until 15 days after such copy of the
30 minutes shall have been so delivered unless during such 15-day period
31 the Governor shall approve the same, in which case such action shall
32 become effective upon such approval. If, in said 15-day period, the
33 Governor returns such copy of the minutes with veto of any action
34 taken by the authority or any member thereof at such meeting, such
35 action shall be null and void and of no effect. The powers conferred
36 in this subsection i. upon the Governor shall be exercised with due
37 regard for the rights of the holders of bonds and notes of the authority
38 at any time outstanding, and nothing in, or done pursuant to, this
39 subsection i. shall in any way limit, restrict or alter the obligation or
40 powers of the authority or any representative or officer of the
41 authority to carry out and perform in every detail each and every
42 covenant, agreement or contract at any time made or entered into by
43 or on behalf of the authority with respect to its bonds or notes or for
44 the benefit, protection or security of the holders thereof.¹

45 (cf: P.L.2001, c.456, s.1)

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

3 5. Except as otherwise limited by the act, the authority shall have
4 power:

5 a. To sue and be sued;

6 b. To have an official seal and alter the same at pleasure;

7 c. To make and alter bylaws for its organization and internal
8 management and for the conduct of its affairs and business;

9 d. To maintain an office at such place or places within the State as
10 it may determine;

11 e. To acquire, hold, use and dispose of its income, revenues, funds
12 and moneys;

13 f. To acquire, lease as lessee or lessor, rent, lease, hold, use and
14 dispose of real or personal property for its purposes;

15 g. To borrow money and to issue its negotiable bonds or notes and
16 to secure the same by a mortgage on its property or any part thereof,
17 and to enter into any credit agreement, and otherwise to provide for
18 and secure the payment of its bonds and notes and to provide for the
19 rights of the holders thereof;

20 h. To make and enter into all contracts, leases, and agreements for
21 the use or occupancy of its projects or any part thereof or which are
22 necessary or incidental to the performance of its duties and the
23 exercise of its powers under the act;

24 i. To make surveys, maps, plans for, and estimates of the cost of
25 its projects;

26 j. To establish, acquire, construct, lease the right to construct,
27 rehabilitate, repair, improve, own, operate, and maintain its projects,
28 and let, award and enter into construction contracts, purchase orders
29 and other contracts with respect thereto in such manner as the
30 authority shall determine, subject only to the provisions of sections 1
31 through 3 of P.L.1981, c.447 (C.5:10-21.1 through 5:10-21.3) and
32 section 3 of P.L.1987, c.318 (C.5:10-21.1a);

33 k. To fix and revise from time to time and charge and collect rents,
34 tolls, fees and charges for the use, occupancy or services of its
35 projects or any part thereof or for admission thereto, and for the grant
36 of concessions therein and for things furnished or services rendered by
37 the authority;

38 l. To establish and enforce rules and regulations for the use or
39 operation of its projects or the conduct of its activities, and provide
40 for the policing and the security of its projects;

41 m. To acquire in the name of the authority by purchase or
42 otherwise, on such terms and conditions and in such manner as it may
43 deem proper, or, except with respect to the State, by the exercise of
44 the power of eminent domain, any land and other property, including
45 land under water, meadowlands, and riparian rights, which it may
46 determine is reasonably necessary for any of its projects or for the

1 relocation or reconstruction of any highway by the authority and any
2 and all rights, title and interest in such land and other property,
3 including public lands, reservations, highways or parkways, owned by
4 or in which the State or any county, city, borough, town, township,
5 village, public corporation, or other political subdivision of the State
6 has any right, title or interest, or parts thereof or rights therein and any
7 fee simple absolute or any lesser interest in private property, and any
8 fee simple absolute in, easements upon or the benefit of restrictions
9 upon abutting property, to preserve and protect any project, except
10 that the authority shall not have the right to exercise the power of
11 eminent domain in connection with projects authorized under
12 paragraphs (5), (6), and (7) of subsection a. of section 6 of P.L.1971,
13 c.137 (C.5:10-6);

14 n. To provide through its employees, or by the grant of one or
15 more concessions, or in part through its employees and in part by
16 grant of one or more concessions, for the furnishing of services and
17 things for the accommodation of persons admitted to or using its
18 projects or any part thereof;

19 o. To hold and conduct horse race meetings for stake, purse or
20 reward and to provide and operate a parimutuel system of wagering at
21 such meetings, but subject only to the provisions of section 7 of the
22 act;

23 p. To acquire, construct, operate, maintain, improve, and make
24 capital contributions to others for transportation and other facilities,
25 services and accommodations for the public's use of its projects and to
26 lease or otherwise contract for the operation thereof;

27 q. Subject to any agreement with bondholders or noteholders, to
28 invest moneys of the authority not required for immediate use,
29 including proceeds from the sale of any bonds or notes, in such
30 obligations, securities and other investments as the authority shall
31 deem prudent;

32 r. To contract for and to accept any gifts or grants or loans of
33 funds or property or financial or other aid in any form from the United
34 States of America or any agency or instrumentality thereof, or from
35 the State or any agency, instrumentality or political subdivision
36 thereof, or from any other source and to comply, subject to the
37 provisions of the act, with the terms and conditions thereof;

38 s. Subject to any agreements with bondholders or noteholders, to
39 purchase bonds or notes of the authority out of any funds or money of
40 the authority available therefor, and to hold, cancel or resell such
41 bonds or notes;

42 t. To appoint and employ a president, who shall be the chief
43 executive officer, and such additional officers, who need not be
44 members of the authority, and accountants, attorneys, financial
45 advisors or experts and all such other or different officers, agents and
46 employees as it may require and to determine their qualifications,

1 terms of office, duties and compensation, all without regard to the
 2 provisions of Title 11A of the New Jersey Statutes; provided that it is
 3 the express intent of the Legislature that the authority within its sole
 4 discretion shall utilize, to the fullest extent feasible, the services of the
 5 officers, personnel and consultants of the Meadowlands Commission,
 6 in connection with its project in the Meadowlands complex;

7 u. To do and perform any acts and things authorized by the act,
 8 under, through, or by means of its officers, agents or employees or by
 9 contract with any person, firm or corporation;

10 v. To procure insurance against any losses in connection with its
 11 property, operations or assets, in such amounts and from such insurers
 12 as it deems desirable;

13 w. To do any and all things, including, but not limited to, the
 14 creation or formation of profit or not-for-profit corporations,
 15 necessary or convenient to carry out its purposes and exercise the
 16 powers given and granted in the act; and

17 x. To determine the location, type and character of a project or any
 18 part thereof and all other matters in connection with all or any part of
 19 a project, notwithstanding any land use plan, zoning regulation,
 20 building code or similar regulation heretofore or hereafter adopted by
 21 the State, any municipality, county, public body politic and corporate,
 22 including but not limited to the Meadowlands Commission, or any
 23 other political subdivision of the State, except that all projects
 24 constructed after the effective date of this 1987 amendatory and
 25 supplementary act shall conform to the Barrier-Free Sub-Code
 26 promulgated as part of the State Uniform Construction Code pursuant
 27 to P.L.1975, c.217 (C.52:27D-119 et seq.) and further excepted that
 28 the authority shall consult with the Meadowlands Commission before
 29 making any determination as to the location, type and character of any
 30 project under the jurisdiction of the Meadowlands Commission.

31 y. To provide, with or without charge as it deems appropriate,
 32 through or by means of its officers, agents or employees, advisory
 33 ²[or] ² consulting ²management or operating ²services to [a ²
 34 political subdivision or instrumentality of the State] any political
 35 subdivision of the State, or any agency or instrumentality of the State
 36 or of any political subdivision of the State,² with regard to a stadium,
 37 arena, concert hall or other sports or entertainment facility in
 38 operation as of January 1, 2004 and owned or operated by ²[the
 39 political subdivision or instrumentality] such entity ²as of January 1,
 40 2004.¹

41 (cf: P.L.1987, c.318, s.1)

42
 43 ¹[12.] 15.¹ This act shall take effect immediately and ¹except for
 44 sections 12 and 13¹ shall be retroactive to January 1, 2004.

1

2

3 _____
4 Concerns leasing of NJ Sports and Exposition Authority's racetracks;
5 allows authority to assign off-track and account wagering licenses;
6 revises minimum thoroughbred race date requirements; provides for
7 additional board members appointed by presiding officers of
8 Legislature.

SENATE, No. 1127

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED FEBRUARY 23, 2004

Sponsored by:

Senator PAUL SARLO

District 36 (Bergen, Essex and Passaic)

SYNOPSIS

Allows NJ Sports and Exposition Authority to lease its racetracks and to assign off-track wagering and account wagering licenses.

CURRENT VERSION OF TEXT

As introduced.



S1127 SARLO

2

1 AN ACT providing for the leasing of horse race tracks owned by the
2 New Jersey Sports and Exposition Authority, amending various
3 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 as
9 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, less
18 an amount which shall not exceed 19% of the total deposits plus the
19 breaks. In every pool where the patron is required to select three or
20 more horses, every holder of a permit shall distribute all sums
21 deposited in each pool to the winners thereof, less an amount which
22 shall not exceed 25% of the total deposits plus the breaks. Every
23 permitholder shall distribute to the persons holding winning tickets in
24 any of the aforementioned pools, as a minimum, a sum not exceeding
25 \$0.10, calculated on the basis of each dollar deposited in any pool
26 after the deduction of the said 17%, 19% or 25%, as the case may be.
27 Should the amount remaining in the pool be insufficient to pay the
28 winners the minimum, the breakage accruing in that race, or any
29 necessary portion thereof, shall be applied toward making up any such
30 deficiency. The breaks are hereby defined as the odd cents over any
31 multiple of \$0.10, calculated on the basis of \$1.00 otherwise payable
32 to a patron. Every permitholder engaged in the business of conducting
33 running race meetings under this act, except the New Jersey Sports
34 and Exposition Authority established pursuant to P.L.1971, c.137
35 (C.5:10-1 et seq.) **[and the Garden State Racetrack as provided in**
36 **section 5 of P.L.1982, c.201 (C.5:5-98)]** or a lessee of the authority,
37 shall distribute as purse money the breaks as herein defined, except as
38 the same shall have been applied toward making up a deficiency in a
39 pool as herein provided. Every permitholder engaged in the business
40 of conducting harness race meetings under this act, except the New
41 Jersey Sports and Exposition Authority **[and the Garden State**
42 **Racetrack as provided in section 5 of P.L.1982, c.201 (C.5:5-98)]** or
43 a lessee of the authority, shall retain for his own uses and purposes

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 50% of the breaks as herein defined, except as the same shall have
2 been applied toward making up a deficiency in the pool as herein
3 provided, and shall distribute as purse money the remaining 50%. The
4 New Jersey Sports and Exposition Authority or a lessee of the
5 authority shall retain all breaks [commencing on May 10, 1971] as
6 revenue [to the authority], except as the same shall have been applied
7 toward making up a deficiency in a pool as herein provided.

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

16 a. In the case of running and harness races, beginning July 1, 1997
17 50% of those sums shall be paid to the racing commission for deposit
18 in the general fund of the State and disposition in accordance with
19 section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

24 c. In the case of harness races, 25% of those sums shall be retained
25 by the permitholder to supplement purses for sire stakes races on
26 which there is parimutuel wagering, and 25% shall be retained by the
27 permitholder to supplement overnight purses.

