

Bill and Sponsors Statement identical to A3315

COMMITTEE STATEMENT:	ASSEMBLY:	No
	SENATE:	Yes
FLOOR AMENDMENT STATEMENTS:		No
LEGISLATIVE FISCAL ESTIMATE:		No
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REPORTS:	No
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HEARINGS:	Yes
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974.90 New Jersey. Legislature. Senate. State Government, Banking and Financial Institutions Committee

H 817 Public hearing ...proposes constitutional amendment ...results of simulcast ...horse races, held

1998 May 21, 1998

974.90 New Jersey. Legislature. Assembly. Commerce Committee

H817 Public hearing...wagering...simulcast running and harness horse races, held 6-15-1998. Trenton,

1998a Trenton, 1998

NEWSPAPER CLIPPINGS:

"State OKS off-track wagering," 8-8-2001 The Record, p. A1

"New law legalizes off-track betting sites, phone wagers," 8-8-2001 Asbury Park Press, p.A1

ASSEMBLY, No. 3315

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 22, 2001

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

SYNOPSIS

Establishes off-track wagering facilities and account wagering system for parimutuel betting on horse races, changes certain requirements pertaining to simulcasting and casino simulcasting and making an appropriation.

CURRENT VERSION OF TEXT

As introduced.



A3315 GREGG, ROBERTS

2

1 AN ACT concerning horse racing, supplementing chapter 5 of Title 5
2 of the Revised Statutes and amending various parts of the statutory
3 law and making an appropriation.

4

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

7

8 1. (New Section) Sections 1-35 of this act shall be known and may
9 be cited as the "Off-Track and Account Wagering Act."

10

11 2. (New Section) The Legislature finds and declares that:

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

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

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

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

34 e. The Sports and Exposition Authority, as an instrumentality of
35 the State, typically is not subject to local zoning and planning laws
36 when performing a function for the benefit of all the people of the
37 State. Furthermore, property it owns or controls typically is
38 considered public property devoted to an essential government
39 function and therefore, not subject to local property taxation.

40 In reality, the authority, in establishing off-track wagering facilities,
41 would not be performing an essential government function, but rather
42 an essentially private business function. In addition, the establishment
43 of off-track wagering represents a substantial expansion of gambling

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

Matter underlined thus is new matter.

1 in this State. Numerous municipalities, residents and established
2 businesses would be impacted by the establishment of such facilities
3 throughout the State. There could be municipalities that may view the
4 placement of such facilities at the discretion of the authority and the
5 racing commission as unwanted and unwarranted intrusions for which
6 they would have to provide services but for which they may not
7 receive appropriate levels of property taxes. Therefore, fundamental
8 fairness dictates that the powers of municipalities not be eroded with
9 regard to the establishment of these facilities and that the authority
10 should not be permitted to disregard local rules and controls and tax
11 requirements. Off-track wagering facilities owned or controlled by the
12 authority shall be subject to local zoning and planning rules and local
13 property taxation.

14 f. By regulation of the Division of Alcoholic Beverage Control,
15 there exist special licenses that permit the sale of alcoholic beverages
16 on public property. These special licenses, typically available to the
17 authority, are inexpensive and circumvent the traditional method for
18 obtaining a license to sell alcoholic beverages. Because the
19 establishment of off-track wagering facilities is, in reality, essentially
20 a private business venture and not an essential government function,
21 the authority shall be required to obtain a license to sell alcoholic
22 beverages in the traditional manner.

23

24 3. (New Section) As used in this act:

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

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

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

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

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

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

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

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

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

6 “Executive Director” means the Executive Director of the
7 commission.

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

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

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

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

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

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

28 “Off-track simulcasting” means the simultaneous audio or visual
29 transmission of horse races conducted at in-State and out-of-State
30 racetracks to off-track wagering facilities and parimutuel wagering at
31 those off-track wagering facilities on the results of those races.

32 “Off-track wagering” means parimutuel wagering at an off-track
33 wagering facility as authorized under this act.

34 “Off-track wagering facility” means a licensed facility, other than
35 a racetrack, at which parimutuel wagering is conducted pursuant to
36 this act.

37 “Off-track wagering licensee” means the New Jersey Sports and
38 Exposition Authority, provided that the commission has granted its
39 approval for the authority to conduct an off-track wagering facility as
40 provided for in this act.

41 “Out-of-State host track” means a racetrack in a jurisdiction other
42 than the State of New Jersey, the operator of which is lawfully
43 permitted to conduct a horse race meeting and which conducts horse
44 races upon which account wagers may be placed pursuant to this act.

45 “Out-of-State sending track” means a racetrack in a jurisdiction
46 other than the State of New Jersey which is equipped to conduct off-

1 track simulcasting and the operator of which is lawfully permitted to
2 conduct a horse race meeting and to provide simulcast horse races to
3 off-track wagering facilities in this State.

4 "Out-of-State track" means an out-of-State host track or an out-of-
5 State sending track.

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

8 "Parimutuel" means any system whereby wagers with respect to the
9 outcome of a horse race are placed with, or in, a wagering pool
10 conducted by an authorized person, and in which the participants are
11 wagering with each other and not against the person conducting the
12 wagering pool.

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

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

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

25 "Racing costs" means the prospective and actual costs for all
26 licensing, investigation, operation, regulation, supervision and
27 enforcement activities and functions performed by the commission.

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

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

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

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

40

41 4. (New Section) a. The commission is authorized to issue a
42 license to the authority to permit off-track wagering at a specified
43 facility, upon application of the authority and in accordance with the
44 provisions of this act. A license issued pursuant to this act shall be
45 valid for a period of one year. The commission shall issue a license
46 only if the authority schedules at least the minimum number of race

1 dates required in Section 30 of this act and it is satisfied that the
2 authority has entered into a participation agreement with each and
3 every other person, partnership, association, corporation, or authority
4 or the successor in interest to such person, partnership, association,
5 corporation or authority that:

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

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

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

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

14 b. As part of the license application process, any participation
15 agreement entered into for the purposes of this section, or any
16 modification to the agreement made thereafter, shall be reviewed by
17 the commission and the Attorney General to determine whether the
18 agreement meets the requirements of this act and shall be subject to
19 the approval of the commission and the Attorney General.

20

21 5. (New Section) a. At the time of filing an application for an off-
22 track wagering license, the authority shall submit to the commission
23 a non-refundable filing fee in an amount established by regulation by
24 the commission, and a certification in a form prescribed by the
25 commission which specifies, but is not limited to, the following
26 information:

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

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

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

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

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

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

39 b. A separate application and certification shall be filed for each
40 off-track wagering facility that the authority proposes to establish.

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

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

45 e. If an off-track wagering licensee, including the authority, seeks
46 to offer alcoholic beverages for on-premise consumption at an off-

1 track wagering facility, the licensee shall acquire a Class C plenary
2 retail consumption license pursuant to the provisions of R.S.33:1-1 et
3 seq. and in accordance with such procedures as established by statute
4 and by regulation of the Division of Alcoholic Beverage Control for
5 the acquisition of such licenses by private individuals or business
6 entities.

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

10 g. The commission shall by regulation establish minimum standards
11 for off-track wagering facilities, including, but not limited to,
12 standards for size, seating capacity, parking and services to be
13 provided.

14 h. As a condition of licensure, an off-track wagering licensee,
15 including the authority when the authority is the licensee which will
16 own or control the facility, shall obtain all applicable municipal zoning
17 and planning approvals required in connection with the off-track
18 wagering facility.

19
20 6. (New Section) Within 14 days of receipt of a completed
21 application, certification and applicable fees, the executive director
22 shall determine whether the same is in due form and meets the
23 requirements of law in all respects, and upon being satisfied thereof,
24 the commission, within 45 days of receipt of a completed application,
25 certification and applicable fees, shall hold a public hearing in the
26 municipality in which the proposed off-track wagering facility is to be
27 located. The costs of the public hearing shall be paid by the authority.
28 The executive director shall cause a display advertisement,
29 approximately 11 inches by 8 inches in size, to be published at least
30 once in a daily newspaper, and at least once in a weekly newspaper,
31 published, or circulated if none is published, in the county where the
32 municipality is located at least 15 days before the date of the public
33 hearing and to be published again in that daily newspaper on the third
34 day preceding the public hearing and in the latest edition of that
35 weekly newspaper that will be in circulation on the third day preceding
36 the public hearing. The advertisement shall contain sufficient
37 information to apprise the public as to the purpose of the hearing, the
38 time and place thereof, and the nature of the license applied for. The
39 advertisement shall be prepared and placed by the executive director,
40 but shall be paid for by the authority.

41
42 7. (New Section) a. No sooner than 30 days nor later than 60
43 days following the public hearing, the commission shall make a final
44 determination on the license application. The commission shall
45 approve the application if it determines that the plan for the proposed
46 facility includes appropriate standards of quality for the premises and

1 services it will provide and that the authority has demonstrated by
2 clear and convincing evidence that establishment of the proposed off-
3 track wagering facility will not be inimical to the interests of the public
4 and the horse racing industry in this State. The commission shall
5 submit its determination to the Attorney General for review and
6 approval. The determination of the commission shall be deemed
7 approved by the Attorney General if not affirmatively approved or
8 disapproved by the Attorney General within 14 days of the date of
9 submission. The decision of the Attorney General shall be deemed a
10 final decision. Upon approval by the Attorney General, the
11 commission shall issue to the authority an off-track wagering license
12 specifying the location, the periods of time during a calendar year and
13 the hours of operation during which off-track wagering is permitted at
14 the facility, and prescribing any other conditions or terms the
15 commission deems appropriate.

16 b. With the approval of the commission, the off-track wagering
17 licensee may enter into a contract or agreement with a person or entity
18 to conduct or operate an off-track wagering facility for the licensee
19 and to act as the agent of the licensee in all off-track wagering matters
20 approved by the commission.

21
22 8. (New Section) a. The commission shall have full power to
23 prescribe rules, regulations and conditions under which all off-track
24 wagering licenses are issued and renewed in the State and to revoke,
25 suspend or refuse to renew a license if in the opinion of the
26 commission the revocation of, suspension of or refusal to renew such
27 license is in the public interest; provided, however, that such rules,
28 regulations and conditions shall be uniform in their application.

29 b. The commission shall have no right or power to determine who
30 shall be officers, directors or employees of any off-track wagering
31 facility, or the salaries thereof; provided, however, that the
32 commission may compel the discharge of any official or employee of
33 the licensee at the off-track wagering facility who: (1) fails or refuses
34 for any reason to comply with the rules or regulations of the
35 commission; (2) fails or refuses for any reason to comply with any of
36 the provisions of this act; (3) fails to establish by clear and convincing
37 evidence in the opinion of the commission good character, honesty,
38 competency and integrity; or (4) has been convicted of a crime
39 involving fraud, dishonesty or moral turpitude.

40
41 9. (New Section) Nothing in this act shall be deemed to abrogate
42 the common law right or any other right established by law to exclude
43 or eject permanently from any off-track wagering facility any person
44 who disrupts the operations of its premises, threatens the security of
45 its premises or its occupants, or is disorderly or intoxicated.

1 10. (New Section) a. The total number of off-track wagering
2 facilities licensed in this State pursuant to this act shall not exceed 15.

3 b. The commission shall issue no more than eight off-track
4 wagering licenses within the first two years of the effective date of this
5 act.

6
7 11. (New Section) It shall be lawful for the off-track wagering
8 licensee to conduct off-track simulcasting at the off-track wagering
9 facility with all in-State sending tracks and with any out-of-State
10 sending track in accordance with the provisions of this act and
11 applicable regulations which the commission may promulgate.

12
13 12. (New Section) An in-State sending track may transmit to
14 licensed off-track wagering facilities all or some of the live races
15 conducted at the racetrack. The off-track wagering licensee, as a
16 condition of continued operation of the off-track wagering facility,
17 shall receive all live races which are offered and transmitted by in-
18 State sending tracks.

19
20 13. (New Section) a. The commission is authorized to issue a
21 license to the authority to establish an account wagering system in
22 accordance with the provisions of this act. A license issued pursuant
23 to this act shall be valid for a term of one year. The commission shall
24 issue a license only if the authority schedules at least the minimum
25 number of race dates required in section 30 of this act and it is
26 satisfied that the authority has entered into a participation agreement
27 with each and every person, partnership, association, corporation or
28 authority or the successor in interest to such person, partnership,
29 association, corporation or authority that:

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

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

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

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

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

45 c. At the time of filing an application for licensure under this
46 section, the authority shall submit to the commission a non-refundable

1 filing fee in an amount established by regulation by the commission,
2 and a certification in a form prescribed by the commission which
3 specifies, but is not limited to, information about the operation of the
4 account wagering system and the authority's participation therein.

5
6 14. (New Section) a. Within 14 days of receipt of a completed
7 application, certification and applicable fees, the executive director
8 shall determine whether the same is in due form and meets the
9 requirements of law in all respects, and upon being satisfied thereof,
10 the executive director, within 45 days of receipt of a completed
11 application, certification and applicable fees, shall hold a public
12 hearing, the costs of which shall be paid by the applicant.

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

28 c. With the approval of the commission, an account wagering
29 licensee may enter into a contract or agreement with a person or entity
30 to conduct or operate an account wagering system or facility for the
31 licensee and to act as the agent of the licensee in all account wagering
32 matters approved by the commission.

33
34 15. (New Section) a. The commission shall have full power to
35 prescribe rules, regulations and conditions under which all account
36 wagering licenses are issued or renewed in this State and to revoke,
37 suspend or refuse to renew a license if in the opinion of the
38 commission the revocation of, suspension of or refusal to renew such
39 license is in the public interest; provided, however, that such rules,
40 regulations and conditions shall be uniform in their application.

41 b. The commission shall have no right or power to determine who
42 shall be officers, directors or employees of any account wagering
43 licensee, or the salaries thereof; provided, however, that the
44 commission may compel the discharge of any official or employee of
45 the licensee or the account wagering system who: (1) fails or refuses
46 for any reason to comply with the rules or regulations of the

1 commission; (2) fails or refuses for any reason to comply with any of
2 the provisions of this act; (3) fails to establish by clear and convincing
3 evidence in the opinion of the commission good character, honesty,
4 competency and integrity; or (4) has been convicted of a crime
5 involving fraud, dishonesty or moral turpitude.

6
7 16. (New Section) a. A person may not place an account wager
8 unless the person has established an account with the account
9 wagering licensee. To establish a wagering account, a person shall be
10 a New Jersey resident at least 18 years of age.

11 b. The account shall be in the name of a natural person and may
12 not be in the name of any beneficiary, custodian, joint trust,
13 corporation, partnership or other organization or entity.

14 c. An account may be established by a person completing an
15 application form approved by the commission and submitting it
16 together with a certification, or other proof, of age and residency. The
17 form shall include the address of the principal residence of the
18 prospective account holder and a statement that a false statement made
19 in regard to an application may subject the applicant to prosecution.

20 d. The prospective account holder shall submit the completed
21 application to the account wagering licensee, to any account wagering
22 participating permit holder or to a licensed off-track wagering facility
23 or such other person or entity as may be approved by the commission.
24 The account wagering licensee may accept or reject an application
25 after receipt and review of the application and certification, or other
26 proof, of age and residency for compliance with this act.

27 e. Any prospective account holder who provides false or
28 misleading information on the application is subject to rejection of the
29 application or cancellation of the account by the account wagering
30 licensee without notice.

31 f. The account wagering licensee shall have the right to suspend or
32 close any wagering account at its discretion.

33 g. Any person not in good standing with the commission shall not
34 be entitled to maintain a wagering account.

35 h. The address provided by the applicant in the application shall be
36 deemed the proper address for the purposes of mailing checks, account
37 withdrawals, notices and other materials.

38 i. A wagering account shall not be assignable or otherwise
39 transferable.

40 j. Except as otherwise provided in this act or in regulations which
41 the commission may adopt hereunder, all account wagers shall be final
42 and no wager shall be canceled by the account holder at any time after
43 the wager has been accepted by the account wagering licensee.

44 k. For the purposes of this act and notwithstanding any other law
45 to the contrary, all messages or orders to place account wagers
46 received by the licensee on behalf of a participating permit holder shall

1 be deemed made to a place within this State.

2 1. All persons accepting account wagers on behalf of an account
3 wagering licensee shall do so at a location within this State.

4 m. The account wagering licensee may at any time declare the
5 system closed for receiving any wagers on any race or closed for all
6 wagering.

7

8 17. (New Section) a. Credits to a wagering account shall be made
9 as follows:

10 (1) The account holder's deposits to the wagering account shall be
11 submitted by the account holder to the account wagering licensee and
12 shall be in the form of one of the following:

13 (a) cash given to the account wagering licensee;

14 (b) check, money order, negotiable order of withdrawal, or wire or
15 electronic transfer, payable and remitted to the account wagering
16 licensee; or

17 (c) charges made to an account holder's debit or credit card upon
18 the account holder's direct and personal instruction, which instruction
19 may be given by telephone communication or other electronic means
20 to the account wagering licensee or its agent by the account holder if
21 the use of the card has been approved by the account wagering
22 licensee.

23 (2) Credit for winnings from wagers placed with funds in a
24 wagering account and credit for account wagers on horses that are
25 scratched shall be posted to the account by the account wagering
26 licensee.

27 (3) The account wagering licensee shall have the right to refuse for
28 any reason all or part of any wager or deposit to the account.

29 (4) Funds deposited in the account shall not bear interest to the
30 account holder.

31 b. Debits to a wagering account shall be made as follows:

32 (1) Upon receipt by the account wagering licensee of an account
33 wager properly placed pursuant to section 18 of this act, the account
34 wagering licensee shall debit the account holder's wagering account
35 in the amount of the wager.

36 (2) The account wagering licensee may authorize a withdrawal
37 from a wagering account when the account holder submits to the
38 licensee, the licensee's agent, a participating permit holder, a licensed
39 off-track wagering facility or such other entity as may be approved by
40 the commission the following:

41 (i) proper identification;

42 (ii) the correct personal identification number; and

43 (iii) a properly completed and executed withdrawal slip on a form
44 approved by the commission.

45 Upon receipt of a properly completed and executed withdrawal
46 form, and if there are sufficient funds in the account to cover the

1 withdrawal, the licensee shall send, within three business days of
2 receipt, a check to the holder at the address specified in the application
3 for the wagering account. The check shall be made payable only to the
4 holder of the wagering account and in the amount of the requested
5 withdrawal.

6

7 18. (New Section) The account wagering licensee may accept
8 account wagers only from residents of New Jersey and only as follows:

9 a. The account wager shall be placed directly with the account
10 wagering licensee by the holder of the wagering account.

11 b. The account holder placing the account wager shall provide the
12 licensee with the correct personal identification number of the holder
13 of the wagering account.

14 c. A licensee may not accept an account wager, or series of
15 wagers, in an amount in excess of funds on deposit in the wagering
16 account of the holder placing the wager. Funds on deposit include
17 amounts credited under section 17 of this act and in the account at the
18 time the wager is placed.

19 d. Only the holder of a wagering account shall place an account
20 wager. Unless otherwise approved by the commission, no person,
21 corporation or other entity shall directly or indirectly act as an
22 intermediary, transmitter or agent in the placing of wagers for a holder
23 of a wagering account; provided, however, that the use of credit or
24 debit cards specifically approved by the licensee or the use of checks,
25 money orders or negotiable orders of withdrawal or the use of
26 telephonic, computer or electronic means by the account holder to
27 place such wagers shall not be prohibited.

28 e. The account holder may place a wager in person, by direct
29 telephone call or by communication through other electronic media.

30

31 19. (New Section) All amounts remaining in wagering accounts
32 inactive or dormant for such period and under such conditions as
33 established by regulation shall be paid 50% to the account wagering
34 licensee and 50% to the New Jersey Racing Industry Special Fund.

35

36 20. (New Section) Sums wagered at the off-track wagering facility
37 on the result of a simulcast horse race at an in-State sending track, or
38 through the account wagering system on a race conducted at an in-
39 State host track, shall be included in the appropriate parimutuel pool
40 generated at the in-State track and shall be distributed pursuant to
41 section 21 of this act. Payments to persons holding winning tickets at
42 an off-track wagering facility or through the account wagering system,
43 shall be made according to the same odds as those generated at the
44 in-State track.

45

46 21. (New Section) Sums wagered at an off-track wagering facility

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

16 a. 6% of the parimutuel pool generated at the off-track wagering
17 facility or through the account wagering system shall be paid to the in-
18 State track for overnight purses. In the event that (1) any racetrack
19 at which a horse race meeting was conducted in calendar year 2000
20 ceases to operate as a racetrack prior to calendar year 2003 and (2) an
21 off-track wagering facility is operated on that former racetrack site,
22 6.15% of the parimutuel pool generated at that off-track wagering
23 facility shall be paid to the in-State sending track for overnight purses.

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

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

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

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

46 d. 0.02% of the parimutuel pool generated at the off-track

1 wagering facility or through the account wagering system shall be paid
2 to Backstretch Benevolency.

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

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

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

24
25 22. (New Section) a. The off-track wagering licensee may, in
26 accordance with the provisions of this act and any applicable
27 regulations of the commission and with the approval of the
28 commission, also receive at the facility simulcast horse races
29 conducted at out-of-State sending tracks; provided, however, that the
30 off-track wagering licensee may receive simulcast horse races from
31 only those out-of-State sending tracks that have been approved by the
32 commission, which approval may not be unreasonably withheld.

33 b. An account wagering licensee may, with the approval of the
34 commission, also accept account wagers on horse races conducted at
35 out-of-State host tracks; provided, however, that the account
36 wagering licensee may receive wagers on out-of-State horse races
37 from only those out-of-State host tracks that have been approved by
38 the commission, which approval may not be unreasonably withheld.

39
40 23. (New Section) a. The off-track wagering licensee receiving
41 a simulcast horse race from an out-of-State sending track shall pay to
42 the out-of-State sending track for the transmission such amount, if
43 any, as may be agreed upon by the off-track wagering licensee and the
44 out-of-State sending track.

45 b. The account wagering licensee accepting account wagers on a
46 horse race conducted at an out-of-State host track shall pay to the

1 out-of-State host track such amount, if any, as provided for in the
2 agreement, if any, between the account wagering licensee and the out-
3 of-State host track.

4
5 24. (New Section) a. Except as provided in subsection b. of this
6 section, the commission shall not permit an out-of-State sending track
7 or an out-of-State host track to participate in off-track simulcasting or
8 qualify as an out-of-State host track, respectively, unless the
9 parimutuel pools respecting the off-track wagering facility or the
10 account wagering system shall be combined with comparable
11 parimutuel pools at the out-of-State track. The types of wagering,
12 takeout, distribution of winnings, rules of racing, method of
13 calculating breakage, and the percentage of deposits remaining
14 undistributed from a parimutuel pool after payment is made to winning
15 ticket holders shall be determined in accordance with the law or policy
16 applicable to the out-of-State track.

17 b. With the prior approval of the commission and the concurrence
18 of the out-of-State track, an off-track wagering licensee or the account
19 wagering licensee, and receiving tracks or entities in other states other
20 than the state in which the out-of-State track is located may form an
21 interstate common pool. With respect to such interstate common
22 pools, the commission may approve types of wagering, takeout,
23 distribution of winnings, rules of racing, method of calculating
24 breakage, and a percentage of deposits remaining undistributed from
25 a parimutuel pool after payment is made to winning ticket holders
26 which are different from those which would otherwise be applied in
27 this State but which are consistent for all parties to the interstate
28 common pool.

29
30 25. (New Section) Sums wagered at an off-track wagering facility
31 on races being transmitted to that off-track wagering facility from an
32 out-of-State sending track and sums wagered through the account
33 wagering system on races conducted by an out-of-State host track
34 shall be subject to the takeout rate determined pursuant to section 24
35 of this act and the sums resulting from that takeout rate as applied to
36 the parimutuel pool generated at the off-track wagering facility or
37 through the account wagering system shall be distributed as follows,
38 except money resulting from breakage on amounts wagered at the
39 off-track wagering facility or through the account wagering system
40 and from outstanding parimutuel ticket moneys issued at the off-track
41 wagering facility shall be distributed as provided by subsection c. of
42 this section.

43 a. The amount, if any, as agreed by the off-track wagering licensee
44 or account wagering licensee and the out-of-State track pursuant to
45 section 23 of this act shall be paid to the out-of State track.

46 b. Of the amount remaining after the deduction of the amount

1 under subsection a. of this section from the amount of the takeout
2 rate, 40% shall be paid to the New Jersey Racing Industry Special
3 Fund and 60% shall be paid to the off-track wagering licensee or the
4 account wagering licensee, as appropriate.

5 c. All breakage moneys and outstanding parimutuel ticket moneys
6 resulting from wagering at the off-track wagering facility or through
7 the account wagering system on races conducted by the out-of-State
8 track shall be paid to the commission for racing costs in accordance
9 with section 26 of this act. If in any calendar year the total amount of
10 breakage moneys and outstanding parimutuel ticket moneys referred
11 to herein exceed amounts required to pay racing costs as provided in
12 section 26 of this act, such remaining funds shall be allocated as
13 follows: 50% to the off-track wagering licensee or account wagering
14 licensee, as appropriate and 50% to the New Jersey Racing Industry
15 Special Fund.

16

17 26. (New Section) a. The State Treasurer shall certify racing
18 costs on an annual basis. These racing costs shall be the basis for
19 payment and reimbursement to the commission from the following
20 sources, in the following order:

21 (1) license and permit fees received by the commission;

22 (2) breakage moneys and outstanding parimutuel ticket moneys as
23 provided in sections 21 and 25 of this act, and the outstanding
24 parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17
25 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of
26 P.L.1971, c.137 (C.5:10-7).

27 b. If, in any year, amounts received by the commission from the
28 sources specified in subsection a. of this section are not sufficient to
29 reimburse the commission for racing costs, there shall be an
30 assessment against permit holders or successors in interest to permit
31 holders, if applicable, to reimburse the commission for its costs for
32 which funds are not otherwise appropriated to the commission by law.
33 Such assessment shall be approved by the State Treasurer. The
34 commission shall establish, by regulation, an assessment formula which
35 apportions such costs to each permit holder or successor in interest,
36 if applicable.

37 c. Subject to the approval of the State Treasurer, the commission
38 may adjust the annual assessment when necessary to cover
39 expenditures not anticipated at the time of the assessment.

40 d. The funds derived from the sources specified in this section
41 shall be held in a non-lapsing dedicated account, for use in accordance
42 with the provisions of this section.

43

44 27. (New Section) The commission shall establish and administer
45 a separate fund to be known as the "New Jersey Racing Industry
46 Special Fund" into which shall be deposited the sums dedicated to the

1 fund by sections 19, 21 and 25 of this act. Money deposited in this
2 special fund shall be disbursed monthly by the commission and used as
3 follows:

4 a. 92% shall be distributed as follows:

5 (1) in the case of money deposited into the special fund from the
6 off-track wagering facility located on the former site of the Atlantic
7 City Race Course, or, if no off-track wagering facility exists on that
8 former site, the off-track wagering facility located closest to that
9 former site, 100% to permit holders conducting thoroughbred racing;

10 (2) except as provided in paragraph (1), 65% to permit holders
11 conducting thoroughbred racing and 35% to permit holders conducting
12 harness racing;

13 Of the allocations made pursuant to this subsection, specific
14 distributions shall be made to the overnight purse account for the
15 breed and horsemen's organization of each permit holder. Distribution
16 shall be based on the following formula: total overnight purse
17 distribution for each permit holder in the prior calendar year divided
18 by the total overnight purse distribution of all permit holders for the
19 respective breed in the prior calendar year.

20 b. 8% shall be distributed as follows:

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

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

28 Of the amounts distributed to thoroughbred funds pursuant to this
29 subsection, the following distributions shall apply: 94% to
30 Thoroughbred Breeders and Stallions; 3% to Backstretch
31 Benevolency; and 3% to Breeding and Development.

32 Of the amount distributed to harness funds pursuant to this
33 subsection, the following distributions shall apply: 75% to Sire Stakes;
34 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10%
35 to Health and Welfare; and 3.5% to Breeding and Development.

36

37 28. (New Section) All persons engaged in conducting wagering-
38 related activities at an off-track facility or through an account
39 wagering system, whether employed directly by the licensee or by a
40 person or entity conducting or operating the off-track wagering facility
41 or account wagering system to an agreement with the licensee, shall
42 be licensed or registered in accordance with such regulations as may
43 be promulgated by the commission hereunder. All other employees at
44 the off-track wagering facility or of account wagering system shall be
45 licensed or registered in accordance with regulations of the
46 commission. The commission shall have full power to prescribe rules,

1 regulations and conditions under which all such licenses are issued, or
2 registrations made, in this State and to revoke or refuse to issue a
3 license, or revoke or refuse to accept a registration, if in the opinion
4 of the commission the revocation or refusal is in the public interest,
5 provided, however, that such rules, regulations and conditions shall be
6 uniform in their application, and further provided that no fee shall be
7 in excess of \$50 for each license so granted or registration accepted.
8

9 29. (New Section) a. A person employed by a permit holder in
10 the admissions department or parimutuel clerk department of a
11 racetrack operated by a permit holder, or employed at the racetrack by
12 a food and beverage vendor contracting with the permit holder to
13 provide food and beverages at the racetrack, shall be given a one-time
14 right of first refusal offer of employment, as each off-track wagering
15 facility opens, for the then available positions of similar employment
16 in that off-track wagering facility, including any similar employment
17 with the off-track wagering licensee or with any vendor contracting
18 with the licensee to provide food and beverages at the off-track
19 wagering facility, or as each account wagering licensee implements
20 account wagering, for the then available positions of similar
21 employment with any account wagering licensee.

22 b. In the event that an off-track wagering facility is sited and
23 begins operations at the location or in the proximity of a former
24 racetrack, a person who, at the time of the closing of the former
25 racetrack, worked as an employee of the permit holder in the
26 admissions department or parimutuel clerk department of the former
27 racetrack operated by the permit holder, or who, at the time of the
28 closing of the former racetrack, worked at the racetrack as an
29 employee of a food and beverage vendor contracting with the permit
30 holder to provide food and beverages at the former racetrack, shall be
31 given a one-time right of first refusal offer of similar employment at
32 the off-track wagering facility. In the event that there are not a
33 sufficient number of employment opportunities for each of the former
34 employees who seek a position pursuant to the provisions of this
35 subsection, then each such former employee, for a period of four years
36 thereafter, shall have the right of first refusal set forth in the provisions
37 of subsection a. of this section. Employment opportunities that remain
38 after each former employee has been given an offer of similar
39 employment shall be made available to other persons in accordance
40 with the provisions of subsection a. of this section.

41 c. An employee of the permit holder or vendor contracting with
42 the permit holder who is given preference for employment pursuant to
43 subsections a. and b. of this section and accepts the employment shall
44 not suffer, at the time that the change in employment occurs, any
45 reduction in seniority, pay, or employer contribution to pension and
46 health benefits, and shall receive a substantially equivalent level of

1 benefits.

2 d. In the event that a racetrack closes but the permit holder
3 continues to hold a permit to conduct a horse race meeting at another
4 racetrack, that permit holder shall offer to each person who was
5 employed at the former racetrack at the time it closed but who is not
6 eligible for a right of first refusal offer under subsection b. of this
7 section, severance pay in the amount of two weeks of base pay for
8 each year of employment at the racetrack. For the purpose of this
9 subsection, one week of base pay shall equal actual annual
10 compensation in the last one-year period of employment divided by 52.

11

12 30. (New Section) a. The permit holder at Monmouth Park and
13 the thoroughbred permit holder at the Meadowlands together shall
14 schedule no fewer than 141 thoroughbred race dates in the aggregate
15 in each of calendar years 2001, 2002 and 2003 and no fewer than 120
16 thoroughbred race dates in the aggregate each calendar year thereafter;

17 b. the standardbred permit holder at the Meadowlands shall
18 schedule annually no fewer than 151 standardbred race dates; and

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

21

22 31. (New Section) A true copy of the minutes of every meeting
23 of the commission shall be forthwith delivered by and under the
24 certification of, the executive director thereof to the Governor. No
25 action taken at such meeting of the commission shall have force and
26 effect until the earlier of 10 days, exclusive of Saturdays, Sundays and
27 public holidays, after such copy of the minutes shall have been so
28 delivered, or the approval thereof by the Governor. If, in the 10-day
29 period, the Governor returns such copy of the minutes with veto of
30 any action taken by the commission or any member thereof at such
31 meeting, such action shall be null and void and of no effect. The
32 Governor may approve all or part of the action taken at such meeting,
33 prior to the expiration of the 10-day period. This section shall not
34 apply to enforcement actions for violations of regulations promulgated
35 by the commission.

36

37 32. (New Section) The provisions of this act shall be deemed to
38 be severable, and if any phrase, clause, sentence or provision of this
39 act is declared to be unconstitutional or the applicability thereof to any
40 person is held invalid, the remainder of this act shall not thereby be
41 deemed to be unconstitutional or invalid.

42

43 33. (New Section) The commission shall promulgate rules and
44 regulations pursuant to the "Administrative Procedure Act," P.L.1968,
45 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

1 34. (New Section) In addition to any other funds provided by law
2 for prevention, education and treatment programs for compulsive
3 gamblers, beginning on July 1, 2002, there shall be an annual
4 assessment against permit holders or successors in interest to permit
5 holders, if applicable, of a total sum of \$200,000 in the aggregate
6 which shall be paid into the General Fund for appropriation by the
7 Legislature to the Department of Health and Senior Services for
8 prevention and education and treatment programs for compulsive
9 gambling that meet the criteria developed pursuant to section 2 of
10 P.L.1993, c.229 (C.26:2-169), such as those provided by the Council
11 on Compulsive Gambling of New Jersey. Such funds shall be used to
12 address compulsive gambling issues related to off-track wagering
13 facilities and account wagering. The New Jersey Racing Commission
14 shall, by regulation, establish a formula which apportions the
15 assessment to each permit holder or successor in interest, if applicable.

16

17 35. (New section) In order to retain the competitive position of
18 the standardbred and thoroughbred racing programs at the authority
19 owned racetracks during the period in which the off-track wagering
20 and account wagering systems are developed, the authority, as it
21 deems appropriate, may supplement or enhance purses at its
22 racetracks; provided, however, that any such supplements shall be
23 decreased as the off-track wagering and account wagering systems are
24 developed.

25

26 36. (New section) On or before July 1, 2002, the commission shall
27 submit to the Governor and the Legislature a report indicating the
28 feasibility of establishing a permanent training facility or other means
29 to permit winter stabling for the New Jersey racing industry and
30 \$300,000 is appropriated from the General Fund to the commission for
31 that purpose.

32

33 37. (New section) There is appropriated from the General Fund
34 \$150,000 to the commission to be allocated to the group certified by
35 the commission as representing a majority of the active licensed
36 thoroughbred jockeys in New Jersey for the purpose of providing
37 health and welfare benefits to active, disabled and retired New Jersey
38 jockeys and their dependents based upon reasonable criteria by that
39 organization.

40

41 38. (New section) Notwithstanding any other law to the contrary,
42 in the event that in any calendar year there shall be a standardbred race
43 meeting but no running race meeting conducted at Garden State Park
44 and Garden State Park is authorized by the commission to receive
45 horse races run live at in-State sending tracks and conduct parimutuel
46 wagering thereon, then from January 1 through May 31 of that

1 calendar year, the amount reserved and set aside by the in-State
2 sending track as set forth in Section 8 of P.L.1985, c.269 (C.5:5-117)
3 shall not be forwarded to Garden State Park but instead shall be
4 forwarded to Monmouth Park to supplement overnight purses at its
5 next horse race meeting.

6

7 39. (New section) Notwithstanding any other law to the contrary,
8 in the event that in any calendar year there shall be a standardbred race
9 meeting but no running race meeting conducted at Garden State Park
10 and Garden State Park is authorized by the commission to receive
11 horse races run live at one or more out-of-State sending tracks and
12 conduct parimutuel wagering thereon pursuant to section 37 of
13 P.L.1992, c.19 (C.5:5-125), as amended by this act, P.L. , c. (C.)
14 (now pending before the Legislature as this bill), then, from January
15 1 through May 31 of that calendar year:

16 a. the amount resulting from the takeout rate shall be distributed
17 as follows:

18 (1) .50% of the parimutuel pool generated at Garden State Park
19 shall be deposited in the special trust account pursuant to section
20 5b.(3) of P.L.1982, c.201 (C.5:5-98) for use and distribution as
21 provided therein;

22 (2) .03% of the parimutuel pool generated at Garden State Park
23 shall be paid to the commission and set aside in the special trust
24 account for horse breeding and development for use as provided in
25 section 5 of P.L.1967, c.40 (C.5:5-88);

26 (3) on the basis of all races in each program, or if two or more
27 programs are being transmitted simultaneously, on the basis of all
28 races in all such programs running simultaneously, 3.735% of the first
29 \$100,000 of the total pool generated at Garden State Park; 5.235% of
30 the total such pool from \$100,001 to \$150,000; 5.735% of the total
31 such pool from \$150,001 to \$250,000; 6.235% of the total such pool
32 from \$250,001 to \$300,000; and, if the amount of the total such pool
33 exceeds \$300,000, 6.485% of the total amount of such pool shall be
34 paid to supplement overnight purses at the next race meeting at
35 Monmouth Park and for programs designed to aid horsemen and the
36 New Jersey Thoroughbred Horsemen's Benevolent Association, as
37 provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-98).

38 (4) .02% of the parimutuel pool generated at Garden State Park
39 shall be paid to the Thoroughbred Breeders' Association of New
40 Jersey;

41 (5) .01% of the parimutuel pool generated at Garden State Park
42 shall be paid to the Backstretch Benevolency Programs Fund created
43 pursuant to P.L.1993, c.15 (C.5:5-44.8); and

44 (6) the amount remaining after the deduction of the amounts under
45 paragraphs (1), (2), (3), (4) and (5) shall be paid to the permit holder
46 at Garden State Park.

1 b. of all the breakage moneys and outstanding parimutuel ticket
2 moneys resulting from the wagering at Garden State Park on out-of-
3 State simulcast races, 50% shall be paid to the permit holder at Garden
4 State Park and 50% shall be paid to supplement purses at the next race
5 meeting at Monmouth Park and for programs designed to aid
6 horsemen and the New Jersey Thoroughbred Horsemen's Benevolent
7 Association, as provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-
8 98).

9

10 40. Section 37 of P.L.1992, c.19 (C.5:5-125) is amended to read
11 as follows:

12 37. a. (1) Notwithstanding any other law to the contrary, the
13 New Jersey Racing Commission, upon application by a receiving track,
14 as defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in
15 accordance with applicable federal law, may permit the track to
16 receive, in addition to the horse races authorized by section 10 of
17 P.L.1985, c.269 (C.5:5-119), simulcast transmissions of the racing
18 program, in full or in part, from any out-of-State sending track, as
19 defined in section 2 of P.L.1985, c.269 (C.5:5-111), during any time
20 period, provided that the receiving track agrees to receive all simulcast
21 horse races which any in-State sending track wishes to transmit to it
22 during that same time period, and provided further that, except as
23 provided in subsection b. of this section, the parimutuel pools at the
24 receiving track shall be combined with comparable parimutuel pools
25 at the out-of-State sending track. No limit shall be placed on the
26 number of racing programs the track may receive from out-of-State
27 sending tracks except as otherwise provided herein.

28 (2) Whenever an out-of-State sending track participates in
29 simulcasting pursuant to paragraph (1) of this subsection and the
30 parimutuel pools are combined at the out-of-State sending track, the
31 types of wagering, takeout, distribution of winnings, rules of racing,
32 method of calculating breakage, and the percentage of deposits
33 remaining undistributed from a parimutuel pool after payment is made
34 to winning ticket holders shall be determined in accordance with the
35 law or policy applicable to the out-of-State sending track. However,
36 moneys resulting from breakage on amounts wagered at the receiving
37 track and from outstanding parimutuel tickets issued at the receiving
38 track in all instances shall be distributed as provided by section 38 of
39 this act.

40 b. With the prior approval of the New Jersey Racing Commission
41 and the concurrence of the out-of-State sending track, a receiving
42 track and receiving tracks or entities in other states other than the
43 state in which the sending track is located may form an interstate
44 common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111).
45 With respect to such interstate common pools, the Racing Commission
46 may approve types of wagering, takeout, distribution of winnings,

1 rules of racing, method of calculating breakage, and a percentage of
2 deposits remaining undistributed from a parimutuel pool after payment
3 is made to winning ticket holders which are different from those which
4 would otherwise be applied in this State but which are consistent for
5 all parties to the interstate common pool. However, moneys resulting
6 from breakage on amounts wagered at the receiving track and from
7 outstanding parimutuel tickets issued at the receiving track in all
8 instances shall be distributed as provided in section 38 of this act.

9 c. [A receiving track which is authorized by the New Jersey
10 Racing Commission to receive the racing program, in full or in part,
11 from an out-of-State sending track pursuant to subsection a. of this
12 section shall pay the out-of-State sending track an amount equal to not
13 more than 3% of each parimutuel pool generated at the receiving
14 track. If the receiving track negotiates an agreement to pay the
15 out-of-State sending track an amount equal to less than 3% of the
16 parimutuel pool generated at the receiving track, the receiving track
17 shall be entitled to retain the difference between the amount agreed
18 upon and 3%] Deleted by amendment, P.L. , c. (C.)(now pending
19 before the Legislature as this bill).
20 (cf: P.L.1992, c.19, s.37)

21

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

24 6. a. The authority, pursuant to the provisions of P.L.1971, c.137
25 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone
26 or in conjunction with others, and provided that, in the case of an
27 arrangement with respect to any of the projects set forth in this section
28 which shall be in conjunction with others, the authority shall have
29 sufficient right and power to carry out the public purposes set forth in
30 P.L.1971, c.137 (C.5:10-1 et seq.):

31 (1) To establish, develop, construct, operate, acquire, own,
32 manage, promote, maintain, repair, reconstruct, restore, improve and
33 otherwise effectuate, either directly or indirectly through lessees,
34 licensees or agents, a project to be located in the Hackensack
35 meadowlands upon a site not to exceed 750 acres and upon a site or
36 sites outside of that acreage, but either immediately contiguous thereto
37 or immediately across any public road which borders that acreage,
38 consisting of one or more stadiums, coliseums, arenas, pavilions,
39 stands, field houses, playing fields, recreation centers, courts,
40 gymnasiums, clubhouses, a racetrack for the holding of horse race
41 meetings, and other buildings, structures, facilities, properties and
42 appurtenances related to, incidental to, necessary for, or
43 complementary to a complex suitable for the holding of athletic
44 contests or other sporting events, or trade shows, exhibitions,
45 spectacles, public meetings, entertainment events or other expositions,
46 including, but not limited to, driveways, roads, approaches, parking

1 areas, parks, recreation areas, lodging facilities, vending facilities,
2 restaurants, transportation structures, systems and facilities, and
3 equipment, furnishings, and all other structures and appurtenant
4 facilities, related to, incidental to, necessary for, or complementary to
5 the purposes of that project or any facility thereof.

6 (2) To establish, develop, construct, acquire, lease or own,
7 operate, manage, promote, maintain, repair, reconstruct, restore,
8 improve and otherwise effectuate, either directly or indirectly through
9 lessees, licensees or agents, a project, at a site within the State of New
10 Jersey, consisting of a baseball stadium and other buildings, structures,
11 facilities, properties and appurtenances related thereto, or incidental
12 to, necessary for, or complementary to a complex suitable for the
13 holding of professional baseball games and other athletic contests or
14 sporting events, or trade shows, exhibitions, spectacles, public
15 meetings, entertainment events or other expositions, such project to
16 include driveways, roads, approaches, parking areas, parks, recreation
17 areas, vending facilities, restaurants, transportation structures, systems
18 and facilities, and equipment, furnishings and all other structures and
19 appurtenant facilities related to, incidental to, necessary for, or
20 complementary to the purposes of that project or any facility thereof.

21 (3) To establish, develop, construct, acquire, lease or own,
22 operate, manage, promote, maintain, repair, reconstruct, restore,
23 improve and otherwise effectuate, either directly or indirectly through
24 lessees, licensees or agents, projects located within the State of New
25 Jersey, but outside of the meadowlands complex, consisting of
26 aquariums and the buildings, structures, facilities, properties and
27 appurtenances related thereto, or incidental to, necessary for, or
28 complementary to those aquariums, such project to include driveways,
29 roads, approaches, parking areas, parks, recreation areas, vending
30 facilities, restaurants, transportation structures, systems and facilities,
31 and equipment, furnishings and all other structures and appurtenant
32 facilities related to, incidental to, necessary for, or complementary to
33 the purposes of that project or any facility thereof. To provide for a
34 project authorized under this paragraph:

35 (a) (Deleted by amendment, P.L.1988, c.172.)

36 (b) The authority is authorized to enter into agreements with the
37 State Treasurer providing for the acquisition and construction of an
38 aquarium by the authority, including the land necessary for the
39 aquarium, and the costs thereof, ownership of the aquarium and its
40 land which shall be conveyed to the State upon completion, and the
41 operation by the authority of the aquarium pursuant to a lease or other
42 agreement with the State containing such terms and conditions as the
43 State Treasurer may establish prior to the acquisition and construction
44 by the authority of the aquarium and the disbursements of funds
45 therefor. The State Treasurer is authorized to enter into a lease or
46 other agreement to effectuate the provisions of this subparagraph.

1 (4) To establish, develop, construct, acquire, own, operate,
2 manage, promote, maintain, repair, reconstruct, restore, improve and
3 otherwise effectuate, either directly or indirectly through lessees,
4 licensees or agents, a project consisting of an exposition or
5 entertainment center or hotel or office complex, including any
6 buildings, structures, properties and appurtenances related thereto,
7 incidental thereto, necessary therefor, or complementary thereto, such
8 project to include driveways, roads, approaches, parking areas, parks,
9 recreation areas, vending facilities, restaurants, transportation
10 structures, systems, and equipment, furnishings and all other structures
11 and appurtenances related to, incidental to, necessary for, or
12 complementary to, the purposes of that project. A project authorized
13 under this paragraph may be located within, immediately contiguous
14 to, or immediately across any public road which borders the site of any
15 other project of the authority, except the site of a racetrack authorized
16 by paragraph (5) of this subsection and acquired by the authority prior
17 to 1986.

18 (5) To establish, develop, construct, acquire, own, operate,
19 manage, promote, maintain, repair, reconstruct, restore, improve and
20 otherwise effectuate, either directly or indirectly through lessees,
21 licensees or agents, projects consisting of (a) racetrack facilities
22 located within the State of New Jersey, but outside of the
23 meadowlands complex, (b) their contiguous properties, and (c) their
24 auxiliary facilities, including, without limitation, pavilions, stands, field
25 houses, clubhouses, training tracks for horses, racetracks for the
26 holding of horse race meetings, fairgrounds, other exposition facilities,
27 and other buildings, structures, facilities, properties and appurtenances
28 related to, incidental to, necessary for, or complementary to a complex
29 suitable for the holding of horse race meetings, other sporting events,
30 or trade shows, exhibitions, spectacles, public meetings, entertainment
31 events or other expositions, including, but not limited to, driveways,
32 roads, approaches, parking areas, parks, recreation areas, lodging
33 facilities, vending facilities, restaurants, transportation structures,
34 systems and facilities, equipment, furnishings, and all other structures
35 and appurtenant facilities related to, incidental to, necessary for, or
36 complementary to the purposes of any of those projects or any facility
37 thereof.

38 Notwithstanding any law to the contrary, the acquisition of any
39 existing racetrack facility in and licensed by the State of New Jersey
40 shall be permitted on the condition that payments equivalent to all
41 municipal, school board and county taxes due to each entity shall be
42 paid by the authority to the extent and in accordance with the same
43 payment schedule as taxes would have been paid each year, as though
44 the racetrack facility remained in private ownership. In the event the
45 authority conveys lands or other parts of the racetrack facility to
46 others, the authority shall receive a reduction of such payments

1 commensurate with the amount required to be paid by the subsequent
2 owner of the lands and improvements disposed of by the authority. In
3 addition, the authority shall be responsible for paying all existing local
4 franchise fees, license and parking tax fees in effect at the time of the
5 acquisition.

6 (6) To establish, develop, acquire, own, operate, manage, promote
7 and otherwise effectuate, in whole or in part, either directly or
8 indirectly through lessees, licensees or agents, projects consisting of
9 events, expositions, teams, team franchises or membership in
10 professional sports leagues.

11 (7) To establish, develop, construct, acquire, own, operate,
12 manage, promote, maintain, repair, reconstruct, restore, improve and
13 otherwise effectuate, either directly or indirectly through lessees,
14 licensees or agents, projects consisting of facilities, at a site or sites
15 within the State of New Jersey and either within or without the
16 meadowlands complex, that are related to, incidental to, necessary for,
17 or complementary to the accomplishment or purpose of any project of
18 the authority authorized by this section, including any buildings,
19 structures, properties and appurtenances related thereto, incidental
20 thereto, necessary therefor, or complementary thereto, such projects
21 to include driveways, roads, approaches, parking areas, parks,
22 recreation areas, off-track and account wagering systems and facilities
23 or any interest therein, vending facilities, restaurants, transportation
24 structures, systems, and equipment, furnishings and all other structures
25 and appurtenances related to, incidental to, necessary for, or
26 complementary to the purposes of those projects.

27 (8) To establish, develop, acquire, construct, reconstruct, improve
28 and otherwise effectuate for transfer to, and for use and operation by,
29 Rutgers, the State University, either directly or indirectly through
30 lessees, licensees or agents, facilities located or to be located on
31 property owned, leased, or otherwise used by Rutgers, the State
32 University, consisting of an upgraded and expanded football stadium
33 and a new track and field, soccer and lacrosse facility and the
34 buildings, structures, properties and appurtenances related thereto, or
35 incidental to, necessary for, or complementary to the football stadium
36 and track and field, soccer and lacrosse facility, such facilities to
37 include driveways, access roads, approaches, parking areas, parks,
38 recreation areas, vending facilities, restaurants, transportation
39 structures, systems and equipment, furnishings and all other structures
40 and appurtenances related or incidental to, necessary for, or
41 complementary to the purposes of those facilities; provided however
42 that construction shall not begin on the expansion of the seating
43 capacity of Rutgers Stadium until the Commissioner of Transportation
44 certifies that all funding necessary to complete the Route 18 project in
45 Piscataway Township has been appropriated and construction has
46 begun on the Route 18 project in Piscataway Township under the

1 Department of Transportation's capital program.

2 (9) To acquire by purchase, lease or otherwise, and to develop,
3 construct, operate, own, lease, manage, repair, reconstruct, restore,
4 improve, enlarge or otherwise effectuate, either directly or through
5 lessees, licensees or agents, a convention center project in the city of
6 Atlantic City, Atlantic County, consisting of the existing convention
7 hall and a new convention hall or center, and associated parking areas
8 and railroad terminal facilities and including the leasing of adjacent
9 land for hotel facilities. In connection therewith, the authority is
10 authorized to:

11 (a) Assume existing leasehold or other contractual obligations
12 pertaining to any such facilities or properties or to make provision for
13 the payment or retirement of any debts and obligations of the
14 governmental entity operating any such convention hall or center or of
15 any bonds or other obligations payable from and secured by a lien on
16 or pledge of the luxury tax revenues;

17 (b) Make loans or payments in aid of construction with respect to
18 infrastructure and site development for properties located in the area
19 between the sites of the existing convention hall and a new convention
20 center or located contiguous to or across any public road which
21 borders the area;

22 (c) Convert the existing convention hall or any facilities, structures
23 or properties thereof, or any part thereof, not disposed of by the
24 authority, to any sports, exposition, exhibition, or entertainment use
25 or to use as a forum for public events or meetings, or to any other use
26 which the authority shall determine to be consistent with its operation
27 of the Atlantic City convention center project.

28 (10) To provide a feasibility study for the use and development of
29 the existing convention center in the city of Asbury Park, county of
30 Monmouth and to provide a feasibility study for the construction, use
31 and development of a convention center or recreational facility in any
32 other municipality.

33 (11) To provide funding to public or private institutions of higher
34 education in the State to establish, develop, acquire, construct,
35 reconstruct or improve facilities located or to be located on property
36 owned, leased, or otherwise used by an institution, consisting of sports
37 facilities and the buildings, structures, properties and appurtenances
38 related thereto, or incidental to, necessary for, or complementary to
39 those sports facilities, such facilities to include driveways, access
40 roads, approaches, parking areas, parks, recreation areas, vending
41 facilities, restaurants, transportation structures, systems and
42 equipment, furnishings and all other structures and appurtenances
43 related or incidental to, necessary for, or complementary to the
44 purposes of those facilities.

45 (12) To acquire by purchase, lease, or otherwise, including all
46 right, title and interest of the Greater Wildwood Tourism Improvement

1 Development Authority in any property, and to develop, construct,
2 operate, own, lease, manage, repair, reconstruct, restore, improve,
3 enlarge or otherwise effectuate, either directly or through lessees,
4 licensees or agents, a convention center facility in the City of
5 Wildwood, Cape May County, consisting of and including any existing
6 and acquired buildings, structures, properties and appurtenances and
7 including restaurants, retail businesses, access roads, approaches,
8 parking areas, transportation structures and systems, recreation areas,
9 equipment, furnishings, vending facilities, and all other structures and
10 appurtenances incidental to, necessary for, or complementary to the
11 purpose of such Wildwood convention center facility. In connection
12 therewith, the authority is expressly authorized to:

13 (a) assume any existing mortgages, leaseholds or other contractual
14 obligations or encumbrances with respect to the site of the Wildwood
15 convention center facility and any other existing and acquired
16 buildings, structures, properties, and appurtenances;

17 (b) enter into agreements with a local public body or bodies
18 providing for any necessary financial support or other assistance for
19 the operation and maintenance of such Wildwood convention center
20 facility from taxes or other sources of the local public body or bodies
21 as shall be made available for such purposes;

22 (c) to the extent permitted by law and by the terms of the bonds
23 or notes issued to finance the Wildwood convention center facility,
24 transfer its ownership interest or other rights with respect to the
25 convention center facility to another State authority or agency;

26 (d) upon payment of all outstanding bonds and notes issued
27 therefore, transfer its ownership interest and other rights with respect
28 thereto to such other public body as shall be authorized to own and
29 operate such a facility; and

30 (e) convert any existing convention hall or any facilities, structures
31 or properties thereof, or any part thereof, not disposed of by the
32 authority, to any use which the authority shall determine to be
33 consistent with the operation of the Wildwood convention center
34 facility.

