

5:5-66

LEGISLATIVE HISTORY CHECKLIST

NJSA: 5:5-66 (Parimutuel pool--redistribution and est. new system of wagering)

LAWS OF: 1986

CHAPTER 19

BILL NO: S1712

Sponsor(s): Codey and others

Date Introduced: February 24, 1986

Committee: Assembly: Institutions, Health and Welfare

Senate: Appropriations

Amended during passage: Yes Substituted for A2073 (2nd OCR, bill and Assembly committee statement-attached).

Date of Passage: Assembly: March 13, 1986

Senate: March 3, 1986

Date of Approval: May 27, 1986

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

See newspaper clipping--attached:

"Assembly revises 'pick-6' wagering at tracks," 3-14-86 Star Ledger.

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S-27-86
86
[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 1712

[CORRECTED COPY]

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 24, 1986

By Senators CODEY, RAND, PALLONE and VAN WAGNER

Referred to Committee on Institutions, Health and Welfare

AN ACT concerning parimutuel wagering and the distribution and disposition of the parimutuel pool at horse race meetings, amending various parts of the statutory law, supplementing P. L. 1940, c. 17 (C. 5:5-22 et seq.), and repealing section 8 of P. L. 1967, c. 40.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

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

3 44. Each holder of a permit shall distribute all sums deposited
4 in any pool where the patron is required to select one horse to
5 the winners thereof, less an amount which in harness races shall
6 not exceed 17% of the total deposits plus the breaks and which in
7 other races shall not exceed 17% of the total deposits plus the
8 breaks. In every pool where the patron is required to select two
9 horses, the holder of each permit for either harness or running
10 track shall distribute all sums deposited in each pool to the winners
11 thereof, less an amount which shall not exceed 19% of the total
12 deposits plus the breaks. In every pool where the patron is re-
13 quired to select three or more horses, every holder of a permit shall
14 distribute all sums deposited in each pool to the winners thereof,
15 less an amount which shall not exceed 25% of the total deposits,
16 plus the breaks. Every permitholder shall distribute to the per-
17 sons holding winning tickets in any of the aforementioned pools,
18 as a minimum, a sum not exceeding \$0.10, calculated on the basis
19 of each dollar deposited in any pool after the deduction of the said

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 printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted February 24, 1986.

**—Assembly committee amendments adopted March 10, 1986.

20 17%, 19% or 25%, as the case may be. Should the amount re-
 21 maining in the pool be insufficient to pay the winners the minimum,
 22 the breakage accruing in that race, or any necessary portion
 23 thereof, shall be applied toward making up any such deficiency.
 24 The breaks are hereby defined as the odd cents over any multiple
 25 of \$0.10, calculated on the basis of \$1.00 otherwise payable to a
 26 patron. Every permitholder engaged in the business of conducting
 27 running **[or harness]** race meetings under this act, except the New
 28 Jersey Sports and Exposition Authority established pursuant to
 29 P. L. 1971, c. 137 (C. 5:10-1 et seq.) **and the Garden State Race-*
 30 *track as provided in section 5 of P. L. 1982, c. 201 (C. 5:5-98)*,*
 31 shall **[pay to the commission for the use of the State]** *distribute*
 32 *as purse money* the breaks as herein defined, except as the same
 33 shall have been applied toward making up a deficiency in a pool
 34 as herein provided. *Every permitholder engaged in the business*
 35 *of conducting harness race meetings under this act, except the*
 36 *New Jersey Sports and Exposition Authority *and the Garden*
 37 *State Racetrack as provided in section 5 of P. L. 1982, c. 201 (C.*
 38 *5:5-98)*, shall retain for his own uses and purposes 50% of the*
 39 *breaks as herein defined, except as the same shall have been applied*
 40 *toward making up a deficiency in the pool as herein provided, and*
 41 *shall distribute as purse money the remaining 50%.* The New Jersey
 42 Sports and Exposition Authority shall retain all breaks commenc-
 42A ing on May 10, 1971 as revenue to the authority, except as the same
 42B shall have been applied toward making up a deficiency in a pool as
 42C herein provided.

43 **[Payment of such breaks shall be made]** *Every permitholder*
 44 *shall submit to the commission every seventh day of any and every*
 45 *race meeting [and shall be accompanied by] a report under oath*
 46 *showing the daily and total amount of such breaks together with*
 47 *such other information as the commission may require. All sums*
 48 *held by any permitholder for payment of outstanding parimutuel*
 49 *tickets not claimed by the person or persons entitled thereto within*
 50 *six months from the time such tickets are issued shall be paid [to*
 51 *the commission] upon the expiration of such six-month holding*
 52 *period as follows:*

53 ***a. In the case of running and harness races, 50% of those*
 54 *sums shall be paid to the racing commission;***

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

59 **[b.]** **c.** *In the case of harness races, **[50%]** **25%***
 60 *of those sums shall be retained by the permitholder to supplement*
 61 *purses for sire stakes races on which there is parimutuel wager-*
 61A *ing, and **[50%]** **25%** shall be retained by the permit-*
 61B *holder to supplement overnight purses * [or any other purses, as*
 61C *the permitholder deems appropriate].**

62 Where it is shown to the satisfaction of the commission that the
 63 reason for the parimutuel tickets being outstanding and unclaimed
 64 is the loss, misplacement or theft of said tickets within the confines
 65 and control of the parimutuel department of any permitholder,
 66 and it is further shown to the satisfaction of the commission that
 67 said parimutuel tickets have been cashed by such parimutuel de-
 68 partment, the commission may adjust and credit the permitholder's
 69 account accordingly and the permitholder shall reimburse any
 70 employee who has been held personally accountable and paid for
 71 such lost, stolen or misplaced tickets.

72 All outstanding parimutuel ticket money shall be deposited in
 73 an account separate and apart from the track's mutuel or general
 74 treasury account. The outstanding parimutuel ticket account shall
 75 be subject to the rules and regulations prescribed by the Division
 76 of New Jersey Racing Commission.

1 2. Section 1 of P. L. 1984, c. 236 (C. 5:5-64.1) is amended to read
 2 as follows:

3 1. Notwithstanding the provisions of section 44 of P. L. 1940,
 4 c. 17 (C. 5:5-64) or any other law to the contrary, a holder of a
 5 permit to conduct harness race meetings who operates a racetrack
 6 at which harness race meetings were conducted during calendar
 7 year 1984, but which were suspended for 30 days or more during
 8 that calendar year because of fire, and a holder of a permit to con-
 9 duct harness race meetings who conducted harness race meetings at
 10 the aforementioned racetrack during 1984 and who continues to
 11 conduct harness race meetings at that racetrack, shall distribute
 12 all sums deposited in any pool where the patron is required to select
 13 one horse to the winners thereof, less an amount which shall not
 14 exceed 17% of the total deposits plus the breaks. In every pool
 15 where the patron is required to select two horses, the holder of the
 16 permit shall distribute all sums deposited in each pool to the
 17 winners thereof, less an amount which shall not exceed 19% of the
 18 total deposits plus the breaks. In every pool where the patron is re-
 19 quired to select three or more horses, the holder of the permit shall
 20 distribute all sums deposited in each pool to the winners thereof,
 21 less an amount which shall not exceed 25% of the total deposits, plus
 22 the breaks. The permitholder shall distribute to the persons holding

23 winning tickets in any of the aforementioned pools, as a minimum,
 24 a sum not exceeding \$0.10, calculated on the basis of each dollar
 25 deposited in any pool after the deduction of the 17%, 19% or 25%,
 26 as the case may be. Should the amount remaining in the pool be in-
 27 sufficient to pay the winners the minimum, the breakage accruing
 28 in that race, or any necessary portion thereof, shall be applied
 29 toward making up any such deficiency. The breaks are hereby
 30 defined as the odd cents over any multiple of \$0.10, calculated on
 31 the basis of \$1.00 otherwise payable to a patron. The permitholder
 32 shall retain for his own uses and purposes 50% of the breaks as
 33 herein defined, except as the same shall have been applied toward
 34 making up a deficiency in a pool as herein provided, and shall
 35 distribute as purse money the remaining 50%. The permitholder
 36 shall submit to the commission every seventh day of any and every
 37 race meeting a report under oath showing the daily and total
 38 amount of the breaks, together with such other information as the
 39 commission may require. All sums held by the permitholder for
 40 payment of outstanding parimutuel tickets not claimed by the
 41 **[person]** *persons* entitled thereto within six months from the time
 42 such tickets are issued shall be **[paid to the commission]** ****[re-**
 43 *tained by the permitholder]* ****paid**** upon the expiration of
 44 such six-month holding period ****[for the following purposes: a.**
 45 *50%]* ****as follows: a. 50% shall be paid to the racing commis-**
 46 *sion; b. 25% shall be* ****[used]** ****retained by the permit-**
 47 *holder** to supplement purses for sire stakes races on which there*
 48 *is parimutuel wagering, and* ****[b. 50%]** ****c. 25%** shall be**
 49 ****[used]** ****retained by the permitholder** to supplement over-**
 50 *night purses* ****[or any other purses, as the permitholder deems**
 50A *appropriate]* ****.**

50B Where it is shown to the satisfaction of the commission that the
 50C reason for the parimutuel tickets being outstanding and unclaimed
 50D is the loss, misplacement or theft of the tickets within the confines
 51 and control of the parimutuel department of the permitholder, and
 52 it is further shown to the satisfaction of the commission that the
 53 parimutuel tickets have been cashed by the parimutuel department,
 54 the commission may adjust and credit the permitholder's account
 55 accordingly and the permitholder shall reimburse any employee who
 56 has been held personally accountable and paid for such lost, stolen
 57 or misplaced tickets.

58 All outstanding parimutuel ticket money shall be deposited in an
 59 account separate and apart from the track's mutuel or general
 60 treasury account. The outstanding parimutuel ticket account shall
 61 be subject to the rules and regulations prescribed by the Division
 62 of New Jersey Racing Commission.

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

3 46. Every permitholder engaged in the business of conducting
4 horse race meetings under this act, except the New Jersey Sports
5 and Exposition Authority established pursuant to P. L. 1971, c. 137
6 (C. 5:10-1 et seq.) **and the Garden State Racetrack as provided*
7 *in section 5 of P. L. 1982, c. 201 (C. 5:5-98)**, shall make disposition
7A of the deposits remaining undistributed pursuant to section 44 as
7B follows:

8 a. In the case of harness races:

9 (1) Pay to the commission 1.25% of so much of the total contri-
10 butions to all parimutuel pools conducted or made during such
11 calendar year on any and every horse race track granted a permit
12 under this act. Notwithstanding the foregoing, for pools where the
13 patron is required to select two horses, the permitholder shall
14 pay to the commission 2.25% of the total contributions and for
15 pools where the patron is required to select three or more horses,
16 the permitholder shall pay to the commission 5.25% of the total
17 contributions.

18 Payment on account of such sums to be paid to the commission
19 shall be made every seventh day of any and every race meeting in
20 the amount then due as determined in the manner provided above,
21 and shall be accompanied by a report under oath showing the total
22 of all such contributions, together with such other information as
23 the commission may require. Except as otherwise provided by law,
24 no admission or amusement tax, excise tax, license or horse racing
25 fee of any kind shall be assessed or collected from any permit-
26 holder by the State of New Jersey, or by any county or munici-
27 pality, or by any other body having power to assess or collect
28 license fees or taxes.

29 (2) Hold and set aside in an account designated as a special
30 trust account 1.15% of such total contributions in all pools to be
31 used and distributed as hereinafter provided and as provided in
32 section 5 of P. L. 1967, c. 40, for the following purposes and no
33 other:

34 (a) 37% thereof to increase purses and grant awards for start-
35 ing horses as provided or as may be provided by rules of the New
36 Jersey Racing Commission with payment to be made in the same
37 manner as payment of other purses and awards;

38 (b) 55% thereof for the establishment of a Sire Stakes Pro-
39 gram for standardbred horses with payment to be made to the
40 Department of Agriculture for administration as hereinbefore
41 provided;

42 (c) 5% thereof for contributions and awards designed to improve
43 and promote the standardbred breeding industry in New Jersey
44 through payment of awards to owners and breeders of New Jersey
45 bred horses which are registered with the Standardbred Breeders'
46 and Owners' Association of New Jersey and which earn portions
47 of purses in open events on New Jersey tracks, and to owners of
48 stallions posted on the official stallion roster of the Standardbred
49 Breeders' and Owners' Association of New Jersey, which sire such
50 registered New Jersey bred money earners;

51 (d) 3% thereof for other New Jersey horse breeding and pro-
52 motion conducted by the New Jersey Department of Agriculture.

53 (3) Retain 7.20% of so much of such total contributions for his
54 own uses and purposes. Notwithstanding the foregoing, for pools
55 where the patron is required to select two horses, the permitholder
56 shall retain 7.70% of the total contributions and for pools where
57 the patron is required to select three or more horses, the permit-
58 holder shall retain 9.20% of the total contributions. Each permit-
59 holder shall contribute out of its 9.20% share of pools, where the
60 patron is required to select three or more horses, a sum deemed
61 necessary by the Racing Commission, to finance a prerace blood
62 testing program, and such other testing programs which the com-
63 mission shall deem proper and necessary and which shall be subject
64 to the regulation and control of said commission.

65 (4) Distribute as purse money and for programs designed to aid
66 the horsemen and the Standardbred Breeders' and Owners' Associa-
67 tion of New Jersey 7.40% of such total contributions. Expenditures
68 for programs designed to aid the horsemen and the Standardbred
69 Breeders' and Owners' Association of New Jersey shall not exceed
70 3.2% of the sum available for distribution as purse money. The
71 formula for distribution of the purse money as either overnight
72 purses or special stakes shall be determined by an agreement
73 between the Standardbred Breeders' and Owners' Association of
74 New Jersey and the tracks. Notwithstanding the foregoing, for
75 pools where the patron is required to select two or more horses, the
76 permitholder shall distribute as purse money 7.90% of the total
77 contributions and for pools where the patron is required to select
78 three or more horses, the permitholder shall distribute as purse
79 money 9.40% of the total contributions. Notwithstanding the fore-
80 going, for pools where a patron is required to select three or more
81 horses, each permitholder shall retain out of the 9.40% to be
82 distributed as purse money a sum deemed necessary by the racing
83 commission, for use by the commission to finance a prerace blood
84 testing program, and such other testing programs which the com-

85 mission shall deem proper and necessary and which shall be subject
86 to the regulation and control of said commission.