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

42 (cf: P.L.1997, c.29, s.1)

43

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

46 46. Every permitholder engaged in the business of conducting

1 horse race meetings under this act, except the New Jersey Sports and
2 Exposition Authority established pursuant to P.L.1971, c.137
3 (C.5:10-1 et seq.) or a lessee of the authority, shall make disposition
4 of the deposits remaining undistributed pursuant to section 44 of
5 P.L.1940, c.17 (C.5:5-64) as follows:

6 a. In the case of harness races:

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

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

21 (a) 37% thereof to increase purses and grant awards for starting
22 horses, as provided or as may be provided by rules of the New Jersey
23 Racing Commission, with payment to be made in the same manner as
24 payment of other purses and awards;

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

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

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

37 (3) Retain 7.7875%, or in the case of races on a charity racing day
38 7.20%, of so much of such total contributions for his own uses and
39 purposes. Notwithstanding the foregoing, for pools where the patron
40 is required to select two horses, the permitholder shall retain 8.7575%,
41 or in the case of races on a charity racing day 7.70%, of the total
42 contributions and for pools where the patron is required to select three
43 or more horses, the permitholder shall retain 11.6675%, or in the case
44 of races on a charity racing day 9.20%, of the total contributions.
45 Each permitholder shall contribute out of its 11.6675% or 9.20% share
46 of pools, where the patron is required to select three or more horses,

1 a sum deemed necessary by the racing commission, to finance a
2 prerace blood testing program, and such other testing programs which
3 the commission shall deem proper and necessary and which shall be
4 subject to the regulation and control of said commission.

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

29 (5) In the case of races on a racing day other than a charity racing
30 day, distribute to the Standardbred Breeders' and Owners' Association
31 of New Jersey for the administration of a health benefits program for
32 horsemen .29375% of such total contributions, except that for pools
33 where the patron is required to select two or more horses, the amount
34 shall be .52875%, and for pools where the patron is required to select
35 three or more horses, the amount shall be 1.23375%.

36 (6) In the case of races on a racing day other than a charity racing
37 day, distribute to the Sire Stakes Program for standardbred horses
38 .05% of such total contributions, except that for pools where the
39 patron is required to select two or more horses, the amount shall be
40 .09%, and for pools where the patron is required to select three or
41 more horses, the amount shall be .21%.

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

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1 where the patron is required to select three or more horses, the
2 amount shall be .105%.

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

8 b. In the case of running races:

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

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

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

27 (c) Retain 9.991%, or in the case of races on a charity racing day
28 9.85%, of such total contributions for his own uses and purposes. For
29 pools where the patron is required to select two horses, the
30 permitholder shall retain 11.061%, or in the case of races on a charity
31 racing day 10.92%, of the total contributions and for pools where the
32 patron is required to select three or more horses, the permitholder
33 shall retain 13.941%, or in the case of races on a charity racing day
34 13.33%, of the total contributions. Each permitholder shall contribute
35 out of its 13.941% or 13.33% share of pools, where the patron is
36 required to select three or more horses, a sum deemed necessary by
37 the racing commission, to finance a prerace blood testing program, and
38 such other testing programs which the commission shall deem proper
39 and necessary and which shall be subject to the regulation and control
40 of the commission.

41 (d) Distribute as purse money and for programs designed to aid the
42 horsemen and the New Jersey Thoroughbred Horsemen's Association
43 6.141%, or in the case of races on a charity racing day 6.00%, of such
44 contributions. Notwithstanding the foregoing, for pools where the
45 patron is required to select two horses, the permitholder shall
46 distribute as purse money 7.071%, or in the case of races on a charity

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

19 (e) Deduct and set aside in a special trust account for the
20 establishment and support by the commission of the thoroughbred
21 breeding industry in New Jersey .8% of such total contributions,
22 except that for pools where the patron is required to select three or
23 more horses, the amount shall be 1.3%. The money in the special trust
24 account shall be used to: (i) improve purses for closed races; (ii)
25 provide awards to owners and breeders of registered New Jersey bred
26 horses who earn portions of purses in open and closed races at New
27 Jersey race tracks or in closed races at an out-of-State track as part of
28 a multi-state event to promote thoroughbred breeding, and to owners
29 of stallions posted on the official stallion roster of the Thoroughbred
30 Breeders' Association of New Jersey, which sire such New Jersey bred
31 money earners; and (iii) provide awards to the New Jersey
32 Thoroughbred Breeders' Association for programs beneficial to
33 thoroughbred breeding in this State. The New Jersey thoroughbred
34 award program shall be administered and disbursed by the
35 Thoroughbred Breeders' Association of New Jersey subject to the
36 approval of the commission. The special trust account to be
37 established pursuant to this paragraph shall be separate and apart from
38 the special trust account established and maintained pursuant to
39 subparagraph (b) of this paragraph.

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

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

46 (h) In the case of races on a racing day other than a charity racing

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1 day, distribute to the Backstretch Benevolency Programs Fund created
2 pursuant to P.L.1993, c.15 (C.5:5-44.8) .006% of such total
3 contributions, except that for pools where the patron is required to
4 select three or more horses, the amount shall be .026%.

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

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

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

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

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

26 (c) Retain 9.305%, or in the case of races on a charity racing day
27 9.07%, of such total contributions for his own uses and purposes. For
28 pools where the patron is required to select two horses, the
29 permitholder shall retain 10.375%, or in the case of races on a charity
30 racing day 10.14%, of the total contributions and for pools where the
31 patron is required to select three or more horses, the permitholder
32 shall retain 13.545%, or in the case of races on a charity racing day
33 13.31%, of the total contributions. Each permitholder shall contribute
34 out of its 13.545% or 13.31% share of pools, where the patron is
35 required to select three or more horses, a sum deemed necessary by
36 the racing commission, to finance a prerace blood testing program, and
37 such other testing programs which the commission shall deem proper
38 and necessary and which shall be subject to the regulation and control
39 of the commission.

40 (d) Distribute as purse money and for programs designed to aid the
41 horsemen and the New Jersey Thoroughbred Horsemen's Association
42 6.815%, or in the case of races on a charity racing day 6.58%, of such
43 contributions. Notwithstanding the foregoing, for pools where the
44 patron is required to select two horses, the permitholder shall
45 distribute as purse money 7.745%, or in the case of races on a charity
46 racing day 7.51%, of such contributions and for pools where the

1 patron is required to select three or more horses, the permitholder
2 shall distribute as purse money 10.085%, or in the case of races on a
3 charity racing day 9.85%, of the total contributions. Expenditures for
4 programs designed to aid the horsemen and the New Jersey
5 Thoroughbred Horsemen's Association shall not exceed 2.5% of the
6 sum available for distribution as purse money from all parimutuel
7 pools. The formula for distribution of the purse money as either
8 overnight purses or special stakes shall be determined by an agreement
9 between the New Jersey Thoroughbred Horsemen's Association and
10 the permitholder. Notwithstanding the foregoing, for pools where a
11 patron is required to select three or more horses, each permitholder
12 shall retain out of the 10.085% or 9.85% to be distributed as purse
13 money a sum deemed necessary by the racing commission, for use by
14 the commission to finance a prerace blood testing program, and such
15 other testing programs which the commission shall deem proper and
16 necessary and which shall be subject to the regulation and control of
17 the commission.

18 (e) Deduct and set aside in a special trust account for the
19 establishment and support by the commission of the thoroughbred
20 breeding industry in New Jersey .8% of such total contributions,
21 except that for pools where the patron is required to select three or
22 more horses, the amount shall be 1.29%. The money in the special
23 trust account shall be used to: (i) improve purses for closed races; (ii)
24 provide awards to owners and breeders of registered New Jersey bred
25 horses who earn portions of purses in open and closed races at New
26 Jersey race tracks or in closed races at an out-of-State track as part of
27 a multi-state event to promote thoroughbred breeding, and to owners
28 of stallions posted on the official stallion roster of the Thoroughbred
29 Breeders' Association of New Jersey, which sire such New Jersey bred
30 money earners; and (iii) provide awards to the New Jersey
31 Thoroughbred Breeders' Association for programs beneficial to
32 thoroughbred breeding in this State. The New Jersey thoroughbred
33 award program shall be administered and disbursed by the
34 Thoroughbred Breeders' Association of New Jersey subject to the
35 approval of the commission. The special trust account to be
36 established pursuant to this paragraph shall be separate and apart from
37 the special trust account established and maintained pursuant to
38 subparagraph (b) of this paragraph.

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

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

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

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

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

7 (cf: P.L.2002, c.103, s.1)

8

9 3. Section 2 of P.L.2001, c.199 (C.5:5-128) is amended to read as
10 follows:

11 2. The Legislature finds and declares that:

12 a. The horse racing industry is economically important to this
13 State, and the general welfare of the people of the State will be
14 promoted by the advancement of horse racing and related projects and
15 facilities in the State.

16 b. It is the intent of the Legislature, by authorizing off-track
17 wagering and account wagering in this State, to promote the economic
18 future of the horse racing industry in this State, to foster the potential
19 for increased commerce, employment and recreational opportunities
20 in this State and to preserve the State's open spaces.

21 c. It is the further intent of the Legislature that facilities offering
22 off-track wagering opportunities to the public also offer other
23 amenities such as quality dining and handicapping facilities.

24 d. The Legislature has determined that the New Jersey Racing
25 Commission is best suited to oversee, license and regulate off-track
26 wagering and account wagering in the State, and that the New Jersey
27 Sports and Exposition Authority, by virtue of its experience in the
28 operation of parimutuel wagering facilities and other
29 entertainment-related projects in this State, is particularly well-suited
30 to coordinate with other parties to promote the uniformity and success
31 of off-track wagering throughout the State and to ensure the fiscal
32 soundness and technical reliability of an account wagering system,
33 pursuant to the terms of this act.

34 e. In establishing off-track wagering facilities, the authority will not
35 be performing an essential government function but rather an
36 essentially private business function. Numerous municipalities,
37 residents and businesses will be impacted by the establishment of
38 off-track wagering facilities throughout the State. A municipality may
39 oppose the placement of an off-track wagering facility within its
40 boundaries at the discretion of the authority and the commission. A
41 municipality may want an off-track wagering facility sited within its
42 boundaries, but only if the municipality receives an appropriate level
43 of property tax for municipal services. Therefore, fundamental
44 fairness dictates that any municipality be empowered to refuse the
45 siting of a facility within its boundaries. Fundamental fairness also
46 dictates that an off-track wagering facility, even if owned and not

1 leased by the authority, be subject to local property tax requirements.
2 f. By regulation of the Division of Alcoholic Beverage Control,
3 there exist special licenses that permit the sale of alcoholic beverages
4 on public property. These special licenses, typically available to the
5 authority, are inexpensive and circumvent the traditional method for
6 obtaining a license to sell alcoholic beverages. Because the
7 establishment of off-track wagering facilities is, in reality, essentially
8 a private business function and not an essential government function,
9 the authority is not permitted to receive a special license. Under this
10 act, only a private holder of a Class C plenary retail consumption
11 license is permitted to provide alcoholic beverages at an off-track
12 wagering facility.

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

14

15 4. Section 3 of P.L.2001, c.199 (C.5:5-129) is amended to read as
16 follows:

17 3. As used in this act:

18 "Account holder" means a resident of this State over age 18 who
19 establishes an account pursuant to this act through which account
20 wagers are placed.

21 "Account wagering" means a form of parimutuel wagering in which
22 an account holder may deposit money in an account with the account
23 wagering licensee and then use the account balance to pay for
24 parimutuel wagers by the account holder.

25 "Account wagering licensee" means the New Jersey Sports and
26 Exposition Authority or its assignee, provided that the commission has
27 granted its approval for the authority to establish an account wagering
28 system as provided for in this act.

29 "Account wagering system" means the system through which
30 account wagers are processed by the account wagering licensee
31 pursuant to this act.

32 "Authority" means the New Jersey Sports and Exposition Authority
33 created by section 4 of P.L.1971, c.137 (C.5:10-4).

34 "Backstretch Benevolency" means the Backstretch Benevolency
35 Programs Fund established pursuant to section 1 of P.L.1993, c.15
36 (C.5:5-44.8).