35 b. The authority, pursuant to the provisions of P.L.1971, c.137
36 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
37 projects, capital contributions to others for transportation and other
38 facilities, and accommodations for the public's use of any of those
39 projects, (2) to lease any part of any of those project sites not
40 occupied or to be occupied by the facilities of any of those projects,
41 for purposes determined by the authority to be consistent with or
42 related to the purposes of those projects, including, but not limited to,
43 hotels and other accommodations for transients and other facilities
44 related to or incidental to any of those projects, and (3) to sell or
45 dispose of any real or personal property, including, but not limited to,
46 such portion of the site of any of those projects not occupied or to be

1 occupied by the facilities of any of those projects, at not less than the
2 fair market value of the property, except in the case of sale or
3 disposition to the State, any political subdivision of the State or any
4 agency or instrumentality of the State or any political subdivision of
5 the State.

6 c. Revenues, moneys or other funds, if any, derived from the
7 operation or ownership of the meadowlands complex, including the
8 conduct of horse race meetings, shall be applied, in accordance with
9 the resolution or resolutions authorizing or relating to the issuance of
10 bonds or notes of the authority, to the following purposes and in the
11 following order:

12 (1) The costs of operation and maintenance of the meadowlands
13 complex and reserves therefor;

14 (2) Principal, sinking fund installments and redemption premiums
15 of and interest on any bonds or notes of the authority payable from
16 such revenues, moneys or other funds and issued for the purposes of
17 the meadowlands complex or for the purposes of refunding the same,
18 including reserves and payments with respect to credit agreements
19 therefor;

20 (3) The costs of any major or extraordinary repairs, renewals or
21 replacements with respect to the meadowlands complex or incidental
22 improvements thereto, not paid pursuant to paragraph (1) above,
23 including reserves therefor;

24 (4) Payments required to be made pursuant to section 18b.;

25 (5) Payments authorized to be made pursuant to section 18c.;

26 (6) Except to the extent payments with respect to bonds or notes
27 are provided with priority in accordance with paragraph (2) of this
28 subsection, payments required to be made in accordance with the
29 resolution authorizing or relating to the issuance of bonds or notes of
30 the authority, for the purposes of any project authorized by this act,
31 including payments and reserves with respect to any bonds or notes of
32 the authority with respect to the meadowlands complex which are not
33 provided with priority in accordance with paragraph (2) of this
34 subsection;

35 (7) Payments required to be made to repay any obligation incurred
36 by the authority to the State;

37 (8) The balance remaining after application in accordance with the
38 above shall be deposited in the General State Fund, provided that (a)
39 there shall be appropriated for authorized State purposes from the
40 amount so deposited that amount which shall be calculated by the
41 State Treasurer to be the debt service savings realized with respect to
42 the refinancing of the initial project as defined in section 1 of
43 P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the
44 issuance of bonds of the authority guaranteed by the State, and (b)
45 after such appropriation, 40% of any balance remaining from the
46 amounts so deposited shall be appropriated to the Meadowlands

1 Commission for any of its purposes authorized by P.L.1968, c.404,
2 and any amendments or supplements thereto.

3 d. Revenues, moneys or other funds, if any, derived from the
4 operation or ownership of any project other than the meadowlands
5 complex, the Atlantic City convention center project, or the Wildwood
6 convention center facility and other than a baseball stadium project or
7 an office complex project located on the site of a baseball stadium
8 shall be applied for such purposes, in such manner and subject to such
9 conditions as shall be provided in the resolution authorizing or relating
10 to the issuance of bonds or notes of the authority for the purposes of
11 such project, and the balance, if any, remaining after such application
12 may be applied, to the extent not contrary to or inconsistent with the
13 resolution, in the following order (1) to the purposes of the
14 meadowlands complex, unless otherwise agreed upon by the State
15 Treasurer and the authority, (2) to the purposes of any other project
16 of the authority; and, the balance remaining, if any, shall be deposited
17 in the General Fund.

18 e. Revenues, moneys or other funds, if any, derived from the
19 operation, ownership, or leasing of a baseball stadium project or an
20 office complex project located on the site of a baseball stadium shall
21 be applied for the purposes, in the manner and subject to the
22 conditions as shall be provided in the resolution authorizing or relating
23 to the issuance of bonds or notes of the authority for the purposes of
24 a baseball stadium project or an office complex project located on the
25 site of a baseball stadium, if any, and the balance, if any, remaining
26 after such application shall be applied, to the extent not contrary to or
27 inconsistent with the resolution, to the following purposes and in the
28 following order:

29 (1) The costs of operation and maintenance of a baseball stadium
30 project and an office complex project located on the site of a baseball
31 stadium and reserves therefor;

32 (2) Payments made to repay the bonded indebtedness incurred by
33 the authority for the purposes of a baseball stadium project or an
34 office complex project located on the site of a baseball stadium;

35 (3) Payments equivalent to an amount required to be made by the
36 State for payments in lieu of taxes pursuant to P.L.1977, c.272
37 (C.54:4-2.2a et seq.);

38 (4) The balance remaining after application in accordance with the
39 above shall be deposited in the General Fund.

40 f. Revenues, moneys or other funds, if any, derived from the
41 operation, ownership or leasing of the Atlantic City convention center
42 project shall be applied to the costs of operating and maintaining the
43 Atlantic City convention center project and to the other purposes set
44 forth in this subsection as shall be provided by resolution of the
45 authority.

46 Luxury tax revenues paid to the authority by the State Treasurer

1 pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be
2 deposited by the authority in a separate fund or account and applied
3 to the following purposes and in the following order:

4 (1) To pay the principal, sinking fund installments and redemption
5 premiums of and interest on any bonds or notes of the authority,
6 including bonds or notes of the authority issued for the purpose of
7 refunding bonds or notes, issued for purposes of (i) the initial
8 acquisition of the existing properties which will constitute part of the
9 Atlantic City convention center project, if the bonds or notes shall be
10 payable under the terms of the resolution of the authority relating
11 thereto from luxury tax revenues, or (ii) providing improvements,
12 additions or replacements to the Atlantic City convention center
13 project, if the bonds or notes shall be payable under the terms of the
14 resolution of the authority relating thereto from luxury tax revenues;
15 and to pay any amounts due from the authority under any credit
16 agreement entered into by the authority in connection with the bonds
17 or notes.

18 (2) To pay the costs of operation and maintenance of the Atlantic
19 City convention center project.

20 (3) To establish and maintain a working capital and maintenance
21 reserve fund for the Atlantic City convention center project in an
22 amount as shall be determined by the authority to be necessary.

23 (4) To repay to the State those amounts paid by the State with
24 respect to bonds or notes of the authority issued for the purposes of
25 the Atlantic City convention center project.

26 (5) The balance of any luxury tax revenues not required for any of
27 the foregoing purposes and remaining at the end of any calendar year
28 shall be paid to the State Treasurer for application to purposes in the
29 city of Atlantic City pursuant to section 5 of P.L.1981, c.461
30 (C.40:48-8.30a).

31 The authority may pledge the luxury tax revenues paid to it as
32 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security
33 for the payment of the principal of and interest or premium on its
34 bonds or notes issued for the purposes set forth above in paragraph (1)
35 of this subsection f. in the same manner, to the same extent and with
36 the same effect as the pledge of any of its other revenues, receipts and
37 funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

38 g. Revenues, moneys or other funds, if any, derived from the
39 ownership or operation of the Wildwood convention center facility
40 shall be applied to the costs of operating and maintaining the
41 Wildwood convention center facility and to the other purposes set
42 forth in this subsection as shall be provided by resolution of the
43 authority.

44 The tourism related tax revenues paid to the authority pursuant to
45 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be
46 deposited by the authority in a separate fund or account and applied

1 to any or all of the following purposes pursuant to an allocation of
2 funds approved by the State Treasurer in writing and in advance of any
3 application of such funds:

4 (1) to pay amounts due with respect to any obligations transferred
5 to the authority pursuant to section 17 of P.L.1997, c.273
6 (C.40:54D-25.1) pertaining to the Wildwood convention center
7 facility:

8 (2) to repay to the State those amounts paid with respect to bonds
9 or notes of the authority issued for the purposes of the Wildwood
10 convention center facility;

11 (3) to pay the cost of operation and maintenance reserve for the
12 Wildwood convention center facility;

13 (4) to establish and maintain a working capital and maintenance of
14 the Wildwood convention center facility.

15 The balance, if any, of any tourism related tax revenues not
16 allocated to any of the purposes set forth in the previous paragraphs
17 and remaining at the end of the calendar year shall be paid to the State
18 Treasurer for deposit in the General Fund.

19 (cf: P.L.1997, c.273, s.20)

20

21 42. Section 18 of P.L.1971, c.137 (C.5:10-18) is amended to read
22 as follows:

23 18. a. All projects and other property of the authority, except an
24 off-track wagering facility or account wagering system facility
25 established pursuant to P.L. , c. (now pending before the Legislature
26 as this bill). is hereby declared to be public property devoted to an
27 essential public and governmental function and purpose and shall be
28 exempt from all taxes and special assessments of the State or any
29 political subdivision thereof; provided, however, that when any part of
30 the project site not occupied or to be occupied by facilities of the
31 project is leased by the authority to another whose property is not
32 exempt and the leasing of which does not make the real estate taxable,
33 the estate created by the lease and the appurtenances thereto shall be
34 listed as the property of the lessee thereof, or his assignee, and be
35 assessed and taxed as real estate. All bonds or notes issued pursuant
36 to the act are hereby declared to be issued by a body corporate and
37 public of the State and for an essential public and governmental
38 purpose and such bonds and notes, and the interest thereon and the
39 income therefrom, and all funds, revenues, income and other moneys
40 received or to be received by the authority and pledged or available to
41 pay or secure the payment of such bonds or notes, or interest thereon,
42 shall at all times be exempt from taxation except for transfer,
43 inheritance and estate taxes.

44 b. To the end that there does not occur an undue loss of future tax
45 revenues by reason of the acquisition of real property by the authority
46 for the meadowlands complex the authority annually shall make

1 payments in-lieu-of-taxes to the municipality in which such property
2 is located in an amount computed in each year with respect to each
3 such municipality by multiplying the total amount to be raised by real
4 property taxation in each such year by a fraction, the numerator of
5 which is the amount of real property taxes assessed against the
6 property acquired by the authority in the tax year in which this act
7 becomes effective and the denominator of which is the total amount to
8 be raised by real property taxation in such municipality in the tax year
9 in which this act becomes effective. Such payments shall be made in
10 each year commencing with the first year subsequent to the year in
11 which such real property shall have been converted from a taxable to
12 an exempt status by reason of acquisition thereof by the authority.

13 c. The authority is further authorized and empowered to enter into
14 any agreement or agreements with the Meadowlands Commission or
15 with any county or municipality located in whole or part within the
16 Hackensack meadowlands whereby the authority will undertake to pay
17 any additional amounts to compensate for any loss of tax revenues by
18 reason of the acquisition of any real property by the authority for the
19 meadowlands complex or to pay amounts to be used by such
20 commission, county or municipality in furtherance of the development
21 of the Hackensack meadowlands, including the meadowlands complex.
22 The commission and every such county and municipality is authorized
23 and empowered to enter into such agreements with the authority and
24 to accept payments which the authority makes thereunder.

25 d. All payments to municipalities pursuant to subsections b. and
26 c. shall be treated as payments in-lieu-of-property taxes for all
27 purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).
28 (cf: P.L.1971, c.137, s.18)

29

30 43. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
31 read as follows:

32 104. a. (1) Unless otherwise provided in this subsection, no
33 agreement which provides for the payment, however defined, of any
34 direct or indirect interest, percentage or share of any money or
35 property gambled at a casino or simulcasting facility or derived from
36 casino gaming activity or wagering at a simulcasting facility of any
37 such interest, percentage, or share of any revenues, profits or earnings
38 of a casino or simulcasting facility shall be lawful.

39 (2) Agreements which provide only for the payment of a fixed sum
40 which is in no way affected by the amount of any such money,
41 property, revenues, profits or earnings shall not be subject to the
42 provisions of this subsection; and receipts, rentals or charges for real
43 property, personal property or services shall not lose their character
44 as payments of a fixed sum because of contract, lease, or license
45 provisions for adjustments in charges, rentals or fees on account of
46 changes in taxes or assessments, cost-of-living index escalations,

1 expansion or improvement of facilities, or changes in services supplied.

2 (3) Agreements between a casino licensee and its employees which
3 provide for casino employee or casino key employee profit sharing and
4 which are in writing and have been filed with the commission shall be
5 lawful and effective only if expressly approved as to their terms by the
6 commission.

7 (4) Agreements to lease an approved casino hotel or the land
8 thereunder and agreements for the complete management of all casino
9 gaming operations in a casino hotel shall not be subject to the
10 provisions of this subsection but shall rather be subject to the
11 provisions of subsections b. and c. of section 82 of this act.

12 (5) Agreements which provide for percentage charges between the
13 casino licensee and a holding company or intermediary company of the
14 casino licensee shall be in writing and filed with the commission but
15 shall not be subject to the provisions of this subsection.

16 (6) Agreements relating to simulcast racing and wagering between
17 a casino licensee and an in-State or out-of-State sending track licensed
18 or exempt from licensure in accordance with subsection c. of section
19 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
20 commission, and be lawful and effective only if expressly approved as
21 to their terms by the commission and the New Jersey Racing
22 Commission, except that any such agreements which provide for a
23 percentage of the parimutuel pool wagered at a simulcasting facility to
24 be paid to the sending track shall not be subject to the provisions of
25 paragraph (1) of this subsection.

26 (7) Agreements relating to simulcast racing and wagering between
27 a casino licensee and a casino service industry licensed pursuant to the
28 provisions of subsection a. of section 92 of P.L.1977, c.110
29 (C.5:12-92) as a hub facility, as defined in joint regulations of the
30 Casino Control Commission and the New Jersey Racing Commission,
31 shall be in writing, be filed with the commission, and be lawful and
32 effective only if expressly approved as to their terms by the
33 commission and the New Jersey Racing Commission, except that any
34 such agreements which provide for a percentage of the casino
35 licensee's share of the parimutuel pool wagered at a simulcasting
36 facility to be paid to the hub facility shall not be subject to the
37 provisions of paragraph (1) of this subsection. As used in this
38 paragraph, "hub facility" means a facility which acts as an intermediary
39 between a casino simulcasting facility and a sending track with respect
40 to the transmission of parimutuel wagering data and which is
41 responsible for generating all reports necessary for the reconciliation
42 of payments between casino licensees, sending tracks and the New
43 Jersey Racing Commission. The hub facility also may, but is not
44 required to, perform other functions including the transmission of
45 pictures of simulcast horse races and parimutuel non-wagering data.
46 Nothing herein shall preclude a hub facility from utilizing a transaction

1 processor located outside of this State, subject to the regulation of the
2 New Jersey Casino Control Commission and the New Jersey Racing
3 Commission.

4 (8) Agreements relating to simulcast racing and wagering between
5 a casino licensee and a casino service industry licensed pursuant to the
6 provisions of subsection a. of section 92 of P.L.1977, c.110
7 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
8 shall be in writing, be filed with the commission, and be lawful and
9 effective only if expressly approved as to their terms by the
10 commission, except that any such agreements which provide for a
11 percentage of the casino licensee's share of the parimutuel pool
12 wagered at a simulcasting facility to be paid to the casino service
13 industry shall not be subject to the provisions of paragraph (1) of this
14 subsection.

15 b. Each casino applicant or licensee shall maintain, in accordance
16 with the rules of the commission, a record of each written or unwritten
17 agreement regarding the realty, construction, maintenance, or business
18 of a proposed or existing casino hotel or related facility. The
19 foregoing obligation shall apply regardless of whether the casino
20 applicant or licensee is a party to the agreement. Any such agreement
21 may be reviewed by the commission on the basis of the reasonableness
22 of its terms, including the terms of compensation, and of the
23 qualifications of the owners, officers, employees, and directors of any
24 enterprise involved in the agreement, which qualifications shall be
25 reviewed according to the standards enumerated in section 86 of this
26 act. If the commission disapproves such an agreement or the owners,
27 officers, employees, or directors of any enterprise involved therein, the
28 commission may require its termination.

29 Every agreement required to be maintained, and every related
30 agreement the performance of which is dependent upon the
31 performance of any such agreement, shall be deemed to include a
32 provision to the effect that, if the commission shall require termination
33 of an agreement pursuant to this subsection, such termination shall
34 occur without liability on the part of the casino applicant or licensee
35 or any qualified party to the agreement or any related agreement.
36 Failure expressly to include such a provision in the agreement shall not
37 constitute a defense in any action brought to terminate the agreement.
38 If the agreement is not maintained or presented to the commission in
39 accordance with commission regulations, or the disapproved
40 agreement is not terminated, the commission may pursue any remedy
41 or combination of remedies provided in this act.

42 For the purposes of this subsection, "casino applicant" includes any
43 person required to hold a casino license pursuant to section 82 of
44 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
45 a casino license or any approval required under P.L.1977, c.110
46 (C.5:12-1 et seq.).

1 c. Nothing in this act shall be deemed to permit the transfer of any
2 license, or any interest in any license, or any certificate of compliance
3 or any commitment or reservation.

4 (cf: P.L.1996, c.84, s.7)

5
6 44. Section 5 of P.L.1992, c.19 (C.5:12-195) is amended to read
7 as follows:

8 5. A permit holder which wishes to conduct casino simulcasting
9 shall request the approval of the New Jersey Racing Commission in its
10 annual application for horse race meeting dates filed with that
11 commission pursuant to section 23 of P.L.1940, c.17 (C.5:5-43), or,
12 if applying between the submittal of annual applications, through such
13 supplemental application as that commission shall deem appropriate.

14 [The New Jersey Racing Commission shall not approve the request of
15 any permit holder to conduct casino simulcasting unless the permit
16 holder will conduct a number of live racing programs during the period
17 for which the permit is issued which is equal to the following:

18 a. in the case of harness races, each permit holder shall conduct at
19 least 75% of the average number of live racing programs conducted by
20 that permit holder during calendar years 1990 and 1991; and

21 b. in the case of running races, Monmouth Racetrack shall conduct
22 at least the same number of live racing programs conducted in 1991,
23 Garden State Racetrack shall conduct at least 60% of the live racing
24 programs conducted by that permit holder in calendar year 1990, and
25 each of the other permit holders conducting running races shall
26 conduct at least 75% of the live racing programs conducted by that
27 permit holder in calendar year 1990.

28 For the purpose of satisfying the requirements of this section for
29 the conduct of live racing programs, any live racing program or part
30 thereof which is cancelled because of weather or another act of God
31 shall be deemed to have been conducted, subject to the approval of the
32 New Jersey Racing Commission.]

33 (cf: P.L.1992, c.19, s.5)

34
35 45. Section 2 of P.L.1993, c.229 (C.26:2-169) is amended to read
36 as follows:

37 2. The Department of Health and Senior Services shall develop
38 criteria which [a] prevention, education and treatment [program]
39 programs for compulsive gamblers shall meet in order to become
40 eligible for a grant from the funds made available for such [treatment]
41 programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).
42 The department shall also develop a formula for the distribution of
43 available funds which will result in an equitable distribution among the
44 programs which meet the eligibility criteria and apply for grants.

45 The department shall submit a report to the Senate Budget and
46 Appropriations Committee and the Assembly Appropriations

1 Committee, or their successors, describing the criteria developed
2 pursuant to this section and detailing the amount of grants distributed
3 and the names of the programs receiving grants. The department shall
4 submit the report annually to both committees.

5 (cf: P.L.1993, c.229, s.2)

6
7 46. R.S.33:1-42 is amended to read as follows:

8 33:1-42. No sales of alcoholic beverages shall be made in any
9 public buildings belonging to or under the control of the state or any
10 political subdivision thereof except as to the national guard as
11 hereinbefore provided, or in any off-track wagering facility, whether
12 publicly owned or controlled or otherwise, and except as permitted by
13 the [commissioner] Director of the Division of Alcoholic Beverage
14 Control in specified cases and subject to rules and regulations.

15 (cf: R.S.33:1-42)

16
17 47. This act shall take effect immediately, and sections 37 and 38
18 shall expire upon the closure of Garden State Park.

19
20
21 STATEMENT

22
23 This bill authorizes the establishment of an off-track wagering
24 system in this State consisting of one or more off-track wagering
25 facilities at which parimutuel wagering will be conducted on simulcast
26 horse races. A maximum of 15 licensed off-track wagering facilities
27 would be permitted (not more than eight during the first two years
28 after the legislation's effective date). In addition, the bill authorizes
29 the establishment of an account wagering system through which
30 persons may wager on horse races by phone or other electronic means.

31 The bill also makes changes to the simulcasting and casino
32 simulcasting laws. Regarding simulcasting, the bill eliminates the cap
33 on the percentage of the parimutuel pool that an in-State racetrack
34 may pay to an out-of-State racetrack as compensation for the
35 simulcasting of an out-of-State race. The bill also provides and
36 alternative formula for the distribution of in-State and out-of-State
37 simulcasting money wagered at Garden State Park. Regarding casino
38 simulcasting, the bill eliminates minimum live race date requirements
39 that currently prevent some New Jersey racetracks from participating
40 in casino simulcasting. The bill also permits a casino to use a hub
41 facility that utilizes an out-of-State transaction processor.

42 Finally, the bill makes two appropriations. The bill appropriates
43 \$150,000 through the New Jersey Racing Commission to the group
44 certified by the commission as representing a majority of the active
45 licensed thoroughbred jockeys in New Jersey for the purpose of
46 providing health and welfare benefits to active, disabled and retired

1 New Jersey jockeys and their dependents based upon reasonable
2 criteria by that organization. The bill also appropriates \$100,000 to
3 the New Jersey Racing Commission to fund a study to examine
4 potential solutions to the winter stabling and training crisis,
5 precipitated by the scheduled closure of Garden State Park and its
6 stabling and training facilities, currently experienced by thoroughbred
7 horsemen who wish to keep their horses in this State through the
8 winter months.

9

10 **Off-track Wagering**

11 The New Jersey Racing Commission is authorized to issue licenses
12 to the New Jersey Sports and Exposition Authority (NJSEA) to permit
13 off-track wagering at specified off-track wagering facilities. As part
14 of the licensing process, the NJSEA must hold a permit each year to
15 conduct at least 151 standardbred race dates at the Meadowlands and
16 conduct in the aggregate at the Meadowlands and Monmouth Park at
17 least 141 thoroughbred race dates in calendar years 2001, 2002 and
18 2003 and at least 120 thoroughbred race dates in each calendar year
19 thereafter.

20 In addition, the NJSEA must demonstrate that it has entered into
21 a contract, called a "participation agreement", with all other entities
22 that: held a permit to conduct a race horse meeting in this State in
23 calendar year 2000, have complied with the terms of the permit and
24 are in good standing with the commission and the State. It is
25 envisioned that through the participation agreement, the permit holders
26 will come to a consensus on a variety of issues, including various
27 aspects of the off-track wagering facility itself and how certain profits
28 generated from the facility will be divided among the permit holders.
29 Through the participation agreement, it is anticipated that the permit
30 holders will work together to establish a State-wide, collective-style
31 off-track wagering system.

32 The bill grants the commission oversight of the entire licensing
33 process, including many aspects of the off-track wagering facility
34 itself, such as site plans and the location of the facility and the
35 amenities to be offered at the facility. The bill requires the NJSEA to
36 obtain all applicable municipal zoning and planning approvals required
37 for the off-track wagering facility. The bill provides that if the
38 NJSEA wants to offer alcoholic beverages for on-premise
39 consumption at an off-track wagering facility, it must acquire a class
40 C license in the traditional manner.

41 The commission will be required to hold a public hearing in the
42 municipality where an off-track wagering facility is proposed to be
43 located with certain notices of the meeting to be published 15 days
44 prior. The Attorney General is given the power to approve or
45 disapprove the commission's decision to grant an off-track wagering
46 license.

1 The bill provides methods for determining how money wagered at
2 an off-track wagering facility will be allocated.

3
4 **Account Wagering**

5 The New Jersey Racing Commission is authorized to issue a license
6 to the NJSEA to establish an account wagering system. As part of the
7 licensing process, the NJSEA must hold a permit each year to conduct
8 at least 151 standardbred race dates at the Meadowlands and conduct
9 in the aggregate at the Meadowlands and Monmouth Park at least 141
10 thoroughbred race dates in calendar years 2001, 2002 and 2003 and at
11 least 120 thoroughbred race dates in each calendar year thereafter.

12 In addition, as with the off track wagering licensing process, the
13 NJSEA must demonstrate that it has entered into a contract, called a
14 "participation agreement", with all other entities that: held a permit to
15 conduct a race horse meeting in this State consisting of at least 40
16 days in the aggregate, have complied with the terms of the permit and
17 are in good standing with the commission and the State. The
18 participation agreement for the account wagering system would serve
19 a similar function as the participation agreement for the off-track
20 wagering system.

21 As with the off-track wagering system, the bill grants the
22 commission oversight of the entire licensing process of the account
23 wagering system.

24 The bill contains provisions which relate to the opening and
25 maintenance of a wagering account within the system, how credits and
26 debits will be made to a wagering account, and how the NJSEA may
27 accept account wagers.

28 Again, the bill provides methods for determining how money
29 wagered through the account wagering system will be allocated.

30
31 **Other Provisions Concerning Off-Track Wagering and Account**
32 **Wagering**

33 The bill also:

34 provides for the determination of the amount of funds needed by
35 the New Jersey Racing Commission for its activities and identifies
36 sources to provide those funds, including an annual assessment upon
37 racing permit holders, if necessary;

38 establishes the New Jersey Racing Industry Special Fund and
39 provides that a portion of money wagered at off-track wagering
40 facilities or through the account wagering system will be allocated to
41 the fund, to be distributed for purse money and various programs;

42 provides that of the money in the New Jersey Horse Racing
43 Industry Special Fund, 65% will be disbursed to permit holders
44 conducting thoroughbred racing and to thoroughbred funds and 35%
45 will be disbursed to permit holders conducting standardbred racing and
46 to standardbred funds, except that of the money deposited into the

1 New Jersey Horse Racing Industry Special Fund from the off-track
2 wagering facility located on or closest to the former site of the
3 Atlantic City Race Course, 100% will be disbursed to permit holders
4 conducting thoroughbred racing and to thoroughbred funds;
5 requires minutes of all commission meetings to be submitted to the
6 Governor for approval;
7 addresses the licensing and registration of all employees involved
8 with off-track wagering and account wagering;
9 gives racetrack employees working in the admissions department
10 or parimutuel clerk department, and employees of a racetrack's food
11 and beverage vendor, a "one-time right of first refusal offer of
12 employment" for similar positions at each off-track wagering facility
13 as it opens, and with the account wagering licensee as it implements
14 account wagering;
15 provides that if a racetrack closes, employees of the racetrack's
16 admissions department or parimutuel clerk department, and employees
17 of the racetrack's food and beverage vendor, employed when the
18 racetrack closed, will be given a "one-time right of first refusal offer
19 of employment" for similar positions at an off-track wagering facility
20 as each facility opens;
21 provides that in the event that a racetrack closes but the permit
22 holder continues to hold a permit to conduct a horse race meeting at
23 another racetrack, that permit holder shall offer to each person who
24 was employed at the former racetrack at the time it closed but who is
25 not eligible for a right of first refusal offer under this bill, severance
26 pay in the amount of two weeks of base pay for each year of
27 employment at the racetrack;
28 provides that racetrack employees who receive preference for
29 employment at an off-track wagering facility or with an account
30 wagering licensee will not suffer any reduction in seniority, pay or
31 employer contribution to pension and health benefits and will receive
32 a "substantially equivalent level of benefits";
33 provides that the Department of Health and Senior Services will
34 develop criteria for prevention and education programs for compulsive
35 gamblers in order for these programs to receive certain grant money
36 (existing law refers only to treatment programs); and
37 provides for an annual assessment, beginning on July 1, 2001,
38 against permit holders in the amount of \$200,000 to be appropriated
39 to the Department of Health and Senior Services and used to fund
40 prevention and education and treatment programs for compulsive
41 gambling.

ASSEMBLY COMMERCE, TOURISM, GAMING AND
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3315

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 17, 2001

The Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee reports favorably and with committee amendments Assembly, No. 3315.

As amended by the committee, this bill authorizes the establishment of an off-track wagering system in this State consisting of one or more off-track wagering facilities at which parimutuel wagering will be conducted on simulcast horse races. A maximum of 15 licensed off-track wagering facilities would be permitted (not more than eight during the first two years after the legislation's effective date). In addition, the bill authorizes the establishment of an account wagering system through which persons may wager on horse races by phone or other electronic means. The bill also makes changes to the simulcasting and casino simulcasting laws. Regarding simulcasting, the bill eliminates the cap on the percentage of the parimutuel pool that an in-State racetrack may pay to an out-of-State racetrack as compensation for the simulcasting of an out-of-State race. Regarding casino simulcasting, the bill eliminates minimum live race date requirements that currently prevent some New Jersey racetracks from participating in casino simulcasting.

Finally, the bill appropriates \$300,000 to the New Jersey Racing Commission to fund a study to examine potential solutions to the winter stabling and training crisis, precipitated by the scheduled closure of Garden State Park and its stabling and training facilities, currently experienced by thoroughbred horsemen who wish to keep their horses in this State through the winter months.

Off-track Wagering

The New Jersey Racing Commission is authorized to issue licenses to the New Jersey Sports and Exposition Authority (NJSEA) to permit off-track wagering at specified off-track wagering facilities. As part of the licensing process, the NJSEA must hold a permit each year to conduct at least 151 standardbred race dates at the Meadowlands and conduct in the aggregate at the Meadowlands and Monmouth Park at

least 141 thoroughbred race dates in calendar years 2002, 2003 and 2004. For each calendar year thereafter, the NJSEA will still be required to schedule no fewer than 141 thoroughbred race dates, unless it can demonstrate to the satisfaction of the Racing Commission that to schedule fewer dates (to a minimum of 120) would be in the best interest of racing and the State.

In addition, the NJSEA must demonstrate that it has entered into a contract, called a "participation agreement", with all other entities that: held a permit to conduct a race horse meeting in this State in calendar year 2000, have complied with the terms of the permit and are in good standing with the commission and the State. It is envisioned that through the participation agreement, the permit holders will come to a consensus on a variety of issues, including various aspects of the off-track wagering facility itself and how certain profits generated from the facility will be divided among the permit holders. Through the participation agreement, it is anticipated that the permit holders will work together to establish a State-wide, collective-style off-track wagering system.

The bill grants the commission oversight of the entire licensing process, including many aspects of the off-track wagering facility itself, such as site plans and the location of the facility and the amenities to be offered at the facility. The bill requires the NJSEA to obtain all applicable municipal zoning and planning approvals required for the off-track wagering facility. The bill provides that if the NJSEA wants to offer alcoholic beverages for on-premise consumption at an off-track wagering facility, it must acquire a class C license in the traditional manner.

The commission will be required to hold a public hearing in the municipality where an off-track wagering facility is proposed to be located with certain notices of the meeting to be published 15 days prior. The Attorney General is given the power to approve or disapprove the commission's decision to grant an off-track wagering license.

The bill provides methods for determining how money wagered at an off-track wagering facility will be allocated.

Account Wagering

The New Jersey Racing Commission is authorized to issue a license to the NJSEA to establish an account wagering system. As with the off track wagering licensing process, the NJSEA must hold a permit each year to conduct a certain number of race dates.

In addition, as with the off track wagering licensing process, the NJSEA must demonstrate that it has entered into a contract, called a "participation agreement", with all other entities that: held a permit to conduct a race horse meeting in this State consisting of at least 40 days in the aggregate, have complied with the terms of the permit and are in good standing with the commission and the State. The participation agreement for the account wagering system would serve

a similar function as the participation agreement for the off-track wagering system.

As with the off-track wagering system, the bill grants the commission oversight of the entire licensing process of the account wagering system.

The bill contains provisions which relate to the opening and maintenance of a wagering account within the system, how credits and debits will be made to a wagering account, and how the system may accept account wagers.

Again, the bill provides methods for determining how money wagered through the account wagering system will be allocated.

Other Provisions Concerning Off-Track Wagering and Account Wagering

The bill also:

provides for the determination of the amount of funds needed by the New Jersey Racing Commission for its activities and identifies sources to provide those funds, including an annual assessment upon racing permit holders, if necessary;

establishes the New Jersey Racing Industry Special Fund and provides that a portion of money wagered at off-track wagering facilities or through the account wagering system will be allocated to the fund, to be distributed for purse money and various programs;

provides that of the money in the New Jersey Horse Racing Industry Special Fund, 65% will be disbursed to permit holders conducting thoroughbred racing and to thoroughbred funds and 35% will be disbursed to permit holders conducting standardbred racing and to standardbred funds, except that of the money deposited into the New Jersey Horse Racing Industry Special Fund from the off-track wagering facility located on or closest to the former site of the Atlantic City Race Course, 100% will be disbursed to permit holders conducting thoroughbred racing and to thoroughbred funds;

requires minutes of all commission meetings to be submitted to the Governor for approval;

addresses the licensing and registration of all employees involved with off-track wagering and account wagering;

gives racetrack employees working in the admissions department or parimutuel clerk department, and employees of a racetrack's food and beverage vendor, a "one-time right of first refusal offer of employment" for similar positions at each off-track wagering facility as it opens, and with the account wagering licensee as it implements account wagering;

provides that if a racetrack closes, employees of the racetrack's admissions department or parimutuel clerk department, and employees of the racetrack's food and beverage vendor, employed when the racetrack closed, will be given a "one-time right of first refusal offer of employment" for similar positions at an off-track wagering facility as each facility opens;

provides that racetrack employees who receive preference for employment at an off-track wagering facility or with an account wagering licensee will not suffer any reduction in seniority, pay or employer contribution to pension and health benefits and will receive a "substantially equivalent level of benefits";

provides \$150,000 annually to Jockey's Health and Welfare through a portion of the wagering proceeds;

provides that the Department of Health and Senior Services will develop criteria for prevention and education programs for compulsive gamblers in order for these programs to receive certain grant money (existing law refers only to treatment programs); and

provides for an annual assessment, beginning on July 1, 2001, against permit holders in the amount of \$200,000 to be appropriated to the Department of Health and Senior Services and used to fund prevention and education and treatment programs for compulsive gambling.

Committee Amendments

The committee adopted amendments to:

- C change the funding for Jockey's Health and Welfare from a one-time \$150,000 General Fund appropriation to \$150,000 annually from a portion of wagering proceeds;
- C require the NJSEA to annually schedule no fewer than 141 thoroughbred race dates beyond the first three years of off-track and account wagering, unless the NJSEA can demonstrate to the satisfaction of the Racing Commission that to schedule fewer dates (to a minimum of 120) would be in the best interest of racing and the State;
- C remove language providing for a severance package for employees of Garden State Park racetrack, since a package has already been negotiated privately;
- C delete a section that would have allowed a casino participating in casino simulcasting to utilize a hub facility with a transaction processor located out-of-State (a hub facility is the "nerve center" for wagering data and for reconciling payments between the casino, the racetrack(s) and the Racing Commission);
- C make explicit the Racing Commission's power to audit the NJSEA's off-track wagering and account wagering records;
- C provide that a portion of each breed's (thoroughbred and standardbred) purse money may be used for programs that benefit horsemen and the organizations that represent the majority of horsemen.
- C delete two sections that would have provided for a new formula to split certain wagering proceeds generated at Garden State Park in certain circumstances. Now that Garden State Park is scheduled to close at the end of May 2001, these two sections have no effect; and

- C make technical changes to the bill, to update calendar dates and to recognize in the definitions section of the bill the "New Jersey Thoroughbred Horsemen's Association" as the organization representing the majority of thoroughbred owners and trainers, responsible for receiving and distributing funds for programs designed to aid thoroughbred horsemen. The "Standardbred Breeders' and Owners' Association of New Jersey" is already similarly recognized in statute.

[First Reprint]

ASSEMBLY, No. 3315

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 22, 2001

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman JOSEPH J. ROBERTS, JR.

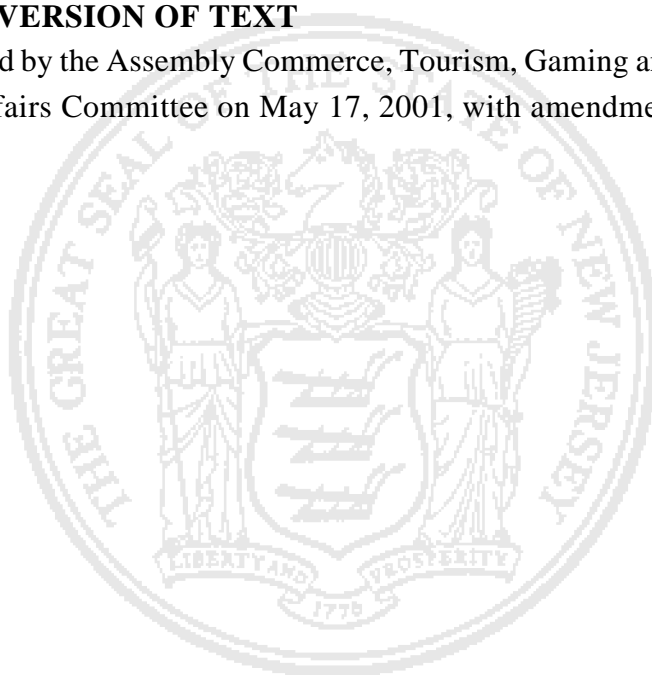
District 5 (Camden and Gloucester)

SYNOPSIS

Establishes off-track wagering facilities and account wagering system for parimutuel betting on horse races, changes certain requirements pertaining to simulcasting and casino simulcasting and making an appropriation.

CURRENT VERSION OF TEXT

As reported by the Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee on May 17, 2001, with amendments.



1 AN ACT concerning horse racing, supplementing chapter 5 of Title 5
2 of the Revised Statutes and amending various parts of the statutory
3 law and making an appropriation.

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

7
8 1. (New Section) Sections 1-35 of this act shall be known and may
9 be cited as the "Off-Track and Account Wagering Act."

10
11 2. (New Section) The Legislature finds and declares that:

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

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

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

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

34 e. The Sports and Exposition Authority, as an instrumentality of
35 the State, typically is not subject to local zoning and planning laws
36 when performing a function for the benefit of all the people of the
37 State. Furthermore, property it owns or controls typically is
38 considered public property devoted to an essential government
39 function and therefore, not subject to local property taxation.

40 In reality, the authority, in establishing off-track wagering facilities,
41 would not be performing an essential government function, but rather
42 an essentially private business function. In addition, the establishment

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted May 17, 2001.

1 of off-track wagering represents a substantial expansion of gambling
2 in this State. Numerous municipalities, residents and established
3 businesses would be impacted by the establishment of such facilities
4 throughout the State. There could be municipalities that may view the
5 placement of such facilities at the discretion of the authority and the
6 racing commission as unwanted and unwarranted intrusions for which
7 they would have to provide services but for which they may not
8 receive appropriate levels of property taxes. Therefore, fundamental
9 fairness dictates that the powers of municipalities not be eroded with
10 regard to the establishment of these facilities and that the authority
11 should not be permitted to disregard local rules and controls and tax
12 requirements. Off-track wagering facilities owned or controlled by the
13 authority shall be subject to local zoning and planning rules and local
14 property taxation.

15 f. By regulation of the Division of Alcoholic Beverage Control,
16 there exist special licenses that permit the sale of alcoholic beverages
17 on public property. These special licenses, typically available to the
18 authority, are inexpensive and circumvent the traditional method for
19 obtaining a license to sell alcoholic beverages. Because the
20 establishment of off-track wagering facilities is, in reality, essentially
21 a private business venture and not an essential government function,
22 the authority shall be required to obtain a license to sell alcoholic
23 beverages in the traditional manner.

24

25 3. (New Section) As used in this act:

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

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

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

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

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

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

45 “Breeders and Stallions” means the distribution from the special
46 trust account created pursuant to section 46 a. (2) of P.L.1940, c.17

1 (C.5:5-66) for the purposes of subparagraph (c) of that citation.

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

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

7 “Executive Director” means the Executive Director of the
8 commission.

9 “Health and Welfare” means moneys distributed to the
10 Standardbred Breeder's and Owner's Association for the administration
11 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
12 c.17 (C.5:5-66).

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

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

19 “In-State track” means an in-State host track or an in-State sending
20 track.

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

27 “Jockey's Health and Welfare” means a health and welfare trust
28 established by the organization certified by the New Jersey Racing
29 Commission as representing a majority of the active licensed
30 thoroughbred jockeys in New Jersey for the purpose of providing
31 health and welfare benefits to active, disabled and retired New Jersey
32 jockeys and their dependents based upon reasonable criteria by that
33 organization.¹

34 “New Jersey Racing Industry Special Fund” means the fund
35 established pursuant to section 27 of this act.

36 “New Jersey Thoroughbred Horsemen's Association” means the
37 association representing the majority of New Jersey thoroughbred
38 owners and trainers responsible for receiving and distributing funds for
39 programs designed to aid thoroughbred horsemen.¹

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

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

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

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

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

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

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

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

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

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

25 “Participation agreement” means the written contract that provides
26 for the establishment or implementation of either (a) an off-track
27 wagering facility or facilities or (b) an account wagering system. Each
28 such contract shall set forth the manner in which the off-track
29 wagering facility or facilities or the account wagering system shall be
30 managed, operated and capitalized, as well as how expenses and
31 revenues shall be allocated and distributed by and among the authority
32 and the other eligible ¹[participants] participants¹.

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

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

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

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

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

46 “Takeout” means that portion of a wager which is deducted from

1 or not included in the parimutuel pool, and which is distributed other
2 than to persons placing wagers.

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

6

7 4. (New Section) a. The commission is authorized to issue a
8 license to the authority to permit off-track wagering at a specified
9 facility, upon application of the authority and in accordance with the
10 provisions of this act. A license issued pursuant to this act shall be
11 valid for a period of one year. The commission shall issue a license
12 only if the authority schedules at least the minimum number of race
13 dates required in Section 30 of this act and it is satisfied that the
14 authority has entered into a participation agreement with each and
15 every other person, partnership, association, corporation, or authority
16 or the successor in interest to such person, partnership, association,
17 corporation or authority that:

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

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

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

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

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

32

33 5. (New Section) a. At the time of filing an application for an off-
34 track wagering license, the authority shall submit to the commission
35 a non-refundable filing fee in an amount established by regulation by
36 the commission, and a certification in a form prescribed by the
37 commission which specifies, but is not limited to, the following
38 information:

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

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

45 (3) the number of permanent and part-time jobs expected to be
46 created at the proposed facility, and gross revenues expected to be

1 generated by the facility;
2 (4) the fire evacuation plan for the proposed facility;
3 (5) the type of food and beverages available; and
4 (6) such other information as the commission may require.
5 b. A separate application and certification shall be filed for each
6 off-track wagering facility that the authority proposes to establish.
7 c. The commission shall establish by regulation procedures and
8 conditions for renewal of licenses issued under this act.
9 d. The commission shall by regulation establish the maximum hours
10 of operation of off-track wagering facilities.
11 e. If an off-track wagering licensee, including the authority, seeks
12 to offer alcoholic beverages for on-premise consumption at an off-
13 track wagering facility, the licensee shall acquire a Class C plenary
14 retail consumption license pursuant to the provisions of R.S.33:1-1 et
15 seq. and in accordance with such procedures as established by statute
16 and by regulation of the Division of Alcoholic Beverage Control for
17 the acquisition of such licenses by private individuals or business
18 entities.
19 f. Persons under the age of 18 years shall not be permitted in any
20 off-track wagering facility, except in dining areas if accompanied by
21 a parent or guardian.
22 g. The commission shall by regulation establish minimum standards
23 for off-track wagering facilities, including, but not limited to,
24 standards for size, seating capacity, parking and services to be
25 provided.
26 h. As a condition of licensure, an off-track wagering licensee,
27 including the authority when the authority is the licensee which will
28 own or control the facility, shall obtain all applicable municipal zoning
29 and planning approvals required in connection with the off-track
30 wagering facility.
31
32 6. (New Section) Within 14 days of receipt of a completed
33 application, certification and applicable fees, the executive director
34 shall determine whether the same is in due form and meets the
35 requirements of law in all respects, and upon being satisfied thereof,
36 the commission, within 45 days of receipt of a completed application,
37 certification and applicable fees, shall hold a public hearing in the
38 municipality in which the proposed off-track wagering facility is to be
39 located. The costs of the public hearing shall be paid by the authority.
40 The executive director shall cause a display advertisement,
41 approximately 11 inches by 8 inches in size, to be published at least
42 once in a daily newspaper, and at least once in a weekly newspaper,
43 published, or circulated if none is published, in the county where the
44 municipality is located at least 15 days before the date of the public
45 hearing and to be published again in that daily newspaper on the third
46 day preceding the public hearing and in the latest edition of that

1 weekly newspaper that will be in circulation on the third day preceding
2 the public hearing. The advertisement shall contain sufficient
3 information to apprise the public as to the purpose of the hearing, the
4 time and place thereof, and the nature of the license applied for. The
5 advertisement shall be prepared and placed by the executive director,
6 but shall be paid for by the authority.

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

28 b. With the approval of the commission, the off-track wagering
29 licensee may enter into a contract or agreement with a person or entity
30 to conduct or operate an off-track wagering facility for the licensee
31 and to act as the agent of the licensee in all off-track wagering matters
32 approved by the commission.

33
34 8. (New Section) a. The commission shall have full power to
35 prescribe rules, regulations and conditions under which all off-track
36 wagering licenses are issued and renewed in the State ¹, including
37 requiring an annual audit of the off-track wagering licensee's books
38 and records pertaining to off-track wagering.¹ and to revoke, suspend
39 or refuse to renew a license if in the opinion of the commission the
40 revocation of, suspension of or refusal to renew such license is in the
41 public interest; provided, however, that such rules, regulations and
42 conditions shall be uniform in their application.

43 b. The commission shall have no right or power to determine who
44 shall be officers, directors or employees of any off-track wagering
45 facility, or the salaries thereof; provided, however, that the
46 commission may compel the discharge of any official or employee of

1 the licensee at the off-track wagering facility who: (1) fails or refuses
2 for any reason to comply with the rules or regulations of the
3 commission; (2) fails or refuses for any reason to comply with any of
4 the provisions of this act; (3) fails to establish by clear and convincing
5 evidence in the opinion of the commission good character, honesty,
6 competency and integrity; or (4) has been convicted of a crime
7 involving fraud, dishonesty or moral turpitude.

8
9 9. (New Section) Nothing in this act shall be deemed to abrogate
10 the common law right or any other right established by law to exclude
11 or eject permanently from any off-track wagering facility any person
12 who disrupts the operations of its premises, threatens the security of
13 its premises or its occupants, or is disorderly or intoxicated.

14
15 10. (New Section) a. The total number of off-track wagering
16 facilities licensed in this State pursuant to this act shall not exceed 15.

17 b. The commission shall issue no more than eight off-track
18 wagering licenses within the first two years of the effective date of this
19 act.

20
21 11. (New Section) It shall be lawful for the off-track wagering
22 licensee to conduct off-track simulcasting at the off-track wagering
23 facility with all in-State sending tracks and with any out-of-State
24 sending track in accordance with the provisions of this act and
25 applicable regulations which the commission may promulgate.

26
27 12. (New Section) An in-State sending track may transmit to
28 licensed off-track wagering facilities all or some of the live races
29 conducted at the racetrack. The off-track wagering licensee, as a
30 condition of continued operation of the off-track wagering facility,
31 shall receive all live races which are offered and transmitted by in-
32 State sending tracks.

33
34 13. (New Section) a. The commission is authorized to issue a
35 license to the authority to establish an account wagering system in
36 accordance with the provisions of this act. A license issued pursuant
37 to this act shall be valid for a term of one year. The commission shall
38 issue a license only if the authority schedules at least the minimum
39 number of race dates required in section 30 of this act and it is
40 satisfied that the authority has entered into a participation agreement
41 with each and every person, partnership, association, corporation or
42 authority or the successor in interest to such person, partnership,
43 association, corporation or authority that:

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

1 (2) has complied with the terms of such permit; and
2 (3) is in good standing with the commission and the State of New
3 Jersey.

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

7 b. As part of the license application process, any participation
8 agreement, or any modification to the agreement made thereafter,
9 entered into for the purposes of this section shall be reviewed by the
10 commission and the Attorney General to determine whether the
11 agreement meets the requirements of this act and shall be subject to
12 the approval of the commission and the Attorney General.

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

19
20 14. (New Section) a. Within 14 days of receipt of a completed
21 application, certification and applicable fees, the executive director
22 shall determine whether the same is in due form and meets the
23 requirements of law in all respects, and upon being satisfied thereof,
24 the executive director, within 45 days of receipt of a completed
25 application, certification and applicable fees, shall hold a public
26 hearing, the costs of which shall be paid by the applicant.

27 b. No sooner than 30 days nor later than 60 days following the
28 public hearing, the commission shall make a final determination on the
29 application. The commission shall approve the application if it
30 determines that the authority has demonstrated by clear and convincing
31 evidence that wagers placed through the proposed account wagering
32 system will be accurately processed and that there will be sufficient
33 safeguards to maintain the integrity of the horse racing industry in this
34 State. The commission's determination shall be submitted to the
35 Attorney General for review and approval. The determination of the
36 commission shall be deemed approved by the Attorney General if not
37 affirmatively approved or disapproved by the Attorney General within
38 14 days of the date of submission. The decision of the Attorney
39 General shall be deemed a final decision. Upon approval by the
40 Attorney General, the commission shall issue to the authority a license
41 to participate in the account wagering system.

42 c. With the approval of the commission, an account wagering
43 licensee may enter into a contract or agreement with a person or entity
44 to conduct or operate an account wagering system or facility for the
45 licensee and to act as the agent of the licensee in all account wagering
46 matters approved by the commission.

1 15. (New Section) a. The commission shall have full power to
2 prescribe rules, regulations and conditions under which all account
3 wagering licenses are issued or renewed in this State ¹ including
4 requiring an annual audit of the account wagering licensee's books and
5 records pertaining to account wagering.¹ and to revoke, suspend or
6 refuse to renew a license if in the opinion of the commission the
7 revocation of, suspension of or refusal to renew such license is in the
8 public interest; provided, however, that such rules, regulations and
9 conditions shall be uniform in their application.

10 b. The commission shall have no right or power to determine who
11 shall be officers, directors or employees of any account wagering
12 licensee, or the salaries thereof; provided, however, that the
13 commission may compel the discharge of any official or employee of
14 the licensee or the account wagering system who: (1) fails or refuses
15 for any reason to comply with the rules or regulations of the
16 commission; (2) fails or refuses for any reason to comply with any of
17 the provisions of this act; (3) fails to establish by clear and convincing
18 evidence in the opinion of the commission good character, honesty,
19 competency and integrity; or (4) has been convicted of a crime
20 involving fraud, dishonesty or moral turpitude.

21
22 16. (New Section) a. A person may not place an account wager
23 unless the person has established an account with the account
24 wagering licensee. To establish a wagering account, a person shall be
25 a New Jersey resident at least 18 years of age.

26 b. The account shall be in the name of a natural person and may
27 not be in the name of any beneficiary, custodian, joint trust,
28 corporation, partnership or other organization or entity.

29 c. An account may be established by a person completing an
30 application form approved by the commission and submitting it
31 together with a certification, or other proof, of age and residency. The
32 form shall include the address of the principal residence of the
33 prospective account holder and a statement that a false statement made
34 in regard to an application may subject the applicant to prosecution.

35 d. The prospective account holder shall submit the completed
36 application to the account wagering licensee, to any account wagering
37 participating permit holder or to a licensed off-track wagering facility
38 or such other person or entity as may be approved by the commission.
39 The account wagering licensee may accept or reject an application
40 after receipt and review of the application and certification, or other
41 proof, of age and residency for compliance with this act.

42 e. Any prospective account holder who provides false or
43 misleading information on the application is subject to rejection of the
44 application or cancellation of the account by the account wagering
45 licensee without notice.

46 f. The account wagering licensee shall have the right to suspend or

1 close any wagering account at its discretion.

2 g. Any person not in good standing with the commission shall not
3 be entitled to maintain a wagering account.

4 h. The address provided by the applicant in the application shall be
5 deemed the proper address for the purposes of mailing checks, account
6 withdrawals, notices and other materials.

7 i. A wagering account shall not be assignable or otherwise
8 transferable.

9 j. Except as otherwise provided in this act or in regulations which
10 the commission may adopt hereunder, all account wagers shall be final
11 and no wager shall be canceled by the account holder at any time after
12 the wager has been accepted by the account wagering licensee.