87 b. In the case of running races:

88 (1) Where the amount derived from the parimutuel handle, *ex-*
89 *cluding the handle derived from intertrack wagering*, does not
90 exceed \$1 million per day based on such contributions accumulated
91 and averaged during the calendar year, the permitholder shall:

92 (a) Pay to the commission 30% of 1% of so much of the total
93 contributions to all parimutuel pools conducted or made during
94 such calendar year; but notwithstanding the foregoing, for pools
95 where the patron is required to select three or more horses, the
96 permitholder shall pay to the commission 1.30% of the total
97 contributions.

98 Payment on account of such sums to be paid to the commission
99 shall be made every seventh day of any and every race meeting in
100 the amount then due as determined in the manner provided above,
101 and shall be accompanied by a report under oath showing the
102 total of all such contributions, together with such other informa-
103 tion as the commission may require. Except as otherwise provided
104 by law, no admission or amusement tax, excise tax, license or
105 horse racing fee of any kind shall be assessed or collected from
106 any permitholder by the State of New Jersey, or by any county
107 or municipality, or by any other body having power to assess or
108 collect license fees or taxes.

109 (b) Hold and set aside in an account designated as a special trust
110 account ~~23%~~ 5% of 1% of such total contributions to be used
111 and distributed ~~as hereinafter provided~~ and as provided in section
112 5 of P. L. 1967, c. 40, for the following purposes and no other:

113 (i) 18% of 1% thereof for contributions and awards de-
114 signed to improve and promote the thoroughbred breeding
115 industry in New Jersey through payment of awards to owners
116 and breeders of registered New Jersey bred horses which earn
117 portions of purses in open events on New Jersey tracks, and to
118 owners of stallions posted on the official stallion roster of the
119 Thoroughbred Breeders' Association of New Jersey, which sire
120 such registered New Jersey bred money winners;

121 (ii) ~~5% of 1% thereof~~ for State horse breeding and devel-
122 opment programs, research, fairs, horse shows, youth activities,
123 promotion and administration, *as provided in section 5 of P. L.*
124 *1967, c. 40 (C. 5:5-88).*

125 (c) Retain ~~9.73%~~ 9.85% of such total contributions for his own
126 uses and purposes. For pools where the patron is required to select
127 two horses, the permitholder shall retain ~~10.80%~~ 10.92% of the

128 total contributions and for pools where the patron is required to
129 select three or more horses, the permitholder shall retain **[13.21%]**
130 *13.33%* of the total contributions. *Each permitholder shall con-*
131 *tribute out of its 13.33% share of pools, where the patron is re-*
132 *quired to select three or more horses, a sum deemed necessary by the*
133 *racing commission, to finance a prerace blood testing program, and*
134 *such other testing programs which the commission shall deem*
135 *proper and necessary and which shall be subject to the regulation*
136 *and control of the commission.*

137 (d) Distribute as purse money and for programs designed to aid
138 the horsemen and the New Jersey Horsemen's Benevolent and
139 Protective Association 6.00% of such contributions. Notwithstand-
140 ing the foregoing, for pools where the patron is required to select
141 two horses, the permitholder shall distribute as purse money 6.93%
142 of such contributions and for pools where the patron is required to
143 select three or more horses, the permitholder shall distribute as
144 purse money 9.02% of the total contributions. Expenditures for
145 programs designed to aid the horsemen and the New Jersey Horse-
146 men's Benevolent and Protective Association, shall not exceed 2.5%
147 of the sum available for distribution as purse money from all pari-
148 mutuel pools. The formula for distribution of the purse money
149 as either overnight purses or special stakes shall be determined by
150 an agreement between the New Jersey Horsemen's Benevolent and
151 Protective Association and the permitholder. *Notwithstanding the*
152 *foregoing, for pools where a patron is required to select three or*
153 *more horses, each permitholder shall retain out of the 9.02% to be*
154 *distributed as purse money, a sum deemed necessary by the racing*
155 *commission, for use by the commission to finance a prerace blood*
156 *testing program, and such other testing programs which the com-*
157 *mission shall deem proper and necessary and which shall be subject*
158 *to the regulation and control of the commission.*

159 (e) **[(i) 50%]** 80% of 1% of all pools shall be deducted and set
160 aside in a special trust account for the establishment and support
161 by the commission of the thoroughbred breeding industry in New
162 Jersey; to improve purses for closed races; to provide awards
163 for owners and breeders of registered New Jersey bred
164 horses who earn portions of purses in *open and* closed races
165 at New Jersey race tracks and to owners of stallions posted on
166 the official stallion roster of the Thoroughbred Breeders' Associa-
167 tion of New Jersey, which sire such New Jersey bred money earners
168 and awards to the New Jersey Thoroughbred Breeders' Association
169 for programs beneficial to thoroughbred breeding in this State.
170 The New Jersey thoroughbred award program shall be admini-

171 stered and disbursed by the commission [, while the thorough-
 172 bred open breeder awards shall be administered and disbursed by
 173 the New Jersey Department of Agriculture]. The special trust
 174 account to be established pursuant to this paragraph shall be
 175 separate and apart from the special trust account established and
 176 maintained pursuant to subparagraph (b) of this paragraph.

177 [(ii) 12% of 1% shall be deducted and set aside in a special trust
 178 account for the purpose of stabilizing the Thoroughbred Breeding
 179 Award Program. These funds shall be used by the New Jersey
 180 Racing Commission to supplement both the open and closed award
 181 programs. When necessary, the Racing Commission shall forward
 182 a portion of the funds to the Department of Agriculture for distri-
 183 bution to New Jersey bred horses that successfully compete in open
 184 races. Any sums not used shall revert to the State General
 185 Treasury.]

186 (f) [12% of 1% shall be deposited in a separate special trust
 187 account for use by the commission in keeping thoroughbred tracks
 188 and stable facilities open during periods of time when they are not
 189 normally in operation, when to do so would serve the public in-
 190 terest.] (*Deleted by amendment, P. L. , c.*)

191 (g) Notwithstanding the foregoing, for pools where a patron is
 192 required to select three or more horses, 50% to 1% of the total
 193 contributions shall be held and set aside in the special trust account
 194 referred to in subparagraph (e) [(i)] of this paragraph.

195 (2) Where the amount derived from the parimutuel handle, *ex-*
 196 *cluding the handle derived from intertrack wagering*, exceeds \$1
 197 million per day based on such contributions accumulated and
 198 averaged during the calendar year, the permitholder shall:

199 (a) Pay to the commission [2.87%] 50% of 1% of so much of the
 200 total contributions to all parimutuel pools conducted or made during
 201 such calendar year[; but, notwithstanding the foregoing, for pools
 202 where the patron is required to select three or more horses, the
 203 permitholder shall pay to the commission 3.87% of the total
 204 contributions].

205 Payment on account of such sums to be paid to the commission
 206 shall be made every seventh day of any and every race meeting in
 207 the amount then due as determined in the manner provided above,
 208 and shall be accompanied by a report under oath showing the total
 209 of all such contributions, together with such other information as
 210 the commission may require. Except as otherwise provided by law,
 211 no admission or amusement tax, excise tax, license or horse racing
 212 fee of any kind shall be assessed or collected from any permit-
 213 holder by the State of New Jersey, or by any county or municipality,

214 or by any other body having power to assess or collect license fees
215 or taxes.

216 (b) Hold and set aside in an account designated as a special
217 trust account ~~【23%】~~ 5% of 1% of such total contributions to be
218 used and distributed ~~【as hereinafter provided and as provided in~~
219 section 5 of P. L. 1967, c. 40, for the following purposes and no other:

220 (i) 18% of 1% thereof for contributions and awards de-
221 signed to improve and promote the thoroughbred breeding
222 industry in New Jersey through payment of awards to owners
223 and breeders of registered New Jersey bred horses which earn
224 portions of purses in open events on New Jersey tracks, and to
225 owners of stallions posted on the official stallion roster of the
226 Thoroughbred Breeders' Association of New Jersey, which sire
227 such registered New Jersey bred money winners;

228 (ii) 5% of 1% thereof ~~】~~ for State horse breeding and devel-
229 opment programs, research, fairs, horse shows, youth activi-
230 ties, promotion and administration, *as provided in section 5 of*
231 *P. L. 1967, c. 40 (C. 5:5-88).*

232 (c) Retain ~~【6.81%】~~ 9.07% of such total contributions for his own
233 uses and purposes. For pools where the patron is required to select
234 two horses, the permitholder shall retain ~~【7.88%】~~ 10.14% of the
235 total contributions and for pools where the patron is required to
236 select three or more horses, the permitholder shall retain ~~【10.29%】~~
237 13.31% of the total contributions. *Each permitholder shall con-*
238 *tribute out of its 13.31% share of pools, where the patron is re-*
239 *quired to select three or more horses, a sum deemed necessary by*
240 *the racing commission, to finance a prerace blood testing program,*
241 *and such other testing programs which the commission shall deem*
242 *proper and necessary and which shall be subject to the regulation*
243 *and control of the commission.*

244 (d) Distribute as purse money and for programs designed to aid
245 the horsemen and the New Jersey Horsemen's Benevolent and
246 Protective Association ~~【6.17%】~~ 6.58% of such contributions. Not-
247 withstanding the foregoing, for pools where the patron is required
248 to select two horses, the permitholder shall distribute as purse
249 money ~~【7.10%】~~ 7.51% of such contributions and for pools where
250 the patron is required to select three or more horses, the permit-
251 holder shall distribute as purse money ~~【9.19%】~~ 9.85% of the total
252 contributions. Expenditures for programs designed to aid the horse-
253 men and the New Jersey Horsemen's Benevolent and Protective
254 Association shall not exceed 2.5% of the sum available for distribu-
255 tion as purse money from all parimutuel pools. The formula for
256 distribution of the purse money as either overnight purses or

257 special stakes shall be determined by an agreement between the
 258 New Jersey Horsemen's Benevolent and Protective Association and
 259 the permitholder. *Notwithstanding the foregoing, for pools where*
 260 *a patron is required to select three or more horses, each permit-*
 261 *holder shall retain out of the 9.85% to be distributed as purse*
 262 *money, a sum deemed necessary by the racing commission, for use*
 263 *by the commission to finance a prerace blood testing program, and*
 264 *such other testing programs which the commission shall deem*
 265 *proper and necessary and which shall be subject to the regulation*
 266 *and control of the commission.*

267 (e) **[(i) 50%] 80%** of 1% of all pools shall be deducted and set
 268 aside in a special trust account for the establishment and support by
 269 the commission of the thoroughbred breeding industry in New
 270 Jersey; to improve purses for closed races; to provide awards for
 271 owners and breeders of registered New Jersey bred horses who
 272 earn portions of purses in ***open and*** closed races at New
 273 Jersey race tracks and to owners of stallions posted on the official
 274 stallion roster of the Thoroughbred Breeders' Association of New
 275 Jersey, which sire such New Jersey bred money earners and
 276 awards to New Jersey thoroughbred breeders' associations for
 277 programs beneficial to thoroughbred breeding in this State. The
 278 New Jersey thoroughbred award program shall be administered
 279 and disbursed by the commission^{**}**],** while the thoroughbred open
 280 breeder awards shall be administered and disbursed by the New
 281 Jersey Department of Agriculture^{**}**].**^{**} The special trust account
 282 to be established pursuant to this paragraph shall be separate and
 283 apart from the special trust account established and maintained
 284 pursuant to subparagraph (b) of this paragraph.

285 **[(ii) 30% of 1% shall be deducted and set aside in a special trust**
 286 **account for the purpose of stabilizing the Thoroughbred Breeding**
 287 **Award Program. These funds shall be used by the New Jersey**
 288 **Racing Commission to supplement both the open and closed award**
 289 **programs. When necessary, the Racing Commission shall forward**
 290 **a portion of the funds to the Department of Agriculture for distribu-**
 291 **tion to New Jersey bred horses that successfully compete in open**
 292 **rates. Any sums not used shall revert to the State General**
 293 **Treasury.]**

294 (f) **[12% of 1% shall be deposited in a separate special trust**
 295 **account for use by the New Jersey Racing Commission in keeping**
 296 **thoroughbred tracks and stable facilities open during periods of**
 297 **time when they are not normally in operation, when to do so would**
 298 **serve the public interest.]** (*Deleted by amendment, P. L. ,*
 299 *c.*)

300 (g) Notwithstanding the foregoing, for pools where a patron is
 301 required to select three or more horses, ~~50%~~ 49% of 1% of the
 302 total contributions shall be held and set aside in the special trust
 303 account referred to in subparagraph (e) ~~(i)~~ of this paragraph.