37 "Breeders and Stallions" means the distribution from the special
38 trust account created pursuant to section 46 a. (2) of P.L.1940, c.17
39 (C.5:5-66) for the purposes of subparagraph (c) of that citation.

40 "Breeding and Development" means the New Jersey Horse
41 Breeding and Development Account established pursuant to section 5
42 of P.L.1967, c.40 (C.5:5-88).

43 "Commission" means the New Jersey Racing Commission created
44 by section 1 of P.L.1940, c.17 (C.5:5-22).

45 "Executive Director" means the Executive Director of the
46 commission.

1 "Health and Welfare" means moneys distributed to the
2 Standardbred Breeders' and Owners' Association for the administration
3 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
4 c.17 (C.5:5-66).

5 "In-State host track" means a racetrack within this State which is
6 operated by a permit holder which conducts a horse race upon which
7 account wagers are placed pursuant to this act.

8 "In-State sending track" means a racetrack within this State which
9 is operated by a permit holder and is equipped to conduct off-track
10 simulcasting.

11 "In-State track" means an in-State host track or an in-State sending
12 track.

13 "Interstate common pool" means the parimutuel pool established
14 within this State or in another state or foreign nation within which is
15 combined parimutuel pools of one or more receiving tracks located in
16 one or more states or foreign nations upon a race at an out-of-State
17 sending track or out-of-State host track for the purpose of establishing
18 payoff prices in the various jurisdictions.

19 "Jockey's Health and Welfare" means a health and welfare trust
20 established by the organization certified by the New Jersey Racing
21 Commission as representing a majority of the active licensed
22 thoroughbred jockeys in New Jersey for the purpose of providing
23 health and welfare benefits to active, disabled and retired New Jersey
24 jockeys and their dependents based upon reasonable criteria by that
25 organization.

26 "New Jersey Racing Industry Special Fund" means the fund
27 established pursuant to section 27 of this act.

28 "New Jersey Thoroughbred [Horseman's] Horsemen's Association"
29 means the association representing the majority of New Jersey
30 thoroughbred owners and trainers responsible for receiving and
31 distributing funds for programs designed to aid thoroughbred
32 horsemen.

33 "Off-track simulcasting" means the simultaneous audio or visual
34 transmission of horse races conducted at in-State and out-of-State
35 racetracks to off-track wagering facilities and parimutuel wagering at
36 those off-track wagering facilities on the results of those races.

37 "Off-track wagering" means parimutuel wagering at an off-track
38 wagering facility as authorized under this act.

39 "Off-track wagering facility" means a licensed facility, other than a
40 racetrack, at which parimutuel wagering is conducted pursuant to this
41 act.

42 "Off-track wagering licensee" means the New Jersey Sports and
43 Exposition Authority or its assignee, provided that the commission has
44 granted its approval for the authority to conduct an off-track wagering
45 facility as provided for in this act.

46 "Out-of-State host track" means a racetrack in a jurisdiction other

1 than the State of New Jersey, the operator of which is lawfully
2 permitted to conduct a horse race meeting and which conducts horse
3 races upon which account wagers may be placed pursuant to this act.

4 "Out-of-State sending track" means a racetrack in a jurisdiction
5 other than the State of New Jersey which is equipped to conduct
6 off-track simulcasting and the operator of which is lawfully permitted
7 to conduct a horse race meeting and to provide simulcast horse races
8 to off-track wagering facilities in this State.

9 "Out-of-State track" means an out-of-State host track or an
10 out-of-State sending track.

11 "Outstanding parimutuel ticket" means a winning parimutuel ticket
12 which is not claimed within six months of sale.

13 "Parimutuel" means any system whereby wagers with respect to the
14 outcome of a horse race are placed with, or in, a wagering pool
15 conducted by an authorized person, and in which the participants are
16 wagering with each other and not against the person conducting the
17 wagering pool.

18 "Participation agreement" means the written contract that provides
19 for the establishment or implementation of either (a) an off-track
20 wagering facility or facilities or (b) an account wagering system. Each
21 such contract shall set forth the manner in which the off-track
22 wagering facility or facilities or the account wagering system shall be
23 managed, operated and capitalized, as well as how expenses and
24 revenues shall be allocated and distributed by and among the authority
25 and the other eligible participants.

26 "Permit holder" means the holder of an annual permit to conduct a
27 horse race meeting issued by the commission.

28 "Racetrack" means the physical facility where a permit holder
29 conducts a horse race meeting with parimutuel wagering.

30 "Racing costs" means the prospective and actual costs for all
31 licensing, investigation, operation, regulation, supervision and
32 enforcement activities and functions performed by the commission.

33 "Simulcast horse races" means horse races conducted at an in-State
34 sending track or an out-of-State sending track, as the case may be, and
35 transmitted simultaneously by picture to a receiving track or an
36 off-track wagering facility.

37 "Sire Stakes" means the Sire Stakes Program established pursuant
38 to section 1 of P.L.1971, c.85 (C.5:5-91).

39 "Standardbred Drivers' Health and Welfare" means a health and
40 welfare trust established by the Standardbred Breeders' and Owners'
41 Association of New Jersey for the purpose of providing health and
42 welfare benefits to active, disabled and retired New Jersey
43 standardbred drivers and their dependents based upon reasonable
44 criteria by that organization.

45 "Takeout" means that portion of a wager which is deducted from
46 or not included in the parimutuel pool, and which is distributed other

1 than to persons placing wagers.

2 "Thoroughbred Breeders and Stallions" means the special trust
3 account created pursuant to section 46 b.(1)(e) of P.L.1940, c.17
4 (C.5:5-66).

5 (cf: P.L.2001, c.199, s.3)

6

7 5. Section 4 of P.L.2001, c.199 (C.5:5-130) is amended to read as
8 follows:

9 4. a. The commission is authorized to issue a license to the
10 authority to permit off-track wagering at a specified facility, upon
11 application of the authority and in accordance with the provisions of
12 this act. A license issued pursuant to this act shall be valid for a
13 period of one year. The commission shall issue a license only if the
14 [authority schedules] permit holder at Monmouth Park and the
15 thoroughbred permit holder at Meadowlands Racetrack schedule at
16 least the minimum number of race dates required in section 30 of this
17 act, P.L.2001, c.199 (C.5:5-156), and it is satisfied that the authority
18 has entered into a participation agreement with each and every other
19 person, partnership, association, corporation, or authority or the
20 successor in interest to such person, partnership, association,
21 corporation or authority that:

22 (1) held a valid permit to hold or conduct a race horse meeting
23 within this State in the calendar year 2000;

24 (2) has complied with the terms of such permit; and

25 (3) is in good standing with the commission and the State of New
26 Jersey.

27 An off-track wagering license may not be transferred or assigned to
28 a successor in interest without the approval of the commission and the
29 Attorney General, which approval may not be unreasonably withheld.

30 b. As part of the license application process, any participation
31 agreement entered into for the purposes of this section, or any
32 modification to the agreement made thereafter, shall be reviewed by
33 the commission and the Attorney General to determine whether the
34 agreement meets the requirements of this act and shall be subject to
35 the approval of the commission and the Attorney General.

36 (cf: P.L.2001, c.199, s.4)

37

38 6. Section 5 of P.L.2001, c.199 (C.5:5-131) is amended to read as
39 follows:

40 5. a. At the time of filing an application for an off-track wagering
41 license, the authority shall submit to the commission a non-refundable
42 filing fee in an amount established by regulation by the commission,
43 and a certification in a form prescribed by the commission which
44 specifies, but is not limited to, the following information:

45 (1) a plan depicting the proposed facility and improvements
46 thereon, including information about the size, seating capacity, parking

- 1 and services to be provided at the facility;
- 2 (2) the location of the proposed facility, and relevant demographic
3 or other information concerning the municipality and surrounding area
4 where the proposed facility is to be located;
- 5 (3) the number of permanent and part-time jobs expected to be
6 created at the proposed facility, and gross revenues expected to be
7 generated by the facility;
- 8 (4) the fire evacuation plan for the proposed facility;
- 9 (5) the type of food and beverages available; and
- 10 (6) such other information as the commission may require.
- 11 b. [A] The authority shall file a separate application and
12 certification [shall be filed] for each proposed off-track wagering
13 facility [that the authority proposes to establish].
- 14 c. The commission shall establish by regulation procedures and
15 conditions for renewal of licenses issued under this act.
- 16 d. The commission shall by regulation establish the maximum hours
17 of operation of off-track wagering facilities.
- 18 e. Notwithstanding R.S.33:1-42, alcoholic beverages may be
19 offered for on-premise consumption at an off-track wagering facility
20 only if provided by a Class C plenary retail consumption licensee, by
21 an agreement or contract with the authority, pursuant to the provisions
22 of R.S.33:1-1 et seq. in accordance with such procedures as
23 established by statute and by regulation of the Division of Alcoholic
24 Beverage Control. The authority shall not hold a license to provide
25 alcoholic beverages at an off-track wagering facility.
- 26 f. Persons under the age of 18 years shall not be permitted in any
27 off-track wagering facility, except in dining areas if accompanied by
28 a parent or guardian.
- 29 g. The commission shall by regulation establish minimum standards
30 for off-track wagering facilities, including, but not limited to,
31 standards for size, seating capacity, parking and services to be
32 provided.
- 33 h. The authority, in lieu of obtaining municipal zoning and planning
34 approvals that may otherwise be required in connection with the
35 off-track wagering facility, shall submit a written notice of its intention
36 to site an off-track wagering facility to the governing body of the
37 municipality within which the facility would be sited. The notice shall
38 identify the proposed site of the facility by street address, if any, or by
39 reference to lot and block numbers as shown on the current tax
40 duplicate in the municipal tax assessor's offices. Within 45 days of its
41 receipt of the authority's notice of intention, the municipal governing
42 body may disapprove of the proposed site of an off-track wagering
43 facility by adopting a resolution which shall be valid and binding upon
44 the authority and the commission upon delivery of a duly certified
45 copy of the resolution to the authority and the commission. Whenever
46 a municipality determines to consider a resolution disapproving a

1 proposed off-track wagering facility, the authority shall be given an
2 opportunity to offer a public presentation of the proposed facility prior
3 to consideration of the resolution. A resolution disapproving a
4 proposed off-track wagering facility shall state the reasons for
5 disapproval.

6 In the event the governing body shall not adopt such a resolution,
7 the authority may seek a license for an off-track wagering facility in
8 that municipality and the commission may grant the authority the
9 license provided that:

10 (1) the proposed off-track wagering facility site is not in an area
11 zoned residential;

12 (2) the authority has submitted its plans to the municipal planning
13 board, and complied with the provisions of section 22 of P.L.1975,
14 c.291 (C.40:55D-31); and

15 (3) the authority has made reasonable efforts to address the
16 reasonable concerns expressed by the municipal planning board.

17 (cf: P.L.2001, c.199, s.5)

18

19 7. Section 7 of P.L.2001, c.199 (C.5:5-133) is amended to read as
20 follows:

21 7. a. No sooner than 30 days nor later than 60 days following the
22 public hearing, the commission shall make a final determination on the
23 license application. The commission shall approve the application if
24 it determines that the plan for the proposed facility includes
25 appropriate standards of quality for the premises and services it will
26 provide and that the authority has demonstrated by clear and
27 convincing evidence that establishment of the proposed off-track
28 wagering facility will not be inimical to the interests of the public and
29 the horse racing industry in this State. The commission shall submit
30 its determination to the Attorney General for review and approval.
31 The determination of the commission shall be deemed approved by the
32 Attorney General if not affirmatively approved or disapproved by the
33 Attorney General within 14 days of the date of submission. The
34 decision of the Attorney General shall be deemed a final decision.
35 Upon approval by the Attorney General, the commission shall issue to
36 the authority an off-track wagering license specifying the location, the
37 periods of time during a calendar year and the hours of operation
38 during which off-track wagering is permitted at the facility, and
39 prescribing any other conditions or terms the commission deems
40 appropriate.