13 k. For the purposes of this act and notwithstanding any other law
14 to the contrary, all messages or orders to place account wagers
15 received by the licensee on behalf of a participating permit holder shall
16 be deemed made to a place within this State.

17 l. All persons accepting account wagers on behalf of an account
18 wagering licensee shall do so at a location within this State.

19 m. The account wagering licensee may at any time declare the
20 system closed for receiving any wagers on any race or closed for all
21 wagering.

22

23 17. (New Section) a. Credits to a wagering account shall be made
24 as follows:

25 (1) The account holder's deposits to the wagering account shall be
26 submitted by the account holder to the account wagering licensee and
27 shall be in the form of one of the following:

28 (a) cash given to the account wagering licensee;

29 (b) check, money order, negotiable order of withdrawal, or wire or
30 electronic transfer, payable and remitted to the account wagering
31 licensee; or

32 (c) charges made to an account holder's debit or credit card upon
33 the account holder's direct and personal instruction, which instruction
34 may be given by telephone communication or other electronic means
35 to the account wagering licensee or its agent by the account holder if
36 the use of the card has been approved by the account wagering
37 licensee.

38 (2) Credit for winnings from wagers placed with funds in a
39 wagering account and credit for account wagers on horses that are
40 scratched shall be posted to the account by the account wagering
41 licensee.

42 (3) The account wagering licensee shall have the right to refuse for
43 any reason all or part of any wager or deposit to the account.

44 (4) Funds deposited in the account shall not bear interest to the
45 account holder.

46 b. Debits to a wagering account shall be made as follows:

1 (1) Upon receipt by the account wagering licensee of an account
2 wager properly placed pursuant to section 18 of this act, the account
3 wagering licensee shall debit the account holder's wagering account
4 in the amount of the wager.

5 (2) The account wagering licensee may authorize a withdrawal
6 from a wagering account when the account holder submits to the
7 licensee, the licensee's agent, a participating permit holder, a licensed
8 off-track wagering facility or such other entity as may be approved by
9 the commission the following:

10 (i) proper identification;

11 (ii) the correct personal identification number; and

12 (iii) a properly completed and executed withdrawal slip on a form
13 approved by the commission.

14 Upon receipt of a properly completed and executed withdrawal
15 form, and if there are sufficient funds in the account to cover the
16 withdrawal, the licensee shall send, within three business days of
17 receipt, a check to the holder at the address specified in the application
18 for the wagering account. The check shall be made payable only to the
19 holder of the wagering account and in the amount of the requested
20 withdrawal.

21
22 18. (New Section) The account wagering licensee may accept
23 account wagers only from residents of New Jersey and only as follows:

24 a. The account wager shall be placed directly with the account
25 wagering licensee by the holder of the wagering account.

26 b. The account holder placing the account wager shall provide the
27 licensee with the correct personal identification number of the holder
28 of the wagering account.

29 c. A licensee may not accept an account wager, or series of
30 wagers, in an amount in excess of funds on deposit in the wagering
31 account of the holder placing the wager. Funds on deposit include
32 amounts credited under section 17 of this act and in the account at the
33 time the wager is placed.

34 d. Only the holder of a wagering account shall place an account
35 wager. Unless otherwise approved by the commission, no person,
36 corporation or other entity shall directly or indirectly act as an
37 intermediary, transmitter or agent in the placing of wagers for a holder
38 of a wagering account; provided, however, that the use of credit or
39 debit cards specifically approved by the licensee or the use of checks,
40 money orders or negotiable orders of withdrawal or the use of
41 telephonic, computer or electronic means by the account holder to
42 place such wagers shall not be prohibited.

43 e. The account holder may place a wager in person, by direct
44 telephone call or by communication through other electronic media.

45
46 19. (New Section) All amounts remaining in wagering accounts

1 inactive or dormant for such period and under such conditions as
2 established by regulation shall be paid 50% to the account wagering
3 licensee and 50% to the New Jersey Racing Industry Special Fund.

4
5 20. (New Section) Sums wagered at the off-track wagering facility
6 on the result of a simulcast horse race at an in-State sending track, or
7 through the account wagering system on a race conducted at an in-
8 State host track, shall be included in the appropriate parimutuel pool
9 generated at the in-State track and shall be distributed pursuant to
10 section 21 of this act. Payments to persons holding winning tickets at
11 an off-track wagering facility or through the account wagering system,
12 shall be made according to the same odds as those generated at the
13 in-State track.

14
15 21. (New Section) Sums wagered at an off-track wagering facility
16 on races being transmitted to that off-track wagering facility from an
17 in-State sending track and sums wagered through the account
18 wagering system on a race conducted at an in-State host track shall be
19 deposited in the parimutuel pool generated at the in-State track for
20 those races and shall be distributed in accordance with the provisions
21 of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
22 c.236 (C.5:5-64.1), as appropriate. Such sums wagered at an off-
23 track wagering facility or through the account wagering system which
24 remain undistributed pursuant to those sections shall be distributed as
25 follows, except that moneys resulting from breakage on amounts
26 wagered at the off-track wagering facility or through the account
27 wagering system and from outstanding parimutuel ticket moneys
28 issued at the off-track wagering facility or through the account
29 wagering system shall be distributed as provided by subsection h. of
30 this section.

31 a. 6% of the parimutuel pool generated at the off-track wagering
32 facility or through the account wagering system shall be paid to the in-
33 State track for overnight purses. In the event that (1) any racetrack
34 at which a horse race meeting was conducted in calendar year 2000
35 ceases to operate as a racetrack prior to calendar year 2003 and (2) an
36 off-track wagering facility is operated on that former racetrack site,
37 6.15% of the parimutuel pool generated at that off-track wagering
38 facility shall be paid to the in-State sending track for overnight purses.

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

42 (1) in the case of harness races conducted by an in-State track, in
43 the special trust account established pursuant to or specified in section
44 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236
45 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section
46 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and

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

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

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

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

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

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

28 g. All breakage moneys and outstanding parimutuel ticket moneys
29 resulting from wagering at the off-track wagering facility or through
30 the account wagering system on races conducted by an in-State track
31 shall be paid to the commission for racing costs in accordance with
32 section 26 of this act. If in any calendar year the total amount of
33 breakage moneys and outstanding parimutuel ticket moneys referred
34 to herein exceeds amounts required to pay racing costs as provided in
35 section 26 of this act, such remaining funds shall be allocated as
36 follows: 50% to the off-track wagering licensee or the account
37 wagering licensee, as appropriate and 50% to the New Jersey Racing
38 Industry Special Fund.

39

40 22. (New Section) a. The off-track wagering licensee may, in
41 accordance with the provisions of this act and any applicable
42 regulations of the commission and with the approval of the
43 commission, also receive at the facility simulcast horse races
44 conducted at out-of-State sending tracks; provided, however, that the
45 off-track wagering licensee may receive simulcast horse races from
46 only those out-of-State sending tracks that have been approved by the

1 commission, which approval may not be unreasonably withheld.

2 b. An account wagering licensee may, with the approval of the
3 commission, also accept account wagers on horse races conducted at
4 out-of-State host tracks; provided, however, that the account
5 wagering licensee may receive wagers on out-of-State horse races
6 from only those out-of-State host tracks that have been approved by
7 the commission, which approval may not be unreasonably withheld.

8

9 23. (New Section) a. The off-track wagering licensee receiving
10 a simulcast horse race from an out-of-State sending track shall pay to
11 the out-of-State sending track for the transmission such amount, if
12 any, as may be agreed upon by the off-track wagering licensee and the
13 out-of-State sending track.

14 b. The account wagering licensee accepting account wagers on a
15 horse race conducted at an out-of-State host track shall pay to the
16 out-of-State host track such amount, if any, as provided for in the
17 agreement, if any, between the account wagering licensee and the out-
18 of-State host track.

19

20 24. (New Section) a. Except as provided in subsection b. of this
21 section, the commission shall not permit an out-of-State sending track
22 or an out-of-State host track to participate in off-track simulcasting or
23 qualify as an out-of-State host track, respectively, unless the
24 parimutuel pools respecting the off-track wagering facility or the
25 account wagering system shall be combined with comparable
26 parimutuel pools at the out-of-State track. The types of wagering,
27 takeout, distribution of winnings, rules of racing, method of
28 calculating breakage, and the percentage of deposits remaining
29 undistributed from a parimutuel pool after payment is made to winning
30 ticket holders shall be determined in accordance with the law or policy
31 applicable to the out-of-State track.

32 b. With the prior approval of the commission and the concurrence
33 of the out-of-State track, an off-track wagering licensee or the account
34 wagering licensee, and receiving tracks or entities in other states other
35 than the state in which the out-of-State track is located may form an
36 interstate common pool. With respect to such interstate common
37 pools, the commission may approve types of wagering, takeout,
38 distribution of winnings, rules of racing, method of calculating
39 breakage, and a percentage of deposits remaining undistributed from
40 a parimutuel pool after payment is made to winning ticket holders
41 which are different from those which would otherwise be applied in
42 this State but which are consistent for all parties to the interstate
43 common pool.

44

45 25. (New Section) Sums wagered at an off-track wagering facility
46 on races being transmitted to that off-track wagering facility from an

1 out-of-State sending track and sums wagered through the account
2 wagering system on races conducted by an out-of-State host track
3 shall be subject to the takeout rate determined pursuant to section 24
4 of this act and the sums resulting from that takeout rate as applied to
5 the parimutuel pool generated at the off-track wagering facility or
6 through the account wagering system shall be distributed as follows,
7 except money resulting from breakage on amounts wagered at the
8 off-track wagering facility or through the account wagering system
9 and from outstanding parimutuel ticket moneys issued at the off-track
10 wagering facility shall be distributed as provided by subsection c. of
11 this section.

12 a. The amount, if any, as agreed by the off-track wagering licensee
13 or account wagering licensee and the out-of-State track pursuant to
14 section 23 of this act shall be paid to the out-of State track.

15 b. Of the amount remaining after the deduction of the amount
16 under subsection a. of this section from the amount of the takeout
17 rate, 40% shall be paid to the New Jersey Racing Industry Special
18 Fund and 60% shall be paid to the off-track wagering licensee or the
19 account wagering licensee, as appropriate.

20 c. ¹[All breakage] Breakage¹ moneys and outstanding parimutuel
21 ticket moneys resulting from wagering at the off-track wagering
22 facility or through the account wagering system on races conducted by
23 the out-of-State track ¹in the amount of \$150,000 shall be paid
24 annually to Jockey's Health and Welfare, and all remaining moneys¹
25 shall be paid to the commission for racing costs in accordance with
26 section 26 of this act. If in any calendar year the total amount of
27 breakage moneys and outstanding parimutuel ticket moneys referred
28 to herein exceed ¹the \$150,000 to be paid to Jockey's Health and
29 Welfare and the¹ amounts required to pay racing costs as provided in
30 section 26 of this act, such remaining funds shall be allocated as
31 follows: 50% to the off-track wagering licensee or account wagering
32 licensee, as appropriate and 50% to the New Jersey Racing Industry
33 Special Fund.

34

35 26. (New Section) a. The State Treasurer shall certify racing
36 costs on an annual basis. These racing costs shall be the basis for
37 payment and reimbursement to the commission from the following
38 sources, in the following order:

39 (1) license and permit fees received by the commission;

40 (2) breakage moneys and outstanding parimutuel ticket moneys as
41 provided in sections 21 and 25 of this act, and the outstanding
42 parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17
43 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of
44 P.L.1971, c.137 (C.5:10-7).

45 b. If, in any year, amounts received by the commission from the
46 sources specified in subsection a. of this section are not sufficient to

1 reimburse the commission for racing costs, there shall be an
2 assessment against permit holders or successors in interest to permit
3 holders, if applicable, to reimburse the commission for its costs for
4 which funds are not otherwise appropriated to the commission by law.
5 Such assessment shall be approved by the State Treasurer. The
6 commission shall establish, by regulation, an assessment formula which
7 apportions such costs to each permit holder or successor in interest,
8 if applicable.

9 c. Subject to the approval of the State Treasurer, the commission
10 may adjust the annual assessment when necessary to cover
11 expenditures not anticipated at the time of the assessment.

12 d. The funds derived from the sources specified in this section
13 shall be held in a non-lapsing dedicated account, for use in accordance
14 with the provisions of this section.

15
16 27. (New Section) The commission shall establish and administer
17 a separate fund to be known as the "New Jersey Racing Industry
18 Special Fund" into which shall be deposited the sums dedicated to the
19 fund by sections 19, 21 and 25 of this act. Money deposited in this
20 special fund shall be disbursed monthly by the commission and used as
21 follows:

22 a. 92% shall be distributed as follows:

23 (1) in the case of money deposited into the special fund from the
24 off-track wagering facility located on the former site of the Atlantic
25 City Race Course, or, if no off-track wagering facility exists on that
26 former site, the off-track wagering facility located closest to that
27 former site, 100% to permit holders conducting thoroughbred racing;

28 (2) except as provided in paragraph (1), 65% to permit holders
29 conducting thoroughbred racing and 35% to permit holders conducting
30 harness racing;

31 Of the allocations made pursuant to this subsection ¹to permit
32 holders conducting thoroughbred racing¹, specific distributions shall
33 be made to the overnight ¹thoroughbred ¹purse account ¹[for the
34 breed and horsemen's organization]¹ of each permit holder ¹and for
35 programs designed to aid the thoroughbred horsemen and the New
36 Jersey Thoroughbred Horsemen's Association. Expenditures for
37 programs designed to aid the thoroughbred horsemen and the New
38 Jersey Thoroughbred Horsemen's Association shall not exceed 2.9%
39 of such allocations¹. Distribution ¹among thoroughbred permit
40 holders¹ shall be based on the following formula: total overnight
41 ¹thoroughbred¹ purse distribution for each permit holder in the prior
42 calendar year divided by the total overnight ¹thoroughbred ¹purse
43 distribution of all permit holders ¹[for the respective breed]¹ in the
44 prior calendar year.

45 ¹Of the allocations made pursuant to this subsection to permit
46 holders conducting standardbred racing, specific distributions shall be

1 made to the overnight standardbred purse account of each permit
2 holder and for programs designed to aid the standardbred horsemen
3 and the Standardbred Breeders' and Owners' Association of New
4 Jersey. Expenditures for programs designed to aid the standardbred
5 horsemen and the Standardbred Breeders' and Owners' Association of
6 New Jersey shall not exceed 3.5% of such allocations. Distribution
7 among standardbred permit holders shall be based on the following
8 formula: total overnight standardbred purse distribution for each
9 permit holder in the prior calendar year divided by the total overnight
10 standardbred purse distribution of all permit holders in the prior
11 calendar year.¹

12 b. 8% shall be distributed as follows:

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

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

20 Of the amounts distributed to thoroughbred funds pursuant to this
21 subsection, the following distributions shall apply: 94% to
22 Thoroughbred Breeders and Stallions; 3% to Backstretch
23 Benevolency; and 3% to Breeding and Development.

24 Of the amount distributed to harness funds pursuant to this
25 subsection, the following distributions shall apply: 75% to Sire Stakes;
26 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10%
27 to Health and Welfare; and 3.5% to Breeding and Development.

28

29 28. (New Section) All persons engaged in conducting wagering-
30 related activities at an off-track facility or through an account
31 wagering system, whether employed directly by the licensee or by a
32 person or entity conducting or operating the off-track wagering facility
33 or account wagering system to an agreement with the licensee, shall
34 be licensed or registered in accordance with such regulations as may
35 be promulgated by the commission hereunder. All other employees at
36 the off-track wagering facility or of account wagering system shall be
37 licensed or registered in accordance with regulations of the
38 commission. The commission shall have full power to prescribe rules,
39 regulations and conditions under which all such licenses are issued, or
40 registrations made, in this State and to revoke or refuse to issue a
41 license, or revoke or refuse to accept a registration, if in the opinion
42 of the commission the revocation or refusal is in the public interest,
43 provided, however, that such rules, regulations and conditions shall be
44 uniform in their application, and further provided that no fee shall be
45 in excess of \$50 for each license so granted or registration accepted.

1 29. (New Section) a. A person employed by a permit holder in
2 the admissions department or parimutuel clerk department of a
3 racetrack operated by a permit holder, or employed at the racetrack by
4 a food and beverage vendor contracting with the permit holder to
5 provide food and beverages at the racetrack, shall be given a one-time
6 right of first refusal offer of employment, as each off-track wagering
7 facility opens, for the then available positions of similar employment
8 in that off-track wagering facility, including any similar employment
9 with the off-track wagering licensee or with any vendor contracting
10 with the licensee to provide food and beverages at the off-track
11 wagering facility, or as each account wagering licensee implements
12 account wagering, for the then available positions of similar
13 employment with any account wagering licensee.

14 b. In the event that an off-track wagering facility is sited and
15 begins operations at the location or in the proximity of a former
16 racetrack, a person who, at the time of the closing of the former
17 racetrack, worked as an employee of the permit holder in the
18 admissions department or parimutuel clerk department of the former
19 racetrack operated by the permit holder, or who, at the time of the
20 closing of the former racetrack, worked at the racetrack as an
21 employee of a food and beverage vendor contracting with the permit
22 holder to provide food and beverages at the former racetrack, shall be
23 given a one-time right of first refusal offer of similar employment at
24 the off-track wagering facility. In the event that there are not a
25 sufficient number of employment opportunities for each of the former
26 employees who seek a position pursuant to the provisions of this
27 subsection, then each such former employee, for a period of four years
28 thereafter, shall have the right of first refusal set forth in the provisions
29 of subsection a. of this section. Employment opportunities that remain
30 after each former employee has been given an offer of similar
31 employment shall be made available to other persons in accordance
32 with the provisions of subsection a. of this section.

33 c. An employee of the permit holder or vendor contracting with
34 the permit holder who is given preference for employment pursuant to
35 subsections a. and b. of this section and accepts the employment shall
36 not suffer, at the time that the change in employment occurs, any
37 reduction in seniority, pay, or employer contribution to pension and
38 health benefits, and shall receive a substantially equivalent level of
39 benefits.

40 ¹[d. In the event that a racetrack closes but the permit holder
41 continues to hold a permit to conduct a horse race meeting at another
42 racetrack, that permit holder shall offer to each person who was
43 employed at the former racetrack at the time it closed but who is not
44 eligible for a right of first refusal offer under subsection b. of this
45 section, severance pay in the amount of two weeks of base pay for
46 each year of employment at the racetrack. For the purpose of this

1 subsection, one week of base pay shall equal actual annual
2 compensation in the last one-year period of employment divided by
3 52.]¹

4
5 30. (New Section) a. The permit holder at Monmouth Park and
6 the thoroughbred permit holder at the Meadowlands together shall
7 schedule ¹(1)¹ no fewer than 141 thoroughbred race dates in the
8 aggregate in each of calendar years ¹[2001, 2002 and 2003] 2002,
9 2003 and 2004;¹ and ¹(2)¹ no fewer than ¹[120] 141¹ thoroughbred
10 race dates in the aggregate each calendar year thereafter ¹, provided
11 that the permit holders may schedule fewer than 141 thoroughbred
12 race dates in the aggregate if the commission determines, upon
13 application by the permit holders, that scheduling fewer dates in that
14 calendar year is in the best interest of the racing industry and the State.
15 In making its determination, the commission shall consider all factors,
16 including, but not limited to, handle, number of starters, interstate
17 competition, and export marketability. Notwithstanding the foregoing,
18 in no calendar year shall the permit holders schedule, in the aggregate,
19 fewer than 120 thoroughbred race dates¹;

20 b. the standardbred permit holder at the Meadowlands shall
21 schedule annually no fewer than 151 standardbred race dates; and

22 c. the permit holders at Freehold Raceway shall schedule annually
23 no fewer than 192 standardbred race dates.

24
25 31. (New Section) A true copy of the minutes of every meeting
26 of the commission shall be forthwith delivered by and under the
27 certification of, the executive director thereof to the Governor. No
28 action taken at such meeting of the commission shall have force and
29 effect until the earlier of 10 days, exclusive of Saturdays, Sundays and
30 public holidays, after such copy of the minutes shall have been so
31 delivered, or the approval thereof by the Governor. If, in the 10-day
32 period, the Governor returns such copy of the minutes with veto of
33 any action taken by the commission or any member thereof at such
34 meeting, such action shall be null and void and of no effect. The
35 Governor may approve all or part of the action taken at such meeting,
36 prior to the expiration of the 10-day period. This section shall not
37 apply to enforcement actions for violations of regulations promulgated
38 by the commission.

39
40 32. (New Section) The provisions of this act shall be deemed to
41 be severable, and if any phrase, clause, sentence or provision of this
42 act is declared to be unconstitutional or the applicability thereof to any
43 person is held invalid, the remainder of this act shall not thereby be
44 deemed to be unconstitutional or invalid.

45
46 33. (New Section) The commission shall promulgate rules and

1 regulations pursuant to the "Administrative Procedure Act," P.L.1968,
2 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

3
4 34. (New Section) In addition to any other funds provided by law
5 for prevention, education and treatment programs for compulsive
6 gamblers, beginning on July 1, 2002, there shall be an annual
7 assessment against permit holders or successors in interest to permit
8 holders, if applicable, of a total sum of \$200,000 in the aggregate
9 which shall be paid into the General Fund for appropriation by the
10 Legislature to the Department of Health and Senior Services for
11 prevention and education and treatment programs for compulsive
12 gambling that meet the criteria developed pursuant to section 2 of
13 P.L.1993, c.229 (C.26:2-169), such as those provided by the Council
14 on Compulsive Gambling of New Jersey. Such funds shall be used to
15 address compulsive gambling issues related to off-track wagering
16 facilities and account wagering. The New Jersey Racing Commission
17 shall, by regulation, establish a formula which apportions the
18 assessment to each permit holder or successor in interest, if applicable.

19
20 35. (New section) In order to retain the competitive position of
21 the standardbred and thoroughbred racing programs at the authority
22 owned racetracks during the period in which the off-track wagering
23 and account wagering systems are developed, the authority, as it
24 deems appropriate, may supplement or enhance purses at its
25 racetracks; provided, however, that any such supplements shall be
26 decreased as the off-track wagering and account wagering systems are
27 developed.

28
29 36. (New section) On or before July 1, 2002, the commission shall
30 submit to the Governor and the Legislature a report indicating the
31 feasibility of establishing a permanent training facility or other means
32 to permit winter stabling for the New Jersey racing industry and
33 \$300,000 is appropriated from the General Fund to the commission for
34 that purpose.

35
36 ¹[37. (New section) There is appropriated from the General Fund
37 \$150,000 to the commission to be allocated to the group certified by
38 the commission as representing a majority of the active licensed
39 thoroughbred jockeys in New Jersey for the purpose of providing
40 health and welfare benefits to active, disabled and retired New Jersey
41 jockeys and their dependents based upon reasonable criteria by that
42 organization.]¹

43
44 ¹[38. (New section) Notwithstanding any other law to the
45 contrary, in the event that in any calendar year there shall be a
46 standardbred race meeting but no running race meeting conducted at

1 Garden State Park and Garden State Park is authorized by the
2 commission to receive horse races run live at in-State sending tracks
3 and conduct parimutuel wagering thereon, then from January 1
4 through May 31 of that calendar year, the amount reserved and set
5 aside by the in-State sending track as set forth in Section 8 of
6 P.L.1985, c.269 (C.5:5-117) shall not be forwarded to Garden State
7 Park but instead shall be forwarded to Monmouth Park to supplement
8 overnight purses at its next horse race meeting.]¹

9
10 ¹[39. (New section) Notwithstanding any other law to the
11 contrary, in the event that in any calendar year there shall be a
12 standardbred race meeting but no running race meeting conducted at
13 Garden State Park and Garden State Park is authorized by the
14 commission to receive horse races run live at one or more out-of-State
15 sending tracks and conduct parimutuel wagering thereon pursuant to
16 section 37 of P.L.1992, c.19 (C.5:5-125), as amended by this act,
17 P.L. , c. (C.) (now pending before the Legislature as this bill), then,
18 from January 1 through May 31 of that calendar year:

19 a. the amount resulting from the takeout rate shall be distributed
20 as follows:

21 (1) .50% of the parimutuel pool generated at Garden State Park
22 shall be deposited in the special trust account pursuant to section
23 5b.(3) of P.L.1982, c.201 (C.5:5-98) for use and distribution as
24 provided therein;

25 (2) .03% of the parimutuel pool generated at Garden State Park
26 shall be paid to the commission and set aside in the special trust
27 account for horse breeding and development for use as provided in
28 section 5 of P.L.1967, c.40 (C.5:5-88);

29 (3) on the basis of all races in each program, or if two or more
30 programs are being transmitted simultaneously, on the basis of all
31 races in all such programs running simultaneously, 3.735% of the first
32 \$100,000 of the total pool generated at Garden State Park; 5.235% of
33 the total such pool from \$100,001 to \$150,000; 5.735% of the total
34 such pool from \$150,001 to \$250,000; 6.235% of the total such pool
35 from \$250,001 to \$300,000; and, if the amount of the total such pool
36 exceeds \$300,000, 6.485% of the total amount of such pool shall be
37 paid to supplement overnight purses at the next race meeting at
38 Monmouth Park and for programs designed to aid horsemen and the
39 New Jersey Thoroughbred Horsemen's Benevolent Association, as
40 provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-98).

41 (4) .02% of the parimutuel pool generated at Garden State Park
42 shall be paid to the Thoroughbred Breeders' Association of New
43 Jersey;

44 (5) .01% of the parimutuel pool generated at Garden State Park
45 shall be paid to the Backstretch Benevolency Programs Fund created
46 pursuant to P.L.1993, c.15 (C.5:5-44.8); and

1 (6) the amount remaining after the deduction of the amounts under
2 paragraphs (1), (2), (3), (4) and (5) shall be paid to the permit holder
3 at Garden State Park.

4 b. of all the breakage moneys and outstanding parimutuel ticket
5 moneys resulting from the wagering at Garden State Park on out-of-
6 State simulcast races, 50% shall be paid to the permit holder at Garden
7 State Park and 50% shall be paid to supplement purses at the next race
8 meeting at Monmouth Park and for programs designed to aid
9 horsemen and the New Jersey Thoroughbred Horsemen's Benevolent
10 Association, as provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-
11 98).]¹

12
13 ¹[40.] 37.¹ Section 37 of P.L.1992, c.19 (C.5:5-125) is amended
14 to read as follows:

15 37. a. (1) Notwithstanding any other law to the contrary, the
16 New Jersey Racing Commission, upon application by a receiving track,
17 as defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in
18 accordance with applicable federal law, may permit the track to
19 receive, in addition to the horse races authorized by section 10 of
20 P.L.1985, c.269 (C.5:5-119), simulcast transmissions of the racing
21 program, in full or in part, from any out-of-State sending track, as
22 defined in section 2 of P.L.1985, c.269 (C.5:5-111), during any time
23 period, provided that the receiving track agrees to receive all simulcast
24 horse races which any in-State sending track wishes to transmit to it
25 during that same time period, and provided further that, except as
26 provided in subsection b. of this section, the parimutuel pools at the
27 receiving track shall be combined with comparable parimutuel pools
28 at the out-of-State sending track. No limit shall be placed on the
29 number of racing programs the track may receive from out-of-State
30 sending tracks except as otherwise provided herein.

31 (2) Whenever an out-of-State sending track participates in
32 simulcasting pursuant to paragraph (1) of this subsection and the
33 parimutuel pools are combined at the out-of-State sending track, the
34 types of wagering, takeout, distribution of winnings, rules of racing,
35 method of calculating breakage, and the percentage of deposits
36 remaining undistributed from a parimutuel pool after payment is made
37 to winning ticket holders shall be determined in accordance with the
38 law or policy applicable to the out-of-State sending track. However,
39 moneys resulting from breakage on amounts wagered at the receiving
40 track and from outstanding parimutuel tickets issued at the receiving
41 track in all instances shall be distributed as provided by section 38 of
42 this act.

43 b. With the prior approval of the New Jersey Racing Commission
44 and the concurrence of the out-of-State sending track, a receiving
45 track and receiving tracks or entities in other states other than the
46 state in which the sending track is located may form an interstate

1 common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111).
2 With respect to such interstate common pools, the Racing Commission
3 may approve types of wagering, takeout, distribution of winnings,
4 rules of racing, method of calculating breakage, and a percentage of
5 deposits remaining undistributed from a parimutuel pool after payment
6 is made to winning ticket holders which are different from those which
7 would otherwise be applied in this State but which are consistent for
8 all parties to the interstate common pool. However, moneys resulting
9 from breakage on amounts wagered at the receiving track and from
10 outstanding parimutuel tickets issued at the receiving track in all
11 instances shall be distributed as provided in section 38 of this act.

12 c. [A receiving track which is authorized by the New Jersey
13 Racing Commission to receive the racing program, in full or in part,
14 from an out-of-State sending track pursuant to subsection a. of this
15 section shall pay the out-of-State sending track an amount equal to not
16 more than 3% of each parimutuel pool generated at the receiving
17 track. If the receiving track negotiates an agreement to pay the
18 out-of-State sending track an amount equal to less than 3% of the
19 parimutuel pool generated at the receiving track, the receiving track
20 shall be entitled to retain the difference between the amount agreed
21 upon and 3%] Deleted by amendment, P.L. , c. (C.)(now pending
22 before the Legislature as this bill).
23 (cf: P.L.1992, c.19, s.37)
24

25 ¹[41.] 38.¹ Section 6 of P.L.1971, c.137 (C.5:10-6) is amended
26 to read as follows:

27 6. a. The authority, pursuant to the provisions of P.L.1971, c.137
28 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone
29 or in conjunction with others, and provided that, in the case of an
30 arrangement with respect to any of the projects set forth in this section
31 which shall be in conjunction with others, the authority shall have
32 sufficient right and power to carry out the public purposes set forth in
33 P.L.1971, c.137 (C.5:10-1 et seq.):

34 (1) To establish, develop, construct, operate, acquire, own,
35 manage, promote, maintain, repair, reconstruct, restore, improve and
36 otherwise effectuate, either directly or indirectly through lessees,
37 licensees or agents, a project to be located in the Hackensack
38 meadowlands upon a site not to exceed 750 acres and upon a site or
39 sites outside of that acreage, but either immediately contiguous thereto
40 or immediately across any public road which borders that acreage,
41 consisting of one or more stadiums, coliseums, arenas, pavilions,
42 stands, field houses, playing fields, recreation centers, courts,
43 gymnasiums, clubhouses, a racetrack for the holding of horse race
44 meetings, and other buildings, structures, facilities, properties and
45 appurtenances related to, incidental to, necessary for, or
46 complementary to a complex suitable for the holding of athletic

1 contests or other sporting events, or trade shows, exhibitions,
2 spectacles, public meetings, entertainment events or other expositions,
3 including, but not limited to, driveways, roads, approaches, parking
4 areas, parks, recreation areas, lodging facilities, vending facilities,
5 restaurants, transportation structures, systems and facilities, and
6 equipment, furnishings, and all other structures and appurtenant
7 facilities, related to, incidental to, necessary for, or complementary to
8 the purposes of that project or any facility thereof.

9 (2) To establish, develop, construct, acquire, lease or own,
10 operate, manage, promote, maintain, repair, reconstruct, restore,
11 improve and otherwise effectuate, either directly or indirectly through
12 lessees, licensees or agents, a project, at a site within the State of New
13 Jersey, consisting of a baseball stadium and other buildings, structures,
14 facilities, properties and appurtenances related thereto, or incidental
15 to, necessary for, or complementary to a complex suitable for the
16 holding of professional baseball games and other athletic contests or
17 sporting events, or trade shows, exhibitions, spectacles, public
18 meetings, entertainment events or other expositions, such project to
19 include driveways, roads, approaches, parking areas, parks, recreation
20 areas, vending facilities, restaurants, transportation structures, systems
21 and facilities, and equipment, furnishings and all other structures and
22 appurtenant facilities related to, incidental to, necessary for, or
23 complementary to the purposes of that project or any facility thereof.

24 (3) To establish, develop, construct, acquire, lease or own,
25 operate, manage, promote, maintain, repair, reconstruct, restore,
26 improve and otherwise effectuate, either directly or indirectly through
27 lessees, licensees or agents, projects located within the State of New
28 Jersey, but outside of the meadowlands complex, consisting of
29 aquariums and the buildings, structures, facilities, properties and
30 appurtenances related thereto, or incidental to, necessary for, or
31 complementary to those aquariums, such project to include driveways,
32 roads, approaches, parking areas, parks, recreation areas, vending
33 facilities, restaurants, transportation structures, systems and facilities,
34 and equipment, furnishings and all other structures and appurtenant
35 facilities related to, incidental to, necessary for, or complementary to
36 the purposes of that project or any facility thereof. To provide for a
37 project authorized under this paragraph:

38 (a) (Deleted by amendment, P.L.1988, c.172.)

39 (b) The authority is authorized to enter into agreements with the
40 State Treasurer providing for the acquisition and construction of an
41 aquarium by the authority, including the land necessary for the
42 aquarium, and the costs thereof, ownership of the aquarium and its
43 land which shall be conveyed to the State upon completion, and the
44 operation by the authority of the aquarium pursuant to a lease or other
45 agreement with the State containing such terms and conditions as the
46 State Treasurer may establish prior to the acquisition and construction

1 by the authority of the aquarium and the disbursements of funds
2 therefor. The State Treasurer is authorized to enter into a lease or
3 other agreement to effectuate the provisions of this subparagraph.

4 (4) To establish, develop, construct, acquire, own, operate,
5 manage, promote, maintain, repair, reconstruct, restore, improve and
6 otherwise effectuate, either directly or indirectly through lessees,
7 licensees or agents, a project consisting of an exposition or
8 entertainment center or hotel or office complex, including any
9 buildings, structures, properties and appurtenances related thereto,
10 incidental thereto, necessary therefor, or complementary thereto, such
11 project to include driveways, roads, approaches, parking areas, parks,
12 recreation areas, vending facilities, restaurants, transportation
13 structures, systems, and equipment, furnishings and all other structures
14 and appurtenances related to, incidental to, necessary for, or
15 complementary to, the purposes of that project. A project authorized
16 under this paragraph may be located within, immediately contiguous
17 to, or immediately across any public road which borders the site of any
18 other project of the authority, except the site of a racetrack authorized
19 by paragraph (5) of this subsection and acquired by the authority prior
20 to 1986.

21 (5) To establish, develop, construct, acquire, own, operate,
22 manage, promote, maintain, repair, reconstruct, restore, improve and
23 otherwise effectuate, either directly or indirectly through lessees,
24 licensees or agents, projects consisting of (a) racetrack facilities
25 located within the State of New Jersey, but outside of the
26 meadowlands complex, (b) their contiguous properties, and (c) their
27 auxiliary facilities, including, without limitation, pavilions, stands, field
28 houses, clubhouses, training tracks for horses, racetracks for the
29 holding of horse race meetings, fairgrounds, other exposition facilities,
30 and other buildings, structures, facilities, properties and appurtenances
31 related to, incidental to, necessary for, or complementary to a complex
32 suitable for the holding of horse race meetings, other sporting events,
33 or trade shows, exhibitions, spectacles, public meetings, entertainment
34 events or other expositions, including, but not limited to, driveways,
35 roads, approaches, parking areas, parks, recreation areas, lodging
36 facilities, vending facilities, restaurants, transportation structures,
37 systems and facilities, equipment, furnishings, and all other structures
38 and appurtenant facilities related to, incidental to, necessary for, or
39 complementary to the purposes of any of those projects or any facility
40 thereof.

41 Notwithstanding any law to the contrary, the acquisition of any
42 existing racetrack facility in and licensed by the State of New Jersey
43 shall be permitted on the condition that payments equivalent to all
44 municipal, school board and county taxes due to each entity shall be
45 paid by the authority to the extent and in accordance with the same
46 payment schedule as taxes would have been paid each year, as though

1 the racetrack facility remained in private ownership. In the event the
2 authority conveys lands or other parts of the racetrack facility to
3 others, the authority shall receive a reduction of such payments
4 commensurate with the amount required to be paid by the subsequent
5 owner of the lands and improvements disposed of by the authority. In
6 addition, the authority shall be responsible for paying all existing local
7 franchise fees, license and parking tax fees in effect at the time of the
8 acquisition.

9 (6) To establish, develop, acquire, own, operate, manage, promote
10 and otherwise effectuate, in whole or in part, either directly or
11 indirectly through lessees, licensees or agents, projects consisting of
12 events, expositions, teams, team franchises or membership in
13 professional sports leagues.

14 (7) To establish, develop, construct, acquire, own, operate,
15 manage, promote, maintain, repair, reconstruct, restore, improve and
16 otherwise effectuate, either directly or indirectly through lessees,
17 licensees or agents, projects consisting of facilities, at a site or sites
18 within the State of New Jersey and either within or without the
19 meadowlands complex, that are related to, incidental to, necessary for,
20 or complementary to the accomplishment or purpose of any project of
21 the authority authorized by this section, including any buildings,
22 structures, properties and appurtenances related thereto, incidental
23 thereto, necessary therefor, or complementary thereto, such projects
24 to include driveways, roads, approaches, parking areas, parks,
25 recreation areas, off-track and account wagering systems and facilities
26 or any interest therein, vending facilities, restaurants, transportation
27 structures, systems, and equipment, furnishings and all other structures
28 and appurtenances related to, incidental to, necessary for, or
29 complementary to the purposes of those projects.

30 (8) To establish, develop, acquire, construct, reconstruct, improve
31 and otherwise effectuate for transfer to, and for use and operation by,
32 Rutgers, the State University, either directly or indirectly through
33 lessees, licensees or agents, facilities located or to be located on
34 property owned, leased, or otherwise used by Rutgers, the State
35 University, consisting of an upgraded and expanded football stadium
36 and a new track and field, soccer and lacrosse facility and the
37 buildings, structures, properties and appurtenances related thereto, or
38 incidental to, necessary for, or complementary to the football stadium
39 and track and field, soccer and lacrosse facility, such facilities to
40 include driveways, access roads, approaches, parking areas, parks,
41 recreation areas, vending facilities, restaurants, transportation
42 structures, systems and equipment, furnishings and all other structures
43 and appurtenances related or incidental to, necessary for, or
44 complementary to the purposes of those facilities; provided however
45 that construction shall not begin on the expansion of the seating
46 capacity of Rutgers Stadium until the Commissioner of Transportation

1 certifies that all funding necessary to complete the Route 18 project in
2 Piscataway Township has been appropriated and construction has
3 begun on the Route 18 project in Piscataway Township under the
4 Department of Transportation's capital program.

5 (9) To acquire by purchase, lease or otherwise, and to develop,
6 construct, operate, own, lease, manage, repair, reconstruct, restore,
7 improve, enlarge or otherwise effectuate, either directly or through
8 lessees, licensees or agents, a convention center project in the city of
9 Atlantic City, Atlantic County, consisting of the existing convention
10 hall and a new convention hall or center, and associated parking areas
11 and railroad terminal facilities and including the leasing of adjacent
12 land for hotel facilities. In connection therewith, the authority is
13 authorized to:

14 (a) Assume existing leasehold or other contractual obligations
15 pertaining to any such facilities or properties or to make provision for
16 the payment or retirement of any debts and obligations of the
17 governmental entity operating any such convention hall or center or of
18 any bonds or other obligations payable from and secured by a lien on
19 or pledge of the luxury tax revenues;

20 (b) Make loans or payments in aid of construction with respect to
21 infrastructure and site development for properties located in the area
22 between the sites of the existing convention hall and a new convention
23 center or located contiguous to or across any public road which
24 borders the area;

25 (c) Convert the existing convention hall or any facilities, structures
26 or properties thereof, or any part thereof, not disposed of by the
27 authority, to any sports, exposition, exhibition, or entertainment use
28 or to use as a forum for public events or meetings, or to any other use
29 which the authority shall determine to be consistent with its operation
30 of the Atlantic City convention center project.

31 (10) To provide a feasibility study for the use and development of
32 the existing convention center in the city of Asbury Park, county of
33 Monmouth and to provide a feasibility study for the construction, use
34 and development of a convention center or recreational facility in any
35 other municipality.

36 (11) To provide funding to public or private institutions of higher
37 education in the State to establish, develop, acquire, construct,
38 reconstruct or improve facilities located or to be located on property
39 owned, leased, or otherwise used by an institution, consisting of sports
40 facilities and the buildings, structures, properties and appurtenances
41 related thereto, or incidental to, necessary for, or complementary to
42 those sports facilities, such facilities to include driveways, access
43 roads, approaches, parking areas, parks, recreation areas, vending
44 facilities, restaurants, transportation structures, systems and
45 equipment, furnishings and all other structures and appurtenances
46 related or incidental to, necessary for, or complementary to the

1 purposes of those facilities.

2 (12) To acquire by purchase, lease, or otherwise, including all
3 right, title and interest of the Greater Wildwood Tourism Improvement
4 Development Authority in any property, and to develop, construct,
5 operate, own, lease, manage, repair, reconstruct, restore, improve,
6 enlarge or otherwise effectuate, either directly or through lessees,
7 licensees or agents, a convention center facility in the City of
8 Wildwood, Cape May County, consisting of and including any existing
9 and acquired buildings, structures, properties and appurtenances and
10 including restaurants, retail businesses, access roads, approaches,
11 parking areas, transportation structures and systems, recreation areas,
12 equipment, furnishings, vending facilities, and all other structures and
13 appurtenances incidental to, necessary for, or complementary to the
14 purpose of such Wildwood convention center facility. In connection
15 therewith, the authority is expressly authorized to:

16 (a) assume any existing mortgages, leaseholds or other contractual
17 obligations or encumbrances with respect to the site of the Wildwood
18 convention center facility and any other existing and acquired
19 buildings, structures, properties, and appurtenances;

20 (b) enter into agreements with a local public body or bodies
21 providing for any necessary financial support or other assistance for
22 the operation and maintenance of such Wildwood convention center
23 facility from taxes or other sources of the local public body or bodies
24 as shall be made available for such purposes;

25 (c) to the extent permitted by law and by the terms of the bonds
26 or notes issued to finance the Wildwood convention center facility,
27 transfer its ownership interest or other rights with respect to the
28 convention center facility to another State authority or agency;

29 (d) upon payment of all outstanding bonds and notes issued
30 therefore, transfer its ownership interest and other rights with respect
31 thereto to such other public body as shall be authorized to own and
32 operate such a facility; and

33 (e) convert any existing convention hall or any facilities, structures
34 or properties thereof, or any part thereof, not disposed of by the
35 authority, to any use which the authority shall determine to be
36 consistent with the operation of the Wildwood convention center
37 facility.

38 b. The authority, pursuant to the provisions of P.L.1971, c.137
39 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
40 projects, capital contributions to others for transportation and other
41 facilities, and accommodations for the public's use of any of those
42 projects, (2) to lease any part of any of those project sites not
43 occupied or to be occupied by the facilities of any of those projects,
44 for purposes determined by the authority to be consistent with or
45 related to the purposes of those projects, including, but not limited to,
46 hotels and other accommodations for transients and other facilities

1 related to or incidental to any of those projects, and (3) to sell or
2 dispose of any real or personal property, including, but not limited to,
3 such portion of the site of any of those projects not occupied or to be
4 occupied by the facilities of any of those projects, at not less than the
5 fair market value of the property, except in the case of sale or
6 disposition to the State, any political subdivision of the State or any
7 agency or instrumentality of the State or any political subdivision of
8 the State.

9 c. Revenues, moneys or other funds, if any, derived from the
10 operation or ownership of the meadowlands complex, including the
11 conduct of horse race meetings, shall be applied, in accordance with
12 the resolution or resolutions authorizing or relating to the issuance of
13 bonds or notes of the authority, to the following purposes and in the
14 following order:

15 (1) The costs of operation and maintenance of the meadowlands
16 complex and reserves therefor;

17 (2) Principal, sinking fund installments and redemption premiums
18 of and interest on any bonds or notes of the authority payable from
19 such revenues, moneys or other funds and issued for the purposes of
20 the meadowlands complex or for the purposes of refunding the same,
21 including reserves and payments with respect to credit agreements
22 therefor;

23 (3) The costs of any major or extraordinary repairs, renewals or
24 replacements with respect to the meadowlands complex or incidental
25 improvements thereto, not paid pursuant to paragraph (1) above,
26 including reserves therefor;

27 (4) Payments required to be made pursuant to section 18b.;

28 (5) Payments authorized to be made pursuant to section 18c.;

29 (6) Except to the extent payments with respect to bonds or notes
30 are provided with priority in accordance with paragraph (2) of this
31 subsection, payments required to be made in accordance with the
32 resolution authorizing or relating to the issuance of bonds or notes of
33 the authority, for the purposes of any project authorized by this act,
34 including payments and reserves with respect to any bonds or notes of
35 the authority with respect to the meadowlands complex which are not
36 provided with priority in accordance with paragraph (2) of this
37 subsection;

38 (7) Payments required to be made to repay any obligation incurred
39 by the authority to the State;

40 (8) The balance remaining after application in accordance with the
41 above shall be deposited in the General State Fund, provided that (a)
42 there shall be appropriated for authorized State purposes from the
43 amount so deposited that amount which shall be calculated by the
44 State Treasurer to be the debt service savings realized with respect to
45 the refinancing of the initial project as defined in section 1 of
46 P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the

1 issuance of bonds of the authority guaranteed by the State, and (b)
2 after such appropriation, 40% of any balance remaining from the
3 amounts so deposited shall be appropriated to the Meadowlands
4 Commission for any of its purposes authorized by P.L.1968, c.404,
5 and any amendments or supplements thereto.

6 d. Revenues, moneys or other funds, if any, derived from the
7 operation or ownership of any project other than the meadowlands
8 complex, the Atlantic City convention center project, or the Wildwood
9 convention center facility and other than a baseball stadium project or
10 an office complex project located on the site of a baseball stadium
11 shall be applied for such purposes, in such manner and subject to such
12 conditions as shall be provided in the resolution authorizing or relating
13 to the issuance of bonds or notes of the authority for the purposes of
14 such project, and the balance, if any, remaining after such application
15 may be applied, to the extent not contrary to or inconsistent with the
16 resolution, in the following order (1) to the purposes of the
17 meadowlands complex, unless otherwise agreed upon by the State
18 Treasurer and the authority, (2) to the purposes of any other project
19 of the authority; and, the balance remaining, if any, shall be deposited
20 in the General Fund.

21 e. Revenues, moneys or other funds, if any, derived from the
22 operation, ownership, or leasing of a baseball stadium project or an
23 office complex project located on the site of a baseball stadium shall
24 be applied for the purposes, in the manner and subject to the
25 conditions as shall be provided in the resolution authorizing or relating
26 to the issuance of bonds or notes of the authority for the purposes of
27 a baseball stadium project or an office complex project located on the
28 site of a baseball stadium, if any, and the balance, if any, remaining
29 after such application shall be applied, to the extent not contrary to or
30 inconsistent with the resolution, to the following purposes and in the
31 following order:

32 (1) The costs of operation and maintenance of a baseball stadium
33 project and an office complex project located on the site of a baseball
34 stadium and reserves therefor;

35 (2) Payments made to repay the bonded indebtedness incurred by
36 the authority for the purposes of a baseball stadium project or an
37 office complex project located on the site of a baseball stadium;

38 (3) Payments equivalent to an amount required to be made by the
39 State for payments in lieu of taxes pursuant to P.L.1977, c.272
40 (C.54:4-2.2a et seq.);

41 (4) The balance remaining after application in accordance with the
42 above shall be deposited in the General Fund.

43 f. Revenues, moneys or other funds, if any, derived from the
44 operation, ownership or leasing of the Atlantic City convention center
45 project shall be applied to the costs of operating and maintaining the
46 Atlantic City convention center project and to the other purposes set

1 forth in this subsection as shall be provided by resolution of the
2 authority.

3 Luxury tax revenues paid to the authority by the State Treasurer
4 pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be
5 deposited by the authority in a separate fund or account and applied
6 to the following purposes and in the following order:

7 (1) To pay the principal, sinking fund installments and redemption
8 premiums of and interest on any bonds or notes of the authority,
9 including bonds or notes of the authority issued for the purpose of
10 refunding bonds or notes, issued for purposes of (i) the initial
11 acquisition of the existing properties which will constitute part of the
12 Atlantic City convention center project, if the bonds or notes shall be
13 payable under the terms of the resolution of the authority relating
14 thereto from luxury tax revenues, or (ii) providing improvements,
15 additions or replacements to the Atlantic City convention center
16 project, if the bonds or notes shall be payable under the terms of the
17 resolution of the authority relating thereto from luxury tax revenues;
18 and to pay any amounts due from the authority under any credit
19 agreement entered into by the authority in connection with the bonds
20 or notes.

21 (2) To pay the costs of operation and maintenance of the Atlantic
22 City convention center project.

23 (3) To establish and maintain a working capital and maintenance
24 reserve fund for the Atlantic City convention center project in an
25 amount as shall be determined by the authority to be necessary.

26 (4) To repay to the State those amounts paid by the State with
27 respect to bonds or notes of the authority issued for the purposes of
28 the Atlantic City convention center project.

29 (5) The balance of any luxury tax revenues not required for any of
30 the foregoing purposes and remaining at the end of any calendar year
31 shall be paid to the State Treasurer for application to purposes in the
32 city of Atlantic City pursuant to section 5 of P.L.1981, c.461
33 (C.40:48-8.30a).

34 The authority may pledge the luxury tax revenues paid to it as
35 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security
36 for the payment of the principal of and interest or premium on its
37 bonds or notes issued for the purposes set forth above in paragraph (1)
38 of this subsection f. in the same manner, to the same extent and with
39 the same effect as the pledge of any of its other revenues, receipts and
40 funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

41 g. Revenues, moneys or other funds, if any, derived from the
42 ownership or operation of the Wildwood convention center facility
43 shall be applied to the costs of operating and maintaining the
44 Wildwood convention center facility and to the other purposes set
45 forth in this subsection as shall be provided by resolution of the
46 authority.

1 The tourism related tax revenues paid to the authority pursuant to
2 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be
3 deposited by the authority in a separate fund or account and applied
4 to any or all of the following purposes pursuant to an allocation of
5 funds approved by the State Treasurer in writing and in advance of any
6 application of such funds:

7 (1) to pay amounts due with respect to any obligations transferred
8 to the authority pursuant to section 17 of P.L.1997, c.273
9 (C.40:54D-25.1) pertaining to the Wildwood convention center
10 facility:

11 (2) to repay to the State those amounts paid with respect to bonds
12 or notes of the authority issued for the purposes of the Wildwood
13 convention center facility;

14 (3) to pay the cost of operation and maintenance reserve for the
15 Wildwood convention center facility;

16 (4) to establish and maintain a working capital and maintenance of
17 the Wildwood convention center facility.

18 The balance, if any, of any tourism related tax revenues not
19 allocated to any of the purposes set forth in the previous paragraphs
20 and remaining at the end of the calendar year shall be paid to the State
21 Treasurer for deposit in the General Fund.

22 (cf: P.L.1997, c.273, s.20)

23

24 ¹[42.] 39.¹ Section 18 of P.L.1971, c.137 (C.5:10-18) is
25 amended to read as follows:

26 18. a. All projects and other property of the authority, except an
27 off-track wagering facility or account wagering system facility
28 established pursuant to P.L. , c. (now pending before the Legislature
29 as this bill). is hereby declared to be public property devoted to an
30 essential public and governmental function and purpose and shall be
31 exempt from all taxes and special assessments of the State or any
32 political subdivision thereof; provided, however, that when any part of
33 the project site not occupied or to be occupied by facilities of the
34 project is leased by the authority to another whose property is not
35 exempt and the leasing of which does not make the real estate taxable,
36 the estate created by the lease and the appurtenances thereto shall be
37 listed as the property of the lessee thereof, or his assignee, and be
38 assessed and taxed as real estate. All bonds or notes issued pursuant
39 to the act are hereby declared to be issued by a body corporate and
40 public of the State and for an essential public and governmental
41 purpose and such bonds and notes, and the interest thereon and the
42 income therefrom, and all funds, revenues, income and other moneys
43 received or to be received by the authority and pledged or available to
44 pay or secure the payment of such bonds or notes, or interest thereon,
45 shall at all times be exempt from taxation except for transfer,
46 inheritance and estate taxes.

1 b. To the end that there does not occur an undue loss of future tax
2 revenues by reason of the acquisition of real property by the authority
3 for the meadowlands complex the authority annually shall make
4 payments in-lieu-of-taxes to the municipality in which such property
5 is located in an amount computed in each year with respect to each
6 such municipality by multiplying the total amount to be raised by real
7 property taxation in each such year by a fraction, the numerator of
8 which is the amount of real property taxes assessed against the
9 property acquired by the authority in the tax year in which this act
10 becomes effective and the denominator of which is the total amount to
11 be raised by real property taxation in such municipality in the tax year
12 in which this act becomes effective. Such payments shall be made in
13 each year commencing with the first year subsequent to the year in
14 which such real property shall have been converted from a taxable to
15 an exempt status by reason of acquisition thereof by the authority.

16 c. The authority is further authorized and empowered to enter into
17 any agreement or agreements with the Meadowlands Commission or
18 with any county or municipality located in whole or part within the
19 Hackensack meadowlands whereby the authority will undertake to pay
20 any additional amounts to compensate for any loss of tax revenues by
21 reason of the acquisition of any real property by the authority for the
22 meadowlands complex or to pay amounts to be used by such
23 commission, county or municipality in furtherance of the development
24 of the Hackensack meadowlands, including the meadowlands complex.
25 The commission and every such county and municipality is authorized
26 and empowered to enter into such agreements with the authority and
27 to accept payments which the authority makes thereunder.