304 ~~Notwithstanding any other provision of this section, every har-~~
 305 ~~ness permitholder engaged in the business of conducting harness~~
 306 ~~race meetings shall retain from the funds designated in subsection~~
 307 ~~a. (1) of this section an additional 20% of 1% of the total contribu-~~
 308 ~~tions to all parimutuel pools for his own uses and purposes, in~~
 309 ~~addition to those sums herein mentioned in subsection a. (3) of~~
 310 ~~this section, during the period of November 1 to March 31, referred~~
 311 ~~to as winter racing days. Any running race permitholder operat-~~
 312 ~~ing pursuant to subsection b. (2) of this section shall retain from~~
 313 ~~the funds designated in subsection b. (2) (a) an additional 1% of~~
 314 ~~the total contributions to all parimutuel pools for his own uses~~
 315 ~~and purposes, in addition to those sums herein mentioned in sub-~~
 316 ~~section b. (2) (c), for any winter racing days as herein defined;~~
 317 ~~and commencing June 1, 1982, shall retain from the funds desig-~~
 318 ~~nated in subsection b. (2) (a) an additional 1% of the total~~
 319 ~~contributions during the months of June, July, August and Septem-~~
 320 ~~ber to all parimutuel pools for his own uses and purposes, in~~
 321 ~~addition to those sums herein mentioned in subsection b. (2) (c),~~
 322 ~~when a harness race meeting, other than one conducted by the New~~
 323 ~~Jersey Sports and Exposition Authority, is operating concur-~~
 324 ~~rently.]~~

1 4. Section 5 of P. L. 1982, c. 201 (C. 5:5-98) is amended to read
 2 as follows:

3 5. The permitholder shall distribute the sums deposited in pari-
 4 mutuel pools to winners thereof in accordance with section 44 of
 5 P. L. 1940, c. 17 (C. 5:5-64) and shall dispose of the deposits re-
 6 maining undistributed as follows:

7 a. In the case of harness races:

8 (1) Hold and set aside in an account designated as a special
 9 trust account 1% of such total contributions in all pools to be used
 10 and distributed as hereinafter provided and as provided in section
 11 5 of P. L. 1967, c. 40 (C. 5:5-88), for the following purposes and
 12 no other:

13 (a) 42½% thereof to increase purses and grant awards for
 14 starting horses as provided or as may be provided by rules of
 15 the New Jersey Racing Commission with payment to be made
 16 in the same manner as payment of other purses and awards;

17 (b) 49% thereof for the establishment of a Sire Stakes
 18 Program for standardbred horses with payment to be made

19 to the Department of Agriculture for administration as pro-
20 vided;

21 (c) 5½% thereof for contributions and awards designed
22 to improve and promote the standardbred breeding industry
23 in New Jersey through payment of awards to owners and
24 breeders of New Jersey bred horses which are registered with
25 the Standardbred Breeders' and Owners' Association of New
26 Jersey and which earn portions of purses in open events on
27 New Jersey tracks, and to owners of stallions posted on the
28 official stallions roster of the Standardbred Breeders' and
29 Owners' Association of New Jersey which sire such registered
30 New Jersey bred money earners;

31 (d) 3% thereof for other New Jersey horse breeding and
32 promotion conducted by the New Jersey Department of Agri-
33 culture.

34 Payment of the sums held and set aside pursuant to subpara-
35 graphs (c) and (d) shall be made to the commission every seventh
36 day of any and every race meeting in the amount then due as
37 determined in the manner provided above, and shall be accom-
38 panied by a report under oath showing the total of all such
39 contributions, together with such other information as the com-
40 mission may require.

41 (2) Distribute as purse money and for programs designed to aid
42 the horsemen and the Standardbred Breeders' and Owners' Asso-
43 ciation of New Jersey 5% of such total contribution. Expenditures
44 for programs designed to aid the horsemen and the Standardbred
45 Breeders' and Owners' Association of New Jersey shall not exceed
46 3.5% of the sum available for distribution as purse money. The
47 formula for distribution of the purse money as either overnight
48 purses or special stakes shall be determined by an agreement be-
49 tween the Standardbred Breeders' and Owners' Association of
50 New Jersey and the permitholder. Notwithstanding the foregoing,
51 for pools where the patron is required to select two or more horses,
52 the permitholder shall distribute as purse money 5.5% of the total
53 contributions and for pools where the patron is required to select
54 three or more horses, the permitholder shall distribute as purse
55 money 7% of the total contributions. Notwithstanding the fore-
56 going, for pools where a patron is required to select three or more
57 horses, the permitholder shall retain out of the 7% to be distributed
58 as purse money, a sum deemed necessary by the racing commission,
59 for use by the commission to finance a prerace blood testing pro-
60 gram, and such other testing programs which the commission shall

61 deem proper and necessary and which shall be subject to the regu-
62 lation and control of the commission.

63 b. In the case of running races:

64 (1) Hold and set aside in an account designated as a special
65 trust account ~~65%~~ 5% of 1% of such total contributions to be
66 used and distributed ~~as hereinafter provided and as provided in~~
67 section 5 of P. L. 1967, c. 40 (C. 5:5-88), for the following purposes
68 and no other:

69 (a) 60% of 1% thereof for contributions and awards de-
70 signed to improve and promote the thoroughbred breeding
71 industry in New Jersey through payment of awards to owners
72 and breeders of registered New Jersey bred horses which
73 earn portions of purses in open events on New Jersey tracks,
74 and to owners of stallions posted on the official stallion rosters
75 of the Thoroughbred Breeders' Association of New Jersey
76 which sire such registered New Jersey bred money earners;

77 (b) 5% of 1% thereof] for State horse breeding and de-
78 velopment programs, research, fairs, horse shows, youth ac-
79 tivities, promotion and administration, *as provided in section*
80 *5 of P. L. 1967, c. 40 (C. 5:5-88).*

81 **[After the initial running race meeting conducted at the Garden**
82 **State Racetrack, the commission may reduce, for a period of time**
83 **to be determined by the commission, the amount specified above to**
84 **be set aside for this special trust account upon a request by the**
85 **permitholder and a determination by the commission that the pay-**
86 **ment of that amount would cause extreme financial hardship for**
87 **the permitholder. In no event shall the commission reduce the**
88 **amount to less than 15% of 1% of total contributions to all pari-**
89 **mutuel pools at running race meetings at the racetrack. The per-**
90 **mitholder may request an extension of the period of reduction or**
91 **a further reduction or, subsequent to any restoration of the amount**
92 **specified above, another reduction.]**

93 (2) Distribute as purse money and for programs designed to aid
94 the horsemen and the New Jersey Horsemen's Benevolent and
95 Protective Association 4.24% of such total contributions. Expendi-
96 tures for programs designed to aid the horsemen and the New
97 Jersey Horsemen's Benevolent and Protective Association shall
98 not exceed 2.9% of the sum available for distribution as purse
99 money. The formula for distribution of the purse money as either
100 overnight purses or special stakes shall be determined by an
101 agreement between the New Jersey Horsemen's Benevolent and
102 Protective Association and the permitholder. Notwithstanding the
103 foregoing, for pools where the patron is required to select three or

104 more horses, the permitholder shall distribute as purse money
105 7.24% of the total contributions.

106 (3) 60% of 1% of all pools shall be deducted and set aside in
107 the special trust account established pursuant to section 46 b. (1)
108 (e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66). The com-
109 mission may, however, reduce this amount for a period of time
110 to be determined by the commission upon a request by the permit-
111 holder and a determination by the commission that the payment
112 of that amount would cause extreme financial hardship for the
113 permitholder. In no event shall the commission reduce the amount
114 to less than 10% of 1% of total contributions to all parimutuel
115 pools at running race meetings at the racetrack. The permitholder
116 may request an extension of the period of reduction or a further
117 reduction or, subsequent to any restoration of the amount specified
118 above, another reduction.

119 For pools where a patron is required to select three or more
120 horses, 50% of 1% of the total contributions shall be held and set
121 aside in the special trust account established pursuant to section
122 46 b. (1) (e) [(i)] and 46 b. (2) (e) [(i)] of P. L. 1940, c. 17
123 (C. 5:5-66).

124 Payment of the sums held and set aside pursuant to paragraphs
125 (1) and (3) of this subsection shall be made to the commission
126 every seventh day of any and every race meeting in the amount
127 then due as determined in the manner provided above, and shall
128 be accompanied by a report under oath showing the total of all
129 such contributions, together with such other information as the
130 commission may require.

131 In addition to the amounts above, an amount equal to $\frac{1}{2}$ of 1%
132 of all parimutuel pools shall be deposited annually in the General
133 Fund. All amounts remaining in parimutuel pools, including the
134 breaks, after the distribution and payments required by this
135 section shall constitute revenues of the permitholder. Except as
136 otherwise provided in this section, the permitholder shall not be
137 required to make any payments to the commission or others in
138 connection with contributions to parimutuel pools.

139 The provisions of this section shall apply each year for 10
140 years after the commencement of horse race meetings at the
141 Garden State Racetrack. At the end of the 10-year period, the
142 provisions of section 46 of P. L. 1940, c. 17 (C. 5:5-66) concerning
143 the distribution of undistributed deposits shall apply.

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

3 7. a. The authority is hereby authorized, licensed and empowered
4 to apply to the Racing Commission for a permit or permits to
5 hold and conduct, at any of the projects set forth in paragraphs
6 (1) and (5) of subsection a. of section 6 of P. L. 1971, c. 137
7 (C. 5:10-6), horse race meetings for stake, purse or reward, and
8 to provide a place or places **[of]** *on* the race meeting grounds
9 or enclosure for wagering by patrons on the **[result]** results
10 of such horse races by the parimutuel system, and to receive
11 charges and collect all revenues, receipts and other sums from
12 the ownership and operation thereof; provided that only the
13 authority through its employees shall conduct such horse race
14 meetings and wagering and the authority is expressly prohibited
15 from placing in the control of any other person, firm or corpora-
16 tion the conduct of such horse race meetings, or wagering.

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

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

45 by the applicable provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.).
 46 Notwithstanding the [provision] *provisions* of any other law to
 47 the contrary, the Racing Commission shall allot annually to the
 48 authority (1) for the meadowlands complex, in the case of harness
 49 racing, not less than 100 racing days, and in the case of running
 50 racing, not less than 56 racing days, if and to the extent that
 51 application is made therefor, and (2) for any other project which
 52 is set forth in paragraph (5) of subsection a. of section 6 of P. L.
 53 1971, c. 137 (C. 5:10-6), and which was previously operated by a
 54 permitholder other than the authority, racing days shall be lim-
 55 ited, in type of racing and amount of days, to those allotted by
 56 the Racing Commission to the prior [permit holder] *permitholder*
 57 for the year 1985 as of December 13, 1984; except that the author-
 58 ity may apply to the Racing Commission for an extension of the
 59 number and type of racing days pursuant to section 2 of P. L.
 60 1984, c. [. . . , now pending in the Legislature as Senate Bill No.
 61 2543] *247 (C. 5:5-43.1)*.

62 d. No hearing, referendum or other election or proceeding, and
 63 no payment, surety or cash bond or other deposit, shall be re-
 64 quired for the authority to hold or conduct the horse race meetings
 65 with parimutuel wagering herein authorized.

66 e. The authority shall determine the amount of the admission
 67 fee for the races and all matters relating to the collection thereof.

68 f. Distribution of sums deposited in parimutuel pools to winners
 69 thereof shall be in accordance with the provisions of section 44 of
 70 P. L. 1940, c. 17 (C. 5:5-64) pertaining thereto. The authority
 71 shall make disposition of the deposits remaining undistributed as
 72 follows:

73 (1) In the case of harness races:

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

79 (i) 42½% thereof to increase purses and grant awards for
 80 starting horses, as provided or as may be provided by rules
 81 of the New Jersey Racing Commission, with payment to be
 82 made in the same manner as payment of other purses and
 83 awards;

84 (ii) 49% thereof for the establishment of a Sire Stakes Pro-
 85 gram for standardbred horses, with payment to be made to
 86 the Department of Agriculture for administration as here-
 87 inbefore provided;

88 (iii) 5½% thereof for contributions and awards designed
89 to improve and promote the standardbred breeding industry
90-91 in New Jersey through payment of awards to owners and
92 breeders of New Jersey bred horses which are registered
93 with the Standardbred Breeders' and Owners' Association of
94 New Jersey and which earn portions of purses in open events
95 on New Jersey tracks, and to owners of stallions posted on
96 the official **stallions** *stallion* roster of the Standardbred
97 Breeders' and Owners' Association of New Jersey which
98 sire such registered New Jersey bred money earners;

99 (iv) 3% thereof for other New Jersey horse breeding and
100 promotion conducted by the New Jersey Department of Agri-
101 culture.

102 Payment of the sums held and set aside pursuant to supra-
103 graphs (iii) and (iv) shall be made to the commission every
104 seventh day of any and every race meeting in the amount then
105 due, as determined in the manner provided above, and shall be
106 accompanied by a report under oath showing the total of all such
107 contributions, together with such other information as the com-
108 mission may require.

109 (b) Distribute as purse money and for programs designed to
110 aid the horsemen and the Standardbred Breeders' and Owners'
111 Association of New Jersey 5% of such total **contribution** *con-*
112 *tributions*. Expenditures for programs designed to aid the horse-
113 men and the Standardbred Breeders' and Owners' Association
114 of New Jersey shall not exceed 3.5% of the sum available for dis-
115 tribution as purse money. The formula for distribution of the
116 purse money as either overnight purses or special stakes shall
117 be determined by an agreement between the Standardbred
118 Breeders' and Owners' Association of New Jersey and the author-
119 ity. Notwithstanding the foregoing, for pools where the patron
120 is required to select two or more horses, the authority shall dis-
121 tribute as purse money 5.5% of the total contributions and for
122 pools where the patron is required to select three or more horses,
123 the authority shall distribute as purse money 7% of the total
124 contributions. Notwithstanding the foregoing, for pools where
125 a patron is required to select three or more horses, the authority
126 shall retain out of the 7% to be distributed as purse money **[.]**
127 a sum deemed necessary by the racing commission, for use by
128 the commission to finance a prerace blood testing program, and
129 such other testing programs which the commission shall deem
130 proper and necessary and which shall be subject to the regulation
131 and control of said commission.

132 (2) In the case of running races:

133 (a) Hold and set aside in an account designated as a special
134 trust account ~~15%~~ 5% of 1% of such total contributions, to be
135 used and distributed ~~as hereinafter provided and as provided~~
136 in section 5 of P. L. 1967, c. 40, for the following purposes and
137 no other:

138 (i) 10% of 1% thereof for contributions and awards de-
139 signed to improve and promote the thoroughbred breeding
140 industry in New Jersey through payment of awards to owners
141 and breeders of registered New Jersey bred horses which
142 earn portions of purses in open events on New Jersey tracks,
143 and to owners of stallions posted on the official stallion
144 ~~rosters~~ roster of the Thoroughbred Breeders' Association
145 of New Jersey which sire such registered New Jersey bred
146 money earners;

147 (ii) ~~5% of 1% thereof~~ for State horse breeding and de-
148 velopment programs, research, fairs, horse shows, youth ac-
149 tivities, promotion and administration, *as provided in section*
150 *5 of P. L. 1967, c. 40 (C. 5:5-88).*

151 (b) Distribute as purse money and for programs designed to
152 aid the horsemen and the New Jersey Horsemen's Benevolent and
153 Protective Association 4.24% of such total contributions. Ex-
154 penditures for programs designed to aid the horsemen and the
155 New Jersey Horsemen's Benevolent and Protective Association
156 shall not exceed 2.9% of the sum available for distribution as
157 purse money. The formula for distribution of the purse money
158 as either overnight purses or special stakes shall be determined
159 by an agreement between the New Jersey Horsemen's Benevolent
160 and Protective Association and the authority. Notwithstanding
161 the foregoing, for pools where the patron is required to select
162 three or more horses, the authority shall distribute as purse money
163 7.24% of the total contributions.