41 b. With the approval of the commission, the authority may assign
42 an off-track wagering license to a permit holder, provided that the
43 authority shall retain responsibility for license renewals. In the event
44 the authority assigns an off-track wagering license, the assignee shall
45 reimburse the authority for its costs associated with the application for
46 the license. With the approval of the commission, the off-track

1 wagering licensee may enter into a contract or agreement with a
2 person or entity to conduct or operate an off-track wagering facility
3 for the licensee and to act as the agent of the licensee in all off-track
4 wagering matters approved by the commission.

5 (cf: P.L.2001, c.199, s.7)

6
7 8. Section 13 of P.L.2001, c.199 (C.5:5-139) is amended to read
8 as follows:

9 13. a. The commission is authorized to issue a license to the
10 authority to establish an account wagering system in accordance with
11 the provisions of this act, P.L.2001, c.199 (C.5:5-127 et seq.). A
12 license issued pursuant to this act shall be valid for a term of one year.
13 The commission shall issue a license only if the [authority schedules]
14 permit holder at Monmouth Park and the thoroughbred permit holder
15 at Meadowlands Racetrack schedule at least the minimum number of
16 race dates required in section 30 of this act, P.L.2001, c.199 (C.5:5-
17 156), and it is satisfied that the authority has entered into a
18 participation agreement with each and every person, partnership,
19 association, corporation or authority or the successor in interest to
20 such person, partnership, association, corporation or authority that:

21 (1) held a valid permit to hold or conduct a race horse meeting
22 within this State in the calendar year 2000 consisting of at least 40 live
23 race dates in the aggregate at the permit holder's racetrack;

24 (2) has complied with the terms of such permit; and

25 (3) is in good standing with the commission and the State of New
26 Jersey.

27 An account wagering license may not be transferred or assigned to
28 a successor in interest without the approval of the commission and the
29 Attorney General, which approval may not be unreasonably withheld.

30 b. As part of the license application process, any participation
31 agreement, or any modification to the agreement made thereafter,
32 entered into for the purposes of this section shall be reviewed by the
33 commission and the Attorney General to determine whether the
34 agreement meets the requirements of this act and shall be subject to
35 the approval of the commission and the Attorney General.

36 c. At the time of filing an application for licensure under this
37 section, the authority shall submit to the commission a non-refundable
38 filing fee in an amount established by regulation by the commission,
39 and a certification in a form prescribed by the commission which
40 specifies, but is not limited to, information about the operation of the
41 account wagering system and the authority's participation therein.

42 (cf: P.L.2001, c.199, s.13)

43
44 9. Section 14 of P.L.2001, c.199 (C.5:5-140) is amended to read
45 as follows:

46 14. a. Within 14 days of receipt of a completed application,

1 certification and applicable fees, the executive director shall determine
2 whether the same is in due form and meets the requirements of law in
3 all respects, and upon being satisfied thereof, the executive director,
4 within 45 days of receipt of a completed application, certification and
5 applicable fees, shall hold a public hearing, the costs of which shall be
6 paid by the applicant.

7 b. No sooner than 30 days nor later than 60 days following the
8 public hearing, the commission shall make a final determination on the
9 application. The commission shall approve the application if it
10 determines that the authority has demonstrated by clear and convincing
11 evidence that wagers placed through the proposed account wagering
12 system will be accurately processed and that there will be sufficient
13 safeguards to maintain the integrity of the horse racing industry in this
14 State. The commission's determination shall be submitted to the
15 Attorney General for review and approval. The determination of the
16 commission shall be deemed approved by the Attorney General if not
17 affirmatively approved or disapproved by the Attorney General within
18 14 days of the date of submission. The decision of the Attorney
19 General shall be deemed a final decision. Upon approval by the
20 Attorney General, the commission shall issue to the authority a license
21 to participate in the account wagering system.

22 c. With the approval of the commission, ~~[an] the authority may~~
23 ~~assign the account wagering license to a permit holder, provided that~~
24 ~~the authority shall retain responsibility for license renewals. In the~~
25 ~~event the authority assigns the account wagering license, the assignee~~
26 ~~shall reimburse the authority for its costs associated with the~~
27 ~~application for the license. With the approval of the commission, the~~
28 account wagering licensee may enter into a contract or agreement with
29 a person or entity to conduct or operate an account wagering system
30 or facility for the licensee and to act as the agent of the licensee in all
31 account wagering matters approved by the commission.

32 (cf: P.L.2001, c.199, s.14)

33

34 10. Section 30 of P.L.2001, c.199 (C.5:5-156) is amended to read
35 as follows:

36 30. a. The permit holder at Monmouth Park and the thoroughbred
37 permit holder at ~~[the] Meadowlands Racetrack~~ together shall schedule
38 (1) no fewer than 141 thoroughbred race dates in the aggregate in
39 each of calendar years 2002, 2003 and 2004; and (2) no fewer than
40 141 thoroughbred race dates in the aggregate in each calendar year
41 thereafter, provided that the permit holders may schedule fewer than
42 141 thoroughbred race dates in the aggregate if the commission
43 determines, upon application by the permit holders, that scheduling
44 fewer dates in that calendar year is in the best interest of the racing
45 industry and the State. In making its determination, the commission
46 shall consider all factors, including, but not limited to, handle, number

1 of starters, interstate competition, and export marketability.
2 Notwithstanding the foregoing, in no calendar year shall the permit
3 holders schedule, in the aggregate, fewer than 120 thoroughbred race
4 dates [;].

5 b. [the] The standardbred permit holder at [the] Meadowlands
6 Racetrack shall schedule annually no fewer than 151 standardbred race
7 dates [; and]

8 c. [the] The permit holders at Freehold Raceway shall schedule
9 annually no fewer than 192 standardbred race dates.

10 d. Notwithstanding subsection a. of this section, the permit holder
11 at Monmouth Park and the thoroughbred permit holder at
12 Meadowlands Racetrack may schedule 120 thoroughbred race dates
13 in the aggregate in each calendar year from 2004 through 2007 during
14 which the permit holder at Monmouth Park guarantees an average of
15 at least \$300,000 in daily overnight purses at Monmouth Park and the
16 thoroughbred permit holder at Meadowlands Racetrack guarantees an
17 average of at least \$240,000 in daily overnight purses for the
18 thoroughbred horse race meeting at the Meadowlands.

19 (cf: P.L.2001, c.199, s.30)

20

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

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

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

45 c. Application for said permit or permits shall be on such forms and
46 shall include such accompanying data as the Racing Commission shall

1 prescribe for other applicants. The Racing Commission shall proceed
2 to review and act on any such application within 30 days after its filing
3 and the Racing Commission is authorized in its sole discretion to
4 determine whether a permit shall be granted to the authority or a
5 lessee of the authority. If, after such review, the Racing Commission
6 acts favorably on such application, a permit shall be granted to the
7 authority or a lessee of the authority without any further approval and
8 shall remain in force and effect so long as any bonds or notes of the
9 authority remain outstanding, the provisions of any other law to the
10 contrary notwithstanding. In granting a permit to the authority or a
11 lessee of the authority to conduct a horse race meeting, the Racing
12 Commission shall not be subject to any limitation as to the number of
13 tracks authorized for the conduct of horse race meetings pursuant to
14 any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said permit shall
15 set forth the dates to be allotted to the authority for its initial horse
16 race meetings. Thereafter application for dates for horse race meetings
17 by the authority or a lessee of the authority and the allotment thereof
18 by the Racing Commission, including the renewal of the same dates
19 theretofore allotted, shall be governed by the applicable provisions of
20 P.L.1940, c.17 (C.5:5-22 et seq.). Notwithstanding the provisions of
21 any other law to the contrary, the Racing Commission shall allot
22 annually to the authority or a lessee of the authority for the
23 Meadowlands Complex, in the case of harness racing, not less than
24 100 racing days, and in the case of running racing, not less than 56
25 racing days, if and to the extent that application is made therefor.

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

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

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

38 (1) In the case of harness races:

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

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

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

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

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

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

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

45 (c) In the case of races on a racing day other than a charity racing
46 day, distribute to the Standardbred Breeders' and Owners' Association

1 of New Jersey for the administration of a health benefits program for
2 horsemen .1175% of such total contributions.

3 (d) In the case of races on a racing day other than a charity racing
4 day, distribute to the Sire Stakes Program for standardbred horses
5 .02% of such total contributions.

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

10 (2) In the case of running races:

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

16 (b) Distribute as purse money and for programs designed to aid the
17 horsemen and the New Jersey Thoroughbred Horsemen's Association
18 4.475%, or in the case of races on a charity racing day 4.24%, of such
19 total contributions. Expenditures for programs designed to aid the
20 horsemen and the New Jersey Thoroughbred Horsemen's Association
21 shall not exceed 2.9% of the sum available for distribution as purse
22 money. The formula for distribution of the purse money as either
23 overnight purses or special stakes shall be determined by an agreement
24 between the New Jersey Thoroughbred Horsemen's Association and
25 the authority or a lessee of the authority. Notwithstanding the
26 foregoing, for pools where the patron is required to select three or
27 more horses, the authority or a lessee of the authority shall distribute
28 as purse money 7.475%, or in the case of races on a charity racing day
29 7.24%, of the total contributions.

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

1 Thoroughbred Breeders' Association of New Jersey subject to the
2 approval of the commission. The special trust account to be
3 established pursuant to this paragraph shall be separate and apart from
4 the special trust account established and maintained pursuant to
5 subparagraph (a) of this paragraph.

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

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

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

19 In addition to the amounts above, in the case of races on a racing
20 day designated or allotted as a charity racing day pursuant to
21 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or
22 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of
23 1% of all parimutuel pools shall be paid to the commission at the time
24 and in the manner prescribed by the commission.

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

31 [In the event that a written agreement between the authority and
32 the respective horsemen's associations shall require the distribution of
33 additional sums of money to increase purses or contributions to the
34 special trust accounts hereinabove provided, or both, any such
35 distribution to be made in the year 1981 shall be made by the authority
36 only from, and to the extent of, available moneys from the preceding
37 year set aside for such purpose, after application of the authority's
38 revenues, moneys or other funds as provided in subsections c.(1), (2),
39 (3), (4), (5), (6) and (7) of section 6 of P.L.1971, c.137 (C.5:10-6).]

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

45 (1) In the case of running and harness races, beginning July 1, 1997
46 50% of those sums shall be paid to the Racing Commission for deposit

1 in the general fund of the State and disposition in accordance with
2 section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

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

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

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

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

33 (cf: P.L.2003, c.151, s.4)

34

35 12. This act shall take effect immediately and shall be retroactive
36 to January 1, 2004.

37

38

39

STATEMENT

40

41 This bill authorizes any entity that leases one or both of the horse
42 racetracks owned by New Jersey Sports and Exposition Authority to
43 apply to the New Jersey Racing Commission for a permit to conduct
44 horse racing at the leased racetrack(s) and to employ the distribution
45 formula for wagering proceeds that the authority uses under current
46 law.

1 The bill also provides that an off-track license or an account
2 wagering license issued to the authority by the racing commission
3 under the "Off-Track and Account Wagering Act" could be assigned
4 by the authority to an entity that holds a permit to conduct horse
5 racing in this State. Under this bill, even if the authority leases both
6 of its racetracks to one or two third parties, the authority would
7 continue to have a role in off-track wagering and account wagering as
8 a coordinating entity responsible for applying for and renewing off-
9 track and account wagering licenses, and as a signatory to the
10 participation agreement under the act. The participation agreement is
11 a contract among current horse racing permit holders that provides for
12 the management, operation, location and capitalization of the off-track
13 wagering facilities and the account wagering system, and for the
14 allocation and distribution of off-track and account wagering revenue.