28 d. All payments to municipalities pursuant to subsections b. and
29 c. shall be treated as payments in-lieu-of-property taxes for all
30 purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).
31 (cf: P.L.1971, c.137, s.18)

32
33 ¹[43. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
34 read as follows:

35 104. a. (1) Unless otherwise provided in this subsection, no
36 agreement which provides for the payment, however defined, of any
37 direct or indirect interest, percentage or share of any money or
38 property gambled at a casino or simulcasting facility or derived from
39 casino gaming activity or wagering at a simulcasting facility of any
40 such interest, percentage, or share of any revenues, profits or earnings
41 of a casino or simulcasting facility shall be lawful.

42 (2) Agreements which provide only for the payment of a fixed sum
43 which is in no way affected by the amount of any such money,
44 property, revenues, profits or earnings shall not be subject to the
45 provisions of this subsection; and receipts, rentals or charges for real
46 property, personal property or services shall not lose their character

1 as payments of a fixed sum because of contract, lease, or license
2 provisions for adjustments in charges, rentals or fees on account of
3 changes in taxes or assessments, cost-of-living index escalations,
4 expansion or improvement of facilities, or changes in services supplied.

5 (3) Agreements between a casino licensee and its employees which
6 provide for casino employee or casino key employee profit sharing and
7 which are in writing and have been filed with the commission shall be
8 lawful and effective only if expressly approved as to their terms by the
9 commission.

10 (4) Agreements to lease an approved casino hotel or the land
11 thereunder and agreements for the complete management of all casino
12 gaming operations in a casino hotel shall not be subject to the
13 provisions of this subsection but shall rather be subject to the
14 provisions of subsections b. and c. of section 82 of this act.

15 (5) Agreements which provide for percentage charges between the
16 casino licensee and a holding company or intermediary company of the
17 casino licensee shall be in writing and filed with the commission but
18 shall not be subject to the provisions of this subsection.

19 (6) Agreements relating to simulcast racing and wagering between
20 a casino licensee and an in-State or out-of-State sending track licensed
21 or exempt from licensure in accordance with subsection c. of section
22 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
23 commission, and be lawful and effective only if expressly approved as
24 to their terms by the commission and the New Jersey Racing
25 Commission, except that any such agreements which provide for a
26 percentage of the parimutuel pool wagered at a simulcasting facility to
27 be paid to the sending track shall not be subject to the provisions of
28 paragraph (1) of this subsection.

29 (7) Agreements relating to simulcast racing and wagering between
30 a casino licensee and a casino service industry licensed pursuant to the
31 provisions of subsection a. of section 92 of P.L.1977, c.110
32 (C.5:12-92) as a hub facility, as defined in joint regulations of the
33 Casino Control Commission and the New Jersey Racing Commission,
34 shall be in writing, be filed with the commission, and be lawful and
35 effective only if expressly approved as to their terms by the
36 commission and the New Jersey Racing Commission, except that any
37 such agreements which provide for a percentage of the casino
38 licensee's share of the parimutuel pool wagered at a simulcasting
39 facility to be paid to the hub facility shall not be subject to the
40 provisions of paragraph (1) of this subsection. As used in this
41 paragraph, "hub facility" means a facility which acts as an intermediary
42 between a casino simulcasting facility and a sending track with respect
43 to the transmission of parimutuel wagering data and which is
44 responsible for generating all reports necessary for the reconciliation
45 of payments between casino licensees, sending tracks and the New
46 Jersey Racing Commission. The hub facility also may, but is not

1 required to, perform other functions including the transmission of
2 pictures of simulcast horse races and parimutuel non-wagering data.
3 Nothing herein shall preclude a hub facility from utilizing a transaction
4 processor located outside of this State, subject to the regulation of the
5 New Jersey Casino Control Commission and the New Jersey Racing
6 Commission.

7 (8) Agreements relating to simulcast racing and wagering between
8 a casino licensee and a casino service industry licensed pursuant to the
9 provisions of subsection a. of section 92 of P.L.1977, c.110
10 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
11 shall be in writing, be filed with the commission, and be lawful and
12 effective only if expressly approved as to their terms by the
13 commission, except that any such agreements which provide for a
14 percentage of the casino licensee's share of the parimutuel pool
15 wagered at a simulcasting facility to be paid to the casino service
16 industry shall not be subject to the provisions of paragraph (1) of this
17 subsection.

18 b. Each casino applicant or licensee shall maintain, in accordance
19 with the rules of the commission, a record of each written or unwritten
20 agreement regarding the realty, construction, maintenance, or business
21 of a proposed or existing casino hotel or related facility. The
22 foregoing obligation shall apply regardless of whether the casino
23 applicant or licensee is a party to the agreement. Any such agreement
24 may be reviewed by the commission on the basis of the reasonableness
25 of its terms, including the terms of compensation, and of the
26 qualifications of the owners, officers, employees, and directors of any
27 enterprise involved in the agreement, which qualifications shall be
28 reviewed according to the standards enumerated in section 86 of this
29 act. If the commission disapproves such an agreement or the owners,
30 officers, employees, or directors of any enterprise involved therein, the
31 commission may require its termination.

32 Every agreement required to be maintained, and every related
33 agreement the performance of which is dependent upon the
34 performance of any such agreement, shall be deemed to include a
35 provision to the effect that, if the commission shall require termination
36 of an agreement pursuant to this subsection, such termination shall
37 occur without liability on the part of the casino applicant or licensee
38 or any qualified party to the agreement or any related agreement.
39 Failure expressly to include such a provision in the agreement shall not
40 constitute a defense in any action brought to terminate the agreement.
41 If the agreement is not maintained or presented to the commission in
42 accordance with commission regulations, or the disapproved
43 agreement is not terminated, the commission may pursue any remedy
44 or combination of remedies provided in this act.

45 For the purposes of this subsection, "casino applicant" includes any
46 person required to hold a casino license pursuant to section 82 of

1 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
2 a casino license or any approval required under P.L.1977, c.110
3 (C.5:12-1 et seq.).

4 c. Nothing in this act shall be deemed to permit the transfer of any
5 license, or any interest in any license, or any certificate of compliance
6 or any commitment or reservation.
7 (cf: P.L.1996, c.84, s.7)]¹

8
9 ¹[44.] 40.¹ Section 5 of P.L.1992, c.19 (C.5:12-195) is amended
10 to read as follows:

11 5. A permit holder which wishes to conduct casino simulcasting
12 shall request the approval of the New Jersey Racing Commission in its
13 annual application for horse race meeting dates filed with that
14 commission pursuant to section 23 of P.L.1940, c.17 (C.5:5-43), or,
15 if applying between the submittal of annual applications, through such
16 supplemental application as that commission shall deem appropriate.
17 [The New Jersey Racing Commission shall not approve the request of
18 any permit holder to conduct casino simulcasting unless the permit
19 holder will conduct a number of live racing programs during the period
20 for which the permit is issued which is equal to the following:

21 a. in the case of harness races, each permit holder shall conduct at
22 least 75% of the average number of live racing programs conducted by
23 that permit holder during calendar years 1990 and 1991; and

24 b. in the case of running races, Monmouth Racetrack shall conduct
25 at least the same number of live racing programs conducted in 1991,
26 Garden State Racetrack shall conduct at least 60% of the live racing
27 programs conducted by that permit holder in calendar year 1990, and
28 each of the other permit holders conducting running races shall
29 conduct at least 75% of the live racing programs conducted by that
30 permit holder in calendar year 1990.

31 For the purpose of satisfying the requirements of this section for
32 the conduct of live racing programs, any live racing program or part
33 thereof which is cancelled because of weather or another act of God
34 shall be deemed to have been conducted, subject to the approval of the
35 New Jersey Racing Commission.]

36 (cf: P.L.1992, c.19, s.5)

37

38 ¹[45.] 41.¹ Section 2 of P.L.1993, c.229 (C.26:2-169) is amended
39 to read as follows:

40 2. The Department of Health and Senior Services shall develop
41 criteria which [a] prevention, education and treatment [program]
42 programs for compulsive gamblers shall meet in order to become
43 eligible for a grant from the funds made available for such [treatment]
44 programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).
45 The department shall also develop a formula for the distribution of
46 available funds which will result in an equitable distribution among the

1 programs which meet the eligibility criteria and apply for grants.

2 The department shall submit a report to the Senate Budget and
3 Appropriations Committee and the Assembly Appropriations
4 Committee, or their successors, describing the criteria developed
5 pursuant to this section and detailing the amount of grants distributed
6 and the names of the programs receiving grants. The department shall
7 submit the report annually to both committees.

8 (cf: P.L.1993, c.229, s.2)

9

10 ¹[46.] ~~42.~~¹ R.S.33:1-42 is amended to read as follows:

11 33:1-42. No sales of alcoholic beverages shall be made in any
12 public buildings belonging to or under the control of the state or any
13 political subdivision thereof except as to the national guard as
14 hereinbefore provided, or in any off-track wagering facility, whether
15 publicly owned or controlled or otherwise, and except as permitted by
16 the [commissioner] Director of the Division of Alcoholic Beverage
17 Control in specified cases and subject to rules and regulations.

18 (cf: R.S.33:1-42)

19

20 ¹[47.] ~~43.~~¹ This act shall take effect immediately ¹[, and sections
21 37 and 38 shall expire upon the closure of Garden State Park]¹.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 3315

with Assembly Floor Amendments
(Proposed By Assemblymen GREGG)

ADOPTED: JUNE 14, 2001

These amendments:

- C provide that a municipality will have veto power over the New Jersey Sports and Exposition Authority's decision to site an off-track wagering facility in that municipality. The authority would be afforded an opportunity to present its plans to the governing body of the municipality. If the governing body does not veto the facility, the authority would be permitted to move forward in the licensing process, provided that: (1) the proposed off-track wagering facility site is not in an area zoned residential; (2) the authority has submitted its plans to the municipal planning board; and (3) the authority has made reasonable efforts to address the reasonable concerns expressed by the municipal planning board.
- C explicitly state that the account wagering system established by the bill is the only system through which a person in this State may legally engage in account wagering, and explicitly state that only the account wagering licensee (the NJ Sports and Exposition Authority) licensed under this bill is legally permitted to accept wagers from a person located within this State.
- C postpone the annual \$200,000 assessment against racing permit holders for compulsive gambling for one year, to July 1, 2003.
- C delete a section regarding casino simulcasting that appears in A-2598 and S-1590 and is therefore not needed in this bill.
- C delete a superfluous section that specifies that alcoholic beverages would be permitted in an off-track wagering facility. The Division of Alcoholic Beverage Control has regulatory authority in this regard.
- C change the effective date of certain sections pertaining to off-track wagering and account wagering to the 180th day after enactment, except that the NJ Racing Commission will take whatever administrative action in advance that is necessary for the implementation of the act.

[Second Reprint]

ASSEMBLY, No. 3315

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 22, 2001

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman JOSEPH J. ROBERTS, JR.

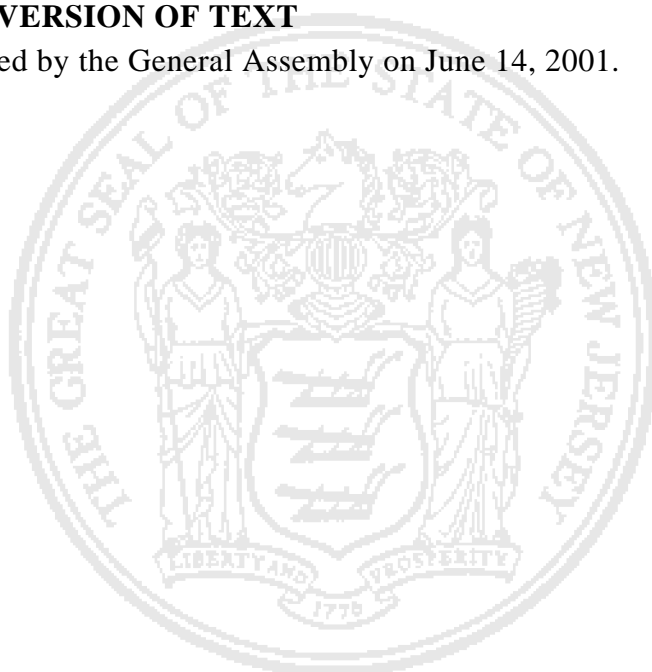
District 5 (Camden and Gloucester)

SYNOPSIS

Establishes off-track wagering facilities and account wagering system for parimutuel betting on horse races, changes certain requirements pertaining to simulcasting and casino simulcasting and making an appropriation.

CURRENT VERSION OF TEXT

As amended by the General Assembly on June 14, 2001.



1 AN ACT concerning horse racing, supplementing chapter 5 of Title 5
2 of the Revised Statutes and amending various parts of the statutory
3 law and making an appropriation.

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

7
8 1. (New Section) Sections 1-35 of this act shall be known and may
9 be cited as the “Off-Track and Account Wagering Act.”
10

11 2. (New Section) The Legislature finds and declares that:

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

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

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

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

34 ²[e. The Sports and Exposition Authority, as an instrumentality of
35 the State, typically is not subject to local zoning and planning laws
36 when performing a function for the benefit of all the people of the
37 State. Furthermore, property it owns or controls typically is
38 considered public property devoted to an essential government
39 function and therefore, not subject to local property taxation.

40 In reality, the authority, in establishing off-track wagering facilities,
41 would not be performing an essential government function, but rather

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted May 17, 2001.

² Assembly floor amendments adopted June 14, 2001.

1 an essentially private business function. In addition, the establishment
2 of off-track wagering represents a substantial expansion of gambling
3 in this State. Numerous municipalities, residents and established
4 businesses would be impacted by the establishment of such facilities
5 throughout the State. There could be municipalities that may view the
6 placement of such facilities at the discretion of the authority and the
7 racing commission as unwanted and unwarranted intrusions for which
8 they would have to provide services but for which they may not
9 receive appropriate levels of property taxes. Therefore, fundamental
10 fairness dictates that the powers of municipalities not be eroded with
11 regard to the establishment of these facilities and that the authority
12 should not be permitted to disregard local rules and controls and tax
13 requirements. Off-track wagering facilities owned or controlled by the
14 authority shall be subject to local zoning and planning rules and local
15 property taxation.]

16 e. In establishing off-track wagering facilities, the authority will not
17 be performing an essential government function but rather an
18 essentially private business function. Numerous municipalities,
19 residents and businesses will be impacted by the establishment of off-
20 track wagering facilities throughout the State. A municipality may
21 oppose the placement of an off-track wagering facility within its
22 boundaries at the discretion of the authority and the commission. A
23 municipality may want an off-track wagering facility sited within its
24 boundaries, but only if the municipality receives an appropriate level
25 of property tax for municipal services. Therefore, fundamental
26 fairness dictates that any municipality be empowered to refuse the
27 siting of a facility within its boundaries. Fundamental fairness also
28 dictates that an off-track wagering facility, even if owned and not
29 leased by the authority, be subject to local property tax requirements.²

30 f. By regulation of the Division of Alcoholic Beverage Control,
31 there exist special licenses that permit the sale of alcoholic beverages
32 on public property. These special licenses, typically available to the
33 authority, are inexpensive and circumvent the traditional method for
34 obtaining a license to sell alcoholic beverages. Because the
35 establishment of off-track wagering facilities is, in reality, essentially
36 a private business ²[venture] function² and not an essential
37 government function, the authority shall be required to obtain a license
38 to sell alcoholic beverages in the traditional manner.

39

40 3. (New Section) As used in this act:

41 “Account holder” means a resident of this State over age 18 who
42 establishes an account pursuant to this act through which account
43 wagers are placed.

44 “Account wagering” means a form of parimutuel wagering in which
45 an account holder may deposit money in an account with the account
46 wagering licensee and then use the account balance to pay for

1 parimutuel wagers by the account holder.

2 “Account wagering licensee” means the New Jersey Sports and
3 Exposition Authority, provided that the commission has granted its
4 approval for the authority to establish an account wagering system as
5 provided for in this act.

6 “Account wagering system” means the system through which
7 account wagers are processed by the account wagering licensee
8 pursuant to this act.

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

11 “Backstretch Benevolency” means the Backstretch Benevolency
12 Programs Fund established pursuant to section 1 of P.L.1993, c.15
13 (C.5:5-44.8).

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

17 “Breeding and Development” means the New Jersey Horse
18 Breeding and Development Account established pursuant to section 5
19 of P.L.1967, c.40 (C.5:5-88).

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

22 “Executive Director” means the Executive Director of the
23 commission.

24 “Health and Welfare” means moneys distributed to the
25 Standardbred Breeder's and Owner's Association for the administration
26 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
27 c.17 (C.5:5-66).

28 “In-State host track” means a racetrack within this State which is
29 operated by a permit holder which conducts a horse race upon which
30 account wagers are placed pursuant to this act.

31 “In-State sending track” means a racetrack within this State which
32 is operated by a permit holder and is equipped to conduct off-track
33 simulcasting.

34 “In-State track” means an in-State host track or an in-State sending
35 track.

36 “Interstate common pool” means the parimutuel pool established
37 within this State or in another state or foreign nation within which is
38 combined parimutuel pools of one or more receiving tracks located in
39 one or more states or foreign nations upon a race at an out-of-State
40 sending track or out-of-State host track for the purpose of establishing
41 payoff prices in the various jurisdictions.

42 “Jockey's Health and Welfare” means a health and welfare trust
43 established by the organization certified by the New Jersey Racing
44 Commission as representing a majority of the active licensed
45 thoroughbred jockeys in New Jersey for the purpose of providing
46 health and welfare benefits to active, disabled and retired New Jersey

1 jockeys and their dependents based upon reasonable criteria by that
2 organization.¹

3 “New Jersey Racing Industry Special Fund” means the fund
4 established pursuant to section 27 of this act.

5 ¹“New Jersey Thoroughbred Horsemen's Association” means the
6 association representing the majority of New Jersey thoroughbred
7 owners and trainers responsible for receiving and distributing funds for
8 programs designed to aid thoroughbred horsemen.¹

9 “Off-track simulcasting” means the simultaneous audio or visual
10 transmission of horse races conducted at in-State and out-of-State
11 racetracks to off-track wagering facilities and parimutuel wagering at
12 those off-track wagering facilities on the results of those races.

13 “Off-track wagering” means parimutuel wagering at an off-track
14 wagering facility as authorized under this act.

15 “Off-track wagering facility” means a licensed facility, other than
16 a racetrack, at which parimutuel wagering is conducted pursuant to
17 this act.

18 “Off-track wagering licensee” means the New Jersey Sports and
19 Exposition Authority, provided that the commission has granted its
20 approval for the authority to conduct an off-track wagering facility as
21 provided for in this act.

22 “Out-of-State host track” means a racetrack in a jurisdiction other
23 than the State of New Jersey, the operator of which is lawfully
24 permitted to conduct a horse race meeting and which conducts horse
25 races upon which account wagers may be placed pursuant to this act.

26 “Out-of-State sending track” means a racetrack in a jurisdiction
27 other than the State of New Jersey which is equipped to conduct off-
28 track simulcasting and the operator of which is lawfully permitted to
29 conduct a horse race meeting and to provide simulcast horse races to
30 off-track wagering facilities in this State.

31 “Out-of-State track” means an out-of-State host track or an out-of-
32 State sending track.

33 “Outstanding parimutuel ticket” means a winning parimutuel ticket
34 which is not claimed within six months of sale.

35 “Parimutuel” means any system whereby wagers with respect to the
36 outcome of a horse race are placed with, or in, a wagering pool
37 conducted by an authorized person, and in which the participants are
38 wagering with each other and not against the person conducting the
39 wagering pool.

40 “Participation agreement” means the written contract that provides
41 for the establishment or implementation of either (a) an off-track
42 wagering facility or facilities or (b) an account wagering system. Each
43 such contract shall set forth the manner in which the off-track
44 wagering facility or facilities or the account wagering system shall be
45 managed, operated and capitalized, as well as how expenses and
46 revenues shall be allocated and distributed by and among the authority

1 and the other eligible ¹[participants] participants¹.

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

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

6 "Racing costs" means the prospective and actual costs for all
7 licensing, investigation, operation, regulation, supervision and
8 enforcement activities and functions performed by the commission.

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

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

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

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

21

22 4. (New Section) a. The commission is authorized to issue a
23 license to the authority to permit off-track wagering at a specified
24 facility, upon application of the authority and in accordance with the
25 provisions of this act. A license issued pursuant to this act shall be
26 valid for a period of one year. The commission shall issue a license
27 only if the authority schedules at least the minimum number of race
28 dates required in Section 30 of this act and it is satisfied that the
29 authority has entered into a participation agreement with each and
30 every other person, partnership, association, corporation, or authority
31 or the successor in interest to such person, partnership, association,
32 corporation or authority that:

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

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

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

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

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

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

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

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

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

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

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

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

19 b. A separate application and certification shall be filed for each
20 off-track wagering facility that the authority proposes to establish.

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

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

25 e. If an off-track wagering licensee, including the authority, seeks
26 to offer alcoholic beverages for on-premise consumption at an off-
27 track wagering facility, the licensee shall acquire a Class C plenary
28 retail consumption license pursuant to the provisions of R.S.33:1-1 et
29 seq. and in accordance with such procedures as established by statute
30 and by regulation of the Division of Alcoholic Beverage Control for
31 the acquisition of such licenses by private individuals or business
32 entities.

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

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

40 h. ²[As a condition of licensure, an off-track wagering licensee,
41 including the] The² authority ²[when the authority is the licensee
42 which will own or control the facility, shall obtain all applicable], in
43 lieu of obtaining² municipal zoning and planning approvals ²that may
44 otherwise be² required in connection with the off-track wagering
45 facility¹, shall submit a written notice of its intention to site an off-
46 track wagering facility to the governing body of the municipality

1 within which the facility would be sited. The notice shall identify the
2 proposed site of the facility by street address, if any, or by reference
3 to lot and block numbers as shown on the current tax duplicate in the
4 municipal tax assessor's offices. Within 45 days of its receipt of the
5 authority's notice of intention, the municipal governing body may
6 disapprove of the proposed site of an off-track wagering facility by
7 adopting a resolution which shall be valid and binding upon the
8 authority and the commission upon delivery of a duly certified copy of
9 the resolution to the authority and the commission. Whenever a
10 municipality determines to consider a resolution disapproving a
11 proposed off-track wagering facility, the authority shall be given an
12 opportunity to offer a public presentation of the proposed facility prior
13 to consideration of the resolution. A resolution disapproving a
14 proposed off-track wagering facility shall state the reasons for
15 disapproval.

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

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

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

25 (3) the authority has made reasonable efforts to address the
26 reasonable concerns expressed by the municipal planning board².

27
28 6. (New Section) Within 14 days of receipt of a completed
29 application, certification and applicable fees, the executive director
30 shall determine whether the same is in due form and meets the
31 requirements of law in all respects, and upon being satisfied thereof,
32 the commission, within 45 days of receipt of a completed application,
33 certification and applicable fees, shall hold a public hearing in the
34 municipality in which the proposed off-track wagering facility is to be
35 located. The costs of the public hearing shall be paid by the authority.
36 The executive director shall cause a display advertisement,
37 approximately 11 inches by 8 inches in size, to be published at least
38 once in a daily newspaper, and at least once in a weekly newspaper,
39 published, or circulated if none is published, in the county where the
40 municipality is located at least 15 days before the date of the public
41 hearing and to be published again in that daily newspaper on the third
42 day preceding the public hearing and in the latest edition of that
43 weekly newspaper that will be in circulation on the third day preceding
44 the public hearing. The advertisement shall contain sufficient
45 information to apprise the public as to the purpose of the hearing, the
46 time and place thereof, and the nature of the license applied for. The

1 advertisement shall be prepared and placed by the executive director,
2 but shall be paid for by the authority.

3
4 7. (New Section) a. No sooner than 30 days nor later than 60
5 days following the public hearing, the commission shall make a final
6 determination on the license application. The commission shall
7 approve the application if it determines that the plan for the proposed
8 facility includes appropriate standards of quality for the premises and
9 services it will provide and that the authority has demonstrated by
10 clear and convincing evidence that establishment of the proposed off-
11 track wagering facility will not be inimical to the interests of the public
12 and the horse racing industry in this State. The commission shall
13 submit its determination to the Attorney General for review and
14 approval. The determination of the commission shall be deemed
15 approved by the Attorney General if not affirmatively approved or
16 disapproved by the Attorney General within 14 days of the date of
17 submission. The decision of the Attorney General shall be deemed a
18 final decision. Upon approval by the Attorney General, the
19 commission shall issue to the authority an off-track wagering license
20 specifying the location, the periods of time during a calendar year and
21 the hours of operation during which off-track wagering is permitted at
22 the facility, and prescribing any other conditions or terms the
23 commission deems appropriate.

24 b. With the approval of the commission, the off-track wagering
25 licensee may enter into a contract or agreement with a person or entity
26 to conduct or operate an off-track wagering facility for the licensee
27 and to act as the agent of the licensee in all off-track wagering matters
28 approved by the commission.

29
30 8. (New Section) a. The commission shall have full power to
31 prescribe rules, regulations and conditions under which all off-track
32 wagering licenses are issued and renewed in the State ¹, including
33 requiring an annual audit of the off-track wagering licensee's books
34 and records pertaining to off-track wagering.¹ and to revoke, suspend
35 or refuse to renew a license if in the opinion of the commission the
36 revocation of, suspension of or refusal to renew such license is in the
37 public interest; provided, however, that such rules, regulations and
38 conditions shall be uniform in their application.

39 b. The commission shall have no right or power to determine who
40 shall be officers, directors or employees of any off-track wagering
41 facility, or the salaries thereof; provided, however, that the
42 commission may compel the discharge of any official or employee of
43 the licensee at the off-track wagering facility who: (1) fails or refuses
44 for any reason to comply with the rules or regulations of the
45 commission; (2) fails or refuses for any reason to comply with any of
46 the provisions of this act; (3) fails to establish by clear and convincing

1 evidence in the opinion of the commission good character, honesty,
2 competency and integrity; or (4) has been convicted of a crime
3 involving fraud, dishonesty or moral turpitude.

4
5 9. (New Section) Nothing in this act shall be deemed to abrogate
6 the common law right or any other right established by law to exclude
7 or eject permanently from any off-track wagering facility any person
8 who disrupts the operations of its premises, threatens the security of
9 its premises or its occupants, or is disorderly or intoxicated.

10
11 10. (New Section) a. The total number of off-track wagering
12 facilities licensed in this State pursuant to this act shall not exceed 15.

13 b. The commission shall issue no more than eight off-track
14 wagering licenses within the first two years of the effective date of this
15 act.

16
17 11. (New Section) It shall be lawful for the off-track wagering
18 licensee to conduct off-track simulcasting at the off-track wagering
19 facility with all in-State sending tracks and with any out-of-State
20 sending track in accordance with the provisions of this act and
21 applicable regulations which the commission may promulgate.

22
23 12. (New Section) An in-State sending track may transmit to
24 licensed off-track wagering facilities all or some of the live races
25 conducted at the racetrack. The off-track wagering licensee, as a
26 condition of continued operation of the off-track wagering facility,
27 shall receive all live races which are offered and transmitted by in-
28 State sending tracks.

29
30 13. (New Section) a. The commission is authorized to issue a
31 license to the authority to establish an account wagering system in
32 accordance with the provisions of this act. A license issued pursuant
33 to this act shall be valid for a term of one year. The commission shall
34 issue a license only if the authority schedules at least the minimum
35 number of race dates required in section 30 of this act and it is
36 satisfied that the authority has entered into a participation agreement
37 with each and every person, partnership, association, corporation or
38 authority or the successor in interest to such person, partnership,
39 association, corporation or authority that:

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

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

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

46 An account wagering license may not be transferred or assigned to

1 a successor in interest without the approval of the commission and the
2 Attorney General, which approval may not be unreasonably withheld.

3 b. As part of the license application process, any participation
4 agreement, or any modification to the agreement made thereafter,
5 entered into for the purposes of this section shall be reviewed by the
6 commission and the Attorney General to determine whether the
7 agreement meets the requirements of this act and shall be subject to
8 the approval of the commission and the Attorney General.

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

15

16 14. (New Section) a. Within 14 days of receipt of a completed
17 application, certification and applicable fees, the executive director
18 shall determine whether the same is in due form and meets the
19 requirements of law in all respects, and upon being satisfied thereof,
20 the executive director, within 45 days of receipt of a completed
21 application, certification and applicable fees, shall hold a public
22 hearing, the costs of which shall be paid by the applicant.

23 b. No sooner than 30 days nor later than 60 days following the
24 public hearing, the commission shall make a final determination on the
25 application. The commission shall approve the application if it
26 determines that the authority has demonstrated by clear and convincing
27 evidence that wagers placed through the proposed account wagering
28 system will be accurately processed and that there will be sufficient
29 safeguards to maintain the integrity of the horse racing industry in this
30 State. The commission's determination shall be submitted to the
31 Attorney General for review and approval. The determination of the
32 commission shall be deemed approved by the Attorney General if not
33 affirmatively approved or disapproved by the Attorney General within
34 14 days of the date of submission. The decision of the Attorney
35 General shall be deemed a final decision. Upon approval by the
36 Attorney General, the commission shall issue to the authority a license
37 to participate in the account wagering system.

38 c. With the approval of the commission, an account wagering
39 licensee may enter into a contract or agreement with a person or entity
40 to conduct or operate an account wagering system or facility for the
41 licensee and to act as the agent of the licensee in all account wagering
42 matters approved by the commission.

43

44 15. (New Section) a. The commission shall have full power to
45 prescribe rules, regulations and conditions under which all account
46 wagering licenses are issued or renewed in this State ¹, including

1 requiring an annual audit of the account wagering licensee's books and
2 records pertaining to account wagering.¹ and to revoke, suspend or
3 refuse to renew a license if in the opinion of the commission the
4 revocation of, suspension of or refusal to renew such license is in the
5 public interest; provided, however, that such rules, regulations and
6 conditions shall be uniform in their application.

7 b. The commission shall have no right or power to determine who
8 shall be officers, directors or employees of any account wagering
9 licensee, or the salaries thereof; provided, however, that the
10 commission may compel the discharge of any official or employee of
11 the licensee or the account wagering system who: (1) fails or refuses
12 for any reason to comply with the rules or regulations of the
13 commission; (2) fails or refuses for any reason to comply with any of
14 the provisions of this act; (3) fails to establish by clear and convincing
15 evidence in the opinion of the commission good character, honesty,
16 competency and integrity; or (4) has been convicted of a crime
17 involving fraud, dishonesty or moral turpitude.

18
19 16. (New Section) a. A person shall not place an account wager
20 from within this State except in accordance with this act through the
21 account wagering licensee, and no entity, other than the account
22 wagering licensee, shall accept an account wager from a person within
23 this State.² A person may not place an account wager unless the
24 person has established an account with the account wagering licensee.
25 To establish a wagering account, a person shall be a New Jersey
26 resident at least 18 years of age.

27 b. The account shall be in the name of a natural person and may
28 not be in the name of any beneficiary, custodian, joint trust,
29 corporation, partnership or other organization or entity.

30 c. An account may be established by a person completing an
31 application form approved by the commission and submitting it
32 together with a certification, or other proof, of age and residency. The
33 form shall include the address of the principal residence of the
34 prospective account holder and a statement that a false statement made
35 in regard to an application may subject the applicant to prosecution.

36 d. The prospective account holder shall submit the completed
37 application to the account wagering licensee, to any account wagering
38 participating permit holder or to a licensed off-track wagering facility
39 or such other person or entity as may be approved by the commission.
40 The account wagering licensee may accept or reject an application
41 after receipt and review of the application and certification, or other
42 proof, of age and residency for compliance with this act.

43 e. Any prospective account holder who provides false or
44 misleading information on the application is subject to rejection of the
45 application or cancellation of the account by the account wagering
46 licensee without notice.

- 1 f. The account wagering licensee shall have the right to suspend or
2 close any wagering account at its discretion.
- 3 g. Any person not in good standing with the commission shall not
4 be entitled to maintain a wagering account.
- 5 h. The address provided by the applicant in the application shall be
6 deemed the proper address for the purposes of mailing checks, account
7 withdrawals, notices and other materials.
- 8 i. A wagering account shall not be assignable or otherwise
9 transferable.
- 10 j. Except as otherwise provided in this act or in regulations which
11 the commission may adopt hereunder, all account wagers shall be final
12 and no wager shall be canceled by the account holder at any time after
13 the wager has been accepted by the account wagering licensee.
- 14 k. For the purposes of this act and notwithstanding any other law
15 to the contrary, all messages or orders to place account wagers
16 received by the licensee on behalf of a participating permit holder shall
17 be deemed made to a place within this State.
- 18 l. All persons or accepting account wagers on behalf of ²[an] the²
19 account wagering licensee shall do so at a location within this State.
- 20 m. The account wagering licensee may at any time declare the
21 system closed for receiving any wagers on any race or closed for all
22 wagering.
23
- 24 17. (New Section) a. Credits to a wagering account shall be made
25 as follows:
- 26 (1) The account holder's deposits to the wagering account shall be
27 submitted by the account holder to the account wagering licensee and
28 shall be in the form of one of the following:
- 29 (a) cash given to the account wagering licensee;
- 30 (b) check, money order, negotiable order of withdrawal, or wire or
31 electronic transfer, payable and remitted to the account wagering
32 licensee; or
- 33 (c) charges made to an account holder's debit or credit card upon
34 the account holder's direct and personal instruction, which instruction
35 may be given by telephone communication or other electronic means
36 to the account wagering licensee or its agent by the account holder if
37 the use of the card has been approved by the account wagering
38 licensee.
- 39 (2) Credit for winnings from wagers placed with funds in a
40 wagering account and credit for account wagers on horses that are
41 scratched shall be posted to the account by the account wagering
42 licensee.
- 43 (3) The account wagering licensee shall have the right to refuse for
44 any reason all or part of any wager or deposit to the account.
- 45 (4) Funds deposited in the account shall not bear interest to the
46 account holder.

1 b. Debits to a wagering account shall be made as follows:

2 (1) Upon receipt by the account wagering licensee of an account
3 wager properly placed pursuant to section 18 of this act, the account
4 wagering licensee shall debit the account holder's wagering account
5 in the amount of the wager.

6 (2) The account wagering licensee may authorize a withdrawal
7 from a wagering account when the account holder submits to the
8 licensee, the licensee's agent, a participating permit holder, a licensed
9 off-track wagering facility or such other entity as may be approved by
10 the commission the following:

11 (i) proper identification;

12 (ii) the correct personal identification number; and

13 (iii) a properly completed and executed withdrawal slip on a form
14 approved by the commission.

15 Upon receipt of a properly completed and executed withdrawal
16 form, and if there are sufficient funds in the account to cover the
17 withdrawal, the licensee shall send, within three business days of
18 receipt, a check to the holder at the address specified in the application
19 for the wagering account. The check shall be made payable only to the
20 holder of the wagering account and in the amount of the requested
21 withdrawal.

22

23 18. (New Section) The account wagering licensee may accept
24 account wagers only from residents of New Jersey and only as follows:

25 a. The account wager shall be placed directly with the account
26 wagering licensee by the holder of the wagering account.

27 b. The account holder placing the account wager shall provide the
28 licensee with the correct personal identification number of the holder
29 of the wagering account.

30 c. A licensee may not accept an account wager, or series of
31 wagers, in an amount in excess of funds on deposit in the wagering
32 account of the holder placing the wager. Funds on deposit include
33 amounts credited under section 17 of this act and in the account at the
34 time the wager is placed.

35 d. Only the holder of a wagering account shall place an account
36 wager. Unless otherwise approved by the commission, no person,
37 corporation or other entity shall directly or indirectly act as an
38 intermediary, transmitter or agent in the placing of wagers for a holder
39 of a wagering account; provided, however, that the use of credit or
40 debit cards specifically approved by the licensee or the use of checks,
41 money orders or negotiable orders of withdrawal or the use of
42 telephonic, computer or electronic means by the account holder to
43 place such wagers shall not be prohibited.

44 e. The account holder may place a wager in person, by direct
45 telephone call or by communication through other electronic media.

1 19. (New Section) All amounts remaining in wagering accounts
2 inactive or dormant for such period and under such conditions as
3 established by regulation shall be paid 50% to the account wagering
4 licensee and 50% to the New Jersey Racing Industry Special Fund.

5
6 20. (New Section) Sums wagered at the off-track wagering facility
7 on the result of a simulcast horse race at an in-State sending track, or
8 through the account wagering system on a race conducted at an in-
9 State host track, shall be included in the appropriate parimutuel pool
10 generated at the in-State track and shall be distributed pursuant to
11 section 21 of this act. Payments to persons holding winning tickets at
12 an off-track wagering facility or through the account wagering system,
13 shall be made according to the same odds as those generated at the
14 in-State track.

15
16 21. (New Section) Sums wagered at an off-track wagering facility
17 on races being transmitted to that off-track wagering facility from an
18 in-State sending track and sums wagered through the account
19 wagering system on a race conducted at an in-State host track shall be
20 deposited in the parimutuel pool generated at the in-State track for
21 those races and shall be distributed in accordance with the provisions
22 of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
23 c.236 (C.5:5-64.1), as appropriate. Such sums wagered at an off-
24 track wagering facility or through the account wagering system which
25 remain undistributed pursuant to those sections shall be distributed as
26 follows, except that moneys resulting from breakage on amounts
27 wagered at the off-track wagering facility or through the account
28 wagering system and from outstanding parimutuel ticket moneys
29 issued at the off-track wagering facility or through the account
30 wagering system shall be distributed as provided by subsection h. of
31 this section.

32 a. 6% of the parimutuel pool generated at the off-track wagering
33 facility or through the account wagering system shall be paid to the in-
34 State track for overnight purses. In the event that (1) any racetrack
35 at which a horse race meeting was conducted in calendar year 2000
36 ceases to operate as a racetrack prior to calendar year 2003 and (2) an
37 off-track wagering facility is operated on that former racetrack site,
38 6.15% of the parimutuel pool generated at that off-track wagering
39 facility shall be paid to the in-State sending track for overnight purses.

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

43 (1) in the case of harness races conducted by an in-State track, in
44 the special trust account established pursuant to or specified in section
45 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236
46 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section

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

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

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

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

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

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

29 g. All breakage moneys and outstanding parimutuel ticket moneys
30 resulting from wagering at the off-track wagering facility or through
31 the account wagering system on races conducted by an in-State track
32 shall be paid to the commission for racing costs in accordance with
33 section 26 of this act. If in any calendar year the total amount of
34 breakage moneys and outstanding parimutuel ticket moneys referred
35 to herein exceeds amounts required to pay racing costs as provided in
36 section 26 of this act, such remaining funds shall be allocated as
37 follows: 50% to the off-track wagering licensee or the account
38 wagering licensee, as appropriate and 50% to the New Jersey Racing
39 Industry Special Fund.

40

41 22. (New Section) a. The off-track wagering licensee may, in
42 accordance with the provisions of this act and any applicable
43 regulations of the commission and with the approval of the
44 commission, also receive at the facility simulcast horse races
45 conducted at out-of-State sending tracks; provided, however, that the
46 off-track wagering licensee may receive simulcast horse races from

1 only those out-of-State sending tracks that have been approved by the
2 commission, which approval may not be unreasonably withheld.

3 b. An account wagering licensee may, with the approval of the
4 commission, also accept account wagers on horse races conducted at
5 out-of-State host tracks; provided, however, that the account
6 wagering licensee may receive wagers on out-of-State horse races
7 from only those out-of-State host tracks that have been approved by
8 the commission, which approval may not be unreasonably withheld.
9

10 23. (New Section) a. The off-track wagering licensee receiving
11 a simulcast horse race from an out-of-State sending track shall pay to
12 the out-of-State sending track for the transmission such amount, if
13 any, as may be agreed upon by the off-track wagering licensee and the
14 out-of-State sending track.

15 b. The account wagering licensee accepting account wagers on a
16 horse race conducted at an out-of-State host track shall pay to the
17 out-of-State host track such amount, if any, as provided for in the
18 agreement, if any, between the account wagering licensee and the out-
19 of-State host track.
20

21 24. (New Section) a. Except as provided in subsection b. of this
22 section, the commission shall not permit an out-of-State sending track
23 or an out-of-State host track to participate in off-track simulcasting or
24 qualify as an out-of-State host track, respectively, unless the
25 parimutuel pools respecting the off-track wagering facility or the
26 account wagering system shall be combined with comparable
27 parimutuel pools at the out-of-State track. The types of wagering,
28 takeout, distribution of winnings, rules of racing, method of
29 calculating breakage, and the percentage of deposits remaining
30 undistributed from a parimutuel pool after payment is made to winning
31 ticket holders shall be determined in accordance with the law or policy
32 applicable to the out-of-State track.

33 b. With the prior approval of the commission and the concurrence
34 of the out-of-State track, an off-track wagering licensee or the account
35 wagering licensee, and receiving tracks or entities in other states other
36 than the state in which the out-of-State track is located may form an
37 interstate common pool. With respect to such interstate common
38 pools, the commission may approve types of wagering, takeout,
39 distribution of winnings, rules of racing, method of calculating
40 breakage, and a percentage of deposits remaining undistributed from
41 a parimutuel pool after payment is made to winning ticket holders
42 which are different from those which would otherwise be applied in
43 this State but which are consistent for all parties to the interstate
44 common pool.
45

46 25. (New Section) Sums wagered at an off-track wagering facility

1 on races being transmitted to that off-track wagering facility from an
2 out-of-State sending track and sums wagered through the account
3 wagering system on races conducted by an out-of-State host track
4 shall be subject to the takeout rate determined pursuant to section 24
5 of this act and the sums resulting from that takeout rate as applied to
6 the parimutuel pool generated at the off-track wagering facility or
7 through the account wagering system shall be distributed as follows,
8 except money resulting from breakage on amounts wagered at the
9 off-track wagering facility or through the account wagering system
10 and from outstanding parimutuel ticket moneys issued at the off-track
11 wagering facility shall be distributed as provided by subsection c. of
12 this section.

13 a. The amount, if any, as agreed by the off-track wagering licensee
14 or account wagering licensee and the out-of-State track pursuant to
15 section 23 of this act shall be paid to the out-of State track.

16 b. Of the amount remaining after the deduction of the amount
17 under subsection a. of this section from the amount of the takeout
18 rate, 40% shall be paid to the New Jersey Racing Industry Special
19 Fund and 60% shall be paid to the off-track wagering licensee or the
20 account wagering licensee, as appropriate.

21 c. ¹[All breakage] Breakage¹ moneys and outstanding parimutuel
22 ticket moneys resulting from wagering at the off-track wagering
23 facility or through the account wagering system on races conducted by
24 the out-of-State track ¹in the amount of \$150,000 shall be paid
25 annually to Jockey's Health and Welfare, and all remaining moneys¹
26 shall be paid to the commission for racing costs in accordance with
27 section 26 of this act. If in any calendar year the total amount of
28 breakage moneys and outstanding parimutuel ticket moneys referred
29 to herein exceed ¹the \$150,000 to be paid to Jockey's Health and
30 Welfare and the¹ amounts required to pay racing costs as provided in
31 section 26 of this act, such remaining funds shall be allocated as
32 follows: 50% to the off-track wagering licensee or account wagering
33 licensee, as appropriate and 50% to the New Jersey Racing Industry
34 Special Fund.

35

36 26. (New Section) a. The State Treasurer shall certify racing
37 costs on an annual basis. These racing costs shall be the basis for
38 payment and reimbursement to the commission from the following
39 sources, in the following order:

40 (1) license and permit fees received by the commission;

41 (2) breakage moneys and outstanding parimutuel ticket moneys as
42 provided in sections 21 and 25 of this act, and the outstanding
43 parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17
44 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of
45 P.L.1971, c.137 (C.5:10-7).

46 b. If, in any year, amounts received by the commission from the

1 sources specified in subsection a. of this section are not sufficient to
2 reimburse the commission for racing costs, there shall be an
3 assessment against permit holders or successors in interest to permit
4 holders, if applicable, to reimburse the commission for its costs for
5 which funds are not otherwise appropriated to the commission by law.
6 Such assessment shall be approved by the State Treasurer. The
7 commission shall establish, by regulation, an assessment formula which
8 apportions such costs to each permit holder or successor in interest,
9 if applicable.

10 c. Subject to the approval of the State Treasurer, the commission
11 may adjust the annual assessment when necessary to cover
12 expenditures not anticipated at the time of the assessment.

13 d. The funds derived from the sources specified in this section
14 shall be held in a non-lapsing dedicated account, for use in accordance
15 with the provisions of this section.

16

17 27. (New Section) The commission shall establish and administer
18 a separate fund to be known as the "New Jersey Racing Industry
19 Special Fund" into which shall be deposited the sums dedicated to the
20 fund by sections 19, 21 and 25 of this act. Money deposited in this
21 special fund shall be disbursed monthly by the commission and used as
22 follows:

23 a. 92% shall be distributed as follows:

24 (1) in the case of money deposited into the special fund from the
25 off-track wagering facility located on the former site of the Atlantic
26 City Race Course, or, if no off-track wagering facility exists on that
27 former site, the off-track wagering facility located closest to that
28 former site, 100% to permit holders conducting thoroughbred racing;

29 (2) except as provided in paragraph (1), 65% to permit holders
30 conducting thoroughbred racing and 35% to permit holders conducting
31 harness racing;

32 Of the allocations made pursuant to this subsection ¹to permit
33 holders conducting thoroughbred racing¹, specific distributions shall
34 be made to the overnight ¹thoroughbred¹ purse account ¹[for the
35 breed and horsemen's organization]¹ of each permit holder ¹and for
36 programs designed to aid the thoroughbred horsemen and the New
37 Jersey Thoroughbred Horsemen's Association. Expenditures for
38 programs designed to aid the thoroughbred horsemen and the New
39 Jersey Thoroughbred Horsemen's Association shall not exceed 2.9%
40 of such allocations¹. Distribution ¹among thoroughbred permit
41 holders¹ shall be based on the following formula: total overnight
42 ¹thoroughbred¹ purse distribution for each permit holder in the prior
43 calendar year divided by the total overnight ¹thoroughbred¹ purse
44 distribution of all permit holders ¹[for the respective breed]¹ in the
45 prior calendar year.

46 ¹Of the allocations made pursuant to this subsection to permit

1 holders conducting standardbred racing, specific distributions shall be
2 made to the overnight standardbred purse account of each permit
3 holder and for programs designed to aid the standardbred horsemen
4 and the Standardbred Breeders' and Owners' Association of New
5 Jersey. Expenditures for programs designed to aid the standardbred
6 horsemen and the Standardbred Breeders' and Owners' Association of
7 New Jersey shall not exceed 3.5% of such allocations. Distribution
8 among standardbred permit holders shall be based on the following
9 formula: total overnight standardbred purse distribution for each
10 permit holder in the prior calendar year divided by the total overnight
11 standardbred purse distribution of all permit holders in the prior
12 calendar year.¹

13 b. 8% shall be distributed as follows:

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

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

21 Of the amounts distributed to thoroughbred funds pursuant to this
22 subsection, the following distributions shall apply: 94% to
23 Thoroughbred Breeders and Stallions; 3% to Backstretch
24 Benevolency; and 3% to Breeding and Development.

25 Of the amount distributed to harness funds pursuant to this
26 subsection, the following distributions shall apply: 75% to Sire Stakes;
27 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10%
28 to Health and Welfare; and 3.5% to Breeding and Development.

29

30 28. (New Section) All persons engaged in conducting wagering-
31 related activities at an off-track facility or through an account
32 wagering system, whether employed directly by the licensee or by a
33 person or entity conducting or operating the off-track wagering facility
34 or account wagering system to an agreement with the licensee, shall
35 be licensed or registered in accordance with such regulations as may
36 be promulgated by the commission hereunder. All other employees at
37 the off-track wagering facility or of account wagering system shall be
38 licensed or registered in accordance with regulations of the
39 commission. The commission shall have full power to prescribe rules,
40 regulations and conditions under which all such licenses are issued, or
41 registrations made, in this State and to revoke or refuse to issue a
42 license, or revoke or refuse to accept a registration, if in the opinion
43 of the commission the revocation or refusal is in the public interest,
44 provided, however, that such rules, regulations and conditions shall be
45 uniform in their application, and further provided that no fee shall be
46 in excess of \$50 for each license so granted or registration accepted.

1 29. (New Section) a. A person employed by a permit holder in
2 the admissions department or parimutuel clerk department of a
3 racetrack operated by a permit holder, or employed at the racetrack by
4 a food and beverage vendor contracting with the permit holder to
5 provide food and beverages at the racetrack, shall be given a one-time
6 right of first refusal offer of employment, as each off-track wagering
7 facility opens, for the then available positions of similar employment
8 in that off-track wagering facility, including any similar employment
9 with the off-track wagering licensee or with any vendor contracting
10 with the licensee to provide food and beverages at the off-track
11 wagering facility, or as each account wagering licensee implements
12 account wagering, for the then available positions of similar
13 employment with any account wagering licensee.

14 b. In the event that an off-track wagering facility is sited and
15 begins operations at the location or in the proximity of a former
16 racetrack, a person who, at the time of the closing of the former
17 racetrack, worked as an employee of the permit holder in the
18 admissions department or parimutuel clerk department of the former
19 racetrack operated by the permit holder, or who, at the time of the
20 closing of the former racetrack, worked at the racetrack as an
21 employee of a food and beverage vendor contracting with the permit
22 holder to provide food and beverages at the former racetrack, shall be
23 given a one-time right of first refusal offer of similar employment at
24 the off-track wagering facility. In the event that there are not a
25 sufficient number of employment opportunities for each of the former
26 employees who seek a position pursuant to the provisions of this
27 subsection, then each such former employee, for a period of four years
28 thereafter, shall have the right of first refusal set forth in the provisions
29 of subsection a. of this section. Employment opportunities that remain
30 after each former employee has been given an offer of similar
31 employment shall be made available to other persons in accordance
32 with the provisions of subsection a. of this section.

33 c. An employee of the permit holder or vendor contracting with
34 the permit holder who is given preference for employment pursuant to
35 subsections a. and b. of this section and accepts the employment shall
36 not suffer, at the time that the change in employment occurs, any
37 reduction in seniority, pay, or employer contribution to pension and
38 health benefits, and shall receive a substantially equivalent level of
39 benefits.

40 ¹[d. In the event that a racetrack closes but the permit holder
41 continues to hold a permit to conduct a horse race meeting at another
42 racetrack, that permit holder shall offer to each person who was
43 employed at the former racetrack at the time it closed but who is not
44 eligible for a right of first refusal offer under subsection b. of this
45 section, severance pay in the amount of two weeks of base pay for
46 each year of employment at the racetrack. For the purpose of this
47 subsection, one week of base pay shall equal actual annual

1 compensation in the last one-year period of employment divided by
2 52.]¹

3
4 30. (New Section) a. The permit holder at Monmouth Park and
5 the thoroughbred permit holder at the Meadowlands together shall
6 schedule ¹(1)¹ no fewer than 141 thoroughbred race dates in the
7 aggregate in each of calendar years ¹[2001, 2002 and 2003] 2002,
8 2003 and 2004;¹ and ¹(2)¹ no fewer than ¹[120] 141¹ thoroughbred
9 race dates in the aggregate each calendar year thereafter ¹, provided
10 that the permit holders may schedule fewer than 141 thoroughbred
11 race dates in the aggregate if the commission determines, upon
12 application by the permit holders, that scheduling fewer dates in that
13 calendar year is in the best interest of the racing industry and the State.
14 In making its determination, the commission shall consider all factors,
15 including, but not limited to, handle, number of starters, interstate
16 competition, and export marketability. Notwithstanding the foregoing,
17 in no calendar year shall the permit holders schedule, in the aggregate,
18 fewer than 120 thoroughbred race dates¹;

19 b. the standardbred permit holder at the Meadowlands shall
20 schedule annually no fewer than 151 standardbred race dates; and

21 c. the permit holders at Freehold Raceway shall schedule annually
22 no fewer than 192 standardbred race dates.

23
24 31. (New Section) A true copy of the minutes of every meeting
25 of the commission shall be forthwith delivered by and under the
26 certification of, the executive director thereof to the Governor. No
27 action taken at such meeting of the commission shall have force and
28 effect until the earlier of 10 days, exclusive of Saturdays, Sundays and
29 public holidays, after such copy of the minutes shall have been so
30 delivered, or the approval thereof by the Governor. If, in the 10-day
31 period, the Governor returns such copy of the minutes with veto of
32 any action taken by the commission or any member thereof at such
33 meeting, such action shall be null and void and of no effect. The
34 Governor may approve all or part of the action taken at such meeting,
35 prior to the expiration of the 10-day period. This section shall not
36 apply to enforcement actions for violations of regulations promulgated
37 by the commission.

38
39 32. (New Section) The provisions of this act shall be deemed to
40 be severable, and if any phrase, clause, sentence or provision of this
41 act is declared to be unconstitutional or the applicability thereof to any
42 person is held invalid, the remainder of this act shall not thereby be
43 deemed to be unconstitutional or invalid.