164 (c) *10% of 1% of all pools shall be deducted and set aside in*
165 *the special trust account established pursuant to section 46 b. (1)*
166 *(e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66).*

167 For pools where a patron is required to select three or more
168 horses, 50% of 1% of the total contributions shall be held and
169 set aside in ~~the~~ that special trust account ~~established pursuant~~
170 to section 46 b. (1) (e) and 46 b. (2) (e) of P. L. 1940, c. 17
171 (C. 5:5-66)].

172 Payment of the sums held and set aside pursuant to subpara-
173 graphs (a) and (c) of this subsection shall be made to the commis-

174 sion every seventh day of any and every race meeting in the
 175 amount then due, as determined in the manner provided above,
 176 and shall be accompanied by a report under oath showing the
 177 total of all such contributions, together with such other informa-
 178 tion as the commission may require.

179 In addition, as an initial payment to the State, an amount equal
 180 to $\frac{1}{2}$ of 1% of all parimutuel pools shall be deposited annually in
 181 the General State Fund. All amounts remaining in parimutuel
 182 pools, including the breaks, after such distribution and payments
 183 shall constitute revenues of the authority. Except as otherwise
 184 expressly provided in this section 7, the authority shall not be
 185 required to make any payments to the Racing Commission or
 186 others in connection with contributions to parimutuel pools.

187 In the event that a written agreement between the authority and
 188 the respective horsemen's associations shall require the distribu-
 189 tion of additional sums of money to increase purses or contribu-
 190 tions to the special trust accounts hereinabove provided, or both,
 191 any such distribution to be made in the year 1981 shall be made
 192 by the authority only from, and to the extent of, available moneys
 193 from the preceding year set aside for such purpose, after applica-
 194 tion of the authority's revenues, moneys or other funds as pro-
 195 vided in subsection c. (1), (2), (3), (4), (5), (6) and (7) of section
 196 6 of P. L. 1971, c. 137 (C. 5:10-6).

197 g. All sums held by the authority for payment of outstanding
 198 parimutuel tickets not claimed by the person or persons entitled
 199 thereto within the time provided by law shall be paid **[to the**
 200 **Racing Commission]** upon the expiration of such time, without
 201 further obligation to such ticketholder *as follows:*

202 *** (1) In the case of running and harness races, 50% of those*
 203 *sums shall be paid to the racing commission; ***

204 *** **[(1)]** ** (2) ** In the case of running races, **50% of***
 205 *those sums shall be paid to the commission and set aside in the*
 206 *special trust account established pursuant to section 46 b. (1) (e)*
 207 *and section 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66); and*

208 *** **[(2)]** ** (3) ** In the case of harness races, ** **[50%]** ***
 209 ***25%** of those sums shall be retained by the permitholder to*
 210 *supplement purses for sire stakes races on which there is pari-*
 210A *mutuel wagering, and ** **[50%]** ** **25%** shall be retained by*
 210B *the permitholder to supplement overnight purses * **[or any other***
 210C *purses, as the permitholder deems appropriate] **.*

211 h. No admission or amusement tax, excise tax, license or horse
 212 racing fee of any kind shall be assessed or collected from the

213 authority by the State of New Jersey, or by any county or munici-
 214 pality, or by any other body having power to assess or collect
 215 license fees or taxes.

216 i. Any horse race meeting and the parimutuel system of wager-
 217 ing upon the **[result]** *results* of horse races held **[as]** *at* such
 218 race meeting shall not under any circumstances, if conducted as
 219 provided in the act and in conformity thereto, be held or construed
 220 to be unlawful, other statutes of the State to the contrary not-
 221 withstanding.

222 j. Each employee of the authority engaged in the conducting of
 223 horse race meetings shall obtain the appropriate license from the
 224 Racing Commission, subject to the same terms and conditions as
 225 is required of similar employees of other permitholders. The
 226 Racing Commission may suspend any member of the authority
 227 upon approval of the Governor and the license of any employee
 228 of the authority in connection with the conducting of horse race
 229 meetings, pending a hearing by the Racing Commission, for any
 230 violation of the New Jersey laws regulating horse racing or any
 231 rule or regulation of the commission. Such hearing shall be held
 232 and conducted in the manner provided in said laws.

1 6. (New section) a. Any unexpended moneys in the special trust
 2 account established under section 46 b. (1) (e) (ii) and section
 3 46 b. (2) (e) (ii) of P. L. 1940, c. 17 (C. 5:5-66) and abolished by
 4 this 1986 amendatory and supplementary act which were derived
 5 from races conducted in the calendar year 1985 shall not revert
 6 to the State General Treasury but shall be carried forward and
 7 transmitted to the special trust account now constituted under
 8 section 46 b. (1) (e) and section 46 b. (2) (e) of that act pursuant
 9 to this 1986 amendatory and supplementary act.

10 b. The provisions of this 1986 amendatory and supplementary
 11 act concerning the sums held by a permitholder for the payment
 12 of outstanding parimutuel tickets shall be applicable to all such
 13 sums being held as of January 1, 1986.

1 7. (New section) A permitholder may conduct a system of
 2 wagering in which the bettor selects the winning horse in each
 3 of six consecutive races designated by the permitholder. The races
 4 in which this system of wagering is to be conducted shall be ap-
 5 proved by the racing commission and shall be clearly designated
 6 in the program for the races conducted at a horse race meeting.

1 8. (New section) The parimutuel pool of bettors participating
 2 in the wagering authorized under section 7 of this 1986 amendatory
 3 and supplementary act shall be separate from all other wagering

4 pools on races conducted by the permitholder. Tickets for this
5 wagering shall be sold in denominations of not less than \$1.00
6 and only from machines capable of issuing six numbers.

1 9. (New section) The pool for distribution to winners in the
2 case of races in which the system of wagering authorized under
3 section 7 of this 1986 amendatory and supplementary act is
4 conducted shall be distributed as follows:

5 a. 100% of the pool shall be paid to the winner or winners of
6 those races each day.

7 b. If there is no winner, 25% of the pool shall be paid to the
8 bettor or bettors who selected the largest number of winning
9 horses in those races, and 75% of the pool shall be carried over
10 and added to the pool on the next day on which this system of
11 wagering is conducted.

12 c. If, on the last day on which this system of wagering is con-
13 ducted at a horse race meeting during a calendar year, no bettor
14 selects the winning horses in those races, the total amount of the
15 pool which exists on that day in connection with those races shall
16 be paid to the bettor or bettors who selected the largest number
17 of winning horses in those races. In no event shall any part of
18 the pool be carried over to the next year's race meeting.

1 ****[10.]** (New section) In addition to the system of wagering
2 authorized under section 7 of this 1986 amendatory and supplemen-
3 tary act, the racing commission is authorized to approve other
4 forms of exotic wagering.**

1 ****[11.]** **10.**** (New section) The racing commission shall
2 adopt, in accordance with the "Administrative Procedure Act,"
3 P. L. 1968, c. 410 (C. 52:14B-1 et seq.), the rules and regulations
4 necessary to effectuate the purposes of sections 7 through ****[10]****
5 ****9**** of this 1986 amendatory and supplementary act. Any rules
6 and regulations or portions thereof which are in effect on the
7 effective date of this 1986 amendatory and supplementary act and
8 which are consistent with the provisions of this act shall continue
9 in effect until amended or repealed by the commission in accor-
10 dance with the "Administrative Procedure Act," P. L. 1968, c. 410
11 (C. 52:14B-1 et seq.).

1 ****[12.]** **11.**** Section 8 of P. L. 1967, c. 40 (C. 5:5-90) is
2 repealed.

1 ****[13.]** **12.**** This act shall take effect immediately and shall
2 be retroactive to January 1, 1986 ***and Sections 7 through 10 shall*
3 *expire on December 31, 1988***.

GAMBLING—LOTTERY, RACING, OTHER

Makes certain changes concerning the disposition of the parimutuel pool and authorizes a new system of parimutuel wagering.

10 and added to the pool on the next day on which this system of
11 wagering is conducted.

12 c. If, on the last day on which this system of wagering is con-
13 ducted at a horse race meeting during a calendar year, no bettor
14 selects the winning horses in those races, the total amount of the
15 pool which exists on that day in connection with those races shall
16 be paid to the bettor or bettors who selected the largest number
17 of winning horses in those races. In no event shall any part of
18 the pool be carried over to the next year's race meeting.

1 10. (New section) In addition to the system of wagering author-
2 ized under section 7 of this 1986 amendatory and supplementary
3 act, the racing commission is authorized to approve other forms
4 of exotic wagering.

1 11. (New section) The racing commission shall adopt, in ac-
2 cordance with the "Administrative Procedure Act," P. L. 1968,
3 c. 410 (C. 52:14B-1 et seq.), the rules and regulations necessary
4 to effectuate the purposes of sections 7 through 10 of this 1986
5 amendatory and supplementary act. Any rules and regulations or
6 portions thereof which are in effect on the effective date of this
7 1986 amendatory and supplementary act and which are consistent
8 with the provisions of this act shall continue in effect until
9 amended or repealed by the commission in accordance with the
10 "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
11 et seq.).

1 12. Section 8 of P. L. 1967, c. 40 (C. 5:5-90) is repealed.

1 13. This act shall take effect immediately and shall be retro-
2 active to January 1, 1986.

STATEMENT

This bill makes certain changes in the disposition of the pari-
mutuel pool at the racetracks in New Jersey and authorizes a
new system of parimutuel wagering.

Its provisions are:

(1) To incorporate into the racing statutes certain provisions
of the temporary law which governed the conduct of horse racing
during 1984 and 1985 (P. L. 1984, c. 42, which expired on De-
cember 31, 1985);

(2) To consolidate the two special trust accounts for thorough-
bred breeding programs into one account under the jurisdiction
of the Racing Commission;

(3) To eliminate the special trust account for the stabilization
of the thoroughbred breeding award program and redirect those

moneys to the thoroughbred racetracks (this brings the basic racing statute, which presently applies only to the Atlantic City racetrack, into conformity with the statutes governing the meadowlands racetrack, Monmouth Park racetrack, and Garden State racetrack);

(4) To repeal the limitation of \$3,000.00 on an award in an open race;

(5) To redirect the moneys from unclaimed parimutuel tickets, which presently go into the General Fund, so that at thoroughbred racetracks those moneys will go into the newly-consolidated special trust account for thoroughbred breeding programs and at harness racetracks those moneys will be retained by the permitholder, with 50% to be used to supplement purses for sire stakes races and 50% to be used to supplement overnight purses and any other purses, as the permitholder deems appropriate;

(6) To authorize a system of wagering in which the bettor selects the winning horse in each of six consecutive races and if there is no winner of that pool, 75% of the pool is carried over to the next day on which this system of wagering is conducted; and

(7) To authorize the Racing Commission to approve other forms of exotic wagering.

The act is retroactive to January 1, 1986.

GAMBLING—LOTTERY, RACING, OTHER

Makes certain changes concerning the disposition of the parimutuel pool and authorizes a new system of parimutuel wagering.

ASSEMBLY APPROPRIATIONS COMMITTEE
STATEMENT TO

SENATE, No. 1712

[OFFICIAL COPY REPRINT]

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 10, 1986

The committee favorably reported this bill, as amended.

Senate Bill No. 1712 (OCR), as amended, provides for certain changes in the distribution and disposition of the parimutuel pool at racetracks and authorizes a new system of parimutuel wagering.

This bill incorporates into the racing statutes, certain provisions of P. L. 1984, c. 42, a temporary law governing racing in 1984 and 1985. Two special trust accounts for thoroughbred breeding programs are consolidated into one account while eliminating the special trust for the stabilization of the thoroughbred breeding program and redirecting the moneys to the thoroughbred racetracks.

One half of the money derived from unclaimed parimutuel tickets would be directed to the General Fund. In the case of thoroughbred racing, the balance would be directed into the thoroughbred breeding program. In the case of harness racing, the balance is retained by the permit holder to be divided equally between supplementing purses in sire stake races and supplementing overnight purses.

A new system of parimutuel wagering is authorized in which a bettor selects the winning horse in each of six consecutive races. If there is no winner of the pool, 75% of the pool is carried over and added to the pool on the next day that this type of pool wagering is conducted.

FISCAL IMPACT:

At this time, no formal fiscal note has been prepared on this version of the bill. The sponsor has indicated that the State would lose an estimated \$750,000.00 from the unclaimed winning parimutuel ticket provision.

COMMITTEE AMENDMENTS:

The committee amended the bill to remove the provision which authorized the racing commission to approve additional forms of exotic wagering; recipients of the unclaimed ticket provision would receive one-half of what was estimated to be \$1.5 million; the "Super Six" betting is due to expire on December 31, 1988; and technical amendments to correct language in two sections of the bill which were to be similar.

SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO

SENATE, No. 1712

with Senate committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 24, 1986

The Senate Institutions, Health and Welfare Committee favorably reports Senate Bill No. 1712 with committee amendments.

This bill makes certain changes in the disposition of the parimutuel pool at the racetracks in New Jersey and authorizes a new system of parimutuel wagering.

Its provisions are :

(1) To incorporate into the racing statutes certain provisions of the temporary law which governed the conduct of horse racing during 1984 and 1985 (P. L. 1984, c. 42, which expired on December 31, 1985) ;

(2) To consolidate the two special trust accounts for thoroughbred breeding programs into one account under the jurisdiction of the Racing Commission ;

(3) To eliminate the special trust account for the stabilization of the thoroughbred breeding award program and redirect those moneys to the thoroughbred racetracks (this brings the basic racing statute, which presently applies only to the Atlantic City racetrack, into conformity with the statutes governing the Meadowlands racetrack, Monmouth Park racetrack, and Garden State racetrack) ;

(4) To repeal the limitation of \$3,000.00 on an award in an open race ;

(5) To redirect the moneys from unclaimed parimutuel tickets, which presently go into the General Fund, so that at thoroughbred racetracks those moneys will go into the newly consolidated special trust account for thoroughbred breeding programs and at harness racetracks those moneys will be retained by the permitholder, with 50% to be used to supplement purses for sire stakes races and 50% to be used to supplement overnight purses ;

(6) To authorize a system of wagering in which the bettor selects the winning horse in each of six consecutive races and if there is no winner of that pool, 75% of the pool is carried over to the next day on which this system of wagering is conducted ; and

(7) To authorize the Racing Commission to approve other forms of exotic wagering.