15 Finally, the bill provides that the minimum aggregate thoroughbred
16 race dates for Monmouth Park and Meadowlands Racetrack required
17 under the "Off-Track and Account Wagering Act" may be reduced
18 from 141 to 120 in each calendar year from 2004 through 2007 during
19 which the permit holders at Monmouth Park and the Meadowlands
20 guarantee an average of at least \$300,000 in daily overnight purses at
21 Monmouth Park and an average of at least \$240,000 in daily overnight
22 purses for the thoroughbred horse race meeting at Meadowlands
23 Racetrack.

SENATE WAGERING, TOURISM AND HISTORIC
PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1127

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 7, 2004

The Senate Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate No. 1127.

As amended by the committee, this bill authorizes any entity that leases one or both of the horse racetracks owned by New Jersey Sports and Exposition Authority to apply to the New Jersey Racing Commission for a permit to conduct horse racing at the leased racetrack(s) and to employ the distribution formula for wagering proceeds that the authority uses under current law.

As amended by the committee, the bill also provides that an off-track license or an account wagering license issued to the authority by the racing commission under the "Off-Track and Account Wagering Act" could be assigned by the authority to an entity that holds a permit to conduct horse racing in this State. Under this bill, as amended, even if the authority leases both of its racetracks to one or two third parties, the authority would continue to have a role in off-track wagering and account wagering as a coordinating entity responsible for applying for and renewing off-track and account wagering licenses, and as a signatory to the participation agreement under the act. The participation agreement is a contract among current horse racing permit holders that provides for the management, operation, location and capitalization of the off-track wagering facilities and the account wagering system, and for the allocation and distribution of off-track and account wagering revenue.

The bill as amended also provides that the minimum aggregate thoroughbred race dates for Monmouth Park and Meadowlands Racetrack required under the "Off-Track and Account Wagering Act" may be reduced from 141 to 120 annually from 2004 through 2007, but only if the permit holders at Monmouth Park and the Meadowlands guarantee purses at those tracks not less than certain levels in each of those years. In 2008 and beyond, those permit holders are required to schedule no fewer than 141 thoroughbred race dates annually, except that beginning in 2017 the permit holders may schedule as few as 120

race dates upon application to and determination of the racing commission that scheduling fewer dates is in the best interest of the racing industry and the State.

Finally, as amended, the bill provides for the appointment of legislative liaisons between the sports authority and the Legislature with respect to the potential leasing of one or both of the authority's horse racetracks; the appointment of two additional board members of the authority by the Senate President and the Speaker of the General Assembly; and the authority to share its expertise in operating sports and entertainment venues by providing advisory or consulting services, with or without charge as it deems appropriate, to public entities with regard to a stadium, arena, concert hall or other sports or entertainment facility owned or operated by the entity as of January 1, 2004.

The committee adopted amendments to revise the minimum required thoroughbred race dates for Monmouth Park and Meadowlands Racetrack, provide for appointment of legislative liaisons to the Sports and Exposition Authority with regard to a racetrack lease agreement, provide for legislative appointment of two additional members of the sports authority board, and allow the authority to provide consulting services to public entities that own or operate a sports or entertainment facility.

STATEMENT TO

[First Reprint]

SENATE, No. 1127

with Senate Floor Amendments
(Proposed By Senator SARLO)

ADOPTED: JUNE 17, 2004

These floor amendments:

- C change the quorum for a meeting of the members of the New Jersey Sports and Exposition Authority from ten to nine, and retain number of votes needed to take action from ten to eight.
- C add management and operating services to the types of services the authority may provide, with or without charge at the authority's option, to public entities with regard to a sports or entertainment facility in operation as of January 1, 2004 and owned or operated by such entity as of January 1, 2004.
- C clarify that the entities the authority may provide the above mentioned services to are "any political subdivision of the State, or any agency or instrumentality of the State or of any political subdivision of the State"; this language replaces "a political subdivision or instrumentality of the State".

These floor amendments make this bill identical to Assembly, No.2232 (1R).

ASSEMBLY, No. 2232

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 9, 2004

Sponsored by:

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblyman MICHAEL PANTER

District 12 (Mercer and Monmouth)

Assemblyman ROBERT MORGAN

District 12 (Mercer and Monmouth)

SYNOPSIS

Allows NJ Sports and Exposition Authority to lease its racetracks and to assign off-track wagering and account wagering licenses.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/20/2004)

1 AN ACT providing for the leasing of horse race tracks owned by the
2 New Jersey Sports and Exposition Authority, amending various
3 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 as
9 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, less
18 an amount which shall not exceed 19% of the total deposits plus the
19 breaks. In every pool where the patron is required to select three or
20 more horses, every holder of a permit shall distribute all sums
21 deposited in each pool to the winners thereof, less an amount which
22 shall not exceed 25% of the total deposits plus the breaks. Every
23 permitholder shall distribute to the persons holding winning tickets in
24 any of the aforementioned pools, as a minimum, a sum not exceeding
25 \$0.10, calculated on the basis of each dollar deposited in any pool
26 after the deduction of the said 17%, 19% or 25%, as the case may be.
27 Should the amount remaining in the pool be insufficient to pay the
28 winners the minimum, the breakage accruing in that race, or any
29 necessary portion thereof, shall be applied toward making up any such
30 deficiency. The breaks are hereby defined as the odd cents over any
31 multiple of \$0.10, calculated on the basis of \$1.00 otherwise payable
32 to a patron. Every permitholder engaged in the business of conducting
33 running race meetings under this act, except the New Jersey Sports
34 and Exposition Authority established pursuant to P.L.1971, c.137
35 (C.5:10-1 et seq.) **[and the Garden State Racetrack as provided in**
36 **section 5 of P.L.1982, c.201 (C.5:5-98)]** or a lessee of the authority,
37 shall distribute as purse money the breaks as herein defined, except as
38 the same shall have been applied toward making up a deficiency in a
39 pool as herein provided. Every permitholder engaged in the business
40 of conducting harness race meetings under this act, except the New
41 Jersey Sports and Exposition Authority **[and the Garden State**
42 **Racetrack as provided in section 5 of P.L.1982, c.201 (C.5:5-98)]** or
43 a lessee of the authority, shall retain for his own uses and purposes

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 50% of the breaks as herein defined, except as the same shall have
2 been applied toward making up a deficiency in the pool as herein
3 provided, and shall distribute as purse money the remaining 50%. The
4 New Jersey Sports and Exposition Authority or a lessee of the
5 authority shall retain all breaks [commencing on May 10, 1971] as
6 revenue [to the authority], except as the same shall have been applied
7 toward making up a deficiency in a pool as herein provided.

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

16 a. In the case of running and harness races, beginning July 1, 1997
17 50% of those sums shall be paid to the racing commission for deposit
18 in the general fund of the State and disposition in accordance with
19 section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

24 c. In the case of harness races, 25% of those sums shall be retained
25 by the permitholder to supplement purses for sire stakes races on
26 which there is parimutuel wagering, and 25% shall be retained by the
27 permitholder to supplement overnight purses.

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

42 (cf: P.L.1997, c.29, s.1)

43

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

46 46. Every permitholder engaged in the business of conducting

1 horse race meetings under this act, except the New Jersey Sports and
2 Exposition Authority established pursuant to P.L.1971, c.137
3 (C.5:10-1 et seq.) or a lessee of the authority, shall make disposition
4 of the deposits remaining undistributed pursuant to section 44 of
5 P.L.1940, c.17 (C.5:5-64) as follows:

6 a. In the case of harness races:

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

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

21 (a) 37% thereof to increase purses and grant awards for starting
22 horses, as provided or as may be provided by rules of the New Jersey
23 Racing Commission, with payment to be made in the same manner as
24 payment of other purses and awards;

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

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

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

37 (3) Retain 7.7875%, or in the case of races on a charity racing day
38 7.20%, of so much of such total contributions for his own uses and
39 purposes. Notwithstanding the foregoing, for pools where the patron
40 is required to select two horses, the permitholder shall retain 8.7575%,
41 or in the case of races on a charity racing day 7.70%, of the total
42 contributions and for pools where the patron is required to select three
43 or more horses, the permitholder shall retain 11.6675%, or in the case
44 of races on a charity racing day 9.20%, of the total contributions.
45 Each permitholder shall contribute out of its 11.6675% or 9.20% share
46 of pools, where the patron is required to select three or more horses,

1 a sum deemed necessary by the racing commission, to finance a
2 prerace blood testing program, and such other testing programs which
3 the commission shall deem proper and necessary and which shall be
4 subject to the regulation and control of said commission.

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

29 (5) In the case of races on a racing day other than a charity racing
30 day, distribute to the Standardbred Breeders' and Owners' Association
31 of New Jersey for the administration of a health benefits program for
32 horsemen .29375% of such total contributions, except that for pools
33 where the patron is required to select two or more horses, the amount
34 shall be .52875%, and for pools where the patron is required to select
35 three or more horses, the amount shall be 1.23375%.

36 (6) In the case of races on a racing day other than a charity racing
37 day, distribute to the Sire Stakes Program for standardbred horses
38 .05% of such total contributions, except that for pools where the
39 patron is required to select two or more horses, the amount shall be
40 .09%, and for pools where the patron is required to select three or
41 more horses, the amount shall be .21%.

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

1 where the patron is required to select three or more horses, the
2 amount shall be .105%.

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

8 b. In the case of running races:

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

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

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

27 (c) Retain 9.991%, or in the case of races on a charity racing day
28 9.85%, of such total contributions for his own uses and purposes. For
29 pools where the patron is required to select two horses, the
30 permitholder shall retain 11.061%, or in the case of races on a charity
31 racing day 10.92%, of the total contributions and for pools where the
32 patron is required to select three or more horses, the permitholder
33 shall retain 13.941%, or in the case of races on a charity racing day
34 13.33%, of the total contributions. Each permitholder shall contribute
35 out of its 13.941% or 13.33% share of pools, where the patron is
36 required to select three or more horses, a sum deemed necessary by
37 the racing commission, to finance a prerace blood testing program, and
38 such other testing programs which the commission shall deem proper
39 and necessary and which shall be subject to the regulation and control
40 of the commission.

41 (d) Distribute as purse money and for programs designed to aid the
42 horsemen and the New Jersey Thoroughbred Horsemen's Association
43 6.141%, or in the case of races on a charity racing day 6.00%, of such
44 contributions. Notwithstanding the foregoing, for pools where the
45 patron is required to select two horses, the permitholder shall
46 distribute as purse money 7.071%, or in the case of races on a charity

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

19 (e) Deduct and set aside in a special trust account for the
20 establishment and support by the commission of the thoroughbred
21 breeding industry in New Jersey .8% of such total contributions,
22 except that for pools where the patron is required to select three or
23 more horses, the amount shall be 1.3%. The money in the special trust
24 account shall be used to: (i) improve purses for closed races; (ii)
25 provide awards to owners and breeders of registered New Jersey bred
26 horses who earn portions of purses in open and closed races at New
27 Jersey race tracks or in closed races at an out-of-State track as part of
28 a multi-state event to promote thoroughbred breeding, and to owners
29 of stallions posted on the official stallion roster of the Thoroughbred
30 Breeders' Association of New Jersey, which sire such New Jersey bred
31 money earners; and (iii) provide awards to the New Jersey
32 Thoroughbred Breeders' Association for programs beneficial to
33 thoroughbred breeding in this State. The New Jersey thoroughbred
34 award program shall be administered and disbursed by the
35 Thoroughbred Breeders' Association of New Jersey subject to the
36 approval of the commission. The special trust account to be
37 established pursuant to this paragraph shall be separate and apart from
38 the special trust account established and maintained pursuant to
39 subparagraph (b) of this paragraph.