44
45 33. (New Section) The commission shall promulgate rules and
46 regulations pursuant to the "Administrative Procedure Act," P.L.1968,
47 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

1 34. (New Section) In addition to any other funds provided by law
2 for prevention, education and treatment programs for compulsive
3 gamblers, beginning on July 1, ²[2002] 2003², there shall be an annual
4 assessment against permit holders or successors in interest to permit
5 holders, if applicable, of a total sum of \$200,000 in the aggregate
6 which shall be paid into the General Fund for appropriation by the
7 Legislature to the Department of Health and Senior Services for
8 prevention and education and treatment programs for compulsive
9 gambling that meet the criteria developed pursuant to section 2 of
10 P.L.1993, c.229 (C.26:2-169), such as those provided by the Council
11 on Compulsive Gambling of New Jersey. Such funds shall be used to
12 address compulsive gambling issues related to off-track wagering
13 facilities and account wagering. The New Jersey Racing Commission
14 shall, by regulation, establish a formula which apportions the
15 assessment to each permit holder or successor in interest, if applicable.
16

17 35. (New section) In order to retain the competitive position of
18 the standardbred and thoroughbred racing programs at the authority
19 owned racetracks during the period in which the off-track wagering
20 and account wagering systems are developed, the authority, as it
21 deems appropriate, may supplement or enhance purses at its
22 racetracks; provided, however, that any such supplements shall be
23 decreased as the off-track wagering and account wagering systems are
24 developed.
25

26 36. (New section) On or before July 1, 2002, the commission shall
27 submit to the Governor and the Legislature a report indicating the
28 feasibility of establishing a permanent training facility or other means
29 to permit winter stabling for the New Jersey racing industry and
30 \$300,000 is appropriated from the General Fund to the commission for
31 that purpose.
32

33 ¹[37. (New section) There is appropriated from the General Fund
34 \$150,000 to the commission to be allocated to the group certified by
35 the commission as representing a majority of the active licensed
36 thoroughbred jockeys in New Jersey for the purpose of providing
37 health and welfare benefits to active, disabled and retired New Jersey
38 jockeys and their dependents based upon reasonable criteria by that
39 organization.]¹
40

41 ¹[38. (New section) Notwithstanding any other law to the
42 contrary, in the event that in any calendar year there shall be a
43 standardbred race meeting but no running race meeting conducted at
44 Garden State Park and Garden State Park is authorized by the
45 commission to receive horse races run live at in-State sending tracks
46 and conduct parimutuel wagering thereon, then from January 1
47 through May 31 of that calendar year, the amount reserved and set

1 aside by the in-State sending track as set forth in Section 8 of
2 P.L.1985, c.269 (C.5:5-117) shall not be forwarded to Garden State
3 Park but instead shall be forwarded to Monmouth Park to supplement
4 overnight purses at its next horse race meeting.]¹

5

6 ¹[39. (New section) Notwithstanding any other law to the
7 contrary, in the event that in any calendar year there shall be a
8 standardbred race meeting but no running race meeting conducted at
9 Garden State Park and Garden State Park is authorized by the
10 commission to receive horse races run live at one or more out-of-State
11 sending tracks and conduct parimutuel wagering thereon pursuant to
12 section 37 of P.L.1992, c.19 (C.5:5-125), as amended by this act,
13 P.L. , c. (C.) (now pending before the Legislature as this bill), then,
14 from January 1 through May 31 of that calendar year:

15 a. the amount resulting from the takeout rate shall be distributed
16 as follows:

17 (1) .50% of the parimutuel pool generated at Garden State Park
18 shall be deposited in the special trust account pursuant to section
19 5b.(3) of P.L.1982, c.201 (C.5:5-98) for use and distribution as
20 provided therein;

21 (2) .03% of the parimutuel pool generated at Garden State Park
22 shall be paid to the commission and set aside in the special trust
23 account for horse breeding and development for use as provided in
24 section 5 of P.L.1967, c.40 (C.5:5-88);

25 (3) on the basis of all races in each program, or if two or more
26 programs are being transmitted simultaneously, on the basis of all
27 races in all such programs running simultaneously, 3.735% of the first
28 \$100,000 of the total pool generated at Garden State Park; 5.235% of
29 the total such pool from \$100,001 to \$150,000; 5.735% of the total
30 such pool from \$150,001 to \$250,000; 6.235% of the total such pool
31 from \$250,001 to \$300,000; and, if the amount of the total such pool
32 exceeds \$300,000, 6.485% of the total amount of such pool shall be
33 paid to supplement overnight purses at the next race meeting at
34 Monmouth Park and for programs designed to aid horsemen and the
35 New Jersey Thoroughbred Horsemen's Benevolent Association, as
36 provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-98).

37 (4) .02% of the parimutuel pool generated at Garden State Park
38 shall be paid to the Thoroughbred Breeders' Association of New
39 Jersey;

40 (5) .01% of the parimutuel pool generated at Garden State Park
41 shall be paid to the Backstretch Benevolency Programs Fund created
42 pursuant to P.L.1993, c.15 (C.5:5-44.8); and

43 (6) the amount remaining after the deduction of the amounts under
44 paragraphs (1), (2), (3), (4) and (5) shall be paid to the permit holder
45 at Garden State Park.

46 b. of all the breakage moneys and outstanding parimutuel ticket
47 moneys resulting from the wagering at Garden State Park on out-of-

1 State simulcast races, 50% shall be paid to the permit holder at Garden
2 State Park and 50% shall be paid to supplement purses at the next race
3 meeting at Monmouth Park and for programs designed to aid
4 horsemen and the New Jersey Thoroughbred Horsemen's Benevolent
5 Association, as provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-
6 98).]¹

7

8 ¹[40.] 37.¹ Section 37 of P.L.1992, c.19 (C.5:5-125) is amended
9 to read as follows:

10 37. a. (1) Notwithstanding any other law to the contrary, the
11 New Jersey Racing Commission, upon application by a receiving track,
12 as defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in
13 accordance with applicable federal law, may permit the track to
14 receive, in addition to the horse races authorized by section 10 of
15 P.L.1985, c.269 (C.5:5-119), simulcast transmissions of the racing
16 program, in full or in part, from any out-of-State sending track, as
17 defined in section 2 of P.L.1985, c.269 (C.5:5-111), during any time
18 period, provided that the receiving track agrees to receive all simulcast
19 horse races which any in-State sending track wishes to transmit to it
20 during that same time period, and provided further that, except as
21 provided in subsection b. of this section, the parimutuel pools at the
22 receiving track shall be combined with comparable parimutuel pools
23 at the out-of-State sending track. No limit shall be placed on the
24 number of racing programs the track may receive from out-of-State
25 sending tracks except as otherwise provided herein.

26 (2) Whenever an out-of-State sending track participates in
27 simulcasting pursuant to paragraph (1) of this subsection and the
28 parimutuel pools are combined at the out-of-State sending track, the
29 types of wagering, takeout, distribution of winnings, rules of racing,
30 method of calculating breakage, and the percentage of deposits
31 remaining undistributed from a parimutuel pool after payment is made
32 to winning ticket holders shall be determined in accordance with the
33 law or policy applicable to the out-of-State sending track. However,
34 moneys resulting from breakage on amounts wagered at the receiving
35 track and from outstanding parimutuel tickets issued at the receiving
36 track in all instances shall be distributed as provided by section 38 of
37 this act.

38 b. With the prior approval of the New Jersey Racing Commission
39 and the concurrence of the out-of-State sending track, a receiving
40 track and receiving tracks or entities in other states other than the
41 state in which the sending track is located may form an interstate
42 common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111).
43 With respect to such interstate common pools, the Racing Commission
44 may approve types of wagering, takeout, distribution of winnings,
45 rules of racing, method of calculating breakage, and a percentage of
46 deposits remaining undistributed from a parimutuel pool after payment
47 is made to winning ticket holders which are different from those which

1 would otherwise be applied in this State but which are consistent for
2 all parties to the interstate common pool. However, moneys resulting
3 from breakage on amounts wagered at the receiving track and from
4 outstanding parimutuel tickets issued at the receiving track in all
5 instances shall be distributed as provided in section 38 of this act.

6 c. [A receiving track which is authorized by the New Jersey
7 Racing Commission to receive the racing program, in full or in part,
8 from an out-of-State sending track pursuant to subsection a. of this
9 section shall pay the out-of-State sending track an amount equal to not
10 more than 3% of each parimutuel pool generated at the receiving
11 track. If the receiving track negotiates an agreement to pay the
12 out-of-State sending track an amount equal to less than 3% of the
13 parimutuel pool generated at the receiving track, the receiving track
14 shall be entitled to retain the difference between the amount agreed
15 upon and 3%] Deleted by amendment, P.L. , c. (C.)(now pending
16 before the Legislature as this bill).
17 (cf: P.L.1992, c.19, s.37)

18

19 ¹[41.] 38.¹ Section 6 of P.L.1971, c.137 (C.5:10-6) is amended
20 to read as follows:

21 6. a. The authority, pursuant to the provisions of P.L.1971, c.137
22 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone
23 or in conjunction with others, and provided that, in the case of an
24 arrangement with respect to any of the projects set forth in this section
25 which shall be in conjunction with others, the authority shall have
26 sufficient right and power to carry out the public purposes set forth in
27 P.L.1971, c.137 (C.5:10-1 et seq.):

28 (1) To establish, develop, construct, operate, acquire, own,
29 manage, promote, maintain, repair, reconstruct, restore, improve and
30 otherwise effectuate, either directly or indirectly through lessees,
31 licensees or agents, a project to be located in the Hackensack
32 meadowlands upon a site not to exceed 750 acres and upon a site or
33 sites outside of that acreage, but either immediately contiguous thereto
34 or immediately across any public road which borders that acreage,
35 consisting of one or more stadiums, coliseums, arenas, pavilions,
36 stands, field houses, playing fields, recreation centers, courts,
37 gymnasiums, clubhouses, a racetrack for the holding of horse race
38 meetings, and other buildings, structures, facilities, properties and
39 appurtenances related to, incidental to, necessary for, or
40 complementary to a complex suitable for the holding of athletic
41 contests or other sporting events, or trade shows, exhibitions,
42 spectacles, public meetings, entertainment events or other expositions,
43 including, but not limited to, driveways, roads, approaches, parking
44 areas, parks, recreation areas, lodging facilities, vending facilities,
45 restaurants, transportation structures, systems and facilities, and
46 equipment, furnishings, and all other structures and appurtenant
47 facilities, related to, incidental to, necessary for, or complementary to

1 the purposes of that project or any facility thereof.

2 (2) To establish, develop, construct, acquire, lease or own,
3 operate, manage, promote, maintain, repair, reconstruct, restore,
4 improve and otherwise effectuate, either directly or indirectly through
5 lessees, licensees or agents, a project, at a site within the State of New
6 Jersey, consisting of a baseball stadium and other buildings, structures,
7 facilities, properties and appurtenances related thereto, or incidental
8 to, necessary for, or complementary to a complex suitable for the
9 holding of professional baseball games and other athletic contests or
10 sporting events, or trade shows, exhibitions, spectacles, public
11 meetings, entertainment events or other expositions, such project to
12 include driveways, roads, approaches, parking areas, parks, recreation
13 areas, vending facilities, restaurants, transportation structures, systems
14 and facilities, and equipment, furnishings and all other structures and
15 appurtenant facilities related to, incidental to, necessary for, or
16 complementary to the purposes of that project or any facility thereof.

17 (3) To establish, develop, construct, acquire, lease or own,
18 operate, manage, promote, maintain, repair, reconstruct, restore,
19 improve and otherwise effectuate, either directly or indirectly through
20 lessees, licensees or agents, projects located within the State of New
21 Jersey, but outside of the meadowlands complex, consisting of
22 aquariums and the buildings, structures, facilities, properties and
23 appurtenances related thereto, or incidental to, necessary for, or
24 complementary to those aquariums, such project to include driveways,
25 roads, approaches, parking areas, parks, recreation areas, vending
26 facilities, restaurants, transportation structures, systems and facilities,
27 and equipment, furnishings and all other structures and appurtenant
28 facilities related to, incidental to, necessary for, or complementary to
29 the purposes of that project or any facility thereof. To provide for a
30 project authorized under this paragraph:

31 (a) (Deleted by amendment, P.L.1988, c.172.)

32 (b) The authority is authorized to enter into agreements with the
33 State Treasurer providing for the acquisition and construction of an
34 aquarium by the authority, including the land necessary for the
35 aquarium, and the costs thereof, ownership of the aquarium and its
36 land which shall be conveyed to the State upon completion, and the
37 operation by the authority of the aquarium pursuant to a lease or other
38 agreement with the State containing such terms and conditions as the
39 State Treasurer may establish prior to the acquisition and construction
40 by the authority of the aquarium and the disbursements of funds
41 therefor. The State Treasurer is authorized to enter into a lease or
42 other agreement to effectuate the provisions of this subparagraph.

43 (4) To establish, develop, construct, acquire, own, operate,
44 manage, promote, maintain, repair, reconstruct, restore, improve and
45 otherwise effectuate, either directly or indirectly through lessees,
46 licensees or agents, a project consisting of an exposition or
47 entertainment center or hotel or office complex, including any

1 buildings, structures, properties and appurtenances related thereto,
2 incidental thereto, necessary therefor, or complementary thereto, such
3 project to include driveways, roads, approaches, parking areas, parks,
4 recreation areas, vending facilities, restaurants, transportation
5 structures, systems, and equipment, furnishings and all other structures
6 and appurtenances related to, incidental to, necessary for, or
7 complementary to, the purposes of that project. A project authorized
8 under this paragraph may be located within, immediately contiguous
9 to, or immediately across any public road which borders the site of any
10 other project of the authority, except the site of a racetrack authorized
11 by paragraph (5) of this subsection and acquired by the authority prior
12 to 1986.

13 (5) To establish, develop, construct, acquire, own, operate,
14 manage, promote, maintain, repair, reconstruct, restore, improve and
15 otherwise effectuate, either directly or indirectly through lessees,
16 licensees or agents, projects consisting of (a) racetrack facilities
17 located within the State of New Jersey, but outside of the
18 meadowlands complex, (b) their contiguous properties, and (c) their
19 auxiliary facilities, including, without limitation, pavilions, stands, field
20 houses, clubhouses, training tracks for horses, racetracks for the
21 holding of horse race meetings, fairgrounds, other exposition facilities,
22 and other buildings, structures, facilities, properties and appurtenances
23 related to, incidental to, necessary for, or complementary to a complex
24 suitable for the holding of horse race meetings, other sporting events,
25 or trade shows, exhibitions, spectacles, public meetings, entertainment
26 events or other expositions, including, but not limited to, driveways,
27 roads, approaches, parking areas, parks, recreation areas, lodging
28 facilities, vending facilities, restaurants, transportation structures,
29 systems and facilities, equipment, furnishings, and all other structures
30 and appurtenant facilities related to, incidental to, necessary for, or
31 complementary to the purposes of any of those projects or any facility
32 thereof.

33 Notwithstanding any law to the contrary, the acquisition of any
34 existing racetrack facility in and licensed by the State of New Jersey
35 shall be permitted on the condition that payments equivalent to all
36 municipal, school board and county taxes due to each entity shall be
37 paid by the authority to the extent and in accordance with the same
38 payment schedule as taxes would have been paid each year, as though
39 the racetrack facility remained in private ownership. In the event the
40 authority conveys lands or other parts of the racetrack facility to
41 others, the authority shall receive a reduction of such payments
42 commensurate with the amount required to be paid by the subsequent
43 owner of the lands and improvements disposed of by the authority. In
44 addition, the authority shall be responsible for paying all existing local
45 franchise fees, license and parking tax fees in effect at the time of the
46 acquisition.

47 (6) To establish, develop, acquire, own, operate, manage, promote

1 and otherwise effectuate, in whole or in part, either directly or
2 indirectly through lessees, licensees or agents, projects consisting of
3 events, expositions, teams, team franchises or membership in
4 professional sports leagues.

5 (7) To establish, develop, construct, acquire, own, operate,
6 manage, promote, maintain, repair, reconstruct, restore, improve and
7 otherwise effectuate, either directly or indirectly through lessees,
8 licensees or agents, projects consisting of facilities, at a site or sites
9 within the State of New Jersey and either within or without the
10 meadowlands complex, that are related to, incidental to, necessary for,
11 or complementary to the accomplishment or purpose of any project of
12 the authority authorized by this section, including any buildings,
13 structures, properties and appurtenances related thereto, incidental
14 thereto, necessary therefor, or complementary thereto, such projects
15 to include driveways, roads, approaches, parking areas, parks,
16 recreation areas, off-track and account wagering systems and facilities
17 or any interest therein, vending facilities, restaurants, transportation
18 structures, systems, and equipment, furnishings and all other structures
19 and appurtenances related to, incidental to, necessary for, or
20 complementary to the purposes of those projects.

21 (8) To establish, develop, acquire, construct, reconstruct, improve
22 and otherwise effectuate for transfer to, and for use and operation by,
23 Rutgers, the State University, either directly or indirectly through
24 lessees, licensees or agents, facilities located or to be located on
25 property owned, leased, or otherwise used by Rutgers, the State
26 University, consisting of an upgraded and expanded football stadium
27 and a new track and field, soccer and lacrosse facility and the
28 buildings, structures, properties and appurtenances related thereto, or
29 incidental to, necessary for, or complementary to the football stadium
30 and track and field, soccer and lacrosse facility, such facilities to
31 include driveways, access roads, approaches, parking areas, parks,
32 recreation areas, vending facilities, restaurants, transportation
33 structures, systems and equipment, furnishings and all other structures
34 and appurtenances related or incidental to, necessary for, or
35 complementary to the purposes of those facilities; provided however
36 that construction shall not begin on the expansion of the seating
37 capacity of Rutgers Stadium until the Commissioner of Transportation
38 certifies that all funding necessary to complete the Route 18 project in
39 Piscataway Township has been appropriated and construction has
40 begun on the Route 18 project in Piscataway Township under the
41 Department of Transportation's capital program.

42 (9) To acquire by purchase, lease or otherwise, and to develop,
43 construct, operate, own, lease, manage, repair, reconstruct, restore,
44 improve, enlarge or otherwise effectuate, either directly or through
45 lessees, licensees or agents, a convention center project in the city of
46 Atlantic City, Atlantic County, consisting of the existing convention
47 hall and a new convention hall or center, and associated parking areas

1 and railroad terminal facilities and including the leasing of adjacent
2 land for hotel facilities. In connection therewith, the authority is
3 authorized to:

4 (a) Assume existing leasehold or other contractual obligations
5 pertaining to any such facilities or properties or to make provision for
6 the payment or retirement of any debts and obligations of the
7 governmental entity operating any such convention hall or center or of
8 any bonds or other obligations payable from and secured by a lien on
9 or pledge of the luxury tax revenues;

10 (b) Make loans or payments in aid of construction with respect to
11 infrastructure and site development for properties located in the area
12 between the sites of the existing convention hall and a new convention
13 center or located contiguous to or across any public road which
14 borders the area;

15 (c) Convert the existing convention hall or any facilities, structures
16 or properties thereof, or any part thereof, not disposed of by the
17 authority, to any sports, exposition, exhibition, or entertainment use
18 or to use as a forum for public events or meetings, or to any other use
19 which the authority shall determine to be consistent with its operation
20 of the Atlantic City convention center project.

21 (10) To provide a feasibility study for the use and development of
22 the existing convention center in the city of Asbury Park, county of
23 Monmouth and to provide a feasibility study for the construction, use
24 and development of a convention center or recreational facility in any
25 other municipality.

26 (11) To provide funding to public or private institutions of higher
27 education in the State to establish, develop, acquire, construct,
28 reconstruct or improve facilities located or to be located on property
29 owned, leased, or otherwise used by an institution, consisting of sports
30 facilities and the buildings, structures, properties and appurtenances
31 related thereto, or incidental to, necessary for, or complementary to
32 those sports facilities, such facilities to include driveways, access
33 roads, approaches, parking areas, parks, recreation areas, vending
34 facilities, restaurants, transportation structures, systems and
35 equipment, furnishings and all other structures and appurtenances
36 related or incidental to, necessary for, or complementary to the
37 purposes of those facilities.

38 (12) To acquire by purchase, lease, or otherwise, including all
39 right, title and interest of the Greater Wildwood Tourism Improvement
40 Development Authority in any property, and to develop, construct,
41 operate, own, lease, manage, repair, reconstruct, restore, improve,
42 enlarge or otherwise effectuate, either directly or through lessees,
43 licensees or agents, a convention center facility in the City of
44 Wildwood, Cape May County, consisting of and including any existing
45 and acquired buildings, structures, properties and appurtenances and
46 including restaurants, retail businesses, access roads, approaches,
47 parking areas, transportation structures and systems, recreation areas,

1 equipment, furnishings, vending facilities, and all other structures and
2 appurtenances incidental to, necessary for, or complementary to the
3 purpose of such Wildwood convention center facility. In connection
4 therewith, the authority is expressly authorized to:

5 (a) assume any existing mortgages, leaseholds or other contractual
6 obligations or encumbrances with respect to the site of the Wildwood
7 convention center facility and any other existing and acquired
8 buildings, structures, properties, and appurtenances;

9 (b) enter into agreements with a local public body or bodies
10 providing for any necessary financial support or other assistance for
11 the operation and maintenance of such Wildwood convention center
12 facility from taxes or other sources of the local public body or bodies
13 as shall be made available for such purposes;

14 (c) to the extent permitted by law and by the terms of the bonds
15 or notes issued to finance the Wildwood convention center facility,
16 transfer its ownership interest or other rights with respect to the
17 convention center facility to another State authority or agency;

18 (d) upon payment of all outstanding bonds and notes issued
19 therefore, transfer its ownership interest and other rights with respect
20 thereto to such other public body as shall be authorized to own and
21 operate such a facility; and

22 (e) convert any existing convention hall or any facilities, structures
23 or properties thereof, or any part thereof, not disposed of by the
24 authority, to any use which the authority shall determine to be
25 consistent with the operation of the Wildwood convention center
26 facility.

27 b. The authority, pursuant to the provisions of P.L.1971, c.137
28 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
29 projects, capital contributions to others for transportation and other
30 facilities, and accommodations for the public's use of any of those
31 projects, (2) to lease any part of any of those project sites not
32 occupied or to be occupied by the facilities of any of those projects,
33 for purposes determined by the authority to be consistent with or
34 related to the purposes of those projects, including, but not limited to,
35 hotels and other accommodations for transients and other facilities
36 related to or incidental to any of those projects, and (3) to sell or
37 dispose of any real or personal property, including, but not limited to,
38 such portion of the site of any of those projects not occupied or to be
39 occupied by the facilities of any of those projects, at not less than the
40 fair market value of the property, except in the case of sale or
41 disposition to the State, any political subdivision of the State or any
42 agency or instrumentality of the State or any political subdivision of
43 the State.

44 c. Revenues, moneys or other funds, if any, derived from the
45 operation or ownership of the meadowlands complex, including the
46 conduct of horse race meetings, shall be applied, in accordance with
47 the resolution or resolutions authorizing or relating to the issuance of

1 bonds or notes of the authority, to the following purposes and in the
2 following order:

3 (1) The costs of operation and maintenance of the meadowlands
4 complex and reserves therefor;

5 (2) Principal, sinking fund installments and redemption premiums
6 of and interest on any bonds or notes of the authority payable from
7 such revenues, moneys or other funds and issued for the purposes of
8 the meadowlands complex or for the purposes of refunding the same,
9 including reserves and payments with respect to credit agreements
10 therefor;

11 (3) The costs of any major or extraordinary repairs, renewals or
12 replacements with respect to the meadowlands complex or incidental
13 improvements thereto, not paid pursuant to paragraph (1) above,
14 including reserves therefor;

15 (4) Payments required to be made pursuant to section 18b.;

16 (5) Payments authorized to be made pursuant to section 18c.;

17 (6) Except to the extent payments with respect to bonds or notes
18 are provided with priority in accordance with paragraph (2) of this
19 subsection, payments required to be made in accordance with the
20 resolution authorizing or relating to the issuance of bonds or notes of
21 the authority, for the purposes of any project authorized by this act,
22 including payments and reserves with respect to any bonds or notes of
23 the authority with respect to the meadowlands complex which are not
24 provided with priority in accordance with paragraph (2) of this
25 subsection;

26 (7) Payments required to be made to repay any obligation incurred
27 by the authority to the State;

28 (8) The balance remaining after application in accordance with the
29 above shall be deposited in the General State Fund, provided that (a)
30 there shall be appropriated for authorized State purposes from the
31 amount so deposited that amount which shall be calculated by the
32 State Treasurer to be the debt service savings realized with respect to
33 the refinancing of the initial project as defined in section 1 of
34 P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the
35 issuance of bonds of the authority guaranteed by the State, and (b)
36 after such appropriation, 40% of any balance remaining from the
37 amounts so deposited shall be appropriated to the Meadowlands
38 Commission for any of its purposes authorized by P.L.1968, c.404,
39 and any amendments or supplements thereto.

40 d. Revenues, moneys or other funds, if any, derived from the
41 operation or ownership of any project other than the meadowlands
42 complex, the Atlantic City convention center project, or the Wildwood
43 convention center facility and other than a baseball stadium project or
44 an office complex project located on the site of a baseball stadium
45 shall be applied for such purposes, in such manner and subject to such
46 conditions as shall be provided in the resolution authorizing or relating
47 to the issuance of bonds or notes of the authority for the purposes of

1 such project, and the balance, if any, remaining after such application
2 may be applied, to the extent not contrary to or inconsistent with the
3 resolution, in the following order (1) to the purposes of the
4 meadowlands complex, unless otherwise agreed upon by the State
5 Treasurer and the authority, (2) to the purposes of any other project
6 of the authority; and, the balance remaining, if any, shall be deposited
7 in the General Fund.

8 e. Revenues, moneys or other funds, if any, derived from the
9 operation, ownership, or leasing of a baseball stadium project or an
10 office complex project located on the site of a baseball stadium shall
11 be applied for the purposes, in the manner and subject to the
12 conditions as shall be provided in the resolution authorizing or relating
13 to the issuance of bonds or notes of the authority for the purposes of
14 a baseball stadium project or an office complex project located on the
15 site of a baseball stadium, if any, and the balance, if any, remaining
16 after such application shall be applied, to the extent not contrary to or
17 inconsistent with the resolution, to the following purposes and in the
18 following order:

19 (1) The costs of operation and maintenance of a baseball stadium
20 project and an office complex project located on the site of a baseball
21 stadium and reserves therefor;

22 (2) Payments made to repay the bonded indebtedness incurred by
23 the authority for the purposes of a baseball stadium project or an
24 office complex project located on the site of a baseball stadium;

25 (3) Payments equivalent to an amount required to be made by the
26 State for payments in lieu of taxes pursuant to P.L.1977, c.272
27 (C.54:4-2.2a et seq.);

28 (4) The balance remaining after application in accordance with the
29 above shall be deposited in the General Fund.

30 f. Revenues, moneys or other funds, if any, derived from the
31 operation, ownership or leasing of the Atlantic City convention center
32 project shall be applied to the costs of operating and maintaining the
33 Atlantic City convention center project and to the other purposes set
34 forth in this subsection as shall be provided by resolution of the
35 authority.

36 Luxury tax revenues paid to the authority by the State Treasurer
37 pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be
38 deposited by the authority in a separate fund or account and applied
39 to the following purposes and in the following order:

40 (1) To pay the principal, sinking fund installments and redemption
41 premiums of and interest on any bonds or notes of the authority,
42 including bonds or notes of the authority issued for the purpose of
43 refunding bonds or notes, issued for purposes of (i) the initial
44 acquisition of the existing properties which will constitute part of the
45 Atlantic City convention center project, if the bonds or notes shall be
46 payable under the terms of the resolution of the authority relating
47 thereto from luxury tax revenues, or (ii) providing improvements,

1 additions or replacements to the Atlantic City convention center
2 project, if the bonds or notes shall be payable under the terms of the
3 resolution of the authority relating thereto from luxury tax revenues;
4 and to pay any amounts due from the authority under any credit
5 agreement entered into by the authority in connection with the bonds
6 or notes.

7 (2) To pay the costs of operation and maintenance of the Atlantic
8 City convention center project.

9 (3) To establish and maintain a working capital and maintenance
10 reserve fund for the Atlantic City convention center project in an
11 amount as shall be determined by the authority to be necessary.

12 (4) To repay to the State those amounts paid by the State with
13 respect to bonds or notes of the authority issued for the purposes of
14 the Atlantic City convention center project.

15 (5) The balance of any luxury tax revenues not required for any of
16 the foregoing purposes and remaining at the end of any calendar year
17 shall be paid to the State Treasurer for application to purposes in the
18 city of Atlantic City pursuant to section 5 of P.L.1981, c.461
19 (C.40:48-8.30a).

20 The authority may pledge the luxury tax revenues paid to it as
21 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security
22 for the payment of the principal of and interest or premium on its
23 bonds or notes issued for the purposes set forth above in paragraph (1)
24 of this subsection f. in the same manner, to the same extent and with
25 the same effect as the pledge of any of its other revenues, receipts and
26 funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

27 g. Revenues, moneys or other funds, if any, derived from the
28 ownership or operation of the Wildwood convention center facility
29 shall be applied to the costs of operating and maintaining the
30 Wildwood convention center facility and to the other purposes set
31 forth in this subsection as shall be provided by resolution of the
32 authority.

33 The tourism related tax revenues paid to the authority pursuant to
34 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be
35 deposited by the authority in a separate fund or account and applied
36 to any or all of the following purposes pursuant to an allocation of
37 funds approved by the State Treasurer in writing and in advance of any
38 application of such funds:

39 (1) to pay amounts due with respect to any obligations transferred
40 to the authority pursuant to section 17 of P.L.1997, c.273
41 (C.40:54D-25.1) pertaining to the Wildwood convention center
42 facility;

43 (2) to repay to the State those amounts paid with respect to bonds
44 or notes of the authority issued for the purposes of the Wildwood
45 convention center facility;

46 (3) to pay the cost of operation and maintenance reserve for the
47 Wildwood convention center facility;

1 (4) to establish and maintain a working capital and maintenance of
2 the Wildwood convention center facility.

3 The balance, if any, of any tourism related tax revenues not
4 allocated to any of the purposes set forth in the previous paragraphs
5 and remaining at the end of the calendar year shall be paid to the State
6 Treasurer for deposit in the General Fund.

7 (cf: P.L.1997, c.273, s.20)

8

9 ¹[42.] 39.¹ Section 18 of P.L.1971, c.137 (C.5:10-18) is amended
10 to read as follows:

11 18. a. All projects and other property of the authority, except an
12 off-track wagering facility or account wagering system facility
13 established pursuant to P.L. , c. (now pending before the Legislature
14 as this bill). is hereby declared to be public property devoted to an
15 essential public and governmental function and purpose and shall be
16 exempt from all taxes and special assessments of the State or any
17 political subdivision thereof; provided, however, that when any part of
18 the project site not occupied or to be occupied by facilities of the
19 project is leased by the authority to another whose property is not
20 exempt and the leasing of which does not make the real estate taxable,
21 the estate created by the lease and the appurtenances thereto shall be
22 listed as the property of the lessee thereof, or his assignee, and be
23 assessed and taxed as real estate. All bonds or notes issued pursuant
24 to the act are hereby declared to be issued by a body corporate and
25 public of the State and for an essential public and governmental
26 purpose and such bonds and notes, and the interest thereon and the
27 income therefrom, and all funds, revenues, income and other moneys
28 received or to be received by the authority and pledged or available to
29 pay or secure the payment of such bonds or notes, or interest thereon,
30 shall at all times be exempt from taxation except for transfer,
31 inheritance and estate taxes.

32 b. To the end that there does not occur an undue loss of future tax
33 revenues by reason of the acquisition of real property by the authority
34 for the meadowlands complex the authority annually shall make
35 payments in-lieu-of-taxes to the municipality in which such property
36 is located in an amount computed in each year with respect to each
37 such municipality by multiplying the total amount to be raised by real
38 property taxation in each such year by a fraction, the numerator of
39 which is the amount of real property taxes assessed against the
40 property acquired by the authority in the tax year in which this act
41 becomes effective and the denominator of which is the total amount to
42 be raised by real property taxation in such municipality in the tax year
43 in which this act becomes effective. Such payments shall be made in
44 each year commencing with the first year subsequent to the year in
45 which such real property shall have been converted from a taxable to
46 an exempt status by reason of acquisition thereof by the authority.

47 c. The authority is further authorized and empowered to enter into

1 any agreement or agreements with the Meadowlands Commission or
2 with any county or municipality located in whole or part within the
3 Hackensack meadowlands whereby the authority will undertake to pay
4 any additional amounts to compensate for any loss of tax revenues by
5 reason of the acquisition of any real property by the authority for the
6 meadowlands complex or to pay amounts to be used by such
7 commission, county or municipality in furtherance of the development
8 of the Hackensack meadowlands, including the meadowlands complex.
9 The commission and every such county and municipality is authorized
10 and empowered to enter into such agreements with the authority and
11 to accept payments which the authority makes thereunder.

12 d. All payments to municipalities pursuant to subsections b. and
13 c. shall be treated as payments in-lieu-of-property taxes for all
14 purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).
15 (cf: P.L.1971, c.137, s.18)

16

17 ¹[43. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
18 read as follows:

19 104. a. (1) Unless otherwise provided in this subsection, no
20 agreement which provides for the payment, however defined, of any
21 direct or indirect interest, percentage or share of any money or
22 property gambled at a casino or simulcasting facility or derived from
23 casino gaming activity or wagering at a simulcasting facility of any
24 such interest, percentage, or share of any revenues, profits or earnings
25 of a casino or simulcasting facility shall be lawful.

26 (2) Agreements which provide only for the payment of a fixed sum
27 which is in no way affected by the amount of any such money,
28 property, revenues, profits or earnings shall not be subject to the
29 provisions of this subsection; and receipts, rentals or charges for real
30 property, personal property or services shall not lose their character
31 as payments of a fixed sum because of contract, lease, or license
32 provisions for adjustments in charges, rentals or fees on account of
33 changes in taxes or assessments, cost-of-living index escalations,
34 expansion or improvement of facilities, or changes in services supplied.

35 (3) Agreements between a casino licensee and its employees which
36 provide for casino employee or casino key employee profit sharing and
37 which are in writing and have been filed with the commission shall be
38 lawful and effective only if expressly approved as to their terms by the
39 commission.

40 (4) Agreements to lease an approved casino hotel or the land
41 thereunder and agreements for the complete management of all casino
42 gaming operations in a casino hotel shall not be subject to the
43 provisions of this subsection but shall rather be subject to the
44 provisions of subsections b. and c. of section 82 of this act.

45 (5) Agreements which provide for percentage charges between the
46 casino licensee and a holding company or intermediary company of the
47 casino licensee shall be in writing and filed with the commission but

1 shall not be subject to the provisions of this subsection.

2 (6) Agreements relating to simulcast racing and wagering between
3 a casino licensee and an in-State or out-of-State sending track licensed
4 or exempt from licensure in accordance with subsection c. of section
5 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
6 commission, and be lawful and effective only if expressly approved as
7 to their terms by the commission and the New Jersey Racing
8 Commission, except that any such agreements which provide for a
9 percentage of the parimutuel pool wagered at a simulcasting facility to
10 be paid to the sending track shall not be subject to the provisions of
11 paragraph (1) of this subsection.

12 (7) Agreements relating to simulcast racing and wagering between
13 a casino licensee and a casino service industry licensed pursuant to the
14 provisions of subsection a. of section 92 of P.L.1977, c.110
15 (C.5:12-92) as a hub facility, as defined in joint regulations of the
16 Casino Control Commission and the New Jersey Racing Commission,
17 shall be in writing, be filed with the commission, and be lawful and
18 effective only if expressly approved as to their terms by the
19 commission and the New Jersey Racing Commission, except that any
20 such agreements which provide for a percentage of the casino
21 licensee's share of the parimutuel pool wagered at a simulcasting
22 facility to be paid to the hub facility shall not be subject to the
23 provisions of paragraph (1) of this subsection. As used in this
24 paragraph, "hub facility" means a facility which acts as an intermediary
25 between a casino simulcasting facility and a sending track with respect
26 to the transmission of parimutuel wagering data and which is
27 responsible for generating all reports necessary for the reconciliation
28 of payments between casino licensees, sending tracks and the New
29 Jersey Racing Commission. The hub facility also may, but is not
30 required to, perform other functions including the transmission of
31 pictures of simulcast horse races and parimutuel non-wagering data.
32 Nothing herein shall preclude a hub facility from utilizing a transaction
33 processor located outside of this State, subject to the regulation of the
34 New Jersey Casino Control Commission and the New Jersey Racing
35 Commission.

36 (8) Agreements relating to simulcast racing and wagering between
37 a casino licensee and a casino service industry licensed pursuant to the
38 provisions of subsection a. of section 92 of P.L.1977, c.110
39 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
40 shall be in writing, be filed with the commission, and be lawful and
41 effective only if expressly approved as to their terms by the
42 commission, except that any such agreements which provide for a
43 percentage of the casino licensee's share of the parimutuel pool
44 wagered at a simulcasting facility to be paid to the casino service
45 industry shall not be subject to the provisions of paragraph (1) of this
46 subsection.

47 b. Each casino applicant or licensee shall maintain, in accordance

1 with the rules of the commission, a record of each written or unwritten
2 agreement regarding the realty, construction, maintenance, or business
3 of a proposed or existing casino hotel or related facility. The
4 foregoing obligation shall apply regardless of whether the casino
5 applicant or licensee is a party to the agreement. Any such agreement
6 may be reviewed by the commission on the basis of the reasonableness
7 of its terms, including the terms of compensation, and of the
8 qualifications of the owners, officers, employees, and directors of any
9 enterprise involved in the agreement, which qualifications shall be
10 reviewed according to the standards enumerated in section 86 of this
11 act. If the commission disapproves such an agreement or the owners,
12 officers, employees, or directors of any enterprise involved therein, the
13 commission may require its termination.

14 Every agreement required to be maintained, and every related
15 agreement the performance of which is dependent upon the
16 performance of any such agreement, shall be deemed to include a
17 provision to the effect that, if the commission shall require termination
18 of an agreement pursuant to this subsection, such termination shall
19 occur without liability on the part of the casino applicant or licensee
20 or any qualified party to the agreement or any related agreement.
21 Failure expressly to include such a provision in the agreement shall not
22 constitute a defense in any action brought to terminate the agreement.
23 If the agreement is not maintained or presented to the commission in
24 accordance with commission regulations, or the disapproved
25 agreement is not terminated, the commission may pursue any remedy
26 or combination of remedies provided in this act.

27 For the purposes of this subsection, "casino applicant" includes any
28 person required to hold a casino license pursuant to section 82 of
29 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
30 a casino license or any approval required under P.L.1977, c.110
31 (C.5:12-1 et seq.).

32 c. Nothing in this act shall be deemed to permit the transfer of any
33 license, or any interest in any license, or any certificate of compliance
34 or any commitment or reservation.

35 (cf: P.L.1996, c.84, s.7)]¹

36

37 ¹[44.] ²[40. ¹ Section 5 of P.L.1992, c.19 (C.5:12-195) is
38 amended to read as follows:

39 5. A permit holder which wishes to conduct casino simulcasting
40 shall request the approval of the New Jersey Racing Commission in its
41 annual application for horse race meeting dates filed with that
42 commission pursuant to section 23 of P.L.1940, c.17 (C.5:5-43), or,
43 if applying between the submittal of annual applications, through such
44 supplemental application as that commission shall deem appropriate.

45 [The New Jersey Racing Commission shall not approve the request of
46 any permit holder to conduct casino simulcasting unless the permit
47 holder will conduct a number of live racing programs during the period

1 for which the permit is issued which is equal to the following:

2 a. in the case of harness races, each permit holder shall conduct at
3 least 75% of the average number of live racing programs conducted by
4 that permit holder during calendar years 1990 and 1991; and

5 b. in the case of running races, Monmouth Racetrack shall conduct
6 at least the same number of live racing programs conducted in 1991,
7 Garden State Racetrack shall conduct at least 60% of the live racing
8 programs conducted by that permit holder in calendar year 1990, and
9 each of the other permit holders conducting running races shall
10 conduct at least 75% of the live racing programs conducted by that
11 permit holder in calendar year 1990.

12 For the purpose of satisfying the requirements of this section for
13 the conduct of live racing programs, any live racing program or part
14 thereof which is cancelled because of weather or another act of God
15 shall be deemed to have been conducted, subject to the approval of the
16 New Jersey Racing Commission.]

17 (cf: P.L.1992, c.19, s.5)]²

18

19 ¹[45.] ²[41.¹] 40.² Section 2 of P.L.1993, c.229 (C.26:2-169) is
20 amended to read as follows:

21 2. The Department of Health and Senior Services shall develop
22 criteria which [a] prevention, education and treatment [program]
23 programs for compulsive gamblers shall meet in order to become
24 eligible for a grant from the funds made available for such [treatment]
25 programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).
26 The department shall also develop a formula for the distribution of
27 available funds which will result in an equitable distribution among the
28 programs which meet the eligibility criteria and apply for grants.

29 The department shall submit a report to the Senate Budget and
30 Appropriations Committee and the Assembly Appropriations
31 Committee, or their successors, describing the criteria developed
32 pursuant to this section and detailing the amount of grants distributed
33 and the names of the programs receiving grants. The department shall
34 submit the report annually to both committees.

35 (cf: P.L.1993, c.229, s.2)

36

37 ¹[46.] ²[42.¹] R.S.33:1-42 is amended to read as follows:

38 33:1-42. No sales of alcoholic beverages shall be made in any
39 public buildings belonging to or under the control of the state or any
40 political subdivision thereof except as to the national guard as
41 hereinbefore provided, or in any off-track wagering facility, whether
42 publicly owned or controlled or otherwise, and except as permitted by
43 the [commissioner] Director of the Division of Alcoholic Beverage
44 Control in specified cases and subject to rules and regulations.

45 (cf: R.S.33:1-42)]²

46

1 ¹[47.]¹ ²[43.¹ This] 41. Sections 30-38 and 40 of this² act shall
2 take effect immediately¹ [, and sections 37 and 38 shall expire upon the
3 closure of Garden State Park]¹ ²and the remaining sections shall take
4 effect on the 180th day after enactment, but the commission shall take
5 such anticipatory administrative action in advance as shall be necessary
6 for the implementation of the act².

SENATE ECONOMIC GROWTH, AGRICULTURE AND
TOURISM COMMITTEE

STATEMENT TO

[Second Reprint]
ASSEMBLY, No. 3315

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably Assembly, No. 3315 (2R) with amendments.

As amended by the committee, this bill authorizes the establishment of an off-track wagering system in this State consisting of one or more off-track wagering facilities at which parimutuel wagering will be conducted on simulcast horse races. A maximum of 15 licensed off-track wagering facilities would be permitted (not more than eight during the first two years after the legislation's effective date). In addition, the bill authorizes the establishment of an account wagering system through which persons may wager on horse races by phone or other electronic means. The bill also makes changes to the simulcasting laws. Regarding simulcasting, the bill eliminates the cap on the percentage of the parimutuel pool that an in-State racetrack may pay to an out-of-State racetrack as compensation for the simulcasting of an out-of-State race.

Finally, the bill appropriates \$95,000 to the New Jersey Racing Commission to fund a study to examine potential solutions to the winter stabling and training crisis, precipitated by the scheduled closure of Garden State Park and its stabling and training facilities, currently experienced by thoroughbred horsemen who wish to keep their horses in this State through the winter months.

Off-track Wagering

The New Jersey Racing Commission is authorized to issue licenses to the New Jersey Sports and Exposition Authority (NJSEA) to permit off-track wagering at specified off-track wagering facilities. As part of the licensing process, the NJSEA must hold a permit each year to conduct at least 151 standardbred race dates at the Meadowlands and conduct in the aggregate at the Meadowlands and Monmouth Park at least 141 thoroughbred race dates in calendar years 2002, 2003 and

2004. For each calendar year thereafter, the NJSEA will still be required to schedule no fewer than 141 thoroughbred race dates, unless it can demonstrate to the satisfaction of the New Jersey Racing Commission that to schedule fewer dates (to a minimum of 120) would be in the best interest of racing and the State.

In addition, the NJSEA must demonstrate that it has entered into a contract, called a "participation agreement", with all other entities that: held a permit to conduct a horse race meeting in this State in calendar year 2000, have complied with the terms of the permit, and are in good standing with the commission and the State. It is envisioned that through the participation agreement, the permit holders will come to a consensus on a variety of issues, including various aspects of the off-track wagering facility itself and how certain profits generated from the facility will be divided among the permit holders. Through the participation agreement, it is anticipated that the permit holders will work together to establish a State-wide, collective-style off-track wagering system.

The bill grants the commission oversight of the entire licensing process, including many aspects of the off-track wagering facility itself, such as site plans and the location of the facility and the amenities to be offered at the facility. The bill provides that a municipality will have veto power over the NJSEA's decision to site an off-track wagering facility in that municipality. Even if the municipality does not veto the facility, the NJSEA may not site the facility in an area zoned residential, must submit its plans to the municipal planning board and must make reasonable efforts to address the reasonable concerns of the planning board.

The bill provides that alcoholic beverages may be offered for on-premise consumption at an off-track wagering facility only by a Class C plenary retail consumption licensee by agreement or contract with the authority pursuant to current law and the regulation of the Division of Alcoholic Beverage Control.

The commission will be required to hold a public hearing in the municipality where an off-track wagering facility is proposed to be located with certain notices of the meeting to be published 15 days prior. The Attorney General is given the power to approve or disapprove the commission's decision to grant an off-track wagering license.

The bill provides methods for determining how money wagered at an off-track wagering facility will be allocated.

Account Wagering

The New Jersey Racing Commission is authorized to issue a license to the NJSEA to establish an account wagering system. As with the off-track wagering licensing process, the NJSEA must hold a permit each year to conduct a certain number of race dates.

In addition, as with the off-track wagering licensing process, the NJSEA must demonstrate that it has entered into a contract, called a

"participation agreement", with all other entities that: held a permit to conduct a horse race meeting in this State in calendar year 2000 consisting of at least 40 days in the aggregate, have complied with the terms of the permit, and are in good standing with the commission and the State. The participation agreement for the account wagering system would serve a similar function as the participation agreement for the off-track wagering system.

As with the off-track wagering system, the bill grants the commission oversight of the entire licensing process of the account wagering system.

The bill contains provisions which relate to the opening and maintenance of a wagering account within the system, how credits and debits will be made to a wagering account, and how the NJSEA may accept account wagers.

Again, the bill provides methods for determining how money wagered through the account wagering system will be allocated.

Other Provisions Concerning Off-Track Wagering and Account Wagering

The bill also:

- C provides for the determination of the amount of funds needed by the New Jersey Racing Commission for its activities and identifies sources to provide those funds, including an annual assessment upon racing permit holders, if necessary.
- C establishes the New Jersey Racing Industry Special Fund and provides that a portion of money wagered at off-track wagering facilities or through the account wagering system will be allocated to the fund, to be distributed for purse money and various programs.
- C provides that of the money in the New Jersey Racing Industry Special Fund, 65% will be disbursed to permit holders conducting thoroughbred racing for purses and thoroughbred programs and 35% will be disbursed to permit holders conducting standardbred racing for purses and standardbred programs, except that of the money deposited into the New Jersey Racing Industry Special Fund from the off-track wagering facility located on or closest to the former site of the Atlantic City Race Course, 100% will be disbursed to permit holders conducting thoroughbred racing.
- C requires minutes of all commission meetings to be submitted to the Governor for approval.
- C addresses the licensing and registration of all employees involved with off-track wagering and account wagering.
- C gives racetrack employees working in the admissions department or parimutuel clerk department, and employees of a racetrack's food and beverage vendor, a "one-time right of first refusal offer of employment" for similar positions at each off-track wagering facility as it opens, and with the account wagering licensee as it implements account wagering.

- C provides that if a racetrack closes, employees of the racetrack's admissions department or parimutuel clerk department, and employees of the racetrack's food and beverage vendor, employed when the racetrack closed, will be given a "one-time right of first refusal offer of employment" for similar positions at an off-track wagering facility as each facility opens.
- C provides that racetrack employees who receive preference for employment at an off-track wagering facility or with an account wagering licensee will not suffer any reduction in seniority, pay or employer contribution to pension and health benefits and will receive a "substantially equivalent level of benefits".
- C provides that the Department of Health and Senior Services will develop criteria for prevention and education programs for compulsive gamblers in order for these programs to receive certain grant money (existing law refers only to treatment programs).
- C provides for an annual assessment, beginning on July 1, 2003, against permit holders in the amount of \$200,000 to be appropriated to the Department of Health and Senior Services and used to fund prevention, education and treatment programs for compulsive gambling.
- C provides \$150,000 annually for Jockeys' Health and Welfare and \$150,000 annually for Standardbred Drivers' Health and Welfare, to be funded from a portion of breakage and outstanding parimutuel tickets from off-track wagering and account wagering proceeds.

Committee Amendments

The committee amended the bill to:

- C change the Legislative findings and declarations section to reflect other amendments to the bill (section 2).
- C add a definition of "Standardbred Drivers' Health and Welfare" for consistency with another amendment to the bill (section 3).
- C establish that only a private holder of a Class C plenary retail consumption license may provide alcoholic beverages at an off-track wagering facility. Previously, the bill required the NJSEA to acquire such a license (section 5).
- C make a technical change to correct a subsection reference (section 21).
- C provide \$150,000 annually to Standardbred Drivers' Health and Welfare, from a portion of wagering proceeds (section 25).
- C reduce the General Fund appropriation to fund a winter stabling study from \$300,000 to \$95,000 (section 36).

As amended and reported, this bill is identical to Senate, No. 2228 (1R) of 2001.

LEGISLATIVE FISCAL ESTIMATE
 [Second Reprint]
ASSEMBLY, No. 3315
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JULY 11, 2001

SUMMARY

- Synopsis:** Establishes off-track wagering facilities and account wagering system for parimutuel betting on horse races, changes certain requirements pertaining to simulcasting and casino simulcasting and making an appropriation.
- Type of Impact:** Additional State administrative costs offset by fee and assessment revenues; Expenditure increase, General Fund.
- Agencies Affected:** Department of Law and Public Safety, Racing Commission; New Jersey Sports and Exposition Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$1,400,000	\$1,117,800	\$1,134,600
State Revenue	\$1,870,000	\$1,887,800	\$1,904,600

- ! Authorizes the establishment of up to 15 licensed off-track wagering facilities for horse races run at tracks in this State and in other states where parimutuel wagering on simulcast horse races is permitted.
- ! The New Jersey Racing Commission would license off-track wagering facilities and participants in an account wagering system. All employees involved with off-track wagering and account wagering would be licensed by the commission for a fee not to exceed \$50 per license.
- ! Permits the commission to collect fees and levy assessments sufficient to defray all of its administrative costs.
- ! The New Jersey Sports and Exposition Authority would be permitted to operate off-track wagering facilities and account wagering systems. Authority property used for these purposes would be subject to local zoning and planning rules and local property taxation.
- ! Appropriates \$300,000 from the General Fund to the commission to fund a study indicating the feasibility of establishing a permanent training facility to permit winter stabling.

- ! An annual assessment against permit holders totaling \$200,000 would be provided to the Department of Health and Senior Services for education, prevention and treatment for compulsive gamblers to begin July 1, 2003.

BILL DESCRIPTION

Assembly Bill No. 3315 [2R] of 2001 authorizes the establishment of an off-track wagering system for horse races run at tracks in this State and in other states where parimutuel wagering on simulcast horse races is permitted. The bill also authorizes the establishment of an account wagering system through which persons may wager on horse races by phone or other electronic means.

The New Jersey Racing Commission in the Department of Law and Public Safety would be authorized to annually license off-track wagering facilities and participants in an account wagering system. The bill requires the commission to oversee the entire licensing process, including many aspects of off-track wagering facilities, such as site plans, the location of the facility and the amenities to be offered at the facility. The Attorney General is given the power to approve or disapprove the commission's decision to grant an off-track wagering license.

A maximum of 15 licensed off-track wagering facilities in the State are authorized under the bill, but no more than eight licenses are to be issued within the first two years after the bill's enactment. Applicants must demonstrate to the commission that they: (1) held a permit to conduct a race horse meeting in 1999, (2) have complied with the terms of the permit, (3) are in good standing with the commission and the State, and (4) have entered into a participation agreement with every other entity that meets criteria (1) through (3). Applicants would pay a filing fee in an amount to be determined by the commission.

The bill requires the licensing of all employees involved with off-track wagering and account wagering by the commission and their payment of a fee not to exceed \$50 per license.

Proceeds remaining after deposit in State parimutuel pools and payments to other states would be deposited in a New Jersey Racing Industry Special Fund. Revenues in this fund would be distributed to racing permit holders and to various funds established by law to promote racing in New Jersey and benefit race track employees.

The bill provides for the State Treasurer to annually certify the cost of the commission's licensing, investigation, operation, regulation, supervision and enforcement activities. The bill identifies sources to reimburse the commission for these costs, including license and permit fees, uncashed parimutuel ticket moneys, and an annual assessment upon racing permit holders, if necessary.

The bill provides that property held or acquired by the New Jersey Sports and Exposition Authority for off-track wagering facilities would not be exempt from local zoning and planning rules and local property taxation.

The bill appropriates \$300,000 to the New Jersey Racing Commission to fund a study to examine potential solutions to the winter stabling and training problem.

In addition, the bill provides for an annual assessment against permit holders totaling \$200,000 for appropriation to the Department of Health and Senior Services for education, prevention and treatment programs for compulsive gamblers to begin July 1, 2003.

FISCAL ANALYSIS***OFFICE OF LEGISLATIVE SERVICES***

An estimated additional \$1,100,000 will be needed in the first year after enactment of this bill by the Racing Commission to fulfill its responsibilities under this bill, according to information provided informally by the Department of Law and Public Safety. This amount, which includes \$748,000 for the salaries and fringe benefits of 11 positions, to be phased in over time as the off-track wagering system is implemented. As noted above, the bill provides that the commission be fully reimbursed for its operating costs from various sources, including an assessment on permit holders if necessary. After adjusting for inflation and certain one-time costs, the Office of Legislative Services (OLS) estimates the second and third year costs of these additional responsibilities at \$1,117,800 and \$1,134,600, respectively.