The bill is retroactive to January 1, 1986.

The committee amended the bill to provide that 50% of the moneys from unclaimed parimutuel tickets shall be used only for overnight purses. The amendments delete the provision that these moneys could also be used for other purses, as the permit holder deems appropriate. The committee also adopted various technical amendments which clarify that the provisions of this bill do not supersede the recently enacted provisions governing the Garden State Racetrack, section 5 of P. L. 1982, c. 201 (C. 5:5-98).

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 2073

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 20, 1986

By Assemblymen ROCCO, SHUSTED, Assemblywoman COOPER,
Assemblymen HENDRICKSON, MORAN, COLBURN, SINGER,
DARIO, GARGIULO, ARANGO and CATRILLO

AN ACT concerning parimutuel wagering and the distribution and disposition of the parimutuel pool at horse race meetings, amending various parts of the statutory law, supplementing P. L. 1940, c. 17 (C. 5:5-22 et seq.), and repealing section 8 of P. L. 1967, c. 40.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

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

3 44. Each holder of a permit shall distribute all sums deposited
4 in any pool where the patron is required to select one horse to
5 the winners thereof, less an amount which in harness races shall
6 not exceed 17% of the total deposits plus the breaks and which in
7 other races shall not exceed 17% of the total deposits plus the
8 breaks. In every pool where the patron is required to select two
9 horses, the holder of each permit for either harness or running
10 track shall distribute all sums deposited in each pool to the winners
11 thereof, less an amount which shall not exceed 19% of the total
12 deposits plus the breaks. In every pool where the patron is re-
13 quired to select three or more horses, every holder of a permit shall
14 distribute all sums deposited in each pool to the winners thereof,
15 less an amount which shall not exceed 25% of the total deposits,
16 plus the breaks. Every permitholder shall distribute to the per-
17 sons holding winning tickets in any of the aforementioned pools,

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted March 6, 1986.

**—Assembly committee amendments adopted March 10, 1986.

18 as a minimum, a sum not exceeding \$0.10, calculated on the basis
 19 of each dollar deposited in any pool after the deduction of the said
 20 17%, 19% or 25%, as the case may be. Should the amount re-
 21 maining in the pool be insufficient to pay the winners the minimum,
 22 the breakage accruing in that race, or any necessary portion
 23 thereof, shall be applied toward making up any such deficiency.
 24 The breaks are hereby defined as the odd cents over any multiple
 25 of \$0.10, calculated on the basis of \$1.00 otherwise payable to a
 26 patron. Every permitholder engaged in the business of conducting
 27 running [or harness] race meetings under this act, except the New
 28 Jersey Sports and Exposition Authority established pursuant to
 29 P. L. 1971, c. 137 (C. 5:10-1 et seq.) **and the Garden State Race-*
 29A *track as provided in section 5 of P. L. 1982, c. 201 (C. 5:5-98)*,*
 30 shall [pay to the commission for the use of the State] *distribute*
 31 *as purse money* the breaks as herein defined, except as the same
 32 shall have been applied toward making up a deficiency in a pool as
 33 herein provided. *Every permitholder engaged in the business of*
 34 *conducting harness race meetings under this act, except the New*
 35 *Jersey Sports and Exposition Authority *and the Garden State*
 35A *Racetrack as provided in section 5 of P. L. 1982, c. 201 (C. 5:5-98)*,*
 36 *shall retain for his own uses and purposes 50% of the breaks as*
 37 *herein defined, except as the same shall have been applied toward*
 38 *making up a deficiency in the pool as herein provided, and shall*
 38A *distribute as purse money the remaining 50%.*

39 The New Jersey Sports and Exposition Authority shall retain
 40 all breaks commencing on May 10, 1971 as revenue to the authority,
 41 except as the same shall have been applied toward making up a
 42 deficiency in a pool as herein provided.

43 [Payment of such breaks shall be made] *Every permitholder*
 44 *shall submit to the commission* every seventh day of any and every
 45 race meeting [and shall be accompanied by] a report under oath
 46 showing the daily and total amount of such breaks together with
 47 such other information as the commission may require. All sums
 48 held by any permitholder for payment of outstanding parimutuel
 49 tickets not claimed by the person or persons entitled thereto within
 50 six months from the time such tickets are issued shall be paid [to
 51 the commission] upon the expiration of such six-month holding
 52 period *as follows:*

53 ***a.** In the case of running and harness races, 50% of those*
 54 *sums shall be paid to the racing commission;**

55 ***[a.]** *b.** In the case of running races, **50% of** those*
 56 *sums shall be paid to the commission and set aside in the special*

57 trust account established pursuant to section 46 b. (1) (e) and
 58 section 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66); and

59 ****[b.]**** ****c.**** *In the case of harness races, ****[50%]*****
 60 *****25%**** of those sums shall be retained by the permit holder to*
 60A *supplement purses for sire stakes races on which there is pari-*
 60B *mutuel wagering, and ****[50%]**** shall be retained by the permit-*
 60C *holder to supplement overnight purses ****[or any other purses, as***
 61 *the permit holder deems appropriate].*

62 Where it is shown to the satisfaction of the commission that the
 63 reason for the parimutuel tickets being outstanding and unclaimed
 64 is the loss, misplacement or theft of said tickets within the confines
 65 and control of the parimutuel department of any permit holder,
 66 and it is further shown to the satisfaction of the commission that
 67 said parimutuel tickets have been cashed by such parimutuel de-
 68 partment, the commission may adjust and credit the permit holder's
 69 account accordingly and the permit holder shall reimburse any
 70 employee who has been held personally accountable and paid for
 71 such lost, stolen or misplaced tickets.

72 All outstanding parimutuel ticket money shall be deposited in
 73 an account separate and apart from the track's mutuel or general
 74 treasury account. The outstanding parimutuel ticket account shall
 75 be subject to the rules and regulations prescribed by the Division
 76 of New Jersey Racing Commission.

1 2. Section 1 of P. L. 1984, c. 236 (C. 5:5-64.1) is amended to
 2 read as follows:

3 1. Notwithstanding the provisions of section 44 of P. L. 1940,
 4 c. 17 (C. 5:5-64) or any other law to the contrary, a holder of a
 5 permit to conduct harness race meetings who operates a racetrack
 6 at which harness race meetings were conducted during calendar
 7 year 1984, but which were suspended for 30 days or more during
 8 that calendar year because of fire, and a holder of a permit to con-
 9 duct harness race meetings who conducted harness race meetings
 10 at the aforementioned racetrack during 1984 and who continues to
 11 conduct harness race meetings at that racetrack, shall distribute
 12 all sums deposited in any pool where the patron is required to
 13 select one horse to the winners thereof, less an amount which shall
 14 not exceed 17% of the total deposits plus the breaks. In every
 15 pool where the patron is required to select two horses, the holder
 16 of the permit shall distribute all sums deposited in each pool to
 17 the winners thereof, less an amount which shall not exceed 19%
 18 of the total deposits plus the breaks. In every pool where the patron
 19 is required to select three or more horses, the holder of the permit

20 shall distribute all sums deposited in each pool to the winners
 21 thereof, less an amount which shall not exceed 25% of the total
 22 deposits, plus the breaks. The permitholder shall distribute to the
 23 persons holding winning tickets in any of the aforementioned pools,
 24 as a minimum, a sum not exceeding \$0.10, calculated on the basis
 25 of each dollar deposited in any pool after the deduction of the 17%,
 26 19% or 25%, as the case may be. Should the amount remaining
 27 in the pool be insufficient to pay the winners the minimum, the
 28 breakage accruing in that race, or any necessary portion thereof,
 29 shall be applied toward making up any such deficiency. The breaks
 30 are hereby defined as the odd cents over any multiple of \$0.10,
 31 calculated on the basis of \$1.00 otherwise payable to a patron. The
 32 permitholder shall retain for his own uses and purposes 50% of
 33 the breaks as herein defined, except as the same shall have been
 34 applied toward making up a deficiency in a pool as herein provided,
 35 and shall distribute as purse money the remaining 50%. The per-
 36 mitholder shall submit to the commission every seventh day of any
 37 and every race meeting a report under oath showing the daily and
 38 total amount of the breaks, together with such other information
 39 as the commission may require. All sums held by the permitholder
 40 for payment of outstanding parimutuel tickets not claimed by the
 41 **[person]** *persons* entitled thereto within six months from the time
 42 such tickets are issued shall be **[paid to the commission]** ****[re-**
 43 *tained by the permitholder]* **** paid**** upon the expiration of
 44 *such six-month holding period* ****[for the following purposes:**
 45 *a. 50%]* ****a. 50% shall be paid to the racing commission;**
 46 *b. 25%]* **** shall be [used]**** ****retained by the permitholder****
 47 *to supplement purses for sire stakes races on which there is pari-*
 47A *mutuel wagering, and [b. 50%]* ****25%**** **shall be [used]****
 47B ****retained by the permitholder**** *to supplement overnight purses*
 47C ****[or any other purses, as the permitholder deems appropriate]**.**

48 Where it is shown to the satisfaction of the commission that the
 49 reason for the parimutuel tickets being outstanding and unclaimed
 50 is the loss, misplacement or theft of the tickets within the confines
 51 and control of the parimutuel department of the permitholder, and
 52 it is further shown to the satisfaction of the commission that the
 53 parimutuel tickets have been cashed by the parimutuel department,
 54 the commission may adjust and credit the permitholder's account
 55 accordingly and the permitholder shall reimburse any employee who
 56 has been held personally accountable and paid for such lost, stolen
 57 or misplaced tickets.

58 All outstanding parimutuel ticket money shall be deposited in an

59 account separate and apart from the track's mutuel or general
60 treasury account. The outstanding parimutuel ticket account shall
61 be subject to the rules and regulations prescribed by the Division
62 of New Jersey Racing Commission.

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

3 46. Every permitholder engaged in the business of conducting
4 horse race meetings under this act, except the New Jersey Sports
5 and Exposition Authority established pursuant to P. L. 1971,
6 c. 137 (C. 5:10-1 et seq.) **and the Garden State Racetrack as pro-*
7 *vided in section 5 of P. L. 1982, c. 201 (C. 5:5-98)**, shall make dis-
7A position of the deposits remaining undistributed pursuant to sec-
7B tion 44 as follows:

8 a. In the case of harness races:

9 (1) Pay to the commission 1.25% of so much of the total contri-
10 butions to all parimutuel pools conducted or made during such
11 calendar year on any and every horse racetrack granted a permit
12 under this act. Notwithstanding the foregoing, for pools where the
13 patron is required to select two horses, the permitholder shall
14 pay to the commission 2.25% of the total contributions and for
15 pools where the patron is required to select three or more horses,
16 the permitholder shall pay to the commission 5.25% of the total
17 contributions.

18 Payment on account of such sums to be paid to the commission
19 shall be made every seventh day of any and every race meeting in
20 the amount then due as determined in the manner provided above,
21 and shall be accompanied by a report under oath showing the total
22 of all such contributions, together with such other information as
23 the commission may require. Except as otherwise provided by law,
24 no admission or amusement tax, excise tax, license or horse racing
25 fee of any kind shall be assessed or collected from any permit-
26 holder by the State of New Jersey, or by any county or munici-
27 pality, or by any other body having power to assess or collect
28 license fees or taxes.

29 (2) Hold and set aside in an account designated as a special
30 trust account 1.15% of such total contributions in all pools to be
31 used and distributed as hereinafter provided and as provided in
32 section 5 of P. L. 1967, c. 40, for the following purposes and no
33 other:

34 (a) 37% thereof to increase purses and grant awards for start-
35 ing horses as provided or as may be provided by rules of the New
36 Jersey Racing Commission with payment to be made in the same

37 manner as payment of other purses and wards;

38 (b) 55% thereof for the establishment of a Sire Stakes Pro-
39 gram for standardbred horses with payment to be made to the
40 Department of Agriculture for administration as hereinbefore
41 provided;

42 (c) 5% thereof for contributions and awards designed to
43 improve and promote the standardbred breeding industry in New
44 Jersey through payment of awards to owners and breeders of
45 New Jersey bred horses which are registered with the Standard-
46 bred Breeders' and Owners' Association of New Jersey and which
47 earn portions of purses in open events on New Jersey tracks,
48 and to owners of stallions posted on the official stallion roster of
49 the Standardbred Breeders' and Owners' Association of New
50 Jersey, which sire such registered New Jersey bred money earners;

51 (d) 3% thereof for other New Jersey horse breeding and pro-
52 motion conducted by the New Jersey Department of Agriculture.

53 (3) Retain 7.20% of so much of such total contributions for
54 his own uses and purposes. Notwithstanding the foregoing, for
55 pools where the patron is required to select two horses, the
56 permitholder shall retain 7.70% of the total contributions and
57 for pools where the patron is required to select three or more
58 horses, the permitholder shall retain 9.20% of the total contribu-
59 tions. Each permitholder shall contribute out of its 9.20% share
60 of pools, where the patron is required to select three or more
61 horses, a sum deemed necessary by the Racing Commission, to
62 finance a prerace blood testing program, and such other testing
63 programs which the commission shall deem proper and necessary
64 and which shall be subject to the regulation and control of said
65 commission.