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

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

46 (h) In the case of races on a racing day other than a charity racing

1 day, distribute to the Backstretch Benevolency Programs Fund created
2 pursuant to P.L.1993, c.15 (C.5:5-44.8) .006% of such total
3 contributions, except that for pools where the patron is required to
4 select three or more horses, the amount shall be .026%.

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

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

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

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

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

26 (c) Retain 9.305%, or in the case of races on a charity racing day
27 9.07%, of such total contributions for his own uses and purposes. For
28 pools where the patron is required to select two horses, the
29 permitholder shall retain 10.375%, or in the case of races on a charity
30 racing day 10.14%, of the total contributions and for pools where the
31 patron is required to select three or more horses, the permitholder
32 shall retain 13.545%, or in the case of races on a charity racing day
33 13.31%, of the total contributions. Each permitholder shall contribute
34 out of its 13.545% or 13.31% share of pools, where the patron is
35 required to select three or more horses, a sum deemed necessary by
36 the racing commission, to finance a prerace blood testing program, and
37 such other testing programs which the commission shall deem proper
38 and necessary and which shall be subject to the regulation and control
39 of the commission.

40 (d) Distribute as purse money and for programs designed to aid the
41 horsemen and the New Jersey Thoroughbred Horsemen's Association
42 6.815%, or in the case of races on a charity racing day 6.58%, of such
43 contributions. Notwithstanding the foregoing, for pools where the
44 patron is required to select two horses, the permitholder shall
45 distribute as purse money 7.745%, or in the case of races on a charity
46 racing day 7.51%, of such contributions and for pools where the

1 patron is required to select three or more horses, the permitholder
2 shall distribute as purse money 10.085%, or in the case of races on a
3 charity racing day 9.85%, of the total contributions. Expenditures for
4 programs designed to aid the horsemen and the New Jersey
5 Thoroughbred Horsemen's Association shall not exceed 2.5% of the
6 sum available for distribution as purse money from all parimutuel
7 pools. The formula for distribution of the purse money as either
8 overnight purses or special stakes shall be determined by an agreement
9 between the New Jersey Thoroughbred Horsemen's Association and
10 the permitholder. Notwithstanding the foregoing, for pools where a
11 patron is required to select three or more horses, each permitholder
12 shall retain out of the 10.085% or 9.85% to be distributed as purse
13 money a sum deemed necessary by the racing commission, for use by
14 the commission to finance a prerace blood testing program, and such
15 other testing programs which the commission shall deem proper and
16 necessary and which shall be subject to the regulation and control of
17 the commission.

18 (e) Deduct and set aside in a special trust account for the
19 establishment and support by the commission of the thoroughbred
20 breeding industry in New Jersey .8% of such total contributions,
21 except that for pools where the patron is required to select three or
22 more horses, the amount shall be 1.29%. The money in the special
23 trust account shall be used to: (i) improve purses for closed races; (ii)
24 provide awards to owners and breeders of registered New Jersey bred
25 horses who earn portions of purses in open and closed races at New
26 Jersey race tracks or in closed races at an out-of-State track as part of
27 a multi-state event to promote thoroughbred breeding, and to owners
28 of stallions posted on the official stallion roster of the Thoroughbred
29 Breeders' Association of New Jersey, which sire such New Jersey bred
30 money earners; and (iii) provide awards to the New Jersey
31 Thoroughbred Breeders' Association for programs beneficial to
32 thoroughbred breeding in this State. The New Jersey thoroughbred
33 award program shall be administered and disbursed by the
34 Thoroughbred Breeders' Association of New Jersey subject to the
35 approval of the commission. The special trust account to be
36 established pursuant to this paragraph shall be separate and apart from
37 the special trust account established and maintained pursuant to
38 subparagraph (b) of this paragraph.

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

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

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

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

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

7 (cf: P.L.2002, c.103, s.1)

8

9 3. Section 2 of P.L.2001, c.199 (C.5:5-128) is amended to read as
10 follows:

11 2. The Legislature finds and declares that:

12 a. The horse racing industry is economically important to this
13 State, and the general welfare of the people of the State will be
14 promoted by the advancement of horse racing and related projects and
15 facilities in the State.

16 b. It is the intent of the Legislature, by authorizing off-track
17 wagering and account wagering in this State, to promote the economic
18 future of the horse racing industry in this State, to foster the potential
19 for increased commerce, employment and recreational opportunities
20 in this State and to preserve the State's open spaces.

21 c. It is the further intent of the Legislature that facilities offering
22 off-track wagering opportunities to the public also offer other
23 amenities such as quality dining and handicapping facilities.

24 d. The Legislature has determined that the New Jersey Racing
25 Commission is best suited to oversee, license and regulate off-track
26 wagering and account wagering in the State, and that the New Jersey
27 Sports and Exposition Authority, by virtue of its experience in the
28 operation of parimutuel wagering facilities and other
29 entertainment-related projects in this State, is particularly well-suited
30 to coordinate with other parties to promote the uniformity and success
31 of off-track wagering throughout the State and to ensure the fiscal
32 soundness and technical reliability of an account wagering system,
33 pursuant to the terms of this act.

34 e. In establishing off-track wagering facilities, the authority will not
35 be performing an essential government function but rather an
36 essentially private business function. Numerous municipalities,
37 residents and businesses will be impacted by the establishment of
38 off-track wagering facilities throughout the State. A municipality may
39 oppose the placement of an off-track wagering facility within its
40 boundaries at the discretion of the authority and the commission. A
41 municipality may want an off-track wagering facility sited within its
42 boundaries, but only if the municipality receives an appropriate level
43 of property tax for municipal services. Therefore, fundamental
44 fairness dictates that any municipality be empowered to refuse the
45 siting of a facility within its boundaries. Fundamental fairness also
46 dictates that an off-track wagering facility, even if owned and not

1 leased by the authority, be subject to local property tax requirements.
2 f. By regulation of the Division of Alcoholic Beverage Control,
3 there exist special licenses that permit the sale of alcoholic beverages
4 on public property. These special licenses, typically available to the
5 authority, are inexpensive and circumvent the traditional method for
6 obtaining a license to sell alcoholic beverages. Because the
7 establishment of off-track wagering facilities is, in reality, essentially
8 a private business function and not an essential government function,
9 the authority is not permitted to receive a special license. Under this
10 act, only a private holder of a Class C plenary retail consumption
11 license is permitted to provide alcoholic beverages at an off-track
12 wagering facility.

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

14

15 4. Section 3 of P.L.2001, c.199 (C.5:5-129) is amended to read as
16 follows:

17 3. As used in this act:

18 "Account holder" means a resident of this State over age 18 who
19 establishes an account pursuant to this act through which account
20 wagers are placed.

21 "Account wagering" means a form of parimutuel wagering in which
22 an account holder may deposit money in an account with the account
23 wagering licensee and then use the account balance to pay for
24 parimutuel wagers by the account holder.

25 "Account wagering licensee" means the New Jersey Sports and
26 Exposition Authority or its assignee, provided that the commission has
27 granted its approval for the authority to establish an account wagering
28 system as provided for in this act.

29 "Account wagering system" means the system through which
30 account wagers are processed by the account wagering licensee
31 pursuant to this act.

32 "Authority" means the New Jersey Sports and Exposition Authority
33 created by section 4 of P.L.1971, c.137 (C.5:10-4).

34 "Backstretch Benevolency" means the Backstretch Benevolency
35 Programs Fund established pursuant to section 1 of P.L.1993, c.15
36 (C.5:5-44.8).

37 "Breeders and Stallions" means the distribution from the special
38 trust account created pursuant to section 46 a. (2) of P.L.1940, c.17
39 (C.5:5-66) for the purposes of subparagraph (c) of that citation.

40 "Breeding and Development" means the New Jersey Horse
41 Breeding and Development Account established pursuant to section 5
42 of P.L.1967, c.40 (C.5:5-88).

43 "Commission" means the New Jersey Racing Commission created
44 by section 1 of P.L.1940, c.17 (C.5:5-22).

45 "Executive Director" means the Executive Director of the
46 commission.

1 "Health and Welfare" means moneys distributed to the
2 Standardbred Breeders' and Owners' Association for the administration
3 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
4 c.17 (C.5:5-66).

5 "In-State host track" means a racetrack within this State which is
6 operated by a permit holder which conducts a horse race upon which
7 account wagers are placed pursuant to this act.

8 "In-State sending track" means a racetrack within this State which
9 is operated by a permit holder and is equipped to conduct off-track
10 simulcasting.

11 "In-State track" means an in-State host track or an in-State sending
12 track.

13 "Interstate common pool" means the parimutuel pool established
14 within this State or in another state or foreign nation within which is
15 combined parimutuel pools of one or more receiving tracks located in
16 one or more states or foreign nations upon a race at an out-of-State
17 sending track or out-of-State host track for the purpose of establishing
18 payoff prices in the various jurisdictions.

19 "Jockey's Health and Welfare" means a health and welfare trust
20 established by the organization certified by the New Jersey Racing
21 Commission as representing a majority of the active licensed
22 thoroughbred jockeys in New Jersey for the purpose of providing
23 health and welfare benefits to active, disabled and retired New Jersey
24 jockeys and their dependents based upon reasonable criteria by that
25 organization.

26 "New Jersey Racing Industry Special Fund" means the fund
27 established pursuant to section 27 of this act.

28 "New Jersey Thoroughbred [Horseman's] Horsemen's Association"
29 means the association representing the majority of New Jersey
30 thoroughbred owners and trainers responsible for receiving and
31 distributing funds for programs designed to aid thoroughbred
32 horsemen.

33 "Off-track simulcasting" means the simultaneous audio or visual
34 transmission of horse races conducted at in-State and out-of-State
35 racetracks to off-track wagering facilities and parimutuel wagering at
36 those off-track wagering facilities on the results of those races.

37 "Off-track wagering" means parimutuel wagering at an off-track
38 wagering facility as authorized under this act.

39 "Off-track wagering facility" means a licensed facility, other than a
40 racetrack, at which parimutuel wagering is conducted pursuant to this
41 act.

42 "Off-track wagering licensee" means the New Jersey Sports and
43 Exposition Authority or its assignee, provided that the commission has
44 granted its approval for the authority to conduct an off-track wagering
45 facility as provided for in this act.

46 "Out-of-State host track" means a racetrack in a jurisdiction other

1 than the State of New Jersey, the operator of which is lawfully
2 permitted to conduct a horse race meeting and which conducts horse
3 races upon which account wagers may be placed pursuant to this act.

4 "Out-of-State sending track" means a racetrack in a jurisdiction
5 other than the State of New Jersey which is equipped to conduct
6 off-track simulcasting and the operator of which is lawfully permitted
7 to conduct a horse race meeting and to provide simulcast horse races
8 to off-track wagering facilities in this State.

9 "Out-of-State track" means an out-of-State host track or an
10 out-of-State sending track.

11 "Outstanding parimutuel ticket" means a winning parimutuel ticket
12 which is not claimed within six months of sale.

13 "Parimutuel" means any system whereby wagers with respect to the
14 outcome of a horse race are placed with, or in, a wagering pool
15 conducted by an authorized person, and in which the participants are
16 wagering with each other and not against the person conducting the
17 wagering pool.

18 "Participation agreement" means the written contract that provides
19 for the establishment or implementation of either (a) an off-track
20 wagering facility or facilities or (b) an account wagering system. Each
21 such contract shall set forth the manner in which the off-track
22 wagering facility or facilities or the account wagering system shall be
23 managed, operated and capitalized, as well as how expenses and
24 revenues shall be allocated and distributed by and among the authority
25 and the other eligible participants.