The department estimates that the commission will experience a deficit of approximately \$770,000 in its FY 2002 administrative budget of approximately \$2.2 million. The amount of this deficit also would be payable to the commission under the terms of this bill.

This bill appropriates \$300,000 from the General Fund to the commission to fund a study to examine potential solutions to the winter stabling and training problem. This cost would not be assessed to the industry.

State costs would total \$2,170,000 in the first year following enactment of this bill, of which \$1,870,000 would be reimbursed to the commission from the racing industry. Assuming the commission's structural deficit remains at approximately \$770,000, total costs are estimated at \$1,887,800 and \$1,904,600 in years two and three, respectively. These administrative costs would be defrayed through fees and assessments.

Information is not available to permit an estimate of the amount of revenue that would be derived from off-track wagering under the provisions of this bill.

Section: *Law and Public Safety*

Analyst: *James F. Vari*
Associate Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

[Third Reprint]

ASSEMBLY, No. 3315

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 22, 2001

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Co-Sponsored by:

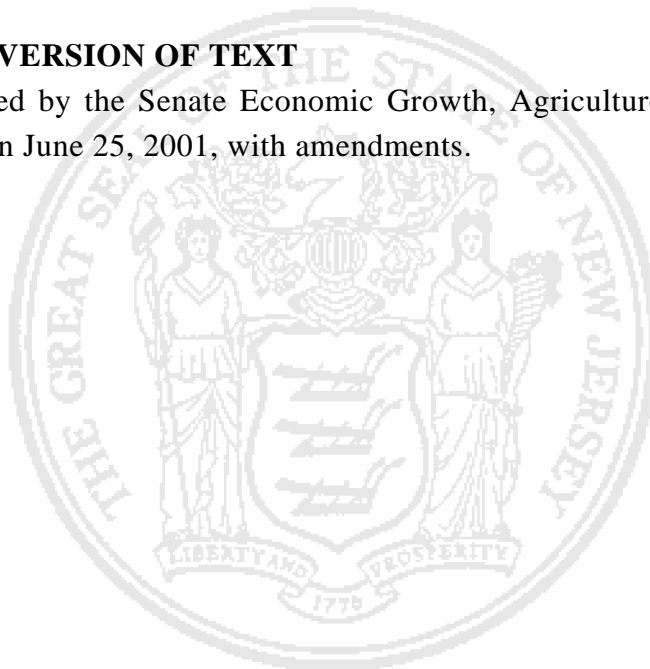
Senators Bark and Bennett

SYNOPSIS

Establishes off-track wagering facilities and account wagering system for parimutuel betting on horse races, changes certain requirements pertaining to simulcasting and makes appropriation.

CURRENT VERSION OF TEXT

As reported by the Senate Economic Growth, Agriculture and Tourism Committee on June 25, 2001, with amendments.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT concerning horse racing, supplementing chapter 5 of Title 5
2 of the Revised Statutes and amending various parts of the statutory
3 law and making an appropriation.

4

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

7

8 1. (New Section) Sections 1-35 of this act shall be known and may
9 be cited as the "Off-Track and Account Wagering Act."

10

11 2. (New Section) The Legislature finds and declares that:

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

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

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

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

34 ²[e. The Sports and Exposition Authority, as an instrumentality of
35 the State, typically is not subject to local zoning and planning laws
36 when performing a function for the benefit of all the people of the
37 State. Furthermore, property it owns or controls typically is
38 considered public property devoted to an essential government
39 function and therefore, not subject to local property taxation.

40 In reality, the authority, in establishing off-track wagering facilities,

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted May 17, 2001.

² Assembly floor amendments adopted June 14, 2001.

³ Senate SEG committee amendments adopted June 25, 2001.

1 would not be performing an essential government function, but rather
2 an essentially private business function. In addition, the establishment
3 of off-track wagering represents a substantial expansion of gambling
4 in this State. Numerous municipalities, residents and established
5 businesses would be impacted by the establishment of such facilities
6 throughout the State. There could be municipalities that may view the
7 placement of such facilities at the discretion of the authority and the
8 racing commission as unwanted and unwarranted intrusions for which
9 they would have to provide services but for which they may not
10 receive appropriate levels of property taxes. Therefore, fundamental
11 fairness dictates that the powers of municipalities not be eroded with
12 regard to the establishment of these facilities and that the authority
13 should not be permitted to disregard local rules and controls and tax
14 requirements. Off-track wagering facilities owned or controlled by the
15 authority shall be subject to local zoning and planning rules and local
16 property taxation.]

17 e. In establishing off-track wagering facilities, the authority will not
18 be performing an essential government function but rather an
19 essentially private business function. Numerous municipalities,
20 residents and businesses will be impacted by the establishment of off-
21 track wagering facilities throughout the State. A municipality may
22 oppose the placement of an off-track wagering facility within its
23 boundaries at the discretion of the authority and the commission. A
24 municipality may want an off-track wagering facility sited within its
25 boundaries, but only if the municipality receives an appropriate level
26 of property tax for municipal services. Therefore, fundamental
27 fairness dictates that any municipality be empowered to refuse the
28 siting of a facility within its boundaries. Fundamental fairness also
29 dictates that an off-track wagering facility, even if owned and not
30 leased by the authority, be subject to local property tax requirements.²

31 f. By regulation of the Division of Alcoholic Beverage Control,
32 there exist special licenses that permit the sale of alcoholic beverages
33 on public property. These special licenses, typically available to the
34 authority, are inexpensive and circumvent the traditional method for
35 obtaining a license to sell alcoholic beverages. Because the
36 establishment of off-track wagering facilities is, in reality, essentially
37 a private business ²[venture] function² and not an essential
38 government function, the authority ³[shall be required to obtain a
39 license to sell alcoholic beverages in the traditional manner] is not
40 permitted to receive a special license. Under this act, only a private
41 holder of a Class C plenary retail consumption license is permitted to
42 provide alcoholic beverages at an off-track wagering facility³.

43

44 3. (New Section) As used in this act:

45 "Account holder" means a resident of this State over age 18 who
46 establishes an account pursuant to this act through which account

1 wagers are placed.

2 “Account wagering” means a form of parimutuel wagering in which
3 an account holder may deposit money in an account with the account
4 wagering licensee and then use the account balance to pay for
5 parimutuel wagers by the account holder.

6 “Account wagering licensee” means the New Jersey Sports and
7 Exposition Authority, provided that the commission has granted its
8 approval for the authority to establish an account wagering system as
9 provided for in this act.

10 “Account wagering system” means the system through which
11 account wagers are processed by the account wagering licensee
12 pursuant to this act.

13 “Authority” means the New Jersey Sports and Exposition Authority
14 created by section 4 of P.L.1971, c.137 (C.5:10-4).

15 “Backstretch Benevolency” means the Backstretch Benevolency
16 Programs Fund established pursuant to section 1 of P.L.1993, c.15
17 (C.5:5-44.8).

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

21 “Breeding and Development” means the New Jersey Horse
22 Breeding and Development Account established pursuant to section 5
23 of P.L.1967, c.40 (C.5:5-88).

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

26 “Executive Director” means the Executive Director of the
27 commission.

28 “Health and Welfare” means moneys distributed to the
29 Standardbred Breeder's and Owner's Association for the administration
30 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
31 c.17 (C.5:5-66).

32 “In-State host track” means a racetrack within this State which is
33 operated by a permit holder which conducts a horse race upon which
34 account wagers are placed pursuant to this act.

35 “In-State sending track” means a racetrack within this State which
36 is operated by a permit holder and is equipped to conduct off-track
37 simulcasting.

38 "In-State track" means an in-State host track or an in-State sending
39 track.

40 “Interstate common pool” means the parimutuel pool established
41 within this State or in another state or foreign nation within which is
42 combined parimutuel pools of one or more receiving tracks located in
43 one or more states or foreign nations upon a race at an out-of-State
44 sending track or out-of-State host track for the purpose of establishing
45 payoff prices in the various jurisdictions.

46 ¹"Jockey's Health and Welfare" means a health and welfare trust

1 established by the organization certified by the New Jersey Racing
2 Commission as representing a majority of the active licensed
3 thoroughbred jockeys in New Jersey for the purpose of providing
4 health and welfare benefits to active, disabled and retired New Jersey
5 jockeys and their dependents based upon reasonable criteria by that
6 organization.¹

7 “New Jersey Racing Industry Special Fund” means the fund
8 established pursuant to section 27 of this act.

9 ¹“New Jersey Thoroughbred Horsemen's Association” means the
10 association representing the majority of New Jersey thoroughbred
11 owners and trainers responsible for receiving and distributing funds for
12 programs designed to aid thoroughbred horsemen.¹

13 “Off-track simulcasting” means the simultaneous audio or visual
14 transmission of horse races conducted at in-State and out-of-State
15 racetracks to off-track wagering facilities and parimutuel wagering at
16 those off-track wagering facilities on the results of those races.

17 “Off-track wagering” means parimutuel wagering at an off-track
18 wagering facility as authorized under this act.

19 “Off-track wagering facility” means a licensed facility, other than
20 a racetrack, at which parimutuel wagering is conducted pursuant to
21 this act.

22 “Off-track wagering licensee” means the New Jersey Sports and
23 Exposition Authority, provided that the commission has granted its
24 approval for the authority to conduct an off-track wagering facility as
25 provided for in this act.

26 “Out-of-State host track” means a racetrack in a jurisdiction other
27 than the State of New Jersey, the operator of which is lawfully
28 permitted to conduct a horse race meeting and which conducts horse
29 races upon which account wagers may be placed pursuant to this act.

30 “Out-of-State sending track” means a racetrack in a jurisdiction
31 other than the State of New Jersey which is equipped to conduct off-
32 track simulcasting and the operator of which is lawfully permitted to
33 conduct a horse race meeting and to provide simulcast horse races to
34 off-track wagering facilities in this State.

35 “Out-of-State track” means an out-of-State host track or an out-of-
36 State sending track.

37 “Outstanding parimutuel ticket” means a winning parimutuel ticket
38 which is not claimed within six months of sale.

39 “Parimutuel” means any system whereby wagers with respect to the
40 outcome of a horse race are placed with, or in, a wagering pool
41 conducted by an authorized person, and in which the participants are
42 wagering with each other and not against the person conducting the
43 wagering pool.

44 “Participation agreement” means the written contract that provides
45 for the establishment or implementation of either (a) an off-track
46 wagering facility or facilities or (b) an account wagering system. Each

1 such contract shall set forth the manner in which the off-track
2 wagering facility or facilities or the account wagering system shall be
3 managed, operated and capitalized, as well as how expenses and
4 revenues shall be allocated and distributed by and among the authority
5 and the other eligible ¹[participants] participants¹.

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

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

10 "Racing costs" means the prospective and actual costs for all
11 licensing, investigation, operation, regulation, supervision and
12 enforcement activities and functions performed by the commission.

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

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

19 ³"Standardbred Drivers' Health and Welfare" means a health and
20 welfare trust established by the Standardbred Breeders' and Owners'
21 Association of New Jersey for the purpose of providing health and
22 welfare benefits to active, disabled and retired New Jersey
23 standardbred drivers and their dependents based upon reasonable
24 criteria by that organization.³

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

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

31
32 4. (New Section) a. The commission is authorized to issue a
33 license to the authority to permit off-track wagering at a specified
34 facility, upon application of the authority and in accordance with the
35 provisions of this act. A license issued pursuant to this act shall be
36 valid for a period of one year. The commission shall issue a license
37 only if the authority schedules at least the minimum number of race
38 dates required in Section 30 of this act and it is satisfied that the
39 authority has entered into a participation agreement with each and
40 every other person, partnership, association, corporation, or authority
41 or the successor in interest to such person, partnership, association,
42 corporation or authority that:

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

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

46 (3) is in good standing with the commission and the State of New

1 Jersey.

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

5 b. As part of the license application process, any participation
6 agreement entered into for the purposes of this section, or any
7 modification to the agreement made thereafter, shall be reviewed by
8 the commission and the Attorney General to determine whether the
9 agreement meets the requirements of this act and shall be subject to
10 the approval of the commission and the Attorney General.

11

12 5. (New Section) a. At the time of filing an application for an off-
13 track wagering license, the authority shall submit to the commission
14 a non-refundable filing fee in an amount established by regulation by
15 the commission, and a certification in a form prescribed by the
16 commission which specifies, but is not limited to, the following
17 information:

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

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

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

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

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

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

30 b. A separate application and certification shall be filed for each
31 off-track wagering facility that the authority proposes to establish.

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

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

36 e. ³[If an off-track wagering licensee, including the authority,
37 seeks to offer alcoholic] Notwithstanding R.S.33:1-42, alcoholic³
38 beverages ³may be offered³ for on-premise consumption at an off-
39 track wagering facility ³[, the licensee shall acquire] only if provided
40 by³ a Class C plenary retail consumption ³[license] licensee, by an
41 agreement or contract with the authority,³ pursuant to the provisions
42 of R.S.33:1-1 et seq. in accordance with such procedures as
43 established by statute and by regulation of the Division of Alcoholic
44 Beverage Control ³[for the acquisition of such licenses by private
45 individuals or business entities] . The authority shall not hold a
46 license to provide alcoholic beverages at an off-track wagering

1 facility³.

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

5 g. The commission shall by regulation establish minimum standards
6 for off-track wagering facilities, including, but not limited to,
7 standards for size, seating capacity, parking and services to be
8 provided.

9 h. ²[As a condition of licensure, an off-track wagering licensee,
10 including the] The² authority ²[when the authority is the licensee
11 which will own or control the facility, shall obtain all applicable], in
12 lieu of obtaining² municipal zoning and planning approvals ²that may
13 otherwise be² required in connection with the off-track wagering
14 facility², shall submit a written notice of its intention to site an off-
15 track wagering facility to the governing body of the municipality
16 within which the facility would be sited. The notice shall identify the
17 proposed site of the facility by street address, if any, or by reference
18 to lot and block numbers as shown on the current tax duplicate in the
19 municipal tax assessor's offices. Within 45 days of its receipt of the
20 authority's notice of intention, the municipal governing body may
21 disapprove of the proposed site of an off-track wagering facility by
22 adopting a resolution which shall be valid and binding upon the
23 authority and the commission upon delivery of a duly certified copy of
24 the resolution to the authority and the commission. Whenever a
25 municipality determines to consider a resolution disapproving a
26 proposed off-track wagering facility, the authority shall be given an
27 opportunity to offer a public presentation of the proposed facility prior
28 to consideration of the resolution. A resolution disapproving a
29 proposed off-track wagering facility shall state the reasons for
30 disapproval.

31 In the event the governing body shall not adopt such a resolution,
32 the authority may seek a license for an off-track wagering facility in
33 that municipality and the commission may grant the authority the
34 license provided that:

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

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

40 (3) the authority has made reasonable efforts to address the
41 reasonable concerns expressed by the municipal planning board².

42

43 6. (New Section) Within 14 days of receipt of a completed
44 application, certification and applicable fees, the executive director
45 shall determine whether the same is in due form and meets the
46 requirements of law in all respects, and upon being satisfied thereof,

1 the commission, within 45 days of receipt of a completed application,
2 certification and applicable fees, shall hold a public hearing in the
3 municipality in which the proposed off-track wagering facility is to be
4 located. The costs of the public hearing shall be paid by the authority.
5 The executive director shall cause a display advertisement,
6 approximately 11 inches by 8 inches in size, to be published at least
7 once in a daily newspaper, and at least once in a weekly newspaper,
8 published, or circulated if none is published, in the county where the
9 municipality is located at least 15 days before the date of the public
10 hearing and to be published again in that daily newspaper on the third
11 day preceding the public hearing and in the latest edition of that
12 weekly newspaper that will be in circulation on the third day preceding
13 the public hearing. The advertisement shall contain sufficient
14 information to apprise the public as to the purpose of the hearing, the
15 time and place thereof, and the nature of the license applied for. The
16 advertisement shall be prepared and placed by the executive director,
17 but shall be paid for by the authority.

18

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

39 b. With the approval of the commission, the off-track wagering
40 licensee may enter into a contract or agreement with a person or entity
41 to conduct or operate an off-track wagering facility for the licensee
42 and to act as the agent of the licensee in all off-track wagering matters
43 approved by the commission.

44

45 8. (New Section) a. The commission shall have full power to
46 prescribe rules, regulations and conditions under which all off-track

1 wagering licenses are issued and renewed in the State ¹, including
2 requiring an annual audit of the off-track wagering licensee's books
3 and records pertaining to off-track wagering.¹ and to revoke, suspend
4 or refuse to renew a license if in the opinion of the commission the
5 revocation of, suspension of or refusal to renew such license is in the
6 public interest; provided, however, that such rules, regulations and
7 conditions shall be uniform in their application.

8 b. The commission shall have no right or power to determine who
9 shall be officers, directors or employees of any off-track wagering
10 facility, or the salaries thereof; provided, however, that the
11 commission may compel the discharge of any official or employee of
12 the licensee at the off-track wagering facility who: (1) fails or refuses
13 for any reason to comply with the rules or regulations of the
14 commission; (2) fails or refuses for any reason to comply with any of
15 the provisions of this act; (3) fails to establish by clear and convincing
16 evidence in the opinion of the commission good character, honesty,
17 competency and integrity; or (4) has been convicted of a crime
18 involving fraud, dishonesty or moral turpitude.

19
20 9. (New Section) Nothing in this act shall be deemed to abrogate
21 the common law right or any other right established by law to exclude
22 or eject permanently from any off-track wagering facility any person
23 who disrupts the operations of its premises, threatens the security of
24 its premises or its occupants, or is disorderly or intoxicated.

25
26 10. (New Section) a. The total number of off-track wagering
27 facilities licensed in this State pursuant to this act shall not exceed 15.

28 b. The commission shall issue no more than eight off-track
29 wagering licenses within the first two years of the effective date of this
30 act.

31
32 11. (New Section) It shall be lawful for the off-track wagering
33 licensee to conduct off-track simulcasting at the off-track wagering
34 facility with all in-State sending tracks and with any out-of-State
35 sending track in accordance with the provisions of this act and
36 applicable regulations which the commission may promulgate.

37
38 12. (New Section) An in-State sending track may transmit to
39 licensed off-track wagering facilities all or some of the live races
40 conducted at the racetrack. The off-track wagering licensee, as a
41 condition of continued operation of the off-track wagering facility,
42 shall receive all live races which are offered and transmitted by in-
43 State sending tracks.

44
45 13. (New Section) a. The commission is authorized to issue a
46 license to the authority to establish an account wagering system in

1 accordance with the provisions of this act. A license issued pursuant
2 to this act shall be valid for a term of one year. The commission shall
3 issue a license only if the authority schedules at least the minimum
4 number of race dates required in section 30 of this act and it is
5 satisfied that the authority has entered into a participation agreement
6 with each and every person, partnership, association, corporation or
7 authority or the successor in interest to such person, partnership,
8 association, corporation or authority that:

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

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

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

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

18 b. As part of the license application process, any participation
19 agreement, or any modification to the agreement made thereafter,
20 entered into for the purposes of this section shall be reviewed by the
21 commission and the Attorney General to determine whether the
22 agreement meets the requirements of this act and shall be subject to
23 the approval of the commission and the Attorney General.

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

30

31 14. (New Section) a. Within 14 days of receipt of a completed
32 application, certification and applicable fees, the executive director
33 shall determine whether the same is in due form and meets the
34 requirements of law in all respects, and upon being satisfied thereof,
35 the executive director, within 45 days of receipt of a completed
36 application, certification and applicable fees, shall hold a public
37 hearing, the costs of which shall be paid by the applicant.

38 b. No sooner than 30 days nor later than 60 days following the
39 public hearing, the commission shall make a final determination on the
40 application. The commission shall approve the application if it
41 determines that the authority has demonstrated by clear and convincing
42 evidence that wagers placed through the proposed account wagering
43 system will be accurately processed and that there will be sufficient
44 safeguards to maintain the integrity of the horse racing industry in this
45 State. The commission's determination shall be submitted to the
46 Attorney General for review and approval. The determination of the

1 commission shall be deemed approved by the Attorney General if not
2 affirmatively approved or disapproved by the Attorney General within
3 14 days of the date of submission. The decision of the Attorney
4 General shall be deemed a final decision. Upon approval by the
5 Attorney General, the commission shall issue to the authority a license
6 to participate in the account wagering system.

7 c. With the approval of the commission, an account wagering
8 licensee may enter into a contract or agreement with a person or entity
9 to conduct or operate an account wagering system or facility for the
10 licensee and to act as the agent of the licensee in all account wagering
11 matters approved by the commission.

12

13 15. (New Section) a. The commission shall have full power to
14 prescribe rules, regulations and conditions under which all account
15 wagering licenses are issued or renewed in this State ¹ including
16 requiring an annual audit of the account wagering licensee's books and
17 records pertaining to account wagering.¹ and to revoke, suspend or
18 refuse to renew a license if in the opinion of the commission the
19 revocation of, suspension of or refusal to renew such license is in the
20 public interest; provided, however, that such rules, regulations and
21 conditions shall be uniform in their application.

22 b. The commission shall have no right or power to determine who
23 shall be officers, directors or employees of any account wagering
24 licensee, or the salaries thereof; provided, however, that the
25 commission may compel the discharge of any official or employee of
26 the licensee or the account wagering system who: (1) fails or refuses
27 for any reason to comply with the rules or regulations of the
28 commission; (2) fails or refuses for any reason to comply with any of
29 the provisions of this act; (3) fails to establish by clear and convincing
30 evidence in the opinion of the commission good character, honesty,
31 competency and integrity; or (4) has been convicted of a crime
32 involving fraud, dishonesty or moral turpitude.

33

34 16. (New Section) a. ²A person shall not place an account wager
35 from within this State except in accordance with this act through the
36 account wagering licensee, and no entity, other than the account
37 wagering licensee, shall accept an account wager from a person within
38 this State.² A person may not place an account wager unless the
39 person has established an account with the account wagering licensee.
40 To establish a wagering account, a person shall be a New Jersey
41 resident at least 18 years of age.

42 b. The account shall be in the name of a natural person and may
43 not be in the name of any beneficiary, custodian, joint trust,
44 corporation, partnership or other organization or entity.

45 c. An account may be established by a person completing an
46 application form approved by the commission and submitting it

1 together with a certification, or other proof, of age and residency. The
2 form shall include the address of the principal residence of the
3 prospective account holder and a statement that a false statement made
4 in regard to an application may subject the applicant to prosecution.

5 d. The prospective account holder shall submit the completed
6 application to the account wagering licensee, to any account wagering
7 participating permit holder or to a licensed off-track wagering facility
8 or such other person or entity as may be approved by the commission.
9 The account wagering licensee may accept or reject an application
10 after receipt and review of the application and certification, or other
11 proof, of age and residency for compliance with this act.

12 e. Any prospective account holder who provides false or
13 misleading information on the application is subject to rejection of the
14 application or cancellation of the account by the account wagering
15 licensee without notice.

16 f. The account wagering licensee shall have the right to suspend or
17 close any wagering account at its discretion.

18 g. Any person not in good standing with the commission shall not
19 be entitled to maintain a wagering account.

20 h. The address provided by the applicant in the application shall be
21 deemed the proper address for the purposes of mailing checks, account
22 withdrawals, notices and other materials.

23 i. A wagering account shall not be assignable or otherwise
24 transferable.

25 j. Except as otherwise provided in this act or in regulations which
26 the commission may adopt hereunder, all account wagers shall be final
27 and no wager shall be canceled by the account holder at any time after
28 the wager has been accepted by the account wagering licensee.

29 k. For the purposes of this act and notwithstanding any other law
30 to the contrary, all messages or orders to place account wagers
31 received by the licensee on behalf of a participating permit holder shall
32 be deemed made to a place within this State.

33 l. All persons or accepting account wagers on behalf of ²[an] the²
34 account wagering licensee shall do so at a location within this State.

35 m. The account wagering licensee may at any time declare the
36 system closed for receiving any wagers on any race or closed for all
37 wagering.

38

39 17. (New Section) a. Credits to a wagering account shall be made
40 as follows:

41 (1) The account holder's deposits to the wagering account shall be
42 submitted by the account holder to the account wagering licensee and
43 shall be in the form of one of the following:

44 (a) cash given to the account wagering licensee;

45 (b) check, money order, negotiable order of withdrawal, or wire or
46 electronic transfer, payable and remitted to the account wagering

1 licensee; or

2 (c) charges made to an account holder's debit or credit card upon
3 the account holder's direct and personal instruction, which instruction
4 may be given by telephone communication or other electronic means
5 to the account wagering licensee or its agent by the account holder if
6 the use of the card has been approved by the account wagering
7 licensee.

8 (2) Credit for winnings from wagers placed with funds in a
9 wagering account and credit for account wagers on horses that are
10 scratched shall be posted to the account by the account wagering
11 licensee.

12 (3) The account wagering licensee shall have the right to refuse for
13 any reason all or part of any wager or deposit to the account.

14 (4) Funds deposited in the account shall not bear interest to the
15 account holder.

16 b. Debits to a wagering account shall be made as follows:

17 (1) Upon receipt by the account wagering licensee of an account
18 wager properly placed pursuant to section 18 of this act, the account
19 wagering licensee shall debit the account holder's wagering account
20 in the amount of the wager.

21 (2) The account wagering licensee may authorize a withdrawal
22 from a wagering account when the account holder submits to the
23 licensee, the licensee's agent, a participating permit holder, a licensed
24 off-track wagering facility or such other entity as may be approved by
25 the commission the following:

26 (i) proper identification;

27 (ii) the correct personal identification number; and

28 (iii) a properly completed and executed withdrawal slip on a form
29 approved by the commission.

30 Upon receipt of a properly completed and executed withdrawal
31 form, and if there are sufficient funds in the account to cover the
32 withdrawal, the licensee shall send, within three business days of
33 receipt, a check to the holder at the address specified in the application
34 for the wagering account. The check shall be made payable only to the
35 holder of the wagering account and in the amount of the requested
36 withdrawal.

37

38 18. (New Section) The account wagering licensee may accept
39 account wagers only from residents of New Jersey and only as follows:

40 a. The account wager shall be placed directly with the account
41 wagering licensee by the holder of the wagering account.

42 b. The account holder placing the account wager shall provide the
43 licensee with the correct personal identification number of the holder
44 of the wagering account.

45 c. A licensee may not accept an account wager, or series of
46 wagers, in an amount in excess of funds on deposit in the wagering

1 account of the holder placing the wager. Funds on deposit include
2 amounts credited under section 17 of this act and in the account at the
3 time the wager is placed.

4 d. Only the holder of a wagering account shall place an account
5 wager. Unless otherwise approved by the commission, no person,
6 corporation or other entity shall directly or indirectly act as an
7 intermediary, transmitter or agent in the placing of wagers for a holder
8 of a wagering account; provided, however, that the use of credit or
9 debit cards specifically approved by the licensee or the use of checks,
10 money orders or negotiable orders of withdrawal or the use of
11 telephonic, computer or electronic means by the account holder to
12 place such wagers shall not be prohibited.

13 e. The account holder may place a wager in person, by direct
14 telephone call or by communication through other electronic media.
15

16 19. (New Section) All amounts remaining in wagering accounts
17 inactive or dormant for such period and under such conditions as
18 established by regulation shall be paid 50% to the account wagering
19 licensee and 50% to the New Jersey Racing Industry Special Fund.
20

21 20. (New Section) Sums wagered at the off-track wagering facility
22 on the result of a simulcast horse race at an in-State sending track, or
23 through the account wagering system on a race conducted at an in-
24 State host track, shall be included in the appropriate parimutuel pool
25 generated at the in-State track and shall be distributed pursuant to
26 section 21 of this act. Payments to persons holding winning tickets at
27 an off-track wagering facility or through the account wagering system,
28 shall be made according to the same odds as those generated at the
29 in-State track.
30

31 21. (New Section) Sums wagered at an off-track wagering facility
32 on races being transmitted to that off-track wagering facility from an
33 in-State sending track and sums wagered through the account
34 wagering system on a race conducted at an in-State host track shall be
35 deposited in the parimutuel pool generated at the in-State track for
36 those races and shall be distributed in accordance with the provisions
37 of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
38 c.236 (C.5:5-64.1), as appropriate. Such sums wagered at an off-
39 track wagering facility or through the account wagering system which
40 remain undistributed pursuant to those sections shall be distributed as
41 follows, except that moneys resulting from breakage on amounts
42 wagered at the off-track wagering facility or through the account
43 wagering system and from outstanding parimutuel ticket moneys
44 issued at the off-track wagering facility or through the account
45 wagering system shall be distributed as provided by subsection ³[h.]
46 g.³ of this section.

- 1 a. 6% of the parimutuel pool generated at the off-track wagering
2 facility or through the account wagering system shall be paid to the in-
3 State track for overnight purses. In the event that (1) any racetrack
4 at which a horse race meeting was conducted in calendar year 2000
5 ceases to operate as a racetrack prior to calendar year 2003 and (2) an
6 off-track wagering facility is operated on that former racetrack site,
7 6.15% of the parimutuel pool generated at that off-track wagering
8 facility shall be paid to the in-State sending track for overnight purses.
- 9 b. 0.6% of the parimutuel pool generated at the off-track wagering
10 facility or through the account wagering system shall be set aside as
11 follows:
- 12 (1) in the case of harness races conducted by an in-State track, in
13 the special trust account established pursuant to or specified in section
14 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236
15 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section
16 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
17 distribution as provided in section 46a.(2)(a),(b) and (c) of P.L.1940,
18 c.17 (C.5:5-66), sections 2b.(1), (2) and (3) of P.L.1984, c.236
19 (C.5:5-66.1), section 5a.(1)(a), (b) and (c) of P.L.1982, c.201 (C.5:5-
20 98), or section 7f.(1)(a)(i), (ii) and (iii) of P.L.1971, c.137 (C.5:10-7);
21 and
- 22 (2) in the case of running races conducted by an in-State track, in
23 the special trust account established pursuant to or specified in section
24 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of
25 P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137
26 (C.5:10-7), as appropriate, for use and distribution as provided
27 therein, as appropriate.
- 28 c. 0.02% of the parimutuel pool generated at the off-track
29 wagering facility or through the account wagering system shall be paid
30 to Breeding and Development.
- 31 d. 0.02% of the parimutuel pool generated at the off-track
32 wagering facility or through the account wagering system shall be paid
33 to Backstretch Benevolency.
- 34 e. 0.06% of the parimutuel pool generated at the off-track
35 wagering facility or through the account wagering system shall be set
36 aside as follows: (1) in the case of harness races, to Health and
37 Welfare; and (2) in the case of running races, to Thoroughbred
38 Breeders and Stallions.
- 39 f. The remainder of the parimutuel pool after deduction of the
40 amounts under subsections a. through f. of this section shall be paid to
41 the off-track wagering licensee or the account wagering licensee, as
42 appropriate on a pro rata basis, as determined by the commission
43 based upon the volume of wagering handled by each licensee.
- 44 g. All breakage moneys and outstanding parimutuel ticket moneys
45 resulting from wagering at the off-track wagering facility or through
46 the account wagering system on races conducted by an in-State track

1 shall be paid to the commission for racing costs in accordance with
2 section 26 of this act. If in any calendar year the total amount of
3 breakage moneys and outstanding parimutuel ticket moneys referred
4 to herein exceeds amounts required to pay racing costs as provided in
5 section 26 of this act, such remaining funds shall be allocated as
6 follows: 50% to the off-track wagering licensee or the account
7 wagering licensee, as appropriate and 50% to the New Jersey Racing
8 Industry Special Fund.

9
10 22. (New Section) a. The off-track wagering licensee may, in
11 accordance with the provisions of this act and any applicable
12 regulations of the commission and with the approval of the
13 commission, also receive at the facility simulcast horse races
14 conducted at out-of-State sending tracks; provided, however, that the
15 off-track wagering licensee may receive simulcast horse races from
16 only those out-of-State sending tracks that have been approved by the
17 commission, which approval may not be unreasonably withheld.

18 b. An account wagering licensee may, with the approval of the
19 commission, also accept account wagers on horse races conducted at
20 out-of-State host tracks; provided, however, that the account
21 wagering licensee may receive wagers on out-of-State horse races
22 from only those out-of-State host tracks that have been approved by
23 the commission, which approval may not be unreasonably withheld.

24
25 23. (New Section) a. The off-track wagering licensee receiving
26 a simulcast horse race from an out-of-State sending track shall pay to
27 the out-of-State sending track for the transmission such amount, if
28 any, as may be agreed upon by the off-track wagering licensee and the
29 out-of-State sending track.

30 b. The account wagering licensee accepting account wagers on a
31 horse race conducted at an out-of-State host track shall pay to the
32 out-of-State host track such amount, if any, as provided for in the
33 agreement, if any, between the account wagering licensee and the out-
34 of-State host track.

35
36 24. (New Section) a. Except as provided in subsection b. of this
37 section, the commission shall not permit an out-of-State sending track
38 or an out-of-State host track to participate in off-track simulcasting or
39 qualify as an out-of-State host track, respectively, unless the
40 parimutuel pools respecting the off-track wagering facility or the
41 account wagering system shall be combined with comparable
42 parimutuel pools at the out-of-State track. The types of wagering,
43 takeout, distribution of winnings, rules of racing, method of
44 calculating breakage, and the percentage of deposits remaining
45 undistributed from a parimutuel pool after payment is made to winning
46 ticket holders shall be determined in accordance with the law or policy

1 applicable to the out-of-State track.

2 b. With the prior approval of the commission and the concurrence
3 of the out-of-State track, an off-track wagering licensee or the account
4 wagering licensee, and receiving tracks or entities in other states other
5 than the state in which the out-of-State track is located may form an
6 interstate common pool. With respect to such interstate common
7 pools, the commission may approve types of wagering, takeout,
8 distribution of winnings, rules of racing, method of calculating
9 breakage, and a percentage of deposits remaining undistributed from
10 a parimutuel pool after payment is made to winning ticket holders
11 which are different from those which would otherwise be applied in
12 this State but which are consistent for all parties to the interstate
13 common pool.

14

15 25. (New Section) Sums wagered at an off-track wagering facility
16 on races being transmitted to that off-track wagering facility from an
17 out-of-State sending track and sums wagered through the account
18 wagering system on races conducted by an out-of-State host track
19 shall be subject to the takeout rate determined pursuant to section 24
20 of this act and the sums resulting from that takeout rate as applied to
21 the parimutuel pool generated at the off-track wagering facility or
22 through the account wagering system shall be distributed as follows,
23 except money resulting from breakage on amounts wagered at the
24 off-track wagering facility or through the account wagering system
25 and from outstanding parimutuel ticket moneys issued at the off-track
26 wagering facility shall be distributed as provided by subsection c. of
27 this section.

28 a. The amount, if any, as agreed by the off-track wagering licensee
29 or account wagering licensee and the out-of-State track pursuant to
30 section 23 of this act shall be paid to the out-of State track.

31 b. Of the amount remaining after the deduction of the amount
32 under subsection a. of this section from the amount of the takeout
33 rate, 40% shall be paid to the New Jersey Racing Industry Special
34 Fund and 60% shall be paid to the off-track wagering licensee or the
35 account wagering licensee, as appropriate.

36 c. ¹[All breakage] Breakage¹ moneys and outstanding parimutuel
37 ticket moneys resulting from wagering at the off-track wagering
38 facility or through the account wagering system on races conducted by
39 the out-of-State track ³[¹in the amount of] shall be distributed as
40 follows:³ \$150,000 ³[shall be paid]³ annually to Jockey's Health and
41 Welfare, ³\$150,000 annually to Standardbred Drivers' Health and
42 Welfare.³ and all remaining moneys¹ ³[shall be paid]³ to the
43 commission for racing costs in accordance with section 26 of this act.
44 If in any calendar year the total amount of breakage moneys and
45 outstanding parimutuel ticket moneys referred to herein exceed ¹the
46 ³[\$150,000] \$300,000³ to be paid to Jockey's Health and Welfare and

1 ³Standardbred Drivers' Health and Welfare, and ³ the ¹ amounts
2 required to pay racing costs as provided in section 26 of this act, such
3 remaining funds shall be allocated as follows: 50% to the off-track
4 wagering licensee or account wagering licensee, as appropriate and
5 50% to the New Jersey Racing Industry Special Fund.

6
7 26. (New Section) a. The State Treasurer shall certify racing
8 costs on an annual basis. These racing costs shall be the basis for
9 payment and reimbursement to the commission from the following
10 sources, in the following order:

11 (1) license and permit fees received by the commission;

12 (2) breakage moneys and outstanding parimutuel ticket moneys as
13 provided in sections 21 and 25 of this act, and the outstanding
14 parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17
15 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of
16 P.L.1971, c.137 (C.5:10-7).

17 b. If, in any year, amounts received by the commission from the
18 sources specified in subsection a. of this section are not sufficient to
19 reimburse the commission for racing costs, there shall be an
20 assessment against permit holders or successors in interest to permit
21 holders, if applicable, to reimburse the commission for its costs for
22 which funds are not otherwise appropriated to the commission by law.
23 Such assessment shall be approved by the State Treasurer. The
24 commission shall establish, by regulation, an assessment formula which
25 apportions such costs to each permit holder or successor in interest,
26 if applicable.

27 c. Subject to the approval of the State Treasurer, the commission
28 may adjust the annual assessment when necessary to cover
29 expenditures not anticipated at the time of the assessment.

30 d. The funds derived from the sources specified in this section
31 shall be held in a non-lapsing dedicated account, for use in accordance
32 with the provisions of this section.

33
34 27. (New Section) The commission shall establish and administer
35 a separate fund to be known as the "New Jersey Racing Industry
36 Special Fund" into which shall be deposited the sums dedicated to the
37 fund by sections 19, 21 and 25 of this act. Money deposited in this
38 special fund shall be disbursed monthly by the commission and used as
39 follows:

40 a. 92% shall be distributed as follows:

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

46 (2) except as provided in paragraph (1), 65% to permit holders

1 conducting thoroughbred racing and 35% to permit holders conducting
2 harness racing;

3 Of the allocations made pursuant to this subsection ¹to permit
4 holders conducting thoroughbred racing¹, specific distributions shall
5 be made to the overnight ¹thoroughbred¹ purse account ¹[for the
6 breed and horsemen's organization]¹ of each permit holder ¹and for
7 programs designed to aid the thoroughbred horsemen and the New
8 Jersey Thoroughbred Horsemen's Association. Expenditures for
9 programs designed to aid the thoroughbred horsemen and the New
10 Jersey Thoroughbred Horsemen's Association shall not exceed 2.9%
11 of such allocations¹. Distribution ¹among thoroughbred permit
12 holders¹ shall be based on the following formula: total overnight
13 ¹thoroughbred¹ purse distribution for each permit holder in the prior
14 calendar year divided by the total overnight ¹thoroughbred¹ purse
15 distribution of all permit holders ¹[for the respective breed]¹ in the
16 prior calendar year.

17 ¹Of the allocations made pursuant to this subsection to permit
18 holders conducting standardbred racing, specific distributions shall be
19 made to the overnight standardbred purse account of each permit
20 holder and for programs designed to aid the standardbred horsemen
21 and the Standardbred Breeders' and Owners' Association of New
22 Jersey. Expenditures for programs designed to aid the standardbred
23 horsemen and the Standardbred Breeders' and Owners' Association of
24 New Jersey shall not exceed 3.5% of such allocations. Distribution
25 among standardbred permit holders shall be based on the following
26 formula: total overnight standardbred purse distribution for each
27 permit holder in the prior calendar year divided by the total overnight
28 standardbred purse distribution of all permit holders in the prior
29 calendar year.¹

30 b. 8% shall be distributed as follows:

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

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

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

42 Of the amount distributed to harness funds pursuant to this
43 subsection, the following distributions shall apply: 75% to Sire Stakes;
44 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10%
45 to Health and Welfare; and 3.5% to Breeding and Development.

1 28. (New Section) All persons engaged in conducting wagering-
2 related activities at an off-track facility or through an account
3 wagering system, whether employed directly by the licensee or by a
4 person or entity conducting or operating the off-track wagering facility
5 or account wagering system to an agreement with the licensee, shall
6 be licensed or registered in accordance with such regulations as may
7 be promulgated by the commission hereunder. All other employees at
8 the off-track wagering facility or of account wagering system shall be
9 licensed or registered in accordance with regulations of the
10 commission. The commission shall have full power to prescribe rules,
11 regulations and conditions under which all such licenses are issued, or
12 registrations made, in this State and to revoke or refuse to issue a
13 license, or revoke or refuse to accept a registration, if in the opinion
14 of the commission the revocation or refusal is in the public interest,
15 provided, however, that such rules, regulations and conditions shall be
16 uniform in their application, and further provided that no fee shall be
17 in excess of \$50 for each license so granted or registration accepted.

18

19 29. (New Section) a. A person employed by a permit holder in
20 the admissions department or parimutuel clerk department of a
21 racetrack operated by a permit holder, or employed at the racetrack by
22 a food and beverage vendor contracting with the permit holder to
23 provide food and beverages at the racetrack, shall be given a one-time
24 right of first refusal offer of employment, as each off-track wagering
25 facility opens, for the then available positions of similar employment
26 in that off-track wagering facility, including any similar employment
27 with the off-track wagering licensee or with any vendor contracting
28 with the licensee to provide food and beverages at the off-track
29 wagering facility, or as each account wagering licensee implements
30 account wagering, for the then available positions of similar
31 employment with any account wagering licensee.

32 b. In the event that an off-track wagering facility is sited and
33 begins operations at the location or in the proximity of a former
34 racetrack, a person who, at the time of the closing of the former
35 racetrack, worked as an employee of the permit holder in the
36 admissions department or parimutuel clerk department of the former
37 racetrack operated by the permit holder, or who, at the time of the
38 closing of the former racetrack, worked at the racetrack as an
39 employee of a food and beverage vendor contracting with the permit
40 holder to provide food and beverages at the former racetrack, shall be
41 given a one-time right of first refusal offer of similar employment at
42 the off-track wagering facility. In the event that there are not a
43 sufficient number of employment opportunities for each of the former
44 employees who seek a position pursuant to the provisions of this
45 subsection, then each such former employee, for a period of four years
46 thereafter, shall have the right of first refusal set forth in the provisions
47 of subsection a. of this section. Employment opportunities that remain

1 after each former employee has been given an offer of similar
2 employment shall be made available to other persons in accordance
3 with the provisions of subsection a. of this section.

4 c. An employee of the permit holder or vendor contracting with
5 the permit holder who is given preference for employment pursuant to
6 subsections a. and b. of this section and accepts the employment shall
7 not suffer, at the time that the change in employment occurs, any
8 reduction in seniority, pay, or employer contribution to pension and
9 health benefits, and shall receive a substantially equivalent level of
10 benefits.

11 ¹[d. In the event that a racetrack closes but the permit holder
12 continues to hold a permit to conduct a horse race meeting at another
13 racetrack, that permit holder shall offer to each person who was
14 employed at the former racetrack at the time it closed but who is not
15 eligible for a right of first refusal offer under subsection b. of this
16 section, severance pay in the amount of two weeks of base pay for
17 each year of employment at the racetrack. For the purpose of this
18 subsection, one week of base pay shall equal actual annual
19 compensation in the last one-year period of employment divided by
20 52.]¹

21
22 30. (New Section) a. The permit holder at Monmouth Park and
23 the thoroughbred permit holder at the Meadowlands together shall
24 schedule ¹(1)¹ no fewer than 141 thoroughbred race dates in the
25 aggregate in each of calendar years ¹[2001, 2002 and 2003] 2002,
26 2003 and 2004;¹ and ¹(2)¹ no fewer than ¹[120] 141¹ thoroughbred
27 race dates in the aggregate each calendar year thereafter ¹, provided
28 that the permit holders may schedule fewer than 141 thoroughbred
29 race dates in the aggregate if the commission determines, upon
30 application by the permit holders, that scheduling fewer dates in that
31 calendar year is in the best interest of the racing industry and the State.
32 In making its determination, the commission shall consider all factors,
33 including, but not limited to, handle, number of starters, interstate
34 competition, and export marketability. Notwithstanding the foregoing,
35 in no calendar year shall the permit holders schedule, in the aggregate,
36 fewer than 120 thoroughbred race dates¹;

37 b. the standardbred permit holder at the Meadowlands shall
38 schedule annually no fewer than 151 standardbred race dates; and

39 c. the permit holders at Freehold Raceway shall schedule annually
40 no fewer than 192 standardbred race dates.

41
42 31. (New Section) A true copy of the minutes of every meeting
43 of the commission shall be forthwith delivered by and under the
44 certification of, the executive director thereof to the Governor. No
45 action taken at such meeting of the commission shall have force and
46 effect until the earlier of 10 days, exclusive of Saturdays, Sundays and
47 public holidays, after such copy of the minutes shall have been so

1 delivered, or the approval thereof by the Governor. If, in the 10-day
2 period, the Governor returns such copy of the minutes with veto of
3 any action taken by the commission or any member thereof at such
4 meeting, such action shall be null and void and of no effect. The
5 Governor may approve all or part of the action taken at such meeting,
6 prior to the expiration of the 10-day period. This section shall not
7 apply to enforcement actions for violations of regulations promulgated
8 by the commission.

9
10 32. (New Section) The provisions of this act shall be deemed to
11 be severable, and if any phrase, clause, sentence or provision of this
12 act is declared to be unconstitutional or the applicability thereof to any
13 person is held invalid, the remainder of this act shall not thereby be
14 deemed to be unconstitutional or invalid.

15
16 33. (New Section) The commission shall promulgate rules and
17 regulations pursuant to the "Administrative Procedure Act," P.L.1968,
18 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

19
20 34. (New Section) In addition to any other funds provided by law
21 for prevention, education and treatment programs for compulsive
22 gamblers, beginning on July 1, ²[2002] 2003², there shall be an annual
23 assessment against permit holders or successors in interest to permit
24 holders, if applicable, of a total sum of \$200,000 in the aggregate
25 which shall be paid into the General Fund for appropriation by the
26 Legislature to the Department of Health and Senior Services for
27 prevention and education and treatment programs for compulsive
28 gambling that meet the criteria developed pursuant to section 2 of
29 P.L.1993, c.229 (C.26:2-169), such as those provided by the Council
30 on Compulsive Gambling of New Jersey. Such funds shall be used to
31 address compulsive gambling issues related to off-track wagering
32 facilities and account wagering. The New Jersey Racing Commission
33 shall, by regulation, establish a formula which apportions the
34 assessment to each permit holder or successor in interest, if applicable.

35
36 35. (New section) In order to retain the competitive position of
37 the standardbred and thoroughbred racing programs at the authority
38 owned racetracks during the period in which the off-track wagering
39 and account wagering systems are developed, the authority, as it
40 deems appropriate, may supplement or enhance purses at its
41 racetracks; provided, however, that any such supplements shall be
42 decreased as the off-track wagering and account wagering systems are
43 developed.

44
45 36. (New section) On or before July 1, 2002, the commission shall
46 submit to the Governor and the Legislature a report indicating the
47 feasibility of establishing a permanent training facility or other means

1 to permit winter stabling for the New Jersey racing industry and
2 ³[\$300,000] \$95,000³ is appropriated from the General Fund to the
3 commission for that purpose.

4
5 ¹[37. (New section) There is appropriated from the General Fund
6 \$150,000 to the commission to be allocated to the group certified by
7 the commission as representing a majority of the active licensed
8 thoroughbred jockeys in New Jersey for the purpose of providing
9 health and welfare benefits to active, disabled and retired New Jersey
10 jockeys and their dependents based upon reasonable criteria by that
11 organization.]¹

12
13 ¹[38. (New section) Notwithstanding any other law to the
14 contrary, in the event that in any calendar year there shall be a
15 standardbred race meeting but no running race meeting conducted at
16 Garden State Park and Garden State Park is authorized by the
17 commission to receive horse races run live at in-State sending tracks
18 and conduct parimutuel wagering thereon, then from January 1
19 through May 31 of that calendar year, the amount reserved and set
20 aside by the in-State sending track as set forth in Section 8 of
21 P.L.1985, c.269 (C.5:5-117) shall not be forwarded to Garden State
22 Park but instead shall be forwarded to Monmouth Park to supplement
23 overnight purses at its next horse race meeting.]¹

24
25 ¹[39. (New section) Notwithstanding any other law to the
26 contrary, in the event that in any calendar year there shall be a
27 standardbred race meeting but no running race meeting conducted at
28 Garden State Park and Garden State Park is authorized by the
29 commission to receive horse races run live at one or more out-of-State
30 sending tracks and conduct parimutuel wagering thereon pursuant to
31 section 37 of P.L.1992, c.19 (C.5:5-125), as amended by this act,
32 P.L. , c. (C.) (now pending before the Legislature as this bill), then,
33 from January 1 through May 31 of that calendar year:

34 a. the amount resulting from the takeout rate shall be distributed
35 as follows:

36 (1) .50% of the parimutuel pool generated at Garden State Park
37 shall be deposited in the special trust account pursuant to section
38 5b.(3) of P.L.1982, c.201 (C.5:5-98) for use and distribution as
39 provided therein;

40 (2) .03% of the parimutuel pool generated at Garden State Park
41 shall be paid to the commission and set aside in the special trust
42 account for horse breeding and development for use as provided in
43 section 5 of P.L.1967, c.40 (C.5:5-88);

44 (3) on the basis of all races in each program, or if two or more
45 programs are being transmitted simultaneously, on the basis of all
46 races in all such programs running simultaneously, 3.735% of the first
47 \$100,000 of the total pool generated at Garden State Park; 5.235% of

1 the total such pool from \$100,001 to \$150,000; 5.735% of the total
2 such pool from \$150,001 to \$250,000; 6.235% of the total such pool
3 from \$250,001 to \$300,000; and, if the amount of the total such pool
4 exceeds \$300,000, 6.485% of the total amount of such pool shall be
5 paid to supplement overnight purses at the next race meeting at
6 Monmouth Park and for programs designed to aid horsemen and the
7 New Jersey Thoroughbred Horsemen's Benevolent Association, as
8 provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-98).

9 (4) .02% of the parimutuel pool generated at Garden State Park
10 shall be paid to the Thoroughbred Breeders' Association of New
11 Jersey;

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

15 (6) the amount remaining after the deduction of the amounts under
16 paragraphs (1), (2), (3), (4) and (5) shall be paid to the permit holder
17 at Garden State Park.

18 b. of all the breakage moneys and outstanding parimutuel ticket
19 moneys resulting from the wagering at Garden State Park on out-of-
20 State simulcast races, 50% shall be paid to the permit holder at Garden
21 State Park and 50% shall be paid to supplement purses at the next race
22 meeting at Monmouth Park and for programs designed to aid
23 horsemen and the New Jersey Thoroughbred Horsemen's Benevolent
24 Association, as provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-
25 98).]¹

26
27 ¹[40.] 37.¹ Section 37 of P.L.1992, c.19 (C.5:5-125) is amended
28 to read as follows:

29 37. a. (1) Notwithstanding any other law to the contrary, the
30 New Jersey Racing Commission, upon application by a receiving track,
31 as defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in
32 accordance with applicable federal law, may permit the track to
33 receive, in addition to the horse races authorized by section 10 of
34 P.L.1985, c.269 (C.5:5-119), simulcast transmissions of the racing
35 program, in full or in part, from any out-of-State sending track, as
36 defined in section 2 of P.L.1985, c.269 (C.5:5-111), during any time
37 period, provided that the receiving track agrees to receive all simulcast
38 horse races which any in-State sending track wishes to transmit to it
39 during that same time period, and provided further that, except as
40 provided in subsection b. of this section, the parimutuel pools at the
41 receiving track shall be combined with comparable parimutuel pools
42 at the out-of-State sending track. No limit shall be placed on the
43 number of racing programs the track may receive from out-of-State
44 sending tracks except as otherwise provided herein.

45 (2) Whenever an out-of-State sending track participates in
46 simulcasting pursuant to paragraph (1) of this subsection and the
47 parimutuel pools are combined at the out-of-State sending track, the

1 types of wagering, takeout, distribution of winnings, rules of racing,
2 method of calculating breakage, and the percentage of deposits
3 remaining undistributed from a parimutuel pool after payment is made
4 to winning ticket holders shall be determined in accordance with the
5 law or policy applicable to the out-of-State sending track. However,
6 moneys resulting from breakage on amounts wagered at the receiving
7 track and from outstanding parimutuel tickets issued at the receiving
8 track in all instances shall be distributed as provided by section 38 of
9 this act.

10 b. With the prior approval of the New Jersey Racing Commission
11 and the concurrence of the out-of-State sending track, a receiving
12 track and receiving tracks or entities in other states other than the
13 state in which the sending track is located may form an interstate
14 common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111).
15 With respect to such interstate common pools, the Racing Commission
16 may approve types of wagering, takeout, distribution of winnings,
17 rules of racing, method of calculating breakage, and a percentage of
18 deposits remaining undistributed from a parimutuel pool after payment
19 is made to winning ticket holders which are different from those which
20 would otherwise be applied in this State but which are consistent for
21 all parties to the interstate common pool. However, moneys resulting
22 from breakage on amounts wagered at the receiving track and from
23 outstanding parimutuel tickets issued at the receiving track in all
24 instances shall be distributed as provided in section 38 of this act.

25 c. [A receiving track which is authorized by the New Jersey
26 Racing Commission to receive the racing program, in full or in part,
27 from an out-of-State sending track pursuant to subsection a. of this
28 section shall pay the out-of-State sending track an amount equal to not
29 more than 3% of each parimutuel pool generated at the receiving
30 track. If the receiving track negotiates an agreement to pay the
31 out-of-State sending track an amount equal to less than 3% of the
32 parimutuel pool generated at the receiving track, the receiving track
33 shall be entitled to retain the difference between the amount agreed
34 upon and 3%] Deleted by amendment, P.L. , c. (C.)(now pending
35 before the Legislature as this bill).