66 (4) Distribute as purse money and for programs designed to
67 aid the horsemen and the Standardbred Breeders' and Owners'
68 Association of New Jersey 7.40% of such total contributions.
69 Expenditures for programs designed to aid the horsemen and
70 the Standardbred Breeders' and Owners' Association of New
71 Jersey shall not exceed 3.2% of the sum available for distribution
72 as purse money. The formula for distribution of the purse money
73 as either overnight purses or special stakes shall be determined
74 by an agreement between the Standardbred Breeders' and
75 Owners' Association of New Jersey and the tracks. Notwithstand-
76 ing the foregoing, for pools where the patron is required to select
77 two or more horses, the permitholder shall distribute as purse
78 money 7.90% of the total contributions and for pools where the

79 patron is required to select three or more horses, the permit-
 80 holder shall distribute as purse money 9.40% of the total con-
 81 tributions. Notwithstanding the foregoing, for pools where a
 82 patron is required to select three or more horses, each permit-
 83 holder shall retain out of the 9.40% to be distributed as purse
 84 money a sum deemed necessary by the racing commission, for
 85 use by the commission to finance a prerace blood testing pro-
 86 gram, and such other testing programs which the commission shall
 87 deem proper and necessary and which shall be subject to the regu-
 88 lation and control of said commission.

89 b. In the case of running races:

90 (1) Where the amount derived from the parimutuel handle, *ex-*
 91 *cluding the handle derived from intertrack wagering*, does not
 92 exceed \$1 million per day based on such contributions accumulated
 93 and averaged during the calendar year, the permitholder shall:

94 (a) Pay to the commission 30% of 1% of so much of the total
 95 contributions to all parimutuel pools conducted or made during
 96 such calendar year; but notwithstanding the foregoing, for pools
 97 where the patron is required to select three or more horses, the
 98 permitholder shall pay to the commission 1.30% of the total
 99 contributions.

100 Payment on account of such sums to be paid to the commission
 101 shall be made every seventh day of any and every race meeting in
 102 the amount then due as determined in the manner provided above,
 103 and shall be accompanied by a report under oath showing the
 104 total of all such contributions, together with such other informa-
 105 tion as the commission may require. Except as otherwise provided
 106 by law, no admission or amusement tax, excise tax, license or
 107 horse racing fee of any kind shall be assessed or collected from
 108 any permitholder by the State of New Jersey, or by any county
 109 or municipality, or by and other body having power to assess or
 110 collect license fees or taxes.

111 (b) Hold and set aside in an account designated as a special
 112 trust account ~~23%~~ 5% of 1% of such total contributions to be
 113 used and distributed ~~as hereinafter provided~~ and as provided in
 114 section 5 of P. L. 1967, c. 40, for the following purposes and no
 115 other:

116 (i) 18% of 1% thereof for contributions and awards de-
 117 signed to improve and promote the thoroughbred breeding
 118 industry in New Jersey through payment of awards to
 119 owners and breeders of registered New Jersey bred horses
 120 which earn portions of purses in open events on New Jersey
 121 tracks, and to owners of stallions posted on the official

122 stallion roster of the Thoroughbred Breeders' Association
123 of New Jersey, which sire such registered New Jersey bred
124 money winners;

125 (ii) 5% of 1% thereof] for State horse breeding and devel-
126 opment programs, research, fairs, horse shows, youth activi-
127 ties, promotion and administration, *as provided in section 5*
128 *of P. L. 1967, c. 40 (C. 5:5-88).*

129 (c) Retain [9.73%] 9.85% of such total contributions for his
130 own uses and purposes. For pools where the patron is required to
131 select two horses, the permitholder shall retain [10.80%] 10.92%
132 of the total contributions and for pools where the patron is re-
133 quired to select three or more horses, the permitholder shall retain
134 [13.21%] 13.33% of the total contributions. *Each permitholder*
135 *shall contribute out of its 13.33% share of pools, where the patron*
136 *is required to select three or more horses, a sum deemed necessary*
137 *by the racing commission, to finance a prerace blood testing pro-*
138 *gram, and such other testing programs which the commission shall*
139 *deem proper and necessary and which shall be subject to the regu-*
140 *lation and control of the commission.*

141 (d) Distribute as purse money and for programs designed to
142 aid the horsemen and the New Jersey Horsemen's Benevolent
143 and Protective Association 6.00% of such contributions. Notwith-
144 standing the foregoing, for pools where the patron is required
145 to select two horses, the permitholder shall distribute as purse
146 money 6.93% of such contributions and for pools where the patron
147 is required to select three or more horses, the permitholder shall
148 distribute as purse money 9.02 % of the total contributions. Ex-
149 penditures for programs designed to aid the horsemen and the
150 New Jersey Horsemen's Benevolent and Protective Association
151 shall not exceed 2.5% of the sum available for distribution as
152 purse money from all parimutuel pools. The formula for distri-
153 bution of the purse money as either overnight purses or special
154 stakes shall be determined by an agreement between the New
155 Jersey Horsemen's Benevolent and Protective Association and
156 the permitholder. *Notwithstanding the foregoing, for pools where*
157 *a patron is required to select three or more horses, each permit-*
158 *holder shall retain out of the 9.02% to be distributed as purse money,*
159 *a sum deemed necessary by the racing commission, for use by the*
160 *commission to finance a prerace blood testing program, and such*
161 *other testing programs which the commission shall deem proper*
162 *and necessary and which shall be subject to the regulation and*
163 *control of the commission.*

164 (e) **[(i) 50%]** 80% of 1% of all pools shall be deducted and set
 165 aside in a special trust account for the establishment and support
 166 by the commission of the thoroughbred breeding industry in New
 167 New Jersey; to improve purses for closed races; to provide awards
 168 for owners and breeders of registered New Jersey bred horses
 169 who earn portions of purses in *open and* closed races at New Jersey
 170 racetracks and to owners of stallions posted on the official stallion
 171 roster of the Thoroughbred Breeders' Association of New Jersey,
 172 which sire such New Jersey bred money earners and awards to
 173 the New Jersey Thoroughbred Breeders' Association for programs
 174 beneficial to thoroughbred breeding in this State. The New Jersey
 175 thoroughbred award program shall be administered and disbursed
 176 by the commission****],** while the thoroughbred open breeder awards
 177 shall be administered and disbursed by the New Jersey Depart-
 178 ment of Agriculture**].**** The special trust account to be established
 179 pursuant to this paragraph shall be separate and apart from the
 180 special trust account established and maintained pursuant to
 181 subparagraph (b) of this paragraph.

182 **[(ii) 12% of 1% shall be deducted and set aside in a special trust**
 183 **account for the purpose of stabilizing the Thoroughbred Breeding**
 184 **Award Program. These funds shall be used by the New Jersey**
 185 **Racing Commission to supplement both the open and closed award**
 186 **programs. When necessary, the Racing Commission shall forward**
 187 **a portion of the funds to the Department of Agriculture for distri-**
 188 **bution to New Jersey bred horses that successfully compete in**
 189 **open races. Any sums not used shall revert to the State General**
 190 **Treasury.]**

191 (f) **[12% of 1% shall be deposited in a separate special trust**
 192 **account for use by the commission in keeping thoroughbred tracks**
 193 **and stable facilities open during periods of time when they are not**
 194 **normally in operation, when to do so would serve the public inter-**
 195 **est.]** (*Deleted by amendment, P. L.*)

196 (g) Notwithstanding the foregoing, for pools where a patron is
 197 required to select three or more horses, 50% of 1% of the total
 198 contributions shall be held and set aside in the special trust account
 199 referred to in subparagraph (e) **[(i)]** of this paragraph.

200 (2) Where the amount derived from the parimutuel handle, *ex-*
 201 *cluding the handle derived from intertrack wagering*, exceeds \$1
 202 million per day based on such contributions accumulated and aver-
 203 aged during the calendar year, the permitholder shall:

204 (a) Pay to the commission **[2.87%]** 50% of 1% of so much of
 205 the total contributions to all parimutuel pools conducted or made

206 during such calendar year【; but, notwithstanding the foregoing,
 207 for pools where the patron is required to select three or more
 208 horses, the permitholder shall pay to the commission 3.87% of the
 209 total contributions】.

210 Payment on account of such sums to be paid to the commission
 211 shall be made every seventh day of any and every race meeting in
 212 amount then due as determined in the manner provided above,
 213 and shall be accompanied by a report under oath showing the total
 214 of all such contributions, together with such other information as
 215 the commission may require. Except as otherwise provided by law,
 216 no admission or amusement tax, excise tax, license or horse racing
 217 fee of any kind shall be assessed or collected from any permit-
 218 holder by the State of New Jersey, or by any county or munici-
 219 pality, or by any other body having power to assess or collect
 220 license fees or taxes.

221 (b) Hold and set aside in an account designated as a special
 222 trust account 【23%】 5% of 1% of such total contributions to be
 223 used and distributed 【as hereinafter provided and as provided in
 224 section 5 of P. L. 1967, c. 40, for the following purposes and no
 225 other:

226 (i) 18% of 1% thereof for contributions and awards de-
 227 signed to improve and promote the thoroughbred breeding
 228 industry in New Jersey through payment of awards to owners
 229 and breeders of registered New Jersey bred horses which earn
 230 portions of purses in open events on New Jersey tracks, and to
 231 owners of stallions posted on the official stallion roster of the
 232 Thoroughbred Breeders' Association of New Jersey, which sire
 233 such registered New Jersey bred money winners;

234 (ii) 5% of 1% thereof】 for State horse breeding and devel-
 235 opment programs, research, fairs, horse shows, youth activi-
 236 ties, promotion and administration, *as provided in section 5*
 237 *of P. L. 1967, c. 40 (C. 5:5-88).*

238 (c) Retain 【6.81%】 9.07% of such total contributions for his
 239 own uses and purposes. For pools where the patron is required to
 240 select two horses, the permitholder shall retain 【7.88%】 10.14%
 241 of the total contributions and for pools where the patron is re-
 242 quired to select three or more horses, the permitholder shall retain
 243 【10.29%】 13.31% of the total contributions. *Each permitholder*
 244 *shall contribute out of its 13.31% share of pools, where the patron*
 245 *is required to select three or more horses, a sum deemed necessary*
 246 *by the racing commission, to finance a prerace blood testing pro-*
 247 *gram, and such other testing programs which the commission shall*

248 *deem proper and necessary and which shall be subject to the regu-*
249 *lation and control of the commission.*

250 (d) Distribute as purse money and for programs designed to aid
251 the horsemen and the New Jersey Horsemen's Benevolent and
252 Protective Association ~~【6.17%】~~ 6.58% of such contributions. Not-
253 withstanding the foregoing, for pools where the patron is required
254 to select two horses, the permitholder shall distribute as purse
255 money ~~【7.10%】~~ 7.51% of such contributions and for pools where the
256 patron is required to select three or more horses, the permit-
257 holder shall distribute as purse money ~~【9.19%】~~ 9.85% of the total
258 contributions. Expenditures for programs designed to aid the
259 horsemen and the New Jersey Horsemen's Benevolent and Pro-
260 tective Association shall not exceed 2.5% of the sum available for
261 distribution as purse money from all parimutuel pools. The formula
262 for distribution of the purse money as either overnight purses or
263 special stakes shall be determined by an agreement between the
264 New Jersey Horsemen's Benevolent and Protective Association
265 and the permitholder. *Notwithstanding the foregoing, for pools*
266 *where a patron is required to select three or more horses, each*
267 *permitholder shall retain out of the 9.85% to be distributed as*
268 *purse money, a sum deemed necessary by the racing commission,*
269 *for use by the commission to finance a prerace blood testing pro-*
270 *gram, which the commission shall deem proper and necessary and*
271 *which shall be subject to the regulation and control of the commis-*
272 *sion.*

273 (e) ~~【(i) 50%】~~ 80% of 1% of all pools shall be deducted and set
274 aside in a special trust account for the establishment and support
275 by the commission of the thoroughbred breeding industry in New
276 Jersey; to improve purses for closed races; to provide awards for
277 owner and breeders of registered New Jersey bred horses who
278 earn portions of purses in closed races at New Jersey race tracks
279 and to owners of stallions posted on the official stallion roster of
280 the Thoroughbred Breeders' Association of New Jersey, which sire
281 such New Jersey bred money earners and awards to New Jersey
282 thoroughbred breeders' associations for programs beneficial to
283 thoroughbred breeding in this State. The New Jersey thorough-
284 bred award program shall be administered and disbursed by the
285 commission, while the thoroughbred open breeder awards shall be
286 administered and disbursed by the New Jersey Department of
287 Agriculture. The special trust account to be established pursuant
288 to this paragraph shall be separate and apart from the special
289 trust account established and maintained pursuant to subpara-
290 graph (b) of this paragraph.

291 **[(ii) 30% of 1% shall be deducted and set aside in a special**
 292 **trust account for the purpose of stabilizing the Thoroughbred**
 293 **Breeding Award Program. These funds shall be used by the New**
 294 **Jersey Racing Commission to supplement both the open and closed**
 295 **award programs. When necessary, the Racing Commission shall**
 296 **forward a portion of the funds to the Department of Agriculture**
 297 **for distribution to New Jersey bred horses that successfully**
 298 **compete in open races. Any sums not used shall revert to the**
 299 **State General Treasury.]**

300 (f) **[12% of 1% shall be deposited in a separate special trust**
 301 **account for use by the New Jersey Racing Commission in keeping**
 302 **thoroughbred tracks and stable facilities open during periods of**
 303 **time when they are not normally in operation, when to do so would**
 304 **serve the public interest.]** (*Deleted by amendment, P. L.,*
 305 *c.*)

306 (g) Notwithstanding the foregoing, for pools where a patron is
 307 required to select three or more horses, **[50%] 49%** of 1% of the
 308 total contributions shall be held and set aside in the special trust
 309 account referred to in subparagraph (e) **[(i)]** of this paragraph.