26 "Permit holder" means the holder of an annual permit to conduct a
27 horse race meeting issued by the commission.

28 "Racetrack" means the physical facility where a permit holder
29 conducts a horse race meeting with parimutuel wagering.

30 "Racing costs" means the prospective and actual costs for all
31 licensing, investigation, operation, regulation, supervision and
32 enforcement activities and functions performed by the commission.

33 "Simulcast horse races" means horse races conducted at an in-State
34 sending track or an out-of-State sending track, as the case may be, and
35 transmitted simultaneously by picture to a receiving track or an
36 off-track wagering facility.

37 "Sire Stakes" means the Sire Stakes Program established pursuant
38 to section 1 of P.L.1971, c.85 (C.5:5-91).

39 "Standardbred Drivers' Health and Welfare" means a health and
40 welfare trust established by the Standardbred Breeders' and Owners'
41 Association of New Jersey for the purpose of providing health and
42 welfare benefits to active, disabled and retired New Jersey
43 standardbred drivers and their dependents based upon reasonable
44 criteria by that organization.

45 "Takeout" means that portion of a wager which is deducted from
46 or not included in the parimutuel pool, and which is distributed other

1 than to persons placing wagers.

2 "Thoroughbred Breeders and Stallions" means the special trust
3 account created pursuant to section 46 b.(1)(e) of P.L.1940, c.17
4 (C.5:5-66).

5 (cf: P.L.2001, c.199, s.3)

6

7 5. Section 4 of P.L.2001, c.199 (C.5:5-130) is amended to read as
8 follows:

9 4. a. The commission is authorized to issue a license to the
10 authority to permit off-track wagering at a specified facility, upon
11 application of the authority and in accordance with the provisions of
12 this act. A license issued pursuant to this act shall be valid for a
13 period of one year. The commission shall issue a license only if the
14 [authority schedules] permit holder at Monmouth Park and the
15 thoroughbred permit holder at Meadowlands Racetrack schedule at
16 least the minimum number of race dates required in section 30 of this
17 act, P.L.2001, c.199 (C.5:5-156), and it is satisfied that the authority
18 has entered into a participation agreement with each and every other
19 person, partnership, association, corporation, or authority or the
20 successor in interest to such person, partnership, association,
21 corporation or authority that:

22 (1) held a valid permit to hold or conduct a race horse meeting
23 within this State in the calendar year 2000;

24 (2) has complied with the terms of such permit; and

25 (3) is in good standing with the commission and the State of New
26 Jersey.

27 An off-track wagering license may not be transferred or assigned to
28 a successor in interest without the approval of the commission and the
29 Attorney General, which approval may not be unreasonably withheld.

30 b. As part of the license application process, any participation
31 agreement entered into for the purposes of this section, or any
32 modification to the agreement made thereafter, shall be reviewed by
33 the commission and the Attorney General to determine whether the
34 agreement meets the requirements of this act and shall be subject to
35 the approval of the commission and the Attorney General.

36 (cf: P.L.2001, c.199, s.4)

37

38 6. Section 5 of P.L.2001, c.199 (C.5:5-131) is amended to read as
39 follows:

40 5. a. At the time of filing an application for an off-track wagering
41 license, the authority shall submit to the commission a non-refundable
42 filing fee in an amount established by regulation by the commission,
43 and a certification in a form prescribed by the commission which
44 specifies, but is not limited to, the following information:

45 (1) a plan depicting the proposed facility and improvements
46 thereon, including information about the size, seating capacity, parking

- 1 and services to be provided at the facility;
- 2 (2) the location of the proposed facility, and relevant demographic
3 or other information concerning the municipality and surrounding area
4 where the proposed facility is to be located;
- 5 (3) the number of permanent and part-time jobs expected to be
6 created at the proposed facility, and gross revenues expected to be
7 generated by the facility;
- 8 (4) the fire evacuation plan for the proposed facility;
- 9 (5) the type of food and beverages available; and
- 10 (6) such other information as the commission may require.
- 11 b. **[A]** The authority shall file a separate application and
12 certification **[shall be filed]** for each proposed off-track wagering
13 facility **[that the authority proposes to establish]**.
- 14 c. The commission shall establish by regulation procedures and
15 conditions for renewal of licenses issued under this act.
- 16 d. The commission shall by regulation establish the maximum hours
17 of operation of off-track wagering facilities.
- 18 e. Notwithstanding R.S.33:1-42, alcoholic beverages may be
19 offered for on-premise consumption at an off-track wagering facility
20 only if provided by a Class C plenary retail consumption licensee, by
21 an agreement or contract with the authority, pursuant to the provisions
22 of R.S.33:1-1 et seq. in accordance with such procedures as
23 established by statute and by regulation of the Division of Alcoholic
24 Beverage Control. The authority shall not hold a license to provide
25 alcoholic beverages at an off-track wagering facility.
- 26 f. Persons under the age of 18 years shall not be permitted in any
27 off-track wagering facility, except in dining areas if accompanied by
28 a parent or guardian.
- 29 g. The commission shall by regulation establish minimum standards
30 for off-track wagering facilities, including, but not limited to,
31 standards for size, seating capacity, parking and services to be
32 provided.
- 33 h. The authority, in lieu of obtaining municipal zoning and planning
34 approvals that may otherwise be required in connection with the
35 off-track wagering facility, shall submit a written notice of its intention
36 to site an off-track wagering facility to the governing body of the
37 municipality within which the facility would be sited. The notice shall
38 identify the proposed site of the facility by street address, if any, or by
39 reference to lot and block numbers as shown on the current tax
40 duplicate in the municipal tax assessor's offices. Within 45 days of its
41 receipt of the authority's notice of intention, the municipal governing
42 body may disapprove of the proposed site of an off-track wagering
43 facility by adopting a resolution which shall be valid and binding upon
44 the authority and the commission upon delivery of a duly certified
45 copy of the resolution to the authority and the commission. Whenever
46 a municipality determines to consider a resolution disapproving a

1 proposed off-track wagering facility, the authority shall be given an
2 opportunity to offer a public presentation of the proposed facility prior
3 to consideration of the resolution. A resolution disapproving a
4 proposed off-track wagering facility shall state the reasons for
5 disapproval.

6 In the event the governing body shall not adopt such a resolution,
7 the authority may seek a license for an off-track wagering facility in
8 that municipality and the commission may grant the authority the
9 license provided that:

10 (1) the proposed off-track wagering facility site is not in an area
11 zoned residential;

12 (2) the authority has submitted its plans to the municipal planning
13 board, and complied with the provisions of section 22 of P.L.1975,
14 c.291 (C.40:55D-31); and

15 (3) the authority has made reasonable efforts to address the
16 reasonable concerns expressed by the municipal planning board.

17 (cf: P.L.2001, c.199, s.5)

18

19 7. Section 7 of P.L.2001, c.199 (C.5:5-133) is amended to read as
20 follows:

21 7. a. No sooner than 30 days nor later than 60 days following the
22 public hearing, the commission shall make a final determination on the
23 license application. The commission shall approve the application if
24 it determines that the plan for the proposed facility includes
25 appropriate standards of quality for the premises and services it will
26 provide and that the authority has demonstrated by clear and
27 convincing evidence that establishment of the proposed off-track
28 wagering facility will not be inimical to the interests of the public and
29 the horse racing industry in this State. The commission shall submit
30 its determination to the Attorney General for review and approval.
31 The determination of the commission shall be deemed approved by the
32 Attorney General if not affirmatively approved or disapproved by the
33 Attorney General within 14 days of the date of submission. The
34 decision of the Attorney General shall be deemed a final decision.
35 Upon approval by the Attorney General, the commission shall issue to
36 the authority an off-track wagering license specifying the location, the
37 periods of time during a calendar year and the hours of operation
38 during which off-track wagering is permitted at the facility, and
39 prescribing any other conditions or terms the commission deems
40 appropriate.

41 b. With the approval of the commission, the authority may assign
42 an off-track wagering license to a permit holder, provided that the
43 authority shall retain responsibility for license renewals. In the event
44 the authority assigns an off-track wagering license, the assignee shall
45 reimburse the authority for its costs associated with the application for
46 the license. With the approval of the commission, the off-track

1 wagering licensee may enter into a contract or agreement with a
2 person or entity to conduct or operate an off-track wagering facility
3 for the licensee and to act as the agent of the licensee in all off-track
4 wagering matters approved by the commission.

5 (cf: P.L.2001, c.199, s.7)

6
7 8. Section 13 of P.L.2001, c.199 (C.5:5-139) is amended to read
8 as follows:

9 13. a. The commission is authorized to issue a license to the
10 authority to establish an account wagering system in accordance with
11 the provisions of this act, P.L.2001, c.199 (C.5:5-127 et seq.). A
12 license issued pursuant to this act shall be valid for a term of one year.
13 The commission shall issue a license only if the [authority schedules]
14 permit holder at Monmouth Park and the thoroughbred permit holder
15 at Meadowlands Racetrack schedule at least the minimum number of
16 race dates required in section 30 of this act, P.L.2001, c.199 (C.5:5-
17 156), and it is satisfied that the authority has entered into a
18 participation agreement with each and every person, partnership,
19 association, corporation or authority or the successor in interest to
20 such person, partnership, association, corporation or authority that:

21 (1) held a valid permit to hold or conduct a race horse meeting
22 within this State in the calendar year 2000 consisting of at least 40 live
23 race dates in the aggregate at the permit holder's racetrack;

24 (2) has complied with the terms of such permit; and

25 (3) is in good standing with the commission and the State of New
26 Jersey.

27 An account wagering license may not be transferred or assigned to
28 a successor in interest without the approval of the commission and the
29 Attorney General, which approval may not be unreasonably withheld.

30 b. As part of the license application process, any participation
31 agreement, or any modification to the agreement made thereafter,
32 entered into for the purposes of this section shall be reviewed by the
33 commission and the Attorney General to determine whether the
34 agreement meets the requirements of this act and shall be subject to
35 the approval of the commission and the Attorney General.

36 c. At the time of filing an application for licensure under this
37 section, the authority shall submit to the commission a non-refundable
38 filing fee in an amount established by regulation by the commission,
39 and a certification in a form prescribed by the commission which
40 specifies, but is not limited to, information about the operation of the
41 account wagering system and the authority's participation therein.

42 (cf: P.L.2001, c.199, s.13)

43
44 9. Section 14 of P.L.2001, c.199 (C.5:5-140) is amended to read
45 as follows:

46 14. a. Within 14 days of receipt of a completed application,

1 certification and applicable fees, the executive director shall determine
2 whether the same is in due form and meets the requirements of law in
3 all respects, and upon being satisfied thereof, the executive director,
4 within 45 days of receipt of a completed application, certification and
5 applicable fees, shall hold a public hearing, the costs of which shall be
6 paid by the applicant.

7 b. No sooner than 30 days nor later than 60 days following the
8 public hearing, the commission shall make a final determination on the
9 application. The commission shall approve the application if it
10 determines that the authority has demonstrated by clear and convincing
11 evidence that wagers placed through the proposed account wagering
12 system will be accurately processed and that there will be sufficient
13 safeguards to maintain the integrity of the horse racing industry in this
14 State. The commission's determination shall be submitted to the
15 Attorney General for review and approval. The determination of the
16 commission shall be deemed approved by the Attorney General if not
17 affirmatively approved or disapproved by the Attorney General within
18 14 days of the date of submission. The decision of the Attorney
19 General shall be deemed a final decision. Upon approval by the
20 Attorney General, the commission shall issue to the authority a license
21 to participate in the account wagering system.