36 (cf: P.L.1992, c.19, s.37)

37

38 ¹[41.] 38.¹ Section 6 of P.L.1971, c.137 (C.5:10-6) is amended
39 to read as follows:

40 6. a. The authority, pursuant to the provisions of P.L.1971, c.137
41 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone
42 or in conjunction with others, and provided that, in the case of an
43 arrangement with respect to any of the projects set forth in this section
44 which shall be in conjunction with others, the authority shall have
45 sufficient right and power to carry out the public purposes set forth in
46 P.L.1971, c.137 (C.5:10-1 et seq.):

47 (1) To establish, develop, construct, operate, acquire, own,

1 manage, promote, maintain, repair, reconstruct, restore, improve and
2 otherwise effectuate, either directly or indirectly through lessees,
3 licensees or agents, a project to be located in the Hackensack
4 meadowlands upon a site not to exceed 750 acres and upon a site or
5 sites outside of that acreage, but either immediately contiguous thereto
6 or immediately across any public road which borders that acreage,
7 consisting of one or more stadiums, coliseums, arenas, pavilions,
8 stands, field houses, playing fields, recreation centers, courts,
9 gymnasiums, clubhouses, a racetrack for the holding of horse race
10 meetings, and other buildings, structures, facilities, properties and
11 appurtenances related to, incidental to, necessary for, or
12 complementary to a complex suitable for the holding of athletic
13 contests or other sporting events, or trade shows, exhibitions,
14 spectacles, public meetings, entertainment events or other expositions,
15 including, but not limited to, driveways, roads, approaches, parking
16 areas, parks, recreation areas, lodging facilities, vending facilities,
17 restaurants, transportation structures, systems and facilities, and
18 equipment, furnishings, and all other structures and appurtenant
19 facilities, related to, incidental to, necessary for, or complementary to
20 the purposes of that project or any facility thereof.

21 (2) To establish, develop, construct, acquire, lease or own,
22 operate, manage, promote, maintain, repair, reconstruct, restore,
23 improve and otherwise effectuate, either directly or indirectly through
24 lessees, licensees or agents, a project, at a site within the State of New
25 Jersey, consisting of a baseball stadium and other buildings, structures,
26 facilities, properties and appurtenances related thereto, or incidental
27 to, necessary for, or complementary to a complex suitable for the
28 holding of professional baseball games and other athletic contests or
29 sporting events, or trade shows, exhibitions, spectacles, public
30 meetings, entertainment events or other expositions, such project to
31 include driveways, roads, approaches, parking areas, parks, recreation
32 areas, vending facilities, restaurants, transportation structures, systems
33 and facilities, and equipment, furnishings and all other structures and
34 appurtenant facilities related to, incidental to, necessary for, or
35 complementary to the purposes of that project or any facility thereof.

36 (3) To establish, develop, construct, acquire, lease or own,
37 operate, manage, promote, maintain, repair, reconstruct, restore,
38 improve and otherwise effectuate, either directly or indirectly through
39 lessees, licensees or agents, projects located within the State of New
40 Jersey, but outside of the meadowlands complex, consisting of
41 aquariums and the buildings, structures, facilities, properties and
42 appurtenances related thereto, or incidental to, necessary for, or
43 complementary to those aquariums, such project to include driveways,
44 roads, approaches, parking areas, parks, recreation areas, vending
45 facilities, restaurants, transportation structures, systems and facilities,
46 and equipment, furnishings and all other structures and appurtenant
47 facilities related to, incidental to, necessary for, or complementary to

1 the purposes of that project or any facility thereof. To provide for a
2 project authorized under this paragraph:

3 (a) (Deleted by amendment, P.L.1988, c.172.)

4 (b) The authority is authorized to enter into agreements with the
5 State Treasurer providing for the acquisition and construction of an
6 aquarium by the authority, including the land necessary for the
7 aquarium, and the costs thereof, ownership of the aquarium and its
8 land which shall be conveyed to the State upon completion, and the
9 operation by the authority of the aquarium pursuant to a lease or other
10 agreement with the State containing such terms and conditions as the
11 State Treasurer may establish prior to the acquisition and construction
12 by the authority of the aquarium and the disbursements of funds
13 therefor. The State Treasurer is authorized to enter into a lease or
14 other agreement to effectuate the provisions of this subparagraph.

15 (4) To establish, develop, construct, acquire, own, operate,
16 manage, promote, maintain, repair, reconstruct, restore, improve and
17 otherwise effectuate, either directly or indirectly through lessees,
18 licensees or agents, a project consisting of an exposition or
19 entertainment center or hotel or office complex, including any
20 buildings, structures, properties and appurtenances related thereto,
21 incidental thereto, necessary therefor, or complementary thereto, such
22 project to include driveways, roads, approaches, parking areas, parks,
23 recreation areas, vending facilities, restaurants, transportation
24 structures, systems, and equipment, furnishings and all other structures
25 and appurtenances related to, incidental to, necessary for, or
26 complementary to, the purposes of that project. A project authorized
27 under this paragraph may be located within, immediately contiguous
28 to, or immediately across any public road which borders the site of any
29 other project of the authority, except the site of a racetrack authorized
30 by paragraph (5) of this subsection and acquired by the authority prior
31 to 1986.

32 (5) To establish, develop, construct, acquire, own, operate,
33 manage, promote, maintain, repair, reconstruct, restore, improve and
34 otherwise effectuate, either directly or indirectly through lessees,
35 licensees or agents, projects consisting of (a) racetrack facilities
36 located within the State of New Jersey, but outside of the
37 meadowlands complex, (b) their contiguous properties, and (c) their
38 auxiliary facilities, including, without limitation, pavilions, stands, field
39 houses, clubhouses, training tracks for horses, racetracks for the
40 holding of horse race meetings, fairgrounds, other exposition facilities,
41 and other buildings, structures, facilities, properties and appurtenances
42 related to, incidental to, necessary for, or complementary to a complex
43 suitable for the holding of horse race meetings, other sporting events,
44 or trade shows, exhibitions, spectacles, public meetings, entertainment
45 events or other expositions, including, but not limited to, driveways,
46 roads, approaches, parking areas, parks, recreation areas, lodging
47 facilities, vending facilities, restaurants, transportation structures,

1 systems and facilities, equipment, furnishings, and all other structures
2 and appurtenant facilities related to, incidental to, necessary for, or
3 complementary to the purposes of any of those projects or any facility
4 thereof.

5 Notwithstanding any law to the contrary, the acquisition of any
6 existing racetrack facility in and licensed by the State of New Jersey
7 shall be permitted on the condition that payments equivalent to all
8 municipal, school board and county taxes due to each entity shall be
9 paid by the authority to the extent and in accordance with the same
10 payment schedule as taxes would have been paid each year, as though
11 the racetrack facility remained in private ownership. In the event the
12 authority conveys lands or other parts of the racetrack facility to
13 others, the authority shall receive a reduction of such payments
14 commensurate with the amount required to be paid by the subsequent
15 owner of the lands and improvements disposed of by the authority. In
16 addition, the authority shall be responsible for paying all existing local
17 franchise fees, license and parking tax fees in effect at the time of the
18 acquisition.

19 (6) To establish, develop, acquire, own, operate, manage, promote
20 and otherwise effectuate, in whole or in part, either directly or
21 indirectly through lessees, licensees or agents, projects consisting of
22 events, expositions, teams, team franchises or membership in
23 professional sports leagues.

24 (7) To establish, develop, construct, acquire, own, operate,
25 manage, promote, maintain, repair, reconstruct, restore, improve and
26 otherwise effectuate, either directly or indirectly through lessees,
27 licensees or agents, projects consisting of facilities, at a site or sites
28 within the State of New Jersey and either within or without the
29 meadowlands complex, that are related to, incidental to, necessary for,
30 or complementary to the accomplishment or purpose of any project of
31 the authority authorized by this section, including any buildings,
32 structures, properties and appurtenances related thereto, incidental
33 thereto, necessary therefor, or complementary thereto, such projects
34 to include driveways, roads, approaches, parking areas, parks,
35 recreation areas, off-track and account wagering systems and facilities
36 or any interest therein, vending facilities, restaurants, transportation
37 structures, systems, and equipment, furnishings and all other structures
38 and appurtenances related to, incidental to, necessary for, or
39 complementary to the purposes of those projects.

40 (8) To establish, develop, acquire, construct, reconstruct, improve
41 and otherwise effectuate for transfer to, and for use and operation by,
42 Rutgers, the State University, either directly or indirectly through
43 lessees, licensees or agents, facilities located or to be located on
44 property owned, leased, or otherwise used by Rutgers, the State
45 University, consisting of an upgraded and expanded football stadium
46 and a new track and field, soccer and lacrosse facility and the
47 buildings, structures, properties and appurtenances related thereto, or

1 incidental to, necessary for, or complementary to the football stadium
2 and track and field, soccer and lacrosse facility, such facilities to
3 include driveways, access roads, approaches, parking areas, parks,
4 recreation areas, vending facilities, restaurants, transportation
5 structures, systems and equipment, furnishings and all other structures
6 and appurtenances related or incidental to, necessary for, or
7 complementary to the purposes of those facilities; provided however
8 that construction shall not begin on the expansion of the seating
9 capacity of Rutgers Stadium until the Commissioner of Transportation
10 certifies that all funding necessary to complete the Route 18 project in
11 Piscataway Township has been appropriated and construction has
12 begun on the Route 18 project in Piscataway Township under the
13 Department of Transportation's capital program.

14 (9) To acquire by purchase, lease or otherwise, and to develop,
15 construct, operate, own, lease, manage, repair, reconstruct, restore,
16 improve, enlarge or otherwise effectuate, either directly or through
17 lessees, licensees or agents, a convention center project in the city of
18 Atlantic City, Atlantic County, consisting of the existing convention
19 hall and a new convention hall or center, and associated parking areas
20 and railroad terminal facilities and including the leasing of adjacent
21 land for hotel facilities. In connection therewith, the authority is
22 authorized to:

23 (a) Assume existing leasehold or other contractual obligations
24 pertaining to any such facilities or properties or to make provision for
25 the payment or retirement of any debts and obligations of the
26 governmental entity operating any such convention hall or center or of
27 any bonds or other obligations payable from and secured by a lien on
28 or pledge of the luxury tax revenues;

29 (b) Make loans or payments in aid of construction with respect to
30 infrastructure and site development for properties located in the area
31 between the sites of the existing convention hall and a new convention
32 center or located contiguous to or across any public road which
33 borders the area;

34 (c) Convert the existing convention hall or any facilities, structures
35 or properties thereof, or any part thereof, not disposed of by the
36 authority, to any sports, exposition, exhibition, or entertainment use
37 or to use as a forum for public events or meetings, or to any other use
38 which the authority shall determine to be consistent with its operation
39 of the Atlantic City convention center project.

40 (10) To provide a feasibility study for the use and development of
41 the existing convention center in the city of Asbury Park, county of
42 Monmouth and to provide a feasibility study for the construction, use
43 and development of a convention center or recreational facility in any
44 other municipality.

45 (11) To provide funding to public or private institutions of higher
46 education in the State to establish, develop, acquire, construct,
47 reconstruct or improve facilities located or to be located on property

1 owned, leased, or otherwise used by an institution, consisting of sports
2 facilities and the buildings, structures, properties and appurtenances
3 related thereto, or incidental to, necessary for, or complementary to
4 those sports facilities, such facilities to include driveways, access
5 roads, approaches, parking areas, parks, recreation areas, vending
6 facilities, restaurants, transportation structures, systems and
7 equipment, furnishings and all other structures and appurtenances
8 related or incidental to, necessary for, or complementary to the
9 purposes of those facilities.

10 (12) To acquire by purchase, lease, or otherwise, including all
11 right, title and interest of the Greater Wildwood Tourism Improvement
12 Development Authority in any property, and to develop, construct,
13 operate, own, lease, manage, repair, reconstruct, restore, improve,
14 enlarge or otherwise effectuate, either directly or through lessees,
15 licensees or agents, a convention center facility in the City of
16 Wildwood, Cape May County, consisting of and including any existing
17 and acquired buildings, structures, properties and appurtenances and
18 including restaurants, retail businesses, access roads, approaches,
19 parking areas, transportation structures and systems, recreation areas,
20 equipment, furnishings, vending facilities, and all other structures and
21 appurtenances incidental to, necessary for, or complementary to the
22 purpose of such Wildwood convention center facility. In connection
23 therewith, the authority is expressly authorized to:

24 (a) assume any existing mortgages, leaseholds or other contractual
25 obligations or encumbrances with respect to the site of the Wildwood
26 convention center facility and any other existing and acquired
27 buildings, structures, properties, and appurtenances;

28 (b) enter into agreements with a local public body or bodies
29 providing for any necessary financial support or other assistance for
30 the operation and maintenance of such Wildwood convention center
31 facility from taxes or other sources of the local public body or bodies
32 as shall be made available for such purposes;

33 (c) to the extent permitted by law and by the terms of the bonds
34 or notes issued to finance the Wildwood convention center facility,
35 transfer its ownership interest or other rights with respect to the
36 convention center facility to another State authority or agency;

37 (d) upon payment of all outstanding bonds and notes issued
38 therefore, transfer its ownership interest and other rights with respect
39 thereto to such other public body as shall be authorized to own and
40 operate such a facility; and

41 (e) convert any existing convention hall or any facilities, structures
42 or properties thereof, or any part thereof, not disposed of by the
43 authority, to any use which the authority shall determine to be
44 consistent with the operation of the Wildwood convention center
45 facility.

46 b. The authority, pursuant to the provisions of P.L.1971, c.137
47 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the

1 projects, capital contributions to others for transportation and other
2 facilities, and accommodations for the public's use of any of those
3 projects, (2) to lease any part of any of those project sites not
4 occupied or to be occupied by the facilities of any of those projects,
5 for purposes determined by the authority to be consistent with or
6 related to the purposes of those projects, including, but not limited to,
7 hotels and other accommodations for transients and other facilities
8 related to or incidental to any of those projects, and (3) to sell or
9 dispose of any real or personal property, including, but not limited to,
10 such portion of the site of any of those projects not occupied or to be
11 occupied by the facilities of any of those projects, at not less than the
12 fair market value of the property, except in the case of sale or
13 disposition to the State, any political subdivision of the State or any
14 agency or instrumentality of the State or any political subdivision of
15 the State.

16 c. Revenues, moneys or other funds, if any, derived from the
17 operation or ownership of the meadowlands complex, including the
18 conduct of horse race meetings, shall be applied, in accordance with
19 the resolution or resolutions authorizing or relating to the issuance of
20 bonds or notes of the authority, to the following purposes and in the
21 following order:

22 (1) The costs of operation and maintenance of the meadowlands
23 complex and reserves therefor;

24 (2) Principal, sinking fund installments and redemption premiums
25 of and interest on any bonds or notes of the authority payable from
26 such revenues, moneys or other funds and issued for the purposes of
27 the meadowlands complex or for the purposes of refunding the same,
28 including reserves and payments with respect to credit agreements
29 therefor;

30 (3) The costs of any major or extraordinary repairs, renewals or
31 replacements with respect to the meadowlands complex or incidental
32 improvements thereto, not paid pursuant to paragraph (1) above,
33 including reserves therefor;

34 (4) Payments required to be made pursuant to section 18b.;

35 (5) Payments authorized to be made pursuant to section 18c.;

36 (6) Except to the extent payments with respect to bonds or notes
37 are provided with priority in accordance with paragraph (2) of this
38 subsection, payments required to be made in accordance with the
39 resolution authorizing or relating to the issuance of bonds or notes of
40 the authority, for the purposes of any project authorized by this act,
41 including payments and reserves with respect to any bonds or notes of
42 the authority with respect to the meadowlands complex which are not
43 provided with priority in accordance with paragraph (2) of this
44 subsection;

45 (7) Payments required to be made to repay any obligation incurred
46 by the authority to the State;

47 (8) The balance remaining after application in accordance with the

1 above shall be deposited in the General State Fund, provided that (a)
2 there shall be appropriated for authorized State purposes from the
3 amount so deposited that amount which shall be calculated by the
4 State Treasurer to be the debt service savings realized with respect to
5 the refinancing of the initial project as defined in section 1 of
6 P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the
7 issuance of bonds of the authority guaranteed by the State, and (b)
8 after such appropriation, 40% of any balance remaining from the
9 amounts so deposited shall be appropriated to the Meadowlands
10 Commission for any of its purposes authorized by P.L.1968, c.404,
11 and any amendments or supplements thereto.

12 d. Revenues, moneys or other funds, if any, derived from the
13 operation or ownership of any project other than the meadowlands
14 complex, the Atlantic City convention center project, or the Wildwood
15 convention center facility and other than a baseball stadium project or
16 an office complex project located on the site of a baseball stadium
17 shall be applied for such purposes, in such manner and subject to such
18 conditions as shall be provided in the resolution authorizing or relating
19 to the issuance of bonds or notes of the authority for the purposes of
20 such project, and the balance, if any, remaining after such application
21 may be applied, to the extent not contrary to or inconsistent with the
22 resolution, in the following order (1) to the purposes of the
23 meadowlands complex, unless otherwise agreed upon by the State
24 Treasurer and the authority, (2) to the purposes of any other project
25 of the authority; and, the balance remaining, if any, shall be deposited
26 in the General Fund.

27 e. Revenues, moneys or other funds, if any, derived from the
28 operation, ownership, or leasing of a baseball stadium project or an
29 office complex project located on the site of a baseball stadium shall
30 be applied for the purposes, in the manner and subject to the
31 conditions as shall be provided in the resolution authorizing or relating
32 to the issuance of bonds or notes of the authority for the purposes of
33 a baseball stadium project or an office complex project located on the
34 site of a baseball stadium, if any, and the balance, if any, remaining
35 after such application shall be applied, to the extent not contrary to or
36 inconsistent with the resolution, to the following purposes and in the
37 following order:

38 (1) The costs of operation and maintenance of a baseball stadium
39 project and an office complex project located on the site of a baseball
40 stadium and reserves therefor;

41 (2) Payments made to repay the bonded indebtedness incurred by
42 the authority for the purposes of a baseball stadium project or an
43 office complex project located on the site of a baseball stadium;

44 (3) Payments equivalent to an amount required to be made by the
45 State for payments in lieu of taxes pursuant to P.L.1977, c.272
46 (C.54:4-2.2a et seq.);

47 (4) The balance remaining after application in accordance with the

1 above shall be deposited in the General Fund.

2 f. Revenues, moneys or other funds, if any, derived from the
3 operation, ownership or leasing of the Atlantic City convention center
4 project shall be applied to the costs of operating and maintaining the
5 Atlantic City convention center project and to the other purposes set
6 forth in this subsection as shall be provided by resolution of the
7 authority.

8 Luxury tax revenues paid to the authority by the State Treasurer
9 pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be
10 deposited by the authority in a separate fund or account and applied
11 to the following purposes and in the following order:

12 (1) To pay the principal, sinking fund installments and redemption
13 premiums of and interest on any bonds or notes of the authority,
14 including bonds or notes of the authority issued for the purpose of
15 refunding bonds or notes, issued for purposes of (i) the initial
16 acquisition of the existing properties which will constitute part of the
17 Atlantic City convention center project, if the bonds or notes shall be
18 payable under the terms of the resolution of the authority relating
19 thereto from luxury tax revenues, or (ii) providing improvements,
20 additions or replacements to the Atlantic City convention center
21 project, if the bonds or notes shall be payable under the terms of the
22 resolution of the authority relating thereto from luxury tax revenues;
23 and to pay any amounts due from the authority under any credit
24 agreement entered into by the authority in connection with the bonds
25 or notes.

26 (2) To pay the costs of operation and maintenance of the Atlantic
27 City convention center project.

28 (3) To establish and maintain a working capital and maintenance
29 reserve fund for the Atlantic City convention center project in an
30 amount as shall be determined by the authority to be necessary.

31 (4) To repay to the State those amounts paid by the State with
32 respect to bonds or notes of the authority issued for the purposes of
33 the Atlantic City convention center project.

34 (5) The balance of any luxury tax revenues not required for any of
35 the foregoing purposes and remaining at the end of any calendar year
36 shall be paid to the State Treasurer for application to purposes in the
37 city of Atlantic City pursuant to section 5 of P.L.1981, c.461
38 (C.40:48-8.30a).

39 The authority may pledge the luxury tax revenues paid to it as
40 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security
41 for the payment of the principal of and interest or premium on its
42 bonds or notes issued for the purposes set forth above in paragraph (1)
43 of this subsection f. in the same manner, to the same extent and with
44 the same effect as the pledge of any of its other revenues, receipts and
45 funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

46 g. Revenues, moneys or other funds, if any, derived from the
47 ownership or operation of the Wildwood convention center facility

1 shall be applied to the costs of operating and maintaining the
2 Wildwood convention center facility and to the other purposes set
3 forth in this subsection as shall be provided by resolution of the
4 authority.

5 The tourism related tax revenues paid to the authority pursuant to
6 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be
7 deposited by the authority in a separate fund or account and applied
8 to any or all of the following purposes pursuant to an allocation of
9 funds approved by the State Treasurer in writing and in advance of any
10 application of such funds:

11 (1) to pay amounts due with respect to any obligations transferred
12 to the authority pursuant to section 17 of P.L.1997, c.273
13 (C.40:54D-25.1) pertaining to the Wildwood convention center
14 facility:

15 (2) to repay to the State those amounts paid with respect to bonds
16 or notes of the authority issued for the purposes of the Wildwood
17 convention center facility;

18 (3) to pay the cost of operation and maintenance reserve for the
19 Wildwood convention center facility;

20 (4) to establish and maintain a working capital and maintenance of
21 the Wildwood convention center facility.

22 The balance, if any, of any tourism related tax revenues not
23 allocated to any of the purposes set forth in the previous paragraphs
24 and remaining at the end of the calendar year shall be paid to the State
25 Treasurer for deposit in the General Fund.

26 (cf: P.L.1997, c.273, s.20)

27

28 ¹[42.] 39.¹ Section 18 of P.L.1971, c.137 (C.5:10-18) is amended
29 to read as follows:

30 18. a. All projects and other property of the authority, except an
31 off-track wagering facility or account wagering system facility
32 established pursuant to P.L. , c. (now pending before the Legislature
33 as this bill). is hereby declared to be public property devoted to an
34 essential public and governmental function and purpose and shall be
35 exempt from all taxes and special assessments of the State or any
36 political subdivision thereof; provided, however, that when any part of
37 the project site not occupied or to be occupied by facilities of the
38 project is leased by the authority to another whose property is not
39 exempt and the leasing of which does not make the real estate taxable,
40 the estate created by the lease and the appurtenances thereto shall be
41 listed as the property of the lessee thereof, or his assignee, and be
42 assessed and taxed as real estate. All bonds or notes issued pursuant
43 to the act are hereby declared to be issued by a body corporate and
44 public of the State and for an essential public and governmental
45 purpose and such bonds and notes, and the interest thereon and the
46 income therefrom, and all funds, revenues, income and other moneys
47 received or to be received by the authority and pledged or available to

1 pay or secure the payment of such bonds or notes, or interest thereon,
2 shall at all times be exempt from taxation except for transfer,
3 inheritance and estate taxes.

4 b. To the end that there does not occur an undue loss of future tax
5 revenues by reason of the acquisition of real property by the authority
6 for the meadowlands complex the authority annually shall make
7 payments in-lieu-of-taxes to the municipality in which such property
8 is located in an amount computed in each year with respect to each
9 such municipality by multiplying the total amount to be raised by real
10 property taxation in each such year by a fraction, the numerator of
11 which is the amount of real property taxes assessed against the
12 property acquired by the authority in the tax year in which this act
13 becomes effective and the denominator of which is the total amount to
14 be raised by real property taxation in such municipality in the tax year
15 in which this act becomes effective. Such payments shall be made in
16 each year commencing with the first year subsequent to the year in
17 which such real property shall have been converted from a taxable to
18 an exempt status by reason of acquisition thereof by the authority.

19 c. The authority is further authorized and empowered to enter into
20 any agreement or agreements with the Meadowlands Commission or
21 with any county or municipality located in whole or part within the
22 Hackensack meadowlands whereby the authority will undertake to pay
23 any additional amounts to compensate for any loss of tax revenues by
24 reason of the acquisition of any real property by the authority for the
25 meadowlands complex or to pay amounts to be used by such
26 commission, county or municipality in furtherance of the development
27 of the Hackensack meadowlands, including the meadowlands complex.
28 The commission and every such county and municipality is authorized
29 and empowered to enter into such agreements with the authority and
30 to accept payments which the authority makes thereunder.

31 d. All payments to municipalities pursuant to subsections b. and
32 c. shall be treated as payments in-lieu-of-property taxes for all
33 purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).
34 (cf: P.L.1971, c.137, s.18)

35
36 ¹[43. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
37 read as follows:

38 104. a. (1) Unless otherwise provided in this subsection, no
39 agreement which provides for the payment, however defined, of any
40 direct or indirect interest, percentage or share of any money or
41 property gambled at a casino or simulcasting facility or derived from
42 casino gaming activity or wagering at a simulcasting facility of any
43 such interest, percentage, or share of any revenues, profits or earnings
44 of a casino or simulcasting facility shall be lawful.

45 (2) Agreements which provide only for the payment of a fixed sum
46 which is in no way affected by the amount of any such money,
47 property, revenues, profits or earnings shall not be subject to the

1 provisions of this subsection; and receipts, rentals or charges for real
2 property, personal property or services shall not lose their character
3 as payments of a fixed sum because of contract, lease, or license
4 provisions for adjustments in charges, rentals or fees on account of
5 changes in taxes or assessments, cost-of-living index escalations,
6 expansion or improvement of facilities, or changes in services supplied.

7 (3) Agreements between a casino licensee and its employees which
8 provide for casino employee or casino key employee profit sharing and
9 which are in writing and have been filed with the commission shall be
10 lawful and effective only if expressly approved as to their terms by the
11 commission.

12 (4) Agreements to lease an approved casino hotel or the land
13 thereunder and agreements for the complete management of all casino
14 gaming operations in a casino hotel shall not be subject to the
15 provisions of this subsection but shall rather be subject to the
16 provisions of subsections b. and c. of section 82 of this act.

17 (5) Agreements which provide for percentage charges between the
18 casino licensee and a holding company or intermediary company of the
19 casino licensee shall be in writing and filed with the commission but
20 shall not be subject to the provisions of this subsection.

21 (6) Agreements relating to simulcast racing and wagering between
22 a casino licensee and an in-State or out-of-State sending track licensed
23 or exempt from licensure in accordance with subsection c. of section
24 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
25 commission, and be lawful and effective only if expressly approved as
26 to their terms by the commission and the New Jersey Racing
27 Commission, except that any such agreements which provide for a
28 percentage of the parimutuel pool wagered at a simulcasting facility to
29 be paid to the sending track shall not be subject to the provisions of
30 paragraph (1) of this subsection.

31 (7) Agreements relating to simulcast racing and wagering between
32 a casino licensee and a casino service industry licensed pursuant to the
33 provisions of subsection a. of section 92 of P.L.1977, c.110
34 (C.5:12-92) as a hub facility, as defined in joint regulations of the
35 Casino Control Commission and the New Jersey Racing Commission,
36 shall be in writing, be filed with the commission, and be lawful and
37 effective only if expressly approved as to their terms by the
38 commission and the New Jersey Racing Commission, except that any
39 such agreements which provide for a percentage of the casino
40 licensee's share of the parimutuel pool wagered at a simulcasting
41 facility to be paid to the hub facility shall not be subject to the
42 provisions of paragraph (1) of this subsection. As used in this
43 paragraph, "hub facility" means a facility which acts as an intermediary
44 between a casino simulcasting facility and a sending track with respect
45 to the transmission of parimutuel wagering data and which is
46 responsible for generating all reports necessary for the reconciliation
47 of payments between casino licensees, sending tracks and the New

1 Jersey Racing Commission. The hub facility also may, but is not
2 required to, perform other functions including the transmission of
3 pictures of simulcast horse races and parimutuel non-wagering data.
4 Nothing herein shall preclude a hub facility from utilizing a transaction
5 processor located outside of this State, subject to the regulation of the
6 New Jersey Casino Control Commission and the New Jersey Racing
7 Commission.

8 (8) Agreements relating to simulcast racing and wagering between
9 a casino licensee and a casino service industry licensed pursuant to the
10 provisions of subsection a. of section 92 of P.L.1977, c.110
11 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
12 shall be in writing, be filed with the commission, and be lawful and
13 effective only if expressly approved as to their terms by the
14 commission, except that any such agreements which provide for a
15 percentage of the casino licensee's share of the parimutuel pool
16 wagered at a simulcasting facility to be paid to the casino service
17 industry shall not be subject to the provisions of paragraph (1) of this
18 subsection.

19 b. Each casino applicant or licensee shall maintain, in accordance
20 with the rules of the commission, a record of each written or unwritten
21 agreement regarding the realty, construction, maintenance, or business
22 of a proposed or existing casino hotel or related facility. The
23 foregoing obligation shall apply regardless of whether the casino
24 applicant or licensee is a party to the agreement. Any such agreement
25 may be reviewed by the commission on the basis of the reasonableness
26 of its terms, including the terms of compensation, and of the
27 qualifications of the owners, officers, employees, and directors of any
28 enterprise involved in the agreement, which qualifications shall be
29 reviewed according to the standards enumerated in section 86 of this
30 act. If the commission disapproves such an agreement or the owners,
31 officers, employees, or directors of any enterprise involved therein, the
32 commission may require its termination.

33 Every agreement required to be maintained, and every related
34 agreement the performance of which is dependent upon the
35 performance of any such agreement, shall be deemed to include a
36 provision to the effect that, if the commission shall require termination
37 of an agreement pursuant to this subsection, such termination shall
38 occur without liability on the part of the casino applicant or licensee
39 or any qualified party to the agreement or any related agreement.
40 Failure expressly to include such a provision in the agreement shall not
41 constitute a defense in any action brought to terminate the agreement.
42 If the agreement is not maintained or presented to the commission in
43 accordance with commission regulations, or the disapproved
44 agreement is not terminated, the commission may pursue any remedy
45 or combination of remedies provided in this act.

46 For the purposes of this subsection, "casino applicant" includes any
47 person required to hold a casino license pursuant to section 82 of

1 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
2 a casino license or any approval required under P.L.1977, c.110
3 (C.5:12-1 et seq.).

4 c. Nothing in this act shall be deemed to permit the transfer of any
5 license, or any interest in any license, or any certificate of compliance
6 or any commitment or reservation.
7 (cf: P.L.1996, c.84, s.7)]¹

8

9 ¹[44.] ²[40.¹ Section 5 of P.L.1992, c.19 (C.5:12-195) is
10 amended to read as follows:

11 5. A permit holder which wishes to conduct casino simulcasting
12 shall request the approval of the New Jersey Racing Commission in its
13 annual application for horse race meeting dates filed with that
14 commission pursuant to section 23 of P.L.1940, c.17 (C.5:5-43), or,
15 if applying between the submittal of annual applications, through such
16 supplemental application as that commission shall deem appropriate.
17 [The New Jersey Racing Commission shall not approve the request of
18 any permit holder to conduct casino simulcasting unless the permit
19 holder will conduct a number of live racing programs during the period
20 for which the permit is issued which is equal to the following:

21 a. in the case of harness races, each permit holder shall conduct at
22 least 75% of the average number of live racing programs conducted by
23 that permit holder during calendar years 1990 and 1991; and

24 b. in the case of running races, Monmouth Racetrack shall conduct
25 at least the same number of live racing programs conducted in 1991,
26 Garden State Racetrack shall conduct at least 60% of the live racing
27 programs conducted by that permit holder in calendar year 1990, and
28 each of the other permit holders conducting running races shall
29 conduct at least 75% of the live racing programs conducted by that
30 permit holder in calendar year 1990.

31 For the purpose of satisfying the requirements of this section for
32 the conduct of live racing programs, any live racing program or part
33 thereof which is cancelled because of weather or another act of God
34 shall be deemed to have been conducted, subject to the approval of the
35 New Jersey Racing Commission.]

36 (cf: P.L.1992, c.19, s.5)]²

37

38 ¹[45.] ²[41.¹] ^{40.}² Section 2 of P.L.1993, c.229 (C.26:2-169) is
39 amended to read as follows:

40 2. The Department of Health and Senior Services shall develop
41 criteria which [a] prevention, education and treatment [program]
42 programs for compulsive gamblers shall meet in order to become
43 eligible for a grant from the funds made available for such [treatment]
44 programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).
45 The department shall also develop a formula for the distribution of
46 available funds which will result in an equitable distribution among the

1 programs which meet the eligibility criteria and apply for grants.

2 The department shall submit a report to the Senate Budget and
3 Appropriations Committee and the Assembly Appropriations
4 Committee, or their successors, describing the criteria developed
5 pursuant to this section and detailing the amount of grants distributed
6 and the names of the programs receiving grants. The department shall
7 submit the report annually to both committees.

8 (cf: P.L.1993, c.229, s.2)

9

10 ¹[46.] ²[42.]¹ R.S.33:1-42 is amended to read as follows:

11 33:1-42. No sales of alcoholic beverages shall be made in any
12 public buildings belonging to or under the control of the state or any
13 political subdivision thereof except as to the national guard as
14 hereinbefore provided, or in any off-track wagering facility, whether
15 publicly owned or controlled or otherwise, and except as permitted by
16 the [commissioner] Director of the Division of Alcoholic Beverage
17 Control in specified cases and subject to rules and regulations.

18 (cf: R.S.33:1-42)]²

19

20 ¹[47.]¹ ²[43.]¹ This] 41. Sections 30-38 and 40 of this² act shall
21 take effect immediately¹ [, and sections 37 and 38 shall expire upon the
22 closure of Garden State Park]¹ ²and the remaining sections shall take
23 effect on the 180th day after enactment, but the commission shall take
24 such anticipatory administrative action in advance as shall be necessary
25 for the implementation of the act².

SENATE, No. 2228

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 26, 2001

Sponsored by:

Senator MARTHA W. BARK

District 8 (Atlantic, Burlington and Camden)

Senator JOHN O. BENNETT

District 12 (Monmouth)

SYNOPSIS

Establishes off-track wagering facilities and account wagering system for parimutuel betting on horse races, changes certain requirements pertaining to simulcasting and casino simulcasting and makes appropriation.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning horse racing, supplementing chapter 5 of Title 5
2 of the Revised Statutes and amending various parts of the statutory
3 law and making an appropriation.

4

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

7

8 1. (New Section) Sections 1-35 of this act shall be known and may
9 be cited as the “Off-Track and Account Wagering Act.”

10

11 2. (New Section) The Legislature finds and declares that:

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

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

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

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

34 e. The Sports and Exposition Authority, as an instrumentality of
35 the State, typically is not subject to local zoning and planning laws
36 when performing a function for the benefit of all the people of the
37 State. Furthermore, property it owns or controls typically is
38 considered public property devoted to an essential government
39 function and therefore, not subject to local property taxation.

40 In reality, the authority, in establishing off-track wagering facilities,
41 would not be performing an essential government function, but rather
42 an essentially private business function. In addition, the establishment
43 of off-track wagering represents a substantial expansion of gambling

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

Matter underlined thus is new matter.

1 in this State. Numerous municipalities, residents and established
2 businesses would be impacted by the establishment of such facilities
3 throughout the State. There could be municipalities that may view the
4 placement of such facilities at the discretion of the authority and the
5 racing commission as unwanted and unwarranted intrusions for which
6 they would have to provide services but for which they may not
7 receive appropriate levels of property taxes. Therefore, fundamental
8 fairness dictates that the powers of municipalities not be eroded with
9 regard to the establishment of these facilities and that the authority
10 should not be permitted to disregard local rules and controls and tax
11 requirements. Off-track wagering facilities owned or controlled by the
12 authority shall be subject to local zoning and planning rules and local
13 property taxation.

14 f. By regulation of the Division of Alcoholic Beverage Control,
15 there exist special licenses that permit the sale of alcoholic beverages
16 on public property. These special licenses, typically available to the
17 authority, are inexpensive and circumvent the traditional method for
18 obtaining a license to sell alcoholic beverages. Because the
19 establishment of off-track wagering facilities is, in reality, essentially
20 a private business venture and not an essential government function,
21 the authority shall be required to obtain a license to sell alcoholic
22 beverages in the traditional manner.

23

24 3. (New Section) As used in this act:

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

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

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

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

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

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

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

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

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

6 “Executive Director” means the Executive Director of the
7 commission.

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

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

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

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

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

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

28 “Off-track simulcasting” means the simultaneous audio or visual
29 transmission of horse races conducted at in-State and out-of-State
30 racetracks to off-track wagering facilities and parimutuel wagering at
31 those off-track wagering facilities on the results of those races.

32 “Off-track wagering” means parimutuel wagering at an off-track
33 wagering facility as authorized under this act.

34 “Off-track wagering facility” means a licensed facility, other than
35 a racetrack, at which parimutuel wagering is conducted pursuant to
36 this act.

37 “Off-track wagering licensee” means the New Jersey Sports and
38 Exposition Authority, provided that the commission has granted its
39 approval for the authority to conduct an off-track wagering facility as
40 provided for in this act.

41 “Out-of-State host track” means a racetrack in a jurisdiction other
42 than the State of New Jersey, the operator of which is lawfully
43 permitted to conduct a horse race meeting and which conducts horse
44 races upon which account wagers may be placed pursuant to this act.

45 “Out-of-State sending track” means a racetrack in a jurisdiction
46 other than the State of New Jersey which is equipped to conduct off-

1 track simulcasting and the operator of which is lawfully permitted to
2 conduct a horse race meeting and to provide simulcast horse races to
3 off-track wagering facilities in this State.

4 "Out-of-State track" means an out-of-State host track or an out-of-
5 State sending track.

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

8 "Parimutuel" means any system whereby wagers with respect to the
9 outcome of a horse race are placed with, or in, a wagering pool
10 conducted by an authorized person, and in which the participants are
11 wagering with each other and not against the person conducting the
12 wagering pool.

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

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

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

25 "Racing costs" means the prospective and actual costs for all
26 licensing, investigation, operation, regulation, supervision and
27 enforcement activities and functions performed by the commission.

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

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

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

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

40

41 4. (New Section) a. The commission is authorized to issue a
42 license to the authority to permit off-track wagering at a specified
43 facility, upon application of the authority and in accordance with the
44 provisions of this act. A license issued pursuant to this act shall be
45 valid for a period of one year. The commission shall issue a license
46 only if the authority schedules at least the minimum number of race

1 dates required in Section 30 of this act and it is satisfied that the
2 authority has entered into a participation agreement with each and
3 every other person, partnership, association, corporation, or authority
4 or the successor in interest to such person, partnership, association,
5 corporation or authority that:

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

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

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

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

14 b. As part of the license application process, any participation
15 agreement entered into for the purposes of this section, or any
16 modification to the agreement made thereafter, shall be reviewed by
17 the commission and the Attorney General to determine whether the
18 agreement meets the requirements of this act and shall be subject to
19 the approval of the commission and the Attorney General.

20

21 5. (New Section) a. At the time of filing an application for an off-
22 track wagering license, the authority shall submit to the commission
23 a non-refundable filing fee in an amount established by regulation by
24 the commission, and a certification in a form prescribed by the
25 commission which specifies, but is not limited to, the following
26 information:

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

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

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

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

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

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

39 b. A separate application and certification shall be filed for each
40 off-track wagering facility that the authority proposes to establish.

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

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

45 e. If an off-track wagering licensee, including the authority, seeks
46 to offer alcoholic beverages for on-premise consumption at an off-

1 track wagering facility, the licensee shall acquire a Class C plenary
2 retail consumption license pursuant to the provisions of R.S.33:1-1 et
3 seq. and in accordance with such procedures as established by statute
4 and by regulation of the Division of Alcoholic Beverage Control for
5 the acquisition of such licenses by private individuals or business
6 entities.

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

10 g. The commission shall by regulation establish minimum standards
11 for off-track wagering facilities, including, but not limited to,
12 standards for size, seating capacity, parking and services to be
13 provided.

14 h. As a condition of licensure, an off-track wagering licensee,
15 including the authority when the authority is the licensee which will
16 own or control the facility, shall obtain all applicable municipal zoning
17 and planning approvals required in connection with the off-track
18 wagering facility.

19
20 6. (New Section) Within 14 days of receipt of a completed
21 application, certification and applicable fees, the executive director
22 shall determine whether the same is in due form and meets the
23 requirements of law in all respects, and upon being satisfied thereof,
24 the commission, within 45 days of receipt of a completed application,
25 certification and applicable fees, shall hold a public hearing in the
26 municipality in which the proposed off-track wagering facility is to be
27 located. The costs of the public hearing shall be paid by the authority.
28 The executive director shall cause a display advertisement,
29 approximately 11 inches by 8 inches in size, to be published at least
30 once in a daily newspaper, and at least once in a weekly newspaper,
31 published, or circulated if none is published, in the county where the
32 municipality is located at least 15 days before the date of the public
33 hearing and to be published again in that daily newspaper on the third
34 day preceding the public hearing and in the latest edition of that
35 weekly newspaper that will be in circulation on the third day preceding
36 the public hearing. The advertisement shall contain sufficient
37 information to apprise the public as to the purpose of the hearing, the
38 time and place thereof, and the nature of the license applied for. The
39 advertisement shall be prepared and placed by the executive director,
40 but shall be paid for by the authority.

41
42 7. (New Section) a. No sooner than 30 days nor later than
43 60 days following the public hearing, the commission shall make a final
44 determination on the license application. The commission shall
45 approve the application if it determines that the plan for the proposed
46 facility includes appropriate standards of quality for the premises and

1 services it will provide and that the authority has demonstrated by
2 clear and convincing evidence that establishment of the proposed off-
3 track wagering facility will not be inimical to the interests of the public
4 and the horse racing industry in this State. The commission shall
5 submit its determination to the Attorney General for review and
6 approval. The determination of the commission shall be deemed
7 approved by the Attorney General if not affirmatively approved or
8 disapproved by the Attorney General within 14 days of the date of
9 submission. The decision of the Attorney General shall be deemed a
10 final decision. Upon approval by the Attorney General, the
11 commission shall issue to the authority an off-track wagering license
12 specifying the location, the periods of time during a calendar year and
13 the hours of operation during which off-track wagering is permitted at
14 the facility, and prescribing any other conditions or terms the
15 commission deems appropriate.

16 b. With the approval of the commission, the off-track wagering
17 licensee may enter into a contract or agreement with a person or entity
18 to conduct or operate an off-track wagering facility for the licensee
19 and to act as the agent of the licensee in all off-track wagering matters
20 approved by the commission.

21
22 8. (New Section) a. The commission shall have full power to
23 prescribe rules, regulations and conditions under which all off-track
24 wagering licenses are issued and renewed in the State and to revoke,
25 suspend or refuse to renew a license if in the opinion of the
26 commission the revocation of, suspension of or refusal to renew such
27 license is in the public interest; provided, however, that such rules,
28 regulations and conditions shall be uniform in their application.

29 b. The commission shall have no right or power to determine who
30 shall be officers, directors or employees of any off-track wagering
31 facility, or the salaries thereof; provided, however, that the
32 commission may compel the discharge of any official or employee of
33 the licensee at the off-track wagering facility who: (1) fails or refuses
34 for any reason to comply with the rules or regulations of the
35 commission; (2) fails or refuses for any reason to comply with any of
36 the provisions of this act; (3) fails to establish by clear and convincing
37 evidence in the opinion of the commission good character, honesty,
38 competency and integrity; or (4) has been convicted of a crime
39 involving fraud, dishonesty or moral turpitude.

40
41 9. (New Section) Nothing in this act shall be deemed to abrogate
42 the common law right or any other right established by law to exclude
43 or eject permanently from any off-track wagering facility any person
44 who disrupts the operations of its premises, threatens the security of
45 its premises or its occupants, or is disorderly or intoxicated.

1 10. (New Section) a. The total number of off-track wagering
2 facilities licensed in this State pursuant to this act shall not exceed 15.

3 b. The commission shall issue no more than eight off-track
4 wagering licenses within the first two years of the effective date of this
5 act.

6
7 11. (New Section) It shall be lawful for the off-track wagering
8 licensee to conduct off-track simulcasting at the off-track wagering
9 facility with all in-State sending tracks and with any out-of-State
10 sending track in accordance with the provisions of this act and
11 applicable regulations which the commission may promulgate.

12
13 12. (New Section) An in-State sending track may transmit to
14 licensed off-track wagering facilities all or some of the live races
15 conducted at the racetrack. The off-track wagering licensee, as a
16 condition of continued operation of the off-track wagering facility,
17 shall receive all live races which are offered and transmitted by in-
18 State sending tracks.

19
20 13. (New Section) a. The commission is authorized to issue a
21 license to the authority to establish an account wagering system in
22 accordance with the provisions of this act. A license issued pursuant
23 to this act shall be valid for a term of one year. The commission shall
24 issue a license only if the authority schedules at least the minimum
25 number of race dates required in section 30 of this act and it is
26 satisfied that the authority has entered into a participation agreement
27 with each and every person, partnership, association, corporation or
28 authority or the successor in interest to such person, partnership,
29 association, corporation or authority that:

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

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

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

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

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

45 c. At the time of filing an application for licensure under this
46 section, the authority shall submit to the commission a non-refundable

1 filing fee in an amount established by regulation by the commission,
2 and a certification in a form prescribed by the commission which
3 specifies, but is not limited to, information about the operation of the
4 account wagering system and the authority's participation therein.

5
6 14. (New Section) a. Within 14 days of receipt of a completed
7 application, certification and applicable fees, the executive director
8 shall determine whether the same is in due form and meets the
9 requirements of law in all respects, and upon being satisfied thereof,
10 the executive director, within 45 days of receipt of a completed
11 application, certification and applicable fees, shall hold a public
12 hearing, the costs of which shall be paid by the applicant.

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

28 c. With the approval of the commission, an account wagering
29 licensee may enter into a contract or agreement with a person or entity
30 to conduct or operate an account wagering system or facility for the
31 licensee and to act as the agent of the licensee in all account wagering
32 matters approved by the commission.

33
34 15. (New Section) a. The commission shall have full power to
35 prescribe rules, regulations and conditions under which all account
36 wagering licenses are issued or renewed in this State and to revoke,
37 suspend or refuse to renew a license if in the opinion of the
38 commission the revocation of, suspension of or refusal to renew such
39 license is in the public interest; provided, however, that such rules,
40 regulations and conditions shall be uniform in their application.

41 b. The commission shall have no right or power to determine who
42 shall be officers, directors or employees of any account wagering
43 licensee, or the salaries thereof; provided, however, that the
44 commission may compel the discharge of any official or employee of
45 the licensee or the account wagering system who: (1) fails or refuses
46 for any reason to comply with the rules or regulations of the

1 commission; (2) fails or refuses for any reason to comply with any of
2 the provisions of this act; (3) fails to establish by clear and convincing
3 evidence in the opinion of the commission good character, honesty,
4 competency and integrity; or (4) has been convicted of a crime
5 involving fraud, dishonesty or moral turpitude.

6
7 16. (New Section) a. A person may not place an account wager
8 unless the person has established an account with the account
9 wagering licensee. To establish a wagering account, a person shall be
10 a New Jersey resident at least 18 years of age.

11 b. The account shall be in the name of a natural person and may
12 not be in the name of any beneficiary, custodian, joint trust,
13 corporation, partnership or other organization or entity.

14 c. An account may be established by a person completing an
15 application form approved by the commission and submitting it
16 together with a certification, or other proof, of age and residency. The
17 form shall include the address of the principal residence of the
18 prospective account holder and a statement that a false statement made
19 in regard to an application may subject the applicant to prosecution.

20 d. The prospective account holder shall submit the completed
21 application to the account wagering licensee, to any account wagering
22 participating permit holder or to a licensed off-track wagering facility
23 or such other person or entity as may be approved by the commission.
24 The account wagering licensee may accept or reject an application
25 after receipt and review of the application and certification, or other
26 proof, of age and residency for compliance with this act.

27 e. Any prospective account holder who provides false or
28 misleading information on the application is subject to rejection of the
29 application or cancellation of the account by the account wagering
30 licensee without notice.

31 f. The account wagering licensee shall have the right to suspend or
32 close any wagering account at its discretion.

33 g. Any person not in good standing with the commission shall not
34 be entitled to maintain a wagering account.

35 h. The address provided by the applicant in the application shall be
36 deemed the proper address for the purposes of mailing checks, account
37 withdrawals, notices and other materials.

38 i. A wagering account shall not be assignable or otherwise
39 transferable.

40 j. Except as otherwise provided in this act or in regulations which
41 the commission may adopt hereunder, all account wagers shall be final
42 and no wager shall be canceled by the account holder at any time after
43 the wager has been accepted by the account wagering licensee.

44 k. For the purposes of this act and notwithstanding any other law
45 to the contrary, all messages or orders to place account wagers
46 received by the licensee on behalf of a participating permit holder shall

1 be deemed made to a place within this State.

2 1. All persons accepting account wagers on behalf of an account
3 wagering licensee shall do so at a location within this State.

4 m. The account wagering licensee may at any time declare the
5 system closed for receiving any wagers on any race or closed for all
6 wagering.

7

8 17. (New Section) a. Credits to a wagering account shall be made
9 as follows:

10 (1) The account holder's deposits to the wagering account shall be
11 submitted by the account holder to the account wagering licensee and
12 shall be in the form of one of the following:

13 (a) cash given to the account wagering licensee;

14 (b) check, money order, negotiable order of withdrawal, or wire or
15 electronic transfer, payable and remitted to the account wagering
16 licensee; or

17 (c) charges made to an account holder's debit or credit card upon
18 the account holder's direct and personal instruction, which instruction
19 may be given by telephone communication or other electronic means
20 to the account wagering licensee or its agent by the account holder if
21 the use of the card has been approved by the account wagering
22 licensee.

23 (2) Credit for winnings from wagers placed with funds in a
24 wagering account and credit for account wagers on horses that are
25 scratched shall be posted to the account by the account wagering
26 licensee.

27 (3) The account wagering licensee shall have the right to refuse for
28 any reason all or part of any wager or deposit to the account.

29 (4) Funds deposited in the account shall not bear interest to the
30 account holder.

31 b. Debits to a wagering account shall be made as follows:

32 (1) Upon receipt by the account wagering licensee of an account
33 wager properly placed pursuant to section 18 of this act, the account
34 wagering licensee shall debit the account holder's wagering account
35 in the amount of the wager.

36 (2) The account wagering licensee may authorize a withdrawal
37 from a wagering account when the account holder submits to the
38 licensee, the licensee's agent, a participating permit holder, a licensed
39 off-track wagering facility or such other entity as may be approved by
40 the commission the following:

41 (i) proper identification;

42 (ii) the correct personal identification number; and

43 (iii) a properly completed and executed withdrawal slip on a form
44 approved by the commission.

45 Upon receipt of a properly completed and executed withdrawal
46 form, and if there are sufficient funds in the account to cover the

1 withdrawal, the licensee shall send, within three business days of
2 receipt, a check to the holder at the address specified in the application
3 for the wagering account. The check shall be made payable only to the
4 holder of the wagering account and in the amount of the requested
5 withdrawal.

6
7 18. (New Section) The account wagering licensee may accept
8 account wagers only from residents of New Jersey and only as follows:

9 a. The account wager shall be placed directly with the account
10 wagering licensee by the holder of the wagering account.

11 b. The account holder placing the account wager shall provide the
12 licensee with the correct personal identification number of the holder
13 of the wagering account.

14 c. A licensee may not accept an account wager, or series of
15 wagers, in an amount in excess of funds on deposit in the wagering
16 account of the holder placing the wager. Funds on deposit include
17 amounts credited under section 17 of this act and in the account at the
18 time the wager is placed.

19 d. Only the holder of a wagering account shall place an account
20 wager. Unless otherwise approved by the commission, no person,
21 corporation or other entity shall directly or indirectly act as an
22 intermediary, transmitter or agent in the placing of wagers for a holder
23 of a wagering account; provided, however, that the use of credit or
24 debit cards specifically approved by the licensee or the use of checks,
25 money orders or negotiable orders of withdrawal or the use of
26 telephonic, computer or electronic means by the account holder to
27 place such wagers shall not be prohibited.

28 e. The account holder may place a wager in person, by direct
29 telephone call or by communication through other electronic media.

30
31 19. (New Section) All amounts remaining in wagering accounts
32 inactive or dormant for such period and under such conditions as
33 established by regulation shall be paid 50% to the account wagering
34 licensee and 50% to the New Jersey Racing Industry Special Fund.

35
36 20. (New Section) Sums wagered at the off-track wagering facility
37 on the result of a simulcast horse race at an in-State sending track, or
38 through the account wagering system on a race conducted at an in-
39 State host track, shall be included in the appropriate parimutuel pool
40 generated at the in-State track and shall be distributed pursuant to
41 section 21 of this act. Payments to persons holding winning tickets at
42 an off-track wagering facility or through the account wagering system,
43 shall be made according to the same odds as those generated at the
44 in-State track.

45
46 21. (New Section) Sums wagered at an off-track wagering facility

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

16 a. 6% of the parimutuel pool generated at the off-track wagering
17 facility or through the account wagering system shall be paid to the in-
18 State track for overnight purses. In the event that (1) any racetrack
19 at which a horse race meeting was conducted in calendar year 2000
20 ceases to operate as a racetrack prior to calendar year 2003 and (2) an
21 off-track wagering facility is operated on that former racetrack site,
22 6.15% of the parimutuel pool generated at that off-track wagering
23 facility shall be paid to the in-State sending track for overnight purses.