310 **[Notwithstanding any other provision of this section, every har-**
 311 **ness permitholder engaged in the business of conducting harness**
 312 **race meetings shall retain from the funds designated in subsection**
 313 **a. (1) of this section an additional 20% of 1% of the total contri-**
 314 **butions to all parimutuel pools for his own uses and purposes, in**
 315 **addition to those sums herein mentioned in subsection a. (3) of**
 316 **this section, during the period of November 1 to March 31, referred**
 317 **to as winter racing days. Any running race permitholder operat-**
 318 **ing pursuant to subsection b. (2) of this section shall retain from**
 319 **the funds designated in subsection b. (2) (a) an additional 1% of**
 320 **the total contributions to all parimutuel pools for his own uses**
 321 **and purposes, in addition to those sums herein mentioned in sub-**
 322 **section b. (2) (c), for any winter racing days as herein defined;**
 323 **and commencing June 1, 1982, shall retain from the funds desig-**
 324 **nated in subsection b. (2) (a) an additional 1% of the total con-**
 325 **tributions during the months of June, July, August and Septem-**
 326 **ber to all parimutuel pools for his own uses and purposes, in**
 327 **addition to those sums herein mentioned in subsection b. (2) (c),**
 328 **when a harness race meeting, other than one conducted by the**
 329 **New Jersey Sports and Exposition Authority, is operating concur-**
 330 **rently.]**

1 4. Section 5 of P. L. 1982, c. 201 (C. 5:5-98) is amended to read
 2 as follows:

3 5. The permitholder shall distribute the sums deposited in pari-
 4 mutuel pools to winners thereof in accordance with section 44 of
 5 P. L. 1940, c. 17 (C. 5:5-64) and shall dispose of the deposits re-
 6 maining undistributed as follows:

7 a. In the case of harness races:

8 (1) Hold and set aside in an account designated as a special
 9 trust account 1% of such total contributions in all pools to be used
 10 and distributed as hereinafter provided and as provided in sec-
 11 tion 5 of P. L. 1967, c. 40 (C. 5:5-88), for the following purposes
 12 and no other:

13 (a) 42½% thereof to increase purses and grant awards for
 14 starting horses as provided or as may be provided by rules of
 15 the New Jersey Racing Commission with payment to be made
 16 in the same manner as payment of other purses and awards;

17 (b) 49% thereof for the establishment of a Sire Stakes
 18 Program for standardbred horses with payment to be made
 19 to the Department of Agriculture for administration as
 20 provided;

21 (c) 5½% thereof for contributions and awards designed
 22 to improve and promote the standardbred breeding industry
 23 in New Jersey through payment of awards to owners and
 24 breeders of New Jersey bred horses which are registered with
 25 the Standardbred Breeders' and Owners' Association of New
 26 Jersey and which earn portions of purses in open events on
 27 New Jersey tracks, and to owners of stallions posted on the
 28 official stallions roster of the Standardbred Breeders' and
 29 Owners' Association of New Jersey which sire such registered
 30 New Jersey bred money earners;

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

34 Payment of the sums held and set aside pursuant to subpara-
 35 graphs (c) and (d) shall be made to the commission every seventh
 36 day of any and every race meeting in the amount then due as
 37 determined in the manner provided above, and shall be accom-
 38 panied by a report under oath showing the total of all such
 39 contributions, together with such other information as the com-
 40 mission may require.

41 (2) Distribute as purse money and for programs designed to
 42 aid the horsemen and the Standardbred Breeders' and Owners'
 43 Association of New Jersey 5% of such total contribution. Expen-
 44 ditures for programs designed to aid the horsemen and the Stau-

45 dardbred Breeders' and Owners' Association of New Jersey shall
46 not exceed 3.5% of the sum available for distribution as purse
47 money. The formula for distribution of the purse money as either
48 overnight purses or special stakes shall be determined by an agree-
49 ment between the Standardbred Breeders' and Owners' Asso-
50 ciation of New Jersey and the permitholder. Notwithstanding the
51 foregoing, for pools where the patron is required to select two or
52 more horses, the permitholder shall distribute as purse money
53 5.5% of the total contributions and for pools where the patron is
54 required to select three or more horses, the permitholder shall
55 distribute as purse money 7% of the total contributions. Not-
56 withstanding the foregoing, for pools where a patron is required
57 to select three or more horses, the permitholder shall retain out
58 of the 7% to be distributed as purse money, a sum deemed neces-
59 sary by the racing commission, for use by the commission to finance
60 a prerace blood testing program, and such other testing programs
61 which the commission shall deem proper and necessary and which
62 shall be subject to the regulation and control of the commission.

63 b. In the case of running races:

64 (1) Hold and set aside in an account designated as a special
65 trust account **【65%】** 5% of 1% of such total contributions to be
66 used and distributed **【as hereinafter provided and as provided in**
67 **section 5 of P. L. 1967, c. 40 (C. 5:5-88), for the following purposes**
68 **and no other:**

69 (a) 60% of 1% thereof for contributions and awards de-
70 signed to improve and promote the thoroughbred breeding
71 industry in New Jersey through payment of awards to owners
72 and breeders of registered New Jersey bred horses which
73 earn portions of purses in open events on New Jersey tracks,
74 and to owners of stallions posted on the official stallion rosters
75 of the Thoroughbred Breeders' Association of New Jersey
76 which sire such registered New Jersey bred money earners;

77 (b) 5% of 1% thereof **】** for State horse breeding and de-
78 velopment programs, research, fairs, horse shows, youth ac-
79 tivities, promotion and administration, *as provided in section*
80 *5 of P. L. 1967, c. 40 (C. 5:5-88).*

81 **【After the initial running race meeting conducted at the Garden**
82 **State Racetrack, the commission may reduce, for a period of time**
83 **to be determined by the commission, the amount specified above to**
84 **be set aside for this special trust account upon a request by the**
85 **permitholder and a determination by the commission that the pay-**
86 **ment of that amount would cause extreme financial hardship for**

87 the permitholder. In no event shall the commission reduce the
88 amount to less than 15% of 1% of total contributions to all pari-
89 mutuel pools at running race meetings at the racetrack. The per-
90 mitholder may request an extension of the period of reduction or
91 a further reduction or, subsequent to any restoration of the amount
92 specified above, another reduction.】

93 (2) Distribute as purse money and for programs designed to aid
94 the horsemen and the New Jersey Horsemen's Benevolent and
95 Protective Association 4.24% of such total contributions. Expendi-
96 tures for programs designed to aid the horsemen and the New
97 Jersey Horsemen's Benevolent and Protective Association shall
98 not exceed 2.9% of the sum available for distribution as purse
99 money. The formula for distribution of the purse money as either
100 overnight purses or special stakes shall be determined by an
101 agreement between the New Jersey Horsemen's Benevolent and
102 Protective Association and the permitholder. Notwithstanding the
103 foregoing, for pools where the patron is required to select three
104 or more horses, the permitholder shall distribute as purse money
105 7.24% of the total contributions.

106 (3) *60% of 1% of all pools shall be deducted and set aside in*
107 *the special trust account established pursuant to section 46 b. (l)*
108 *(e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66). The com-*
109 *mission may, however, reduce this amount for a period of time*
110 *to be determined by the commission upon a request by the permit-*
111 *holder and a determination by the commission that the payment*
112 *of that amount would cause extreme financial hardship for the*
113 *permitholder. In no event shall the commission reduce the amount*
114 *to less than 10% of 1% of total contributions to all parimutuel*
115 *pools at running race meetings at the racetrack. The permitholder*
116 *may request an extension of the period of reduction or a further*
117 *reduction or, subsequent to any restoration of the amount specified*
118 *above, another reduction.*

119 For pools where a patron is required to select three or more
120 horses, 50% of 1% of the total contributions shall be held and
121 set aside in the special trust account established pursuant to
122 section 46 b. (1) (e) 【(i)】 and 46 b. (2) (e) 【(i)】 of P. L. 1940,
123 c. 17 (C. 5:5-66).

124 Payment of the sums held and set aside pursuant to paragraphs
125 (1) and (3) of this subsection shall be made to the commission
126 every seventh day of any and every race meeting in the amount
127 then due as determined in the manner provided above, and shall
128 be accompanied by a report under oath showing the total of all

129 such contributions, together with such other information as the
130 commission may require.

131 In addition to the amounts above, an amount equal to $\frac{1}{2}$ of 1%
132 of all parimutuel pools shall be deposited annually in the General
133 Fund. All amounts remaining in parimutuel pools, including the
134 breaks, after the distribution and payments required by this
135 section shall constitute revenues of the permitholder. Except as
136 otherwise provided in this section, the permitholder shall not be
137 required to make any payments to the commission or others in
138 connection with contributions to parimutuel pools.

139 The provisions of this section shall apply each year for 10
140 years after the commencement of horse race meetings at the
141 Garden State Racetrack. At the end of the 10-year period, the
142 provisions of section 46 of P. L. 1940, c. 17 (C. 5:5-66) concerning
143 the distribution of undistributed deposits shall apply.

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

3 7. a. The authority is hereby authorized, licensed and empowered
4 to apply to the Racing Commission for a permit or permits to hold
5 and conduct, at any of the projects set forth in paragraphs (1) and
6 (5) of subsection a. of section 6 of P. L. 1971, c. 137 (C. 5:10-6),
7 horse race meetings for stake, purse or reward, and to provide a
8 place or places **[of]** *on* the race meeting grounds or enclosure
9 for wagering by patrons on the **[result]** *results* of such horse
10 races by the parimutuel system, and to receive charges and collect
11 all revenues, receipts and other sums from the ownership and
12 operation thereof; provided that only the authority through its
13 employees shall conduct such horse race meetings and wagering
14 and the authority is expressly prohibited from placing in the
15 control of any other person, firm or corporation the conduct of
16 such horse race meetings, or wagering.

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

24 c. Application for said permit or permits shall be on such forms
25 and shall include such accompanying data as the Racing Commis-
26 sion shall prescribe for other applicants. The Racing Commission
27 shall proceed to review and act on any such application within

28 30 days after its filing and the Racing Commission is authorized
29 in its sole discretion to determine whether a permit shall be
30 granted to the authority. If, after such review, the Racing Com-
31 mission acts favorably on such application, a permit shall be
32 granted to the authority without any further approval and shall
33 remain in force and effect so long as any bonds or notes of the
34 authority remain outstanding, the **[provision]** *provisions* of any
35 other law to the contrary notwithstanding. In granting a permit
36 to the authority to conduct a horse race meeting, the Racing
37 Commission shall not be subject to any limitation as to the
38 number of tracks authorized for the conduct of horse race meet-
39 ings pursuant to any provision of P. L. 1940, c. 17 (C. 5:5-22
40 et seq.). Said permit shall set forth the dates to be allotted to the
41 authority for its initial horse race meetings. Thereafter applica-
42 tion for dates for horse race meetings by the authority and the
43 allotment thereof by the Racing Commission, including the re-
44 newal of the same dates theretofore allotted, shall be governed
45 by the applicable provisions of P. L. 1940, c. 17 (C. 5:5-22 et seq.).
46 Notwithstanding the **[provision]** *provisions* of any other law to
47 the contrary, the Racing Commission shall allot annually to the
48 authority (1) for the meadowlands complex, in the case of harness
49 racing, not less than 100 racing days, and in the case of running
50 racing, not less than 56 racing days, if and to the extent that
51 application is made therefor, and (2) for any other project which
52 is set forth in paragraph (5) of subsection a. of section 6 of P. L.
53 1971, c. 137 (C. 5:10-6), and which was previously operated by a
54 permitholder other than the authority, racing days shall be lim-
55 ited, in type of racing and amount of days, to those allotted by
56 the Racing Commission to the prior **[permit holder]** *permitholder*
57 for the year 1985 as of December 13, 1984; except that the author-
58 ity may apply to the Racing Commission for an extension of the
59 number and type of racing days pursuant to section 2 of P. L.
60 1984, c. **[. . . , now pending in the Legislature as Senate Bill**
61 **No. 2543]** *247 (C. 5:5-43.1)*.

62 d. No hearing, referendum or other election or proceeding, and
63 no payment, surety or cash bond or other deposit, shall be re-
64 quired for the authority to hold or conduct the horse race meetings
65 with parimutuel wagering herein authorized.

66 e. The authority shall determine the amount of the admission
67 fee for the races and all matters relating to the collection thereof.

68 f. Distribution of sums deposited in parimutuel pools to winners
69 thereof shall be in accordance with the provisions of section 44

70 of P. L. 1940, c. 17 (C. 5:5-64) pertaining thereto. The authority
71 shall make disposition of the deposits remaining undistributed
72 as follows:

73 (1) In the case of harness races:

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

79 (i) 42½% thereof to increase purses and grant awards for
80 starting horses, as provided or as may be provided by rules
81 of the New Jersey Racing Commission, with payment to be
82 made in the same manner as payment of other purses and
83 awards;

84 (ii) 49% thereof for the establishment of a Sire Stakes
85 Program for standardbred horses, with payment to be made
86 to the Department of Agriculture for administration as here-
87 inbefore provided;

88 (iii) 5½% thereof for contributions and awards designed
89 to improve and promote the standardbred breeding industry
90 in New Jersey through payment of awards to owners and
91 breeders of New Jersey bred horses which are registered with
92 the Standardbred Breeders' and Owners' Association of New
93 Jersey and which earn portions of purses in open events on
94 New Jersey tracks, and to owners of stallions posted on
95 the official **stallions** *stallion* roster of the Standardbred
96 Breeders' and Owners' Association of New Jersey which sire
97 such registered New Jersey bred money earners;

98 (iv) 3% thereof for other New Jersey horse breeding and
99 promotion conducted by the New Jersey Department of Agri-
100 culture.

101 Payment of the sums held and set aside pursuant to subpara-
102 graphs (iii) and (iv) shall be made to the commission every
103 seventh day of any and every race meeting in the amount then
104 due, as determined in the manner provided above, and shall be
105 accompanied by a report under oath showing the total of all such
106 contributions, together with such other information as the com-
107 mission may require.

108 (b) Distribute as purse money and for programs designed to
109 aid the horsemen and the Standardbred Breeders' and Owners'
110 Association of New Jersey 5% of such total **contribution** *con-*
111 *tributions*. Expenditures for programs designed to aid the horse-

112 men and the Standardbred Breeders' and Owners' Association
113 of New Jersey shall not exceed 3.5% of the sum available for
114 distribution as purse money. The formula for distribution of the
115 purse money as either overnight purses or special stakes shall
116 be determined by an agreement between the Standardbred
117 Breeders' and Owners' Association of New Jersey and the author-
118 ity. Notwithstanding the foregoing, for pools where the patron
119 is required to select two or more horses, the authority shall dis-
120 tribute as purse money 5.5% of the total contributions and for
121 pools where the patron is required to select three or more horses,
122 the authority shall distribute as purse money 7% of the total
123 contributions. Notwithstanding the foregoing, for pools where
124 a patron is required to select three or more horses, the authority
125 shall retain out of the 7% to be distributed as purse money **[,]**
126 a sum deemed necessary by the racing commission, for use by
127 the commission to finance a prerace blood testing program, and
128 such other testing programs which the commission shall deem
129 proper and necessary and which shall be subject to the regulation
130 and control of said commission.