22 c. With the approval of the commission, ~~[an] the authority may~~
23 assign the account wagering license to a permit holder, provided that
24 the authority shall retain responsibility for license renewals. In the
25 event the authority assigns the account wagering license, the assignee
26 shall reimburse the authority for its costs associated with the
27 application for the license. With the approval of the commission, the
28 account wagering licensee may enter into a contract or agreement with
29 a person or entity to conduct or operate an account wagering system
30 or facility for the licensee and to act as the agent of the licensee in all
31 account wagering matters approved by the commission.

32 (cf: P.L.2001, c.199, s.14)

33

34 10. Section 30 of P.L.2001, c.199 (C.5:5-156) is amended to read
35 as follows:

36 30. a. The permit holder at Monmouth Park and the thoroughbred
37 permit holder at ~~[the] Meadowlands Racetrack~~ together shall schedule
38 (1) no fewer than 141 thoroughbred race dates in the aggregate in
39 each of calendar years 2002, 2003 and 2004; and (2) no fewer than
40 141 thoroughbred race dates in the aggregate in each calendar year
41 thereafter, provided that the permit holders may schedule fewer than
42 141 thoroughbred race dates in the aggregate if the commission
43 determines, upon application by the permit holders, that scheduling
44 fewer dates in that calendar year is in the best interest of the racing
45 industry and the State. In making its determination, the commission
46 shall consider all factors, including, but not limited to, handle, number

1 of starters, interstate competition, and export marketability.
2 Notwithstanding the foregoing, in no calendar year shall the permit
3 holders schedule, in the aggregate, fewer than 120 thoroughbred race
4 dates [;].

5 b. [the] The standardbred permit holder at [the] Meadowlands
6 Racetrack shall schedule annually no fewer than 151 standardbred race
7 dates [; and]

8 c. [the] The permit holders at Freehold Raceway shall schedule
9 annually no fewer than 192 standardbred race dates.

10 d. Notwithstanding subsection a. of this section, the permit holder
11 at Monmouth Park and the thoroughbred permit holder at
12 Meadowlands Racetrack may schedule 120 thoroughbred race dates
13 in the aggregate in each calendar year from 2004 through 2007 during
14 which the permit holder at Monmouth Park guarantees an average of
15 at least \$300,000 in daily overnight purses at Monmouth Park and the
16 thoroughbred permit holder at Meadowlands Racetrack guarantees an
17 average of at least \$240,000 in daily overnight purses for the
18 thoroughbred horse race meeting at the Meadowlands.

19 (cf: P.L.2001, c.199, s.30)

20

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

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

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

45 c. Application for said permit or permits shall be on such forms and
46 shall include such accompanying data as the Racing Commission shall

1 prescribe for other applicants. The Racing Commission shall proceed
2 to review and act on any such application within 30 days after its filing
3 and the Racing Commission is authorized in its sole discretion to
4 determine whether a permit shall be granted to the authority or a
5 lessee of the authority. If, after such review, the Racing Commission
6 acts favorably on such application, a permit shall be granted to the
7 authority or a lessee of the authority without any further approval and
8 shall remain in force and effect so long as any bonds or notes of the
9 authority remain outstanding, the provisions of any other law to the
10 contrary notwithstanding. In granting a permit to the authority or a
11 lessee of the authority to conduct a horse race meeting, the Racing
12 Commission shall not be subject to any limitation as to the number of
13 tracks authorized for the conduct of horse race meetings pursuant to
14 any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said permit shall
15 set forth the dates to be allotted to the authority for its initial horse
16 race meetings. Thereafter application for dates for horse race meetings
17 by the authority or a lessee of the authority and the allotment thereof
18 by the Racing Commission, including the renewal of the same dates
19 theretofore allotted, shall be governed by the applicable provisions of
20 P.L.1940, c.17 (C.5:5-22 et seq.). Notwithstanding the provisions of
21 any other law to the contrary, the Racing Commission shall allot
22 annually to the authority or a lessee of the authority for the
23 Meadowlands Complex, in the case of harness racing, not less than
24 100 racing days, and in the case of running racing, not less than 56
25 racing days, if and to the extent that application is made therefor.

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

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

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

38 (1) In the case of harness races:

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

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

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

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

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

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

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

45 (c) In the case of races on a racing day other than a charity racing
46 day, distribute to the Standardbred Breeders' and Owners' Association

1 of New Jersey for the administration of a health benefits program for
2 horsemen .1175% of such total contributions.

3 (d) In the case of races on a racing day other than a charity racing
4 day, distribute to the Sire Stakes Program for standardbred horses
5 .02% of such total contributions.

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

10 (2) In the case of running races:

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

16 (b) Distribute as purse money and for programs designed to aid the
17 horsemen and the New Jersey Thoroughbred Horsemen's Association
18 4.475%, or in the case of races on a charity racing day 4.24%, of such
19 total contributions. Expenditures for programs designed to aid the
20 horsemen and the New Jersey Thoroughbred Horsemen's Association
21 shall not exceed 2.9% of the sum available for distribution as purse
22 money. The formula for distribution of the purse money as either
23 overnight purses or special stakes shall be determined by an agreement
24 between the New Jersey Thoroughbred Horsemen's Association and
25 the authority or a lessee of the authority. Notwithstanding the
26 foregoing, for pools where the patron is required to select three or
27 more horses, the authority or a lessee of the authority shall distribute
28 as purse money 7.475%, or in the case of races on a charity racing day
29 7.24%, of the total contributions.

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

1 Thoroughbred Breeders' Association of New Jersey subject to the
2 approval of the commission. The special trust account to be
3 established pursuant to this paragraph shall be separate and apart from
4 the special trust account established and maintained pursuant to
5 subparagraph (a) of this paragraph.

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

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

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

19 In addition to the amounts above, in the case of races on a racing
20 day designated or allotted as a charity racing day pursuant to
21 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or
22 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of
23 1% of all parimutuel pools shall be paid to the commission at the time
24 and in the manner prescribed by the commission.

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

31 [In the event that a written agreement between the authority and
32 the respective horsemen's associations shall require the distribution of
33 additional sums of money to increase purses or contributions to the
34 special trust accounts hereinabove provided, or both, any such
35 distribution to be made in the year 1981 shall be made by the authority
36 only from, and to the extent of, available moneys from the preceding
37 year set aside for such purpose, after application of the authority's
38 revenues, moneys or other funds as provided in subsections c.(1), (2),
39 (3), (4), (5), (6) and (7) of section 6 of P.L.1971, c.137 (C.5:10-6).]

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

45 (1) In the case of running and harness races, beginning July 1, 1997
46 50% of those sums shall be paid to the Racing Commission for deposit

1 in the general fund of the State and disposition in accordance with
2 section 4 of P.L.1997, c.29 (C.5:5-68.1);

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

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

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

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

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

33 (cf: P.L.2003, c.151, s.4)

34
35 12. This act shall take effect immediately and shall be retroactive
36 to January 1, 2004.

37

38

39

STATEMENT

40

41 This bill authorizes any entity that leases one or both of the horse
42 racetracks owned by New Jersey Sports and Exposition Authority to
43 apply to the New Jersey Racing Commission for a permit to conduct
44 horse racing at the leased racetrack(s) and to employ the distribution
45 formula for wagering proceeds that the authority uses under current
46 law.

1 The bill also provides that an off-track license or an account
2 wagering license issued to the authority by the racing commission
3 under the "Off-Track and Account Wagering Act" could be assigned
4 by the authority to an entity that holds a permit to conduct horse
5 racing in this State. Under this bill, even if the authority leases both
6 of its racetracks to one or two third parties, the authority would
7 continue to have a role in off-track wagering and account wagering as
8 a coordinating entity responsible for applying for and renewing off-
9 track and account wagering licenses, and as a signatory to the
10 participation agreement under the act. The participation agreement is
11 a contract among current horse racing permit holders that provides for
12 the management, operation, location and capitalization of the off-track
13 wagering facilities and the account wagering system, and for the
14 allocation and distribution of off-track and account wagering revenue.

15 Finally, the bill provides that the minimum aggregate thoroughbred
16 race dates for Monmouth Park and Meadowlands Racetrack required
17 under the "Off-Track and Account Wagering Act" may be reduced
18 from 141 to 120 in each calendar year from 2004 through 2007 during
19 which the permit holders at Monmouth Park and the Meadowlands
20 guarantee an average of at least \$300,000 in daily overnight purses at
21 Monmouth Park and an average of at least \$240,000 in daily overnight
22 purses for the thoroughbred horse race meeting at Meadowlands
23 Racetrack.

ASSEMBLY TOURISM AND GAMING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2232

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 2004

The Assembly Tourism and Gaming Committee reports favorably and with committee amendments Assembly, No. 2232.

As amended by the committee, this bill authorizes any entity that leases one or both of the horse racetracks owned by New Jersey Sports and Exposition Authority to apply to the New Jersey Racing Commission for a permit to conduct horse racing at the leased racetrack(s) and to employ the distribution formula for wagering proceeds that the authority uses under current law.

The bill, as amended, also provides that an off-track license or an account wagering license issued to the authority by the racing commission under the "Off-Track and Account Wagering Act" could be assigned by the authority to an entity that holds a permit to conduct horse racing in this State. Under the bill, as amended, even if the authority leases both of its racetracks to one or two third parties, the authority would continue to have a role in off-track wagering and account wagering as a coordinating entity responsible for applying for and renewing off-track and account wagering licenses, and as a signatory to the participation agreement under the act. The participation agreement is a contract among current horse racing permit holders that provides for the management, operation, location and capitalization of the off-track wagering facilities and the account wagering system, and for the allocation and distribution of off-track and account wagering revenue.

The bill as amended also provides that the minimum aggregate thoroughbred race dates for Monmouth Park and Meadowlands Racetrack required under the "Off-Track and Account Wagering Act" may be reduced from 141 to 120 annually from 2004 through 2007, but only if the permit holders at Monmouth Park and the Meadowlands guarantee purses at those tracks at not less than certain levels in each of those years. In 2008 and beyond, those permit holders are required to schedule no fewer than 141 thoroughbred race dates annually, except that beginning in 2017 the permit holders may schedule as few as 120 race dates upon application to and determination of the racing commission that scheduling fewer dates is in the best interest of the

racing industry and the State. This change in part facilitates the establishment of off-track and account wagering. Current law requires the permit holder to annually schedule at least 141 thoroughbred race dates in the aggregate in 2002, 2003 and 2004. Shortfalls in the amount of money available for thoroughbred horse racing purses prevented the New Jersey Sports and Exposition Authority from running a successful live thoroughbred horse race meeting of more than 120 race dates in calendar years 2003 and 2004. As a result, the New Jersey Racing Commission is prohibited pursuant to current law from issuing licenses to the authority to establish off-track wagering facilities and an account wagering system. That this bill eliminates the required minimum number of thoroughbred race dates in 2003 and reduces the number in 2004 will allow the racing commission to issue off-track and account wagering licenses.

Finally, as amended, the bill provides for the appointment of legislative liaisons between the sports authority and the Legislature with respect to the potential leasing of one or both of the authority's horse racetracks; the appointment of two additional board members of the authority by the Senate President and the Speaker of the General Assembly; and the authority to share its expertise in operating sports and entertainment venues by providing advisory, consulting, management or operating services, with or without charge as it deems appropriate, to public entities with regard to a stadium, arena, concert hall or other sports or entertainment facility owned or operated by the entity as of January 1, 2004.

COMMITTEE AMENDMENTS

The committee adopted amendments to:

- C revise the minimum required thoroughbred race dates for Monmouth Park and Meadowlands Racetrack;
- C provide for appointment of legislative liaisons to the Sports and Exposition Authority with regard to a racetrack lease agreement;
- C provide for legislative appointment of two additional members of the sports authority board; and
- C allow the authority to provide advisory, consulting, management or operating services to public entities that own or operate a sports or entertainment facility.