131 (2) In the case of running races:

132 (a) Hold and set aside in an account designated as a special
133 trust account **[15%]** 5% of 1% of such total contributions, to
134 be used and distributed **[as hereinafter provided and as pro-**
135 **vided in section 5 of P. L. 1967, c. 40, for the following purposes**
136 and no other:

137 (i) 10% of 1% thereof for contributions and awards de-
138 signed to improve and promote the thoroughbred breeding
139 industry in New Jersey through payment of awards to owners
140 and breeders of registered New Jersey bred horses which
141 earn portions of purses in open events on New Jersey tracks,
142 and to owners of stallions posted on the official stallion
143 **[rosters]** *roster* of the Thoroughbred Breeders' Association
144 of New Jersey which sire such registered New Jersey bred
145 money earners;

146 (ii) 5% of 1% thereof **]** for State horse breeding and de-
147 velopment programs, research, fairs, horse shows, youth ac-
148 tivities, promotion and administration, *as provided in section*
149 *5 of P. L. 1967, c. 40 (C. 5:5-88).*

150 (b) Distribute as purse money and for programs designed to
151 aid the horsemen and the New Jersey Horsemen's Benevolent
152 and Protective Association 4.24% of such total contributions.
153 Expenditures for programs designed to aid the horsemen and the

154 New Jersey Horsemen's Benevolent and Protective Association
155 shall not exceed 2.9% of the sum available for distribution as
156 purse money. The formula for distribution of the purse money
157 as either overnight purses or special stakes shall be determined
158 by an agreement between the New Jersey Horsemen's Benevolent
159 and Protective Association and the authority. Notwithstanding
160 the foregoing, for pools where the patron is required to select
161 three or more horses, the authority shall distribute as purse
162 money 7.24% of the total contributions.

163 (c) 10% of 1% of all pools shall be deducted and set aside in
164 the special trust account established pursuant to section 46 b. (1)
165 (e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66).

166 For pools where a patron is required to select three or more
167 horses, 50% of 1% of the total contributions shall be held and set
168 aside in **the** that special trust account **established** pursuant to
169 section 46 b. (1) (e) and 46 b. (2) (e) of P. L. 1940, c. 17 (C.
170 5:5-66).

171 Payment of the sums held and set aside pursuant to subpara-
172 graphs (a) and (c) of this subsection shall be made to the commis-
173 sion every seventh day of any and every race meeting in the
174 amount then due, as determined in the manner provided above,
175 and shall be accompanied by a report under oath showing the
176 total of all such contributions, together with such other informa-
177 tion as the commission may require.

178 In addition, as an initial payment to the State, an amount equal
179 to $\frac{1}{2}$ of 1% of all parimutuel pools shall be deposited annually in
180 the General State Fund. All amounts remaining in parimutuel
181 pools, including the breaks, after such distribution and payments
182 shall constitute revenues of the authority. Except as otherwise
183 expressly provided in this section 7, the authority shall not be
184 required to make any payments to the Racing Commission or
185 others in connection with contributions to parimutuel pools.

186 In the event that a written agreement between the authority
187 and the respective horsemen's associations shall require the dis-
188 tribution of additional sums of money to increase purses or con-
189 tributions to the special trust accounts hereinabove provided, or
190 both, any such distribution to be made in the year 1981 shall be
191 made by the authority only from, and to the extent of, available
192 moneys from the preceding year set aside for such purpose, after
193 application of the authority's revenues, moneys or other funds
194 as provided in subsection c. (1), (2), (3), (4), (5), (6) and (7)
195 of section 6 of P. L. 1971, c. 137 (C. 5:10-6).

196 g. All sums held by the authority for payment of outstanding
 197 parimutuel tickets not claimed by the person or persons entitled
 198 thereto within the time provided by law shall be paid **to the**
 199 **Racing Commission** upon the expiration of such time, without
 200 further obligation to such ticketholder *as follows*:

201 *****(1)** In the case of running and harness races, 50% of those*
 202 *sums shall be paid to the racing commission;**

203 *****[(1)]** **(2)** In the case of running races, 50% of*
 204 *those sums shall be paid to the commission and set aside in the*
 205 *special trust account established pursuant to section 46 b. (1) (e)*
 206 *and section 46 b. (2) (e) of P. L. 1940, c. 17 (C. 5:5-66); and*

207 *****[(2)]** **(3)** In the case of harness races, **[50%]***
 208 *25% of those sums shall be retained by the permitholder to*
 209 *supplement purses for sire stakes races on which there is pari-*
 209A *mutuel wagering, and **[50%]** 25% shall be retained by*
 209B *the permitholder to supplement overnight purses **[or any other***
 209C *purses, as the permitholder deems appropriate]*.*

210 h. No admission or amusement tax, excise tax, license or horse
 211 racing fee of any kind shall be assessed or collected from the
 212 authority by the State of New Jersey, or by any county or mu-
 213 nicipality, or by any other body having power to assess or collect
 214 license fees or taxes.

215 i. Any horse race meeting and the parimutuel system of wager-
 216 ing upon the **[result]** *results* of horse races held **[as]** *at* such
 217 race meeting shall not under any circumstances, if conducted as
 218 provided in the act and in conformity thereto, be held or construed
 219 to be unlawful, other statutes of the State to the contrary not-
 220 withstanding.

221 j. Each employee of the authority engaged in the conducting of
 222 horse race meetings shall obtain the appropriate license from the
 223 Racing Commission, subject to the same terms and conditions as
 224 is required of similar employees of other permitholders. The
 225 Racing Commission may suspend any member of the authority
 226 upon approval of the Governor and the license of any employee
 227 of the authority in connection with the conducting of horse race
 228 meetings, pending a hearing by the Racing Commission, for any
 229 violation of the New Jersey laws regulating horse racing or any
 230 rule or regulation of the commission. Such hearing shall be held
 231 and conducted in the manner provided in said laws.

1 6. (New section) a. Any unexpended moneys in the special trust
 2 account established under section 46 b. (1) (e) (ii) and section
 3 46 b. (2) (e) (ii) of P. L. 1940, c. 17 (C. 5:5-66) and abolished

4 by this 1986 amendatory and supplementary act which were
 5 derived from races conducted in the calendar year 1985 shall
 6 not revert to the State General Treasury but shall be carried
 7 forward and transmitted to the special trust account now consti-
 8 tuted under section 46 b. (1) (e) and section 46 b. (2) (e) of that
 9 act pursuant to this 1986 amendatory and supplementary act.

10 b. The provisions of this 1986 amendatory and supplementary
 11 act concerning the sums held by a permitholder for the payment
 12 of outstanding parimutuel tickets shall be applicable to all such
 13 sums being held as of January 1, 1986.

1 7. (New section) A permitholder may conduct a system of
 2 wagering in which the bettor selects the winning horse in each
 3 of six consecutive races designated by the permitholder. The
 4 races in which this system of wagering is to be conducted shall
 5 be approved by the racing commission and shall be clearly desig-
 6 nated in the program for the races conducted at a horse race
 7 meeting.

1 8. (New section) The parimutuel pool of bettors participating
 2 in the wagering authorized under section 7 of this 1986 amenda-
 3 tory and supplementary act shall be separate from all other
 4 wagering pools on races conducted by the permitholder. Tickets
 5 for this wagering shall be sold in denominations of not less than
 6 \$1.00 and only from machines capable of issuing six numbers.

1 9. (New section) The pool for distribution to winners in the
 2 case of races in which the system of wagering authorized under
 3 section 7 of this 1986 amendatory and supplementary act is con-
 4 ducted shall be distributed as follows:

5 a. 100% of the pool shall be paid to the winner or winners of
 6 those races each day.

7 b. If there is no winner, 25% of the pool shall be paid to the
 8 bettor or bettors who selected the largest number of winning
 9 horses in those races, and 75% of the pool shall be carried over
 10 and added to the pool on the next day on which this system of
 11 wagering is conducted.

12 c. If, on the last day on which this system of wagering is con-
 13 ducted at a horse race meeting during a calendar year, no bettor
 14 selects the winning horses in those races, the total amount of the
 15 pool which exists on that day in connection with those races shall
 16 be paid to the bettor or bettors who selected the largest number
 17 of winning horses in those races. In no event shall any part of
 18 the pool be carried over to the next year's race meeting.

1 **[10. (New section) In addition to the system of wagering

2 authorized under section 7 of this 1986 amendatory and supple-
 3 mentary act, the racing commission is authorized to approve other
 4 forms of exotic wagering.】**

1 **【11.】** **10.** (New section) The racing commission shall
 2 adopt, in accordance with the "Administrative Procedure Act,"
 3 P. L. 1968, c. 410 (C. 52:14B-1 et seq.), the rules and regulations
 4 necessary to effectuate the purposes of sections 7 through **【10】**
 5 **9** of this 1986 amendatory and supplementary act. Any rules
 6 and regulations or portions thereof which are in effect on the
 7 effective date of this 1986 amendatory and supplementary act and
 8 which are consistent with the provisions of this act shall continue
 9 in effect until amended or repealed by the commission in accor-
 10 dance with the "Administrative Procedure Act," P. L. 1968,
 11 c. 410 (C. 52:14B-1 set seq.).

1 **【12.】** **11.** Section 8 of P. L. 1967, c. 40 (C. 5:5-90) is
 2 repealed.

1 **【13.】** **12.** This act shall take effect immediately and
 2 shall be retroactive to January 1, 1986.

GAMBLING—LOTTERY, RACING, OTHER

Makes certain changes concerning the disposition of the pari-
 mutuel pool and authorizes a new system of parimutuel wagering.

STATEMENT

This bill makes certain changes in the disposition of the parimutuel pool at the racetracks in New Jersey and authorizes a new system of parimutuel wagering.

Its provisions are:

(1) To incorporate into the racing statutes certain provisions of the temporary law which governed the conduct of horse racing during 1984 and 1985 (P. L. 1984, c. 42, which expired on December 31, 1985);

(2) To consolidate the two special trust accounts for thoroughbred breeding programs into one account under the jurisdiction of the Racing Commission;

(3) To eliminate the special trust account for the stabilization of the thoroughbred breeding award program and redirect those moneys to the thoroughbred racetracks (this brings the basic racing statute, which presently applies only to the Atlantic City racetrack, into conformity with the statutes governing the Meadowlands racetrack, Monmouth Park racetrack, and Garden State racetrack);

(4) To repeal the limitation of \$3,000.00 on an award in an open race;

(5) To redirect the moneys from unclaimed parimutuel tickets, which presently go into the General Fund, so that at thoroughbred racetracks those moneys will go into the newly-consolidated special trust account for thoroughbred breeding programs and at harness racetracks those moneys will be retained by the permitholder, with 50% to be used to supplement purses for sire stakes races and 50% to be used to supplement overnight purses and any other purses, as the permitholder deems appropriate;

(6) To authorize a system of wagering in which the bettor selects the winning horse in each of six consecutive races and if there is no winner of that pool, 75% of the pool is carried over to the next day on which this system of wagering is conducted; and

(7) To authorize the Racing Commission to approve other forms of exotic wagering.

The act is retroactive to January 1, 1986.

GAMBLING—LOTTERY, RACING, OTHER

Makes certain changes concerning the disposition of the parimutuel pool and authorizes a new system of parimutuel wagering.

ASSEMBLY INDEPENDENT AND REGIONAL
AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2073

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 6, 1986

The Assembly Independent and Regional Authorities Committee reports favorably Assembly Bill No. 2073 with committee amendments.

As amended, this bill provides for certain changes in the distribution and disposition of the parimutuel pool at racetracks. The bill also authorizes a new system of parimutuel wagering. The following summary highlights are the major provisions of the bill:

(1) The bill incorporates into the permanent racing statute P. L. 1940, c. 17 (C. 5:5-22 et seq.), and thus continues certain provisions of a temporary statute, P. L. 1984, c. 42, which governed the distribution and disposition of the parimutuel pool at New Jersey racetracks (other than the New Jersey Sports and Exposition Authority) during 1984 and 1985 (P. L. 1984, c. 42 expired on December 31, 1985).

One of these provisions requires that breaks at thoroughbred racetracks be distributed as purse money, and that at harness racetracks the breaks shall be divided, with 50% to be retained by the track for its own use and 50% distributed to the patrons as purse money. Under P. L. 1940, c. 17, breaks must be paid to the Racing Commission for State use.

(2) The bill consolidates two special trust accounts for thoroughbred breeding programs which currently are allocated to separate sections in the law, thereby creating a consolidated special trust account under the jurisdiction of the Racing Commission.

(3) The bill eliminates a special trust account for the stabilization of the thoroughbred breeding award program and redirects those moneys to the thoroughbred racetracks. This change conforms the permanent racing statute, P. L. 1940, c. 17, which presently applies only to the Atlantic City racetrack, to the provisions of the separate statutes governing the Meadowlands racetrack, Monmouth Park racetrack, and the Garden State racetrack.

(4) The bill also provides that moneys derived from unclaimed parimutuel tickets, which are presently directed into the General Fund,

shall in the case of thoroughbred racetracks be redirected into the newly consolidated separate trust account for thoroughbred breeding programs and shall in the case of harness racetracks be retained by the permitholder, with 50% to be used to supplement purses for sire stakes races and 50% to be used to supplement overnight purses.

(5) The bill authorizes a new system of parimutuel wagering in which bettors select the winning horse in each of six consecutive races. If there is no winner of the pool, 75% of the pool is carried over and added to the pool on the next following day on which this new system of wagering is conducted. The bill also authorizes the Racing Commission to approve other forms of exotic wagering.

(6) Section 12 of the bill repeals the existing limitation of \$3,000.00 on an award in an open race.

(7) Section 13 of the bill makes the act retroactive to January 1, 1986.

The committee amendments to the bill are intended to clarify that the operation of the Garden State racetrack is governed by separate legislation for a period of 10 years pursuant to P. L. 1982, c. 201 (C. 5:5-94 et seq.) rather than by the permanent racing statute, P. L. 1940, c. 17 (C. 5:5-64). The amendments also specify that the sums held by permitholders for payment of outstanding parimutuel tickets shall be used to supplement either sire stakes purses or overnight purses and shall not be used to supplement any other types of purses.