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

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

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

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

46 d. 0.02% of the parimutuel pool generated at the off-track

1 wagering facility or through the account wagering system shall be paid
2 to Backstretch Benevolency.

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

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

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

24

25 22. (New Section) a. The off-track wagering licensee may, in
26 accordance with the provisions of this act and any applicable
27 regulations of the commission and with the approval of the
28 commission, also receive at the facility simulcast horse races
29 conducted at out-of-State sending tracks; provided, however, that the
30 off-track wagering licensee may receive simulcast horse races from
31 only those out-of-State sending tracks that have been approved by the
32 commission, which approval may not be unreasonably withheld.

33 b. An account wagering licensee may, with the approval of the
34 commission, also accept account wagers on horse races conducted at
35 out-of-State host tracks; provided, however, that the account
36 wagering licensee may receive wagers on out-of-State horse races
37 from only those out-of-State host tracks that have been approved by
38 the commission, which approval may not be unreasonably withheld.

39

40 23. (New Section) a. The off-track wagering licensee receiving
41 a simulcast horse race from an out-of-State sending track shall pay to
42 the out-of-State sending track for the transmission such amount, if
43 any, as may be agreed upon by the off-track wagering licensee and the
44 out-of-State sending track.

45 b. The account wagering licensee accepting account wagers on a
46 horse race conducted at an out-of-State host track shall pay to the

1 out-of-State host track such amount, if any, as provided for in the
2 agreement, if any, between the account wagering licensee and the out-
3 of-State host track.

4
5 24. (New Section) a. Except as provided in subsection b. of this
6 section, the commission shall not permit an out-of-State sending track
7 or an out-of-State host track to participate in off-track simulcasting or
8 qualify as an out-of-State host track, respectively, unless the
9 parimutuel pools respecting the off-track wagering facility or the
10 account wagering system shall be combined with comparable
11 parimutuel pools at the out-of-State track. The types of wagering,
12 takeout, distribution of winnings, rules of racing, method of
13 calculating breakage, and the percentage of deposits remaining
14 undistributed from a parimutuel pool after payment is made to winning
15 ticket holders shall be determined in accordance with the law or policy
16 applicable to the out-of-State track.

17 b. With the prior approval of the commission and the concurrence
18 of the out-of-State track, an off-track wagering licensee or the account
19 wagering licensee, and receiving tracks or entities in other states other
20 than the state in which the out-of-State track is located may form an
21 interstate common pool. With respect to such interstate common
22 pools, the commission may approve types of wagering, takeout,
23 distribution of winnings, rules of racing, method of calculating
24 breakage, and a percentage of deposits remaining undistributed from
25 a parimutuel pool after payment is made to winning ticket holders
26 which are different from those which would otherwise be applied in
27 this State but which are consistent for all parties to the interstate
28 common pool.

29
30 25. (New Section) Sums wagered at an off-track wagering facility
31 on races being transmitted to that off-track wagering facility from an
32 out-of-State sending track and sums wagered through the account
33 wagering system on races conducted by an out-of-State host track
34 shall be subject to the takeout rate determined pursuant to section 24
35 of this act and the sums resulting from that takeout rate as applied to
36 the parimutuel pool generated at the off-track wagering facility or
37 through the account wagering system shall be distributed as follows,
38 except money resulting from breakage on amounts wagered at the
39 off-track wagering facility or through the account wagering system
40 and from outstanding parimutuel ticket moneys issued at the off-track
41 wagering facility shall be distributed as provided by subsection c. of
42 this section.

43 a. The amount, if any, as agreed by the off-track wagering licensee
44 or account wagering licensee and the out-of-State track pursuant to
45 section 23 of this act shall be paid to the out-of State track.

46 b. Of the amount remaining after the deduction of the amount

1 under subsection a. of this section from the amount of the takeout
2 rate, 40% shall be paid to the New Jersey Racing Industry Special
3 Fund and 60% shall be paid to the off-track wagering licensee or the
4 account wagering licensee, as appropriate.

5 c. All breakage moneys and outstanding parimutuel ticket moneys
6 resulting from wagering at the off-track wagering facility or through
7 the account wagering system on races conducted by the out-of-State
8 track shall be paid to the commission for racing costs in accordance
9 with section 26 of this act. If in any calendar year the total amount of
10 breakage moneys and outstanding parimutuel ticket moneys referred
11 to herein exceed amounts required to pay racing costs as provided in
12 section 26 of this act, such remaining funds shall be allocated as
13 follows: 50% to the off-track wagering licensee or account wagering
14 licensee, as appropriate and 50% to the New Jersey Racing Industry
15 Special Fund.

16

17 26. (New Section) a. The State Treasurer shall certify racing
18 costs on an annual basis. These racing costs shall be the basis for
19 payment and reimbursement to the commission from the following
20 sources, in the following order:

21 (1) license and permit fees received by the commission;

22 (2) breakage moneys and outstanding parimutuel ticket moneys as
23 provided in sections 21 and 25 of this act, and the outstanding
24 parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17
25 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of
26 P.L.1971, c.137 (C.5:10-7).

27 b. If, in any year, amounts received by the commission from the
28 sources specified in subsection a. of this section are not sufficient to
29 reimburse the commission for racing costs, there shall be an
30 assessment against permit holders or successors in interest to permit
31 holders, if applicable, to reimburse the commission for its costs for
32 which funds are not otherwise appropriated to the commission by law.
33 Such assessment shall be approved by the State Treasurer. The
34 commission shall establish, by regulation, an assessment formula which
35 apportions such costs to each permit holder or successor in interest,
36 if applicable.

37 c. Subject to the approval of the State Treasurer, the commission
38 may adjust the annual assessment when necessary to cover
39 expenditures not anticipated at the time of the assessment.

40 d. The funds derived from the sources specified in this section
41 shall be held in a non-lapsing dedicated account, for use in accordance
42 with the provisions of this section.

43

44 27. (New Section) The commission shall establish and administer
45 a separate fund to be known as the "New Jersey Racing Industry
46 Special Fund" into which shall be deposited the sums dedicated to the

1 fund by sections 19, 21 and 25 of this act. Money deposited in this
2 special fund shall be disbursed monthly by the commission and used as
3 follows:

4 a. 92% shall be distributed as follows:

5 (1) in the case of money deposited into the special fund from the
6 off-track wagering facility located on the former site of the Atlantic
7 City Race Course, or, if no off-track wagering facility exists on that
8 former site, the off-track wagering facility located closest to that
9 former site, 100% to permit holders conducting thoroughbred racing;

10 (2) except as provided in paragraph (1), 65% to permit holders
11 conducting thoroughbred racing and 35% to permit holders conducting
12 harness racing;

13 Of the allocations made pursuant to this subsection, specific
14 distributions shall be made to the overnight purse account for the
15 breed and horsemen's organization of each permit holder. Distribution
16 shall be based on the following formula: total overnight purse
17 distribution for each permit holder in the prior calendar year divided
18 by the total overnight purse distribution of all permit holders for the
19 respective breed in the prior calendar year.

20 b. 8% shall be distributed as follows:

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

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

28 Of the amounts distributed to thoroughbred funds pursuant to this
29 subsection, the following distributions shall apply: 94% to
30 Thoroughbred Breeders and Stallions; 3% to Backstretch
31 Benevolency; and 3% to Breeding and Development.

32 Of the amount distributed to harness funds pursuant to this
33 subsection, the following distributions shall apply: 75% to Sire Stakes;
34 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10%
35 to Health and Welfare; and 3.5% to Breeding and Development.

36
37 28. (New Section) All persons engaged in conducting wagering-
38 related activities at an off-track facility or through an account
39 wagering system, whether employed directly by the licensee or by a
40 person or entity conducting or operating the off-track wagering facility
41 or account wagering system to an agreement with the licensee, shall
42 be licensed or registered in accordance with such regulations as may
43 be promulgated by the commission hereunder. All other employees at
44 the off-track wagering facility or of account wagering system shall be
45 licensed or registered in accordance with regulations of the
46 commission. The commission shall have full power to prescribe rules,

1 regulations and conditions under which all such licenses are issued, or
2 registrations made, in this State and to revoke or refuse to issue a
3 license, or revoke or refuse to accept a registration, if in the opinion
4 of the commission the revocation or refusal is in the public interest,
5 provided, however, that such rules, regulations and conditions shall be
6 uniform in their application, and further provided that no fee shall be
7 in excess of \$50 for each license so granted or registration accepted.
8

9 29. (New Section) a. A person employed by a permit holder in
10 the admissions department or parimutuel clerk department of a
11 racetrack operated by a permit holder, or employed at the racetrack by
12 a food and beverage vendor contracting with the permit holder to
13 provide food and beverages at the racetrack, shall be given a one-time
14 right of first refusal offer of employment, as each off-track wagering
15 facility opens, for the then available positions of similar employment
16 in that off-track wagering facility, including any similar employment
17 with the off-track wagering licensee or with any vendor contracting
18 with the licensee to provide food and beverages at the off-track
19 wagering facility, or as each account wagering licensee implements
20 account wagering, for the then available positions of similar
21 employment with any account wagering licensee.

22 b. In the event that an off-track wagering facility is sited and
23 begins operations at the location or in the proximity of a former
24 racetrack, a person who, at the time of the closing of the former
25 racetrack, worked as an employee of the permit holder in the
26 admissions department or parimutuel clerk department of the former
27 racetrack operated by the permit holder, or who, at the time of the
28 closing of the former racetrack, worked at the racetrack as an
29 employee of a food and beverage vendor contracting with the permit
30 holder to provide food and beverages at the former racetrack, shall be
31 given a one-time right of first refusal offer of similar employment at
32 the off-track wagering facility. In the event that there are not a
33 sufficient number of employment opportunities for each of the former
34 employees who seek a position pursuant to the provisions of this
35 subsection, then each such former employee, for a period of four years
36 thereafter, shall have the right of first refusal set forth in the provisions
37 of subsection a. of this section. Employment opportunities that remain
38 after each former employee has been given an offer of similar
39 employment shall be made available to other persons in accordance
40 with the provisions of subsection a. of this section.

41 c. An employee of the permit holder or vendor contracting with
42 the permit holder who is given preference for employment pursuant to
43 subsections a. and b. of this section and accepts the employment shall
44 not suffer, at the time that the change in employment occurs, any
45 reduction in seniority, pay, or employer contribution to pension and
46 health benefits, and shall receive a substantially equivalent level of

1 benefits.

2 d. In the event that a racetrack closes but the permit holder
3 continues to hold a permit to conduct a horse race meeting at another
4 racetrack, that permit holder shall offer to each person who was
5 employed at the former racetrack at the time it closed but who is not
6 eligible for a right of first refusal offer under subsection b. of this
7 section, severance pay in the amount of two weeks of base pay for
8 each year of employment at the racetrack. For the purpose of this
9 subsection, one week of base pay shall equal actual annual
10 compensation in the last one-year period of employment divided by 52.

11

12 30. (New Section) a. The permit holder at Monmouth Park and
13 the thoroughbred permit holder at the Meadowlands together shall
14 schedule no fewer than 141 thoroughbred race dates in the aggregate
15 in each of calendar years 2001, 2002 and 2003 and no fewer than 120
16 thoroughbred race dates in the aggregate each calendar year thereafter;

17 b. the standardbred permit holder at the Meadowlands shall
18 schedule annually no fewer than 151 standardbred race dates; and

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

21

22 31. (New Section) A true copy of the minutes of every meeting
23 of the commission shall be forthwith delivered by and under the
24 certification of, the executive director thereof to the Governor. No
25 action taken at such meeting of the commission shall have force and
26 effect until the earlier of 10 days, exclusive of Saturdays, Sundays and
27 public holidays, after such copy of the minutes shall have been so
28 delivered, or the approval thereof by the Governor. If, in the 10-day
29 period, the Governor returns such copy of the minutes with veto of
30 any action taken by the commission or any member thereof at such
31 meeting, such action shall be null and void and of no effect. The
32 Governor may approve all or part of the action taken at such meeting,
33 prior to the expiration of the 10-day period. This section shall not
34 apply to enforcement actions for violations of regulations promulgated
35 by the commission.

36

37 32. (New Section) The provisions of this act shall be deemed to
38 be severable, and if any phrase, clause, sentence or provision of this
39 act is declared to be unconstitutional or the applicability thereof to any
40 person is held invalid, the remainder of this act shall not thereby be
41 deemed to be unconstitutional or invalid.

42

43 33. (New Section) The commission shall promulgate rules and
44 regulations pursuant to the "Administrative Procedure Act," P.L.1968,
45 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

46

1 34. (New Section) In addition to any other funds provided by law
2 for prevention, education and treatment programs for compulsive
3 gamblers, beginning on July 1, 2002, there shall be an annual
4 assessment against permit holders or successors in interest to permit
5 holders, if applicable, of a total sum of \$200,000 in the aggregate
6 which shall be paid into the General Fund for appropriation by the
7 Legislature to the Department of Health and Senior Services for
8 prevention and education and treatment programs for compulsive
9 gambling that meet the criteria developed pursuant to section 2 of
10 P.L.1993, c.229 (C.26:2-169), such as those provided by the Council
11 on Compulsive Gambling of New Jersey. Such funds shall be used to
12 address compulsive gambling issues related to off-track wagering
13 facilities and account wagering. The New Jersey Racing Commission
14 shall, by regulation, establish a formula which apportions the
15 assessment to each permit holder or successor in interest, if applicable.

16

17 35. (New section) In order to retain the competitive position of
18 the standardbred and thoroughbred racing programs at the authority
19 owned racetracks during the period in which the off-track wagering
20 and account wagering systems are developed, the authority, as it
21 deems appropriate, may supplement or enhance purses at its
22 racetracks; provided, however, that any such supplements shall be
23 decreased as the off-track wagering and account wagering systems are
24 developed.

25

26 36. (New section) On or before July 1, 2002, the commission
27 shall submit to the Governor and the Legislature a report indicating
28 the feasibility of establishing a permanent training facility or other
29 means to permit winter stabling for the New Jersey racing industry and
30 \$300,000 is appropriated from the General Fund to the commission for
31 that purpose.

32

33 37. (New section) There is appropriated from the General Fund
34 \$150,000 to the commission to be allocated to the group certified by
35 the commission as representing a majority of the active licensed
36 thoroughbred jockeys in New Jersey for the purpose of providing
37 health and welfare benefits to active, disabled and retired New Jersey
38 jockeys and their dependents based upon reasonable criteria by that
39 organization.

40

41 38. (New section) Notwithstanding any other law to the contrary,
42 in the event that in any calendar year there shall be a standardbred race
43 meeting but no running race meeting conducted at Garden State Park
44 and Garden State Park is authorized by the commission to receive
45 horse races run live at in-State sending tracks and conduct parimutuel
46 wagering thereon, then from January 1 through May 31 of that

1 calendar year, the amount reserved and set aside by the in-State
2 sending track as set forth in Section 8 of P.L.1985, c.269 (C.5:5-117)
3 shall not be forwarded to Garden State Park but instead shall be
4 forwarded to Monmouth Park to supplement overnight purses at its
5 next horse race meeting.

6

7 39. (New section) Notwithstanding any other law to the contrary,
8 in the event that in any calendar year there shall be a standardbred race
9 meeting but no running race meeting conducted at Garden State Park
10 and Garden State Park is authorized by the commission to receive
11 horse races run live at one or more out-of-State sending tracks and
12 conduct parimutuel wagering thereon pursuant to section 37 of
13 P.L.1992, c.19 (C.5:5-125), as amended by this act, P.L. , c.
14 (C.) (now pending before the Legislature as this bill), then, from
15 January 1 through May 31 of that calendar year:

16 a. the amount resulting from the takeout rate shall be distributed
17 as follows:

18 (1) .50% of the parimutuel pool generated at Garden State Park
19 shall be deposited in the special trust account pursuant to section
20 5b.(3) of P.L. 1982, c.201 (C.5:5-98) for use and distribution as
21 provided therein;

22 (2) .03% of the parimutuel pool generated at Garden State Park
23 shall be paid to the commission and set aside in the special trust
24 account for horse breeding and development for use as provided in
25 section 5 of P.L.1967, c.40 (C.5:5-88);

26 (3) on the basis of all races in each program, or if two or more
27 programs are being transmitted simultaneously, on the basis of all
28 races in all such programs running simultaneously, 3.735% of the first
29 \$100,000 of the total pool generated at Garden State Park; 5.235% of
30 the total such pool from \$100,001 to \$150,000; 5.735% of the total
31 such pool from \$150,001 to \$250,000; 6.235% of the total such pool
32 from \$250,001 to \$300,000; and, if the amount of the total such pool
33 exceeds \$300,000, 6.485% of the total amount of such pool shall be
34 paid to supplement overnight purses at the next race meeting at
35 Monmouth Park and for programs designed to aid horsemen and the
36 New Jersey Thoroughbred Horsemen's Benevolent Association, as
37 provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-98).

38 (4) .02% of the parimutuel pool generated at Garden State Park
39 shall be paid to the Thoroughbred Breeders' Association of New
40 Jersey;

41 (5) .01% of the parimutuel pool generated at Garden State Park
42 shall be paid to the Backstretch Benevolency Programs Fund created
43 pursuant to P.L.1993, c.15 (C.5:5-44.8); and

44 (6) the amount remaining after the deduction of the amounts under
45 paragraphs (1), (2), (3), (4) and (5) shall be paid to the permit holder
46 at Garden State Park.

1 b. of all the breakage moneys and outstanding parimutuel ticket
2 moneys resulting from the wagering at Garden State Park on out-of-
3 State simulcast races, 50% shall be paid to the permit holder at Garden
4 State Park and 50% shall be paid to supplement purses at the next race
5 meeting at Monmouth Park and for programs designed to aid
6 horsemen and the New Jersey Thoroughbred Horsemen's Benevolent
7 Association, as provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-
8 98).

9

10 40. Section 37 of P.L.1992, c.19 (C.5:5-125) is amended to read
11 as follows:

12 37. a. (1) Notwithstanding any other law to the contrary, the New
13 Jersey Racing Commission, upon application by a receiving track, as
14 defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in accordance
15 with applicable federal law, may permit the track to receive, in
16 addition to the horse races authorized by section 10 of P.L.1985,
17 c.269 (C.5:5-119), simulcast transmissions of the racing program, in
18 full or in part, from any out-of-State sending track, as defined in
19 section 2 of P.L.1985, c.269 (C.5:5-111), during any time period,
20 provided that the receiving track agrees to receive all simulcast horse
21 races which any in-State sending track wishes to transmit to it during
22 that same time period, and provided further that, except as provided
23 in subsection b. of this section, the parimutuel pools at the receiving
24 track shall be combined with comparable parimutuel pools at the
25 out-of-State sending track. No limit shall be placed on the number of
26 racing programs the track may receive from out-of-State sending
27 tracks except as otherwise provided herein.

28 (2) Whenever an out-of-State sending track participates in
29 simulcasting pursuant to paragraph (1) of this subsection and the
30 parimutuel pools are combined at the out-of-State sending track, the
31 types of wagering, takeout, distribution of winnings, rules of racing,
32 method of calculating breakage, and the percentage of deposits
33 remaining undistributed from a parimutuel pool after payment is made
34 to winning ticket holders shall be determined in accordance with the
35 law or policy applicable to the out-of-State sending track. However,
36 moneys resulting from breakage on amounts wagered at the receiving
37 track and from outstanding parimutuel tickets issued at the receiving
38 track in all instances shall be distributed as provided by section 38 of
39 this act.

40 b. With the prior approval of the New Jersey Racing Commission
41 and the concurrence of the out-of-State sending track, a receiving
42 track and receiving tracks or entities in other states other than the
43 state in which the sending track is located may form an interstate
44 common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111).
45 With respect to such interstate common pools, the Racing Commission
46 may approve types of wagering, takeout, distribution of winnings,

1 rules of racing, method of calculating breakage, and a percentage of
2 deposits remaining undistributed from a parimutuel pool after payment
3 is made to winning ticket holders which are different from those which
4 would otherwise be applied in this State but which are consistent for
5 all parties to the interstate common pool. However, moneys resulting
6 from breakage on amounts wagered at the receiving track and from
7 outstanding parimutuel tickets issued at the receiving track in all
8 instances shall be distributed as provided in section 38 of this act.

9 c. [A receiving track which is authorized by the New Jersey
10 Racing Commission to receive the racing program, in full or in part,
11 from an out-of-State sending track pursuant to subsection a. of this
12 section shall pay the out-of-State sending track an amount equal to not
13 more than 3% of each parimutuel pool generated at the receiving
14 track. If the receiving track negotiates an agreement to pay the
15 out-of-State sending track an amount equal to less than 3% of the
16 parimutuel pool generated at the receiving track, the receiving track
17 shall be entitled to retain the difference between the amount agreed
18 upon and 3%] Deleted by amendment, P.L. c. (C.)(now pending
19 before the Legislature as this bill).

20 (cf: P.L.1992, c.19, s.37)

21

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

24 6. a. The authority, pursuant to the provisions of P.L.1971, c.137
25 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone
26 or in conjunction with others, and provided that, in the case of an
27 arrangement with respect to any of the projects set forth in this section
28 which shall be in conjunction with others, the authority shall have
29 sufficient right and power to carry out the public purposes set forth in
30 P.L.1971, c.137 (C.5:10-1 et seq.):

31 (1) To establish, develop, construct, operate, acquire, own,
32 manage, promote, maintain, repair, reconstruct, restore, improve and
33 otherwise effectuate, either directly or indirectly through lessees,
34 licensees or agents, a project to be located in the Hackensack
35 meadowlands upon a site not to exceed 750 acres and upon a site or
36 sites outside of that acreage, but either immediately contiguous thereto
37 or immediately across any public road which borders that acreage,
38 consisting of one or more stadiums, coliseums, arenas, pavilions,
39 stands, field houses, playing fields, recreation centers, courts,
40 gymnasiums, clubhouses, a racetrack for the holding of horse race
41 meetings, and other buildings, structures, facilities, properties and
42 appurtenances related to, incidental to, necessary for, or
43 complementary to a complex suitable for the holding of athletic
44 contests or other sporting events, or trade shows, exhibitions,
45 spectacles, public meetings, entertainment events or other expositions,
46 including, but not limited to, driveways, roads, approaches, parking

1 areas, parks, recreation areas, lodging facilities, vending facilities,
2 restaurants, transportation structures, systems and facilities, and
3 equipment, furnishings, and all other structures and appurtenant
4 facilities, related to, incidental to, necessary for, or complementary to
5 the purposes of that project or any facility thereof.

6 (2) To establish, develop, construct, acquire, lease or own,
7 operate, manage, promote, maintain, repair, reconstruct, restore,
8 improve and otherwise effectuate, either directly or indirectly through
9 lessees, licensees or agents, a project, at a site within the State of New
10 Jersey, consisting of a baseball stadium and other buildings, structures,
11 facilities, properties and appurtenances related thereto, or incidental
12 to, necessary for, or complementary to a complex suitable for the
13 holding of professional baseball games and other athletic contests or
14 sporting events, or trade shows, exhibitions, spectacles, public
15 meetings, entertainment events or other expositions, such project to
16 include driveways, roads, approaches, parking areas, parks, recreation
17 areas, vending facilities, restaurants, transportation structures, systems
18 and facilities, and equipment, furnishings and all other structures and
19 appurtenant facilities related to, incidental to, necessary for, or
20 complementary to the purposes of that project or any facility thereof.

21 (3) To establish, develop, construct, acquire, lease or own,
22 operate, manage, promote, maintain, repair, reconstruct, restore,
23 improve and otherwise effectuate, either directly or indirectly through
24 lessees, licensees or agents, projects located within the State of New
25 Jersey, but outside of the meadowlands complex, consisting of
26 aquariums and the buildings, structures, facilities, properties and
27 appurtenances related thereto, or incidental to, necessary for, or
28 complementary to those aquariums, such project to include driveways,
29 roads, approaches, parking areas, parks, recreation areas, vending
30 facilities, restaurants, transportation structures, systems and facilities,
31 and equipment, furnishings and all other structures and appurtenant
32 facilities related to, incidental to, necessary for, or complementary to
33 the purposes of that project or any facility thereof. To provide for a
34 project authorized under this paragraph:

35 (a) (Deleted by amendment, P.L.1988, c.172.)

36 (b) The authority is authorized to enter into agreements with the
37 State Treasurer providing for the acquisition and construction of an
38 aquarium by the authority, including the land necessary for the
39 aquarium, and the costs thereof, ownership of the aquarium and its
40 land which shall be conveyed to the State upon completion, and the
41 operation by the authority of the aquarium pursuant to a lease or other
42 agreement with the State containing such terms and conditions as the
43 State Treasurer may establish prior to the acquisition and construction
44 by the authority of the aquarium and the disbursements of funds
45 therefor. The State Treasurer is authorized to enter into a lease or
46 other agreement to effectuate the provisions of this subparagraph.

1 (4) To establish, develop, construct, acquire, own, operate,
2 manage, promote, maintain, repair, reconstruct, restore, improve and
3 otherwise effectuate, either directly or indirectly through lessees,
4 licensees or agents, a project consisting of an exposition or
5 entertainment center or hotel or office complex, including any
6 buildings, structures, properties and appurtenances related thereto,
7 incidental thereto, necessary therefor, or complementary thereto, such
8 project to include driveways, roads, approaches, parking areas, parks,
9 recreation areas, vending facilities, restaurants, transportation
10 structures, systems, and equipment, furnishings and all other structures
11 and appurtenances related to, incidental to, necessary for, or
12 complementary to, the purposes of that project. A project authorized
13 under this paragraph may be located within, immediately contiguous
14 to, or immediately across any public road which borders the site of any
15 other project of the authority, except the site of a racetrack authorized
16 by paragraph (5) of this subsection and acquired by the authority prior
17 to 1986.

18 (5) To establish, develop, construct, acquire, own, operate,
19 manage, promote, maintain, repair, reconstruct, restore, improve and
20 otherwise effectuate, either directly or indirectly through lessees,
21 licensees or agents, projects consisting of (a) racetrack facilities
22 located within the State of New Jersey, but outside of the
23 meadowlands complex, (b) their contiguous properties, and (c) their
24 auxiliary facilities, including, without limitation, pavilions, stands, field
25 houses, clubhouses, training tracks for horses, racetracks for the
26 holding of horse race meetings, fairgrounds, other exposition facilities,
27 and other buildings, structures, facilities, properties and appurtenances
28 related to, incidental to, necessary for, or complementary to a complex
29 suitable for the holding of horse race meetings, other sporting events,
30 or trade shows, exhibitions, spectacles, public meetings, entertainment
31 events or other expositions, including, but not limited to, driveways,
32 roads, approaches, parking areas, parks, recreation areas, lodging
33 facilities, vending facilities, restaurants, transportation structures,
34 systems and facilities, equipment, furnishings, and all other structures
35 and appurtenant facilities related to, incidental to, necessary for, or
36 complementary to the purposes of any of those projects or any facility
37 thereof.

38 Notwithstanding any law to the contrary, the acquisition of any
39 existing racetrack facility in and licensed by the State of New Jersey
40 shall be permitted on the condition that payments equivalent to all
41 municipal, school board and county taxes due to each entity shall be
42 paid by the authority to the extent and in accordance with the same
43 payment schedule as taxes would have been paid each year, as though
44 the racetrack facility remained in private ownership. In the event the
45 authority conveys lands or other parts of the racetrack facility to
46 others, the authority shall receive a reduction of such payments

1 commensurate with the amount required to be paid by the subsequent
2 owner of the lands and improvements disposed of by the authority. In
3 addition, the authority shall be responsible for paying all existing local
4 franchise fees, license and parking tax fees in effect at the time of the
5 acquisition.

6 (6) To establish, develop, acquire, own, operate, manage, promote
7 and otherwise effectuate, in whole or in part, either directly or
8 indirectly through lessees, licensees or agents, projects consisting of
9 events, expositions, teams, team franchises or membership in
10 professional sports leagues.

11 (7) To establish, develop, construct, acquire, own, operate,
12 manage, promote, maintain, repair, reconstruct, restore, improve and
13 otherwise effectuate, either directly or indirectly through lessees,
14 licensees or agents, projects consisting of facilities, at a site or sites
15 within the State of New Jersey and either within or without the
16 meadowlands complex, that are related to, incidental to, necessary for,
17 or complementary to the accomplishment or purpose of any project of
18 the authority authorized by this section, including any buildings,
19 structures, properties and appurtenances related thereto, incidental
20 thereto, necessary therefor, or complementary thereto, such projects
21 to include driveways, roads, approaches, parking areas, parks,
22 recreation areas, off-track and account wagering systems and facilities
23 or any interest therein, vending facilities, restaurants, transportation
24 structures, systems, and equipment, furnishings and all other structures
25 and appurtenances related to, incidental to, necessary for, or
26 complementary to the purposes of those projects.

27 (8) To establish, develop, acquire, construct, reconstruct, improve
28 and otherwise effectuate for transfer to, and for use and operation by,
29 Rutgers, the State University, either directly or indirectly through
30 lessees, licensees or agents, facilities located or to be located on
31 property owned, leased, or otherwise used by Rutgers, the State
32 University, consisting of an upgraded and expanded football stadium
33 and a new track and field, soccer and lacrosse facility and the
34 buildings, structures, properties and appurtenances related thereto, or
35 incidental to, necessary for, or complementary to the football stadium
36 and track and field, soccer and lacrosse facility, such facilities to
37 include driveways, access roads, approaches, parking areas, parks,
38 recreation areas, vending facilities, restaurants, transportation
39 structures, systems and equipment, furnishings and all other structures
40 and appurtenances related or incidental to, necessary for, or
41 complementary to the purposes of those facilities; provided however
42 that construction shall not begin on the expansion of the seating
43 capacity of Rutgers Stadium until the Commissioner of Transportation
44 certifies that all funding necessary to complete the Route 18 project in
45 Piscataway Township has been appropriated and construction has
46 begun on the Route 18 project in Piscataway Township under the

1 Department of Transportation's capital program.

2 (9) To acquire by purchase, lease or otherwise, and to develop,
3 construct, operate, own, lease, manage, repair, reconstruct, restore,
4 improve, enlarge or otherwise effectuate, either directly or through
5 lessees, licensees or agents, a convention center project in the city of
6 Atlantic City, Atlantic County, consisting of the existing convention
7 hall and a new convention hall or center, and associated parking areas
8 and railroad terminal facilities and including the leasing of adjacent
9 land for hotel facilities. In connection therewith, the authority is
10 authorized to:

11 (a) Assume existing leasehold or other contractual obligations
12 pertaining to any such facilities or properties or to make provision for
13 the payment or retirement of any debts and obligations of the
14 governmental entity operating any such convention hall or center or of
15 any bonds or other obligations payable from and secured by a lien on
16 or pledge of the luxury tax revenues;

17 (b) Make loans or payments in aid of construction with respect to
18 infrastructure and site development for properties located in the area
19 between the sites of the existing convention hall and a new convention
20 center or located contiguous to or across any public road which
21 borders the area;

22 (c) Convert the existing convention hall or any facilities, structures
23 or properties thereof, or any part thereof, not disposed of by the
24 authority, to any sports, exposition, exhibition, or entertainment use
25 or to use as a forum for public events or meetings, or to any other use
26 which the authority shall determine to be consistent with its operation
27 of the Atlantic City convention center project.

28 (10) To provide a feasibility study for the use and development of
29 the existing convention center in the city of Asbury Park, county of
30 Monmouth and to provide a feasibility study for the construction, use
31 and development of a convention center or recreational facility in any
32 other municipality.

33 (11) To provide funding to public or private institutions of higher
34 education in the State to establish, develop, acquire, construct,
35 reconstruct or improve facilities located or to be located on property
36 owned, leased, or otherwise used by an institution, consisting of sports
37 facilities and the buildings, structures, properties and appurtenances
38 related thereto, or incidental to, necessary for, or complementary to
39 those sports facilities, such facilities to include driveways, access
40 roads, approaches, parking areas, parks, recreation areas, vending
41 facilities, restaurants, transportation structures, systems and
42 equipment, furnishings and all other structures and appurtenances
43 related or incidental to, necessary for, or complementary to the
44 purposes of those facilities.

45 (12) To acquire by purchase, lease, or otherwise, including all
46 right, title and interest of the Greater Wildwood Tourism Improvement

1 Development Authority in any property, and to develop, construct,
2 operate, own, lease, manage, repair, reconstruct, restore, improve,
3 enlarge or otherwise effectuate, either directly or through lessees,
4 licensees or agents, a convention center facility in the City of
5 Wildwood, Cape May County, consisting of and including any existing
6 and acquired buildings, structures, properties and appurtenances and
7 including restaurants, retail businesses, access roads, approaches,
8 parking areas, transportation structures and systems, recreation areas,
9 equipment, furnishings, vending facilities, and all other structures and
10 appurtenances incidental to, necessary for, or complementary to the
11 purpose of such Wildwood convention center facility. In connection
12 therewith, the authority is expressly authorized to:

13 (a) assume any existing mortgages, leaseholds or other contractual
14 obligations or encumbrances with respect to the site of the Wildwood
15 convention center facility and any other existing and acquired
16 buildings, structures, properties, and appurtenances;

17 (b) enter into agreements with a local public body or bodies
18 providing for any necessary financial support or other assistance for
19 the operation and maintenance of such Wildwood convention center
20 facility from taxes or other sources of the local public body or bodies
21 as shall be made available for such purposes;

22 (c) to the extent permitted by law and by the terms of the bonds
23 or notes issued to finance the Wildwood convention center facility,
24 transfer its ownership interest or other rights with respect to the
25 convention center facility to another State authority or agency;

26 (d) upon payment of all outstanding bonds and notes issued
27 therefore, transfer its ownership interest and other rights with respect
28 thereto to such other public body as shall be authorized to own and
29 operate such a facility; and

30 (e) convert any existing convention hall or any facilities, structures
31 or properties thereof, or any part thereof, not disposed of by the
32 authority, to any use which the authority shall determine to be
33 consistent with the operation of the Wildwood convention center
34 facility.

35 b. The authority, pursuant to the provisions of P.L.1971, c.137
36 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
37 projects, capital contributions to others for transportation and other
38 facilities, and accommodations for the public's use of any of those
39 projects, (2) to lease any part of any of those project sites not
40 occupied or to be occupied by the facilities of any of those projects,
41 for purposes determined by the authority to be consistent with or
42 related to the purposes of those projects, including, but not limited to,
43 hotels and other accommodations for transients and other facilities
44 related to or incidental to any of those projects, and (3) to sell or
45 dispose of any real or personal property, including, but not limited to,
46 such portion of the site of any of those projects not occupied or to be

1 occupied by the facilities of any of those projects, at not less than the
2 fair market value of the property, except in the case of sale or
3 disposition to the State, any political subdivision of the State or any
4 agency or instrumentality of the State or any political subdivision of
5 the State.

6 c. Revenues, moneys or other funds, if any, derived from the
7 operation or ownership of the meadowlands complex, including the
8 conduct of horse race meetings, shall be applied, in accordance with
9 the resolution or resolutions authorizing or relating to the issuance of
10 bonds or notes of the authority, to the following purposes and in the
11 following order:

12 (1) The costs of operation and maintenance of the meadowlands
13 complex and reserves therefor;

14 (2) Principal, sinking fund installments and redemption premiums
15 of and interest on any bonds or notes of the authority payable from
16 such revenues, moneys or other funds and issued for the purposes of
17 the meadowlands complex or for the purposes of refunding the same,
18 including reserves and payments with respect to credit agreements
19 therefor;

20 (3) The costs of any major or extraordinary repairs, renewals or
21 replacements with respect to the meadowlands complex or incidental
22 improvements thereto, not paid pursuant to paragraph (1) above,
23 including reserves therefor;

24 (4) Payments required to be made pursuant to section 18b.;

25 (5) Payments authorized to be made pursuant to section 18c.;

26 (6) Except to the extent payments with respect to bonds or notes
27 are provided with priority in accordance with paragraph (2) of this
28 subsection, payments required to be made in accordance with the
29 resolution authorizing or relating to the issuance of bonds or notes of
30 the authority, for the purposes of any project authorized by this act,
31 including payments and reserves with respect to any bonds or notes of
32 the authority with respect to the meadowlands complex which are not
33 provided with priority in accordance with paragraph (2) of this
34 subsection;

35 (7) Payments required to be made to repay any obligation incurred
36 by the authority to the State;

37 (8) The balance remaining after application in accordance with the
38 above shall be deposited in the General State Fund, provided that (a)
39 there shall be appropriated for authorized State purposes from the
40 amount so deposited that amount which shall be calculated by the
41 State Treasurer to be the debt service savings realized with respect to
42 the refinancing of the initial project as defined in section 1 of
43 P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the
44 issuance of bonds of the authority guaranteed by the State, and (b)
45 after such appropriation, 40% of any balance remaining from the
46 amounts so deposited shall be appropriated to the Meadowlands

1 Commission for any of its purposes authorized by P.L.1968, c.404,
2 and any amendments or supplements thereto.

3 d. Revenues, moneys or other funds, if any, derived from the
4 operation or ownership of any project other than the meadowlands
5 complex, the Atlantic City convention center project, or the Wildwood
6 convention center facility and other than a baseball stadium project or
7 an office complex project located on the site of a baseball stadium
8 shall be applied for such purposes, in such manner and subject to such
9 conditions as shall be provided in the resolution authorizing or relating
10 to the issuance of bonds or notes of the authority for the purposes of
11 such project, and the balance, if any, remaining after such application
12 may be applied, to the extent not contrary to or inconsistent with the
13 resolution, in the following order (1) to the purposes of the
14 meadowlands complex, unless otherwise agreed upon by the State
15 Treasurer and the authority, (2) to the purposes of any other project
16 of the authority; and, the balance remaining, if any, shall be deposited
17 in the General Fund.

18 e. Revenues, moneys or other funds, if any, derived from the
19 operation, ownership, or leasing of a baseball stadium project or an
20 office complex project located on the site of a baseball stadium shall
21 be applied for the purposes, in the manner and subject to the
22 conditions as shall be provided in the resolution authorizing or relating
23 to the issuance of bonds or notes of the authority for the purposes of
24 a baseball stadium project or an office complex project located on the
25 site of a baseball stadium, if any, and the balance, if any, remaining
26 after such application shall be applied, to the extent not contrary to or
27 inconsistent with the resolution, to the following purposes and in the
28 following order:

29 (1) The costs of operation and maintenance of a baseball stadium
30 project and an office complex project located on the site of a baseball
31 stadium and reserves therefor;

32 (2) Payments made to repay the bonded indebtedness incurred by
33 the authority for the purposes of a baseball stadium project or an
34 office complex project located on the site of a baseball stadium;

35 (3) Payments equivalent to an amount required to be made by the
36 State for payments in lieu of taxes pursuant to P.L.1977, c.272
37 (C.54:4-2.2a et seq.);

38 (4) The balance remaining after application in accordance with the
39 above shall be deposited in the General Fund.

40 f. Revenues, moneys or other funds, if any, derived from the
41 operation, ownership or leasing of the Atlantic City convention center
42 project shall be applied to the costs of operating and maintaining the
43 Atlantic City convention center project and to the other purposes set
44 forth in this subsection as shall be provided by resolution of the
45 authority.

46 Luxury tax revenues paid to the authority by the State Treasurer

1 pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be
2 deposited by the authority in a separate fund or account and applied
3 to the following purposes and in the following order:

4 (1) To pay the principal, sinking fund installments and redemption
5 premiums of and interest on any bonds or notes of the authority,
6 including bonds or notes of the authority issued for the purpose of
7 refunding bonds or notes, issued for purposes of (i) the initial
8 acquisition of the existing properties which will constitute part of the
9 Atlantic City convention center project, if the bonds or notes shall be
10 payable under the terms of the resolution of the authority relating
11 thereto from luxury tax revenues, or (ii) providing improvements,
12 additions or replacements to the Atlantic City convention center
13 project, if the bonds or notes shall be payable under the terms of the
14 resolution of the authority relating thereto from luxury tax revenues;
15 and to pay any amounts due from the authority under any credit
16 agreement entered into by the authority in connection with the bonds
17 or notes.

18 (2) To pay the costs of operation and maintenance of the Atlantic
19 City convention center project.

20 (3) To establish and maintain a working capital and maintenance
21 reserve fund for the Atlantic City convention center project in an
22 amount as shall be determined by the authority to be necessary.

23 (4) To repay to the State those amounts paid by the State with
24 respect to bonds or notes of the authority issued for the purposes of
25 the Atlantic City convention center project.

26 (5) The balance of any luxury tax revenues not required for any of
27 the foregoing purposes and remaining at the end of any calendar year
28 shall be paid to the State Treasurer for application to purposes in the
29 city of Atlantic City pursuant to section 5 of P.L.1981, c.461
30 (C.40:48-8.30a).

31 The authority may pledge the luxury tax revenues paid to it as
32 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security
33 for the payment of the principal of and interest or premium on its
34 bonds or notes issued for the purposes set forth above in paragraph (1)
35 of this subsection f. in the same manner, to the same extent and with
36 the same effect as the pledge of any of its other revenues, receipts and
37 funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

38 g. Revenues, moneys or other funds, if any, derived from the
39 ownership or operation of the Wildwood convention center facility
40 shall be applied to the costs of operating and maintaining the
41 Wildwood convention center facility and to the other purposes set
42 forth in this subsection as shall be provided by resolution of the
43 authority.

44 The tourism related tax revenues paid to the authority pursuant to
45 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be
46 deposited by the authority in a separate fund or account and applied

1 to any or all of the following purposes pursuant to an allocation of
2 funds approved by the State Treasurer in writing and in advance of any
3 application of such funds:

4 (1) to pay amounts due with respect to any obligations transferred
5 to the authority pursuant to section 17 of P.L.1997, c.273
6 (C.40:54D-25.1) pertaining to the Wildwood convention center
7 facility:

8 (2) to repay to the State those amounts paid with respect to bonds
9 or notes of the authority issued for the purposes of the Wildwood
10 convention center facility;

11 (3) to pay the cost of operation and maintenance reserve for the
12 Wildwood convention center facility;

13 (4) to establish and maintain a working capital and maintenance of
14 the Wildwood convention center facility.

15 The balance, if any, of any tourism related tax revenues not
16 allocated to any of the purposes set forth in the previous paragraphs
17 and remaining at the end of the calendar year shall be paid to the State
18 Treasurer for deposit in the General Fund.

19 (cf: P.L.1997, c.273, s.20)

20

21 42. Section 18 of P.L.1971, c.137 (C.5:10-18) is amended to read
22 as follows:

23 18. a. All projects and other property of the authority, except an
24 off-track wagering facility or account wagering system facility
25 established pursuant to P.L. , c. (now pending before the
26 Legislature as this bill), is hereby declared to be public property
27 devoted to an essential public and governmental function and purpose
28 and shall be exempt from all taxes and special assessments of the State
29 or any political subdivision thereof; provided, however, that when any
30 part of the project site not occupied or to be occupied by facilities of
31 the project is leased by the authority to another whose property is not
32 exempt and the leasing of which does not make the real estate taxable,
33 the estate created by the lease and the appurtenances thereto shall be
34 listed as the property of the lessee thereof, or his assignee, and be
35 assessed and taxed as real estate. All bonds or notes issued pursuant
36 to the act are hereby declared to be issued by a body corporate and
37 public of the State and for an essential public and governmental
38 purpose and such bonds and notes, and the interest thereon and the
39 income therefrom, and all funds, revenues, income and other moneys
40 received or to be received by the authority and pledged or available to
41 pay or secure the payment of such bonds or notes, or interest thereon,
42 shall at all times be exempt from taxation except for transfer,
43 inheritance and estate taxes.

44 b. To the end that there does not occur an undue loss of future tax
45 revenues by reason of the acquisition of real property by the authority
46 for the meadowlands complex the authority annually shall make

1 payments in-lieu-of-taxes to the municipality in which such property
2 is located in an amount computed in each year with respect to each
3 such municipality by multiplying the total amount to be raised by real
4 property taxation in each such year by a fraction, the numerator of
5 which is the amount of real property taxes assessed against the
6 property acquired by the authority in the tax year in which this act
7 becomes effective and the denominator of which is the total amount to
8 be raised by real property taxation in such municipality in the tax year
9 in which this act becomes effective. Such payments shall be made in
10 each year commencing with the first year subsequent to the year in
11 which such real property shall have been converted from a taxable to
12 an exempt status by reason of acquisition thereof by the authority.

13 c. The authority is further authorized and empowered to enter into
14 any agreement or agreements with the Meadowlands Commission or
15 with any county or municipality located in whole or part within the
16 Hackensack meadowlands whereby the authority will undertake to pay
17 any additional amounts to compensate for any loss of tax revenues by
18 reason of the acquisition of any real property by the authority for the
19 meadowlands complex or to pay amounts to be used by such
20 commission, county or municipality in furtherance of the development
21 of the Hackensack meadowlands, including the meadowlands complex.
22 The commission and every such county and municipality is authorized
23 and empowered to enter into such agreements with the authority and
24 to accept payments which the authority makes thereunder.

25 d. All payments to municipalities pursuant to subsections b. and
26 c. shall be treated as payments in-lieu-of-property taxes for all
27 purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).
28 (cf: P.L.1971, c.137, s.18)

29

30 43. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
31 read as follows:

32 104. a. (1) Unless otherwise provided in this subsection, no
33 agreement which provides for the payment, however defined, of any
34 direct or indirect interest, percentage or share of any money or
35 property gambled at a casino or simulcasting facility or derived from
36 casino gaming activity or wagering at a simulcasting facility of any
37 such interest, percentage, or share of any revenues, profits or earnings
38 of a casino or simulcasting facility shall be lawful.

39 (2) Agreements which provide only for the payment of a fixed sum
40 which is in no way affected by the amount of any such money,
41 property, revenues, profits or earnings shall not be subject to the
42 provisions of this subsection; and receipts, rentals or charges for real
43 property, personal property or services shall not lose their character
44 as payments of a fixed sum because of contract, lease, or license
45 provisions for adjustments in charges, rentals or fees on account of
46 changes in taxes or assessments, cost-of-living index escalations,

1 expansion or improvement of facilities, or changes in services supplied.

2 (3) Agreements between a casino licensee and its employees which
3 provide for casino employee or casino key employee profit sharing and
4 which are in writing and have been filed with the commission shall be
5 lawful and effective only if expressly approved as to their terms by the
6 commission.

7 (4) Agreements to lease an approved casino hotel or the land
8 thereunder and agreements for the complete management of all casino
9 gaming operations in a casino hotel shall not be subject to the
10 provisions of this subsection but shall rather be subject to the
11 provisions of subsections b. and c. of section 82 of this act.

12 (5) Agreements which provide for percentage charges between the
13 casino licensee and a holding company or intermediary company of the
14 casino licensee shall be in writing and filed with the commission but
15 shall not be subject to the provisions of this subsection.

16 (6) Agreements relating to simulcast racing and wagering between
17 a casino licensee and an in-State or out-of-State sending track licensed
18 or exempt from licensure in accordance with subsection c. of section
19 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
20 commission, and be lawful and effective only if expressly approved as
21 to their terms by the commission and the New Jersey Racing
22 Commission, except that any such agreements which provide for a
23 percentage of the parimutuel pool wagered at a simulcasting facility to
24 be paid to the sending track shall not be subject to the provisions of
25 paragraph (1) of this subsection.

26 (7) Agreements relating to simulcast racing and wagering between
27 a casino licensee and a casino service industry licensed pursuant to the
28 provisions of subsection a. of section 92 of P.L.1977, c.110
29 (C.5:12-92) as a hub facility, as defined in joint regulations of the
30 Casino Control Commission and the New Jersey Racing Commission,
31 shall be in writing, be filed with the commission, and be lawful and
32 effective only if expressly approved as to their terms by the
33 commission and the New Jersey Racing Commission, except that any
34 such agreements which provide for a percentage of the casino
35 licensee's share of the parimutuel pool wagered at a simulcasting
36 facility to be paid to the hub facility shall not be subject to the
37 provisions of paragraph (1) of this subsection. As used in this
38 paragraph, "hub facility" means a facility which acts as an intermediary
39 between a casino simulcasting facility and a sending track with respect
40 to the transmission of parimutuel wagering data and which is
41 responsible for generating all reports necessary for the reconciliation
42 of payments between casino licensees, sending tracks and the New
43 Jersey Racing Commission. The hub facility also may, but is not
44 required to, perform other functions including the transmission of
45 pictures of simulcast horse races and parimutuel non-wagering data.
46 Nothing herein shall preclude a hub facility from utilizing a transaction

1 processor located outside of this State, subject to the regulation of the
2 New Jersey Casino Control Commission and the New Jersey Racing
3 Commission.

4 (8) Agreements relating to simulcast racing and wagering between
5 a casino licensee and a casino service industry licensed pursuant to the
6 provisions of subsection a. of section 92 of P.L.1977, c.110
7 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
8 shall be in writing, be filed with the commission, and be lawful and
9 effective only if expressly approved as to their terms by the
10 commission, except that any such agreements which provide for a
11 percentage of the casino licensee's share of the parimutuel pool
12 wagered at a simulcasting facility to be paid to the casino service
13 industry shall not be subject to the provisions of paragraph (1) of this
14 subsection.

15 b. Each casino applicant or licensee shall maintain, in accordance
16 with the rules of the commission, a record of each written or unwritten
17 agreement regarding the realty, construction, maintenance, or business
18 of a proposed or existing casino hotel or related facility. The
19 foregoing obligation shall apply regardless of whether the casino
20 applicant or licensee is a party to the agreement. Any such agreement
21 may be reviewed by the commission on the basis of the reasonableness
22 of its terms, including the terms of compensation, and of the
23 qualifications of the owners, officers, employees, and directors of any
24 enterprise involved in the agreement, which qualifications shall be
25 reviewed according to the standards enumerated in section 86 of this
26 act. If the commission disapproves such an agreement or the owners,
27 officers, employees, or directors of any enterprise involved therein, the
28 commission may require its termination.

29 Every agreement required to be maintained, and every related
30 agreement the performance of which is dependent upon the
31 performance of any such agreement, shall be deemed to include a
32 provision to the effect that, if the commission shall require termination
33 of an agreement pursuant to this subsection, such termination shall
34 occur without liability on the part of the casino applicant or licensee
35 or any qualified party to the agreement or any related agreement.
36 Failure expressly to include such a provision in the agreement shall not
37 constitute a defense in any action brought to terminate the agreement.
38 If the agreement is not maintained or presented to the commission in
39 accordance with commission regulations, or the disapproved
40 agreement is not terminated, the commission may pursue any remedy
41 or combination of remedies provided in this act.

42 For the purposes of this subsection, "casino applicant" includes any
43 person required to hold a casino license pursuant to section 82 of
44 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
45 a casino license or any approval required under P.L.1977, c.110
46 (C.5:12-1 et seq.).

- 1 c. Nothing in this act shall be deemed to permit the transfer of any

1 license, or any interest in any license, or any certificate of compliance
2 or any commitment or reservation.

3 (cf: P.L.1996, c.84, s.7)

4

5 44. Section 5 of P.L.1992, c.19 (C.5:12-195) is amended to read
6 as follows:

7 5. A permit holder which wishes to conduct casino simulcasting
8 shall request the approval of the New Jersey Racing Commission in its
9 annual application for horse race meeting dates filed with that
10 commission pursuant to section 23 of P.L.1940, c.17 (C.5:5-43), or,
11 if applying between the submittal of annual applications, through such
12 supplemental application as that commission shall deem appropriate.

13 [The New Jersey Racing Commission shall not approve the request of
14 any permit holder to conduct casino simulcasting unless the permit
15 holder will conduct a number of live racing programs during the period
16 for which the permit is issued which is equal to the following:

17 a. in the case of harness races, each permit holder shall conduct at
18 least 75% of the average number of live racing programs conducted by
19 that permit holder during calendar years 1990 and 1991; and

20 b. in the case of running races, Monmouth Racetrack shall conduct
21 at least the same number of live racing programs conducted in 1991,
22 Garden State Racetrack shall conduct at least 60% of the live racing
23 programs conducted by that permit holder in calendar year 1990, and
24 each of the other permit holders conducting running races shall
25 conduct at least 75% of the live racing programs conducted by that
26 permit holder in calendar year 1990.

27 For the purpose of satisfying the requirements of this section for
28 the conduct of live racing programs, any live racing program or part
29 thereof which is cancelled because of weather or another act of God
30 shall be deemed to have been conducted, subject to the approval of the
31 New Jersey Racing Commission.]

32 (cf: P.L.1992, c.19, s.5)

33

34 45. Section 2 of P.L.1993, c.229 (C.26:2-169) is amended to read
35 as follows:

36 2. The Department of Health and Senior Services shall develop
37 criteria which [a] prevention, education and treatment [program]
38 programs for compulsive gamblers shall meet in order to become
39 eligible for a grant from the funds made available for such [treatment]
40 programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).
41 The department shall also develop a formula for the distribution of
42 available funds which will result in an equitable distribution among the
43 programs which meet the eligibility criteria and apply for grants.

44 The department shall submit a report to the Senate Budget and
45 Appropriations Committee and the Assembly Appropriations
46 Committee, or their successors, describing the criteria developed

1 pursuant to this section and detailing the amount of grants distributed
2 and the names of the programs receiving grants. The department shall
3 submit the report annually to both committees.

4 (cf: P.L.1993, c.229, s.2)

5
6 46. R.S.33:1-42 is amended to read as follows:

7 33:1-42. No sales of alcoholic beverages shall be made in any
8 public buildings belonging to or under the control of the state or any
9 political subdivision thereof except as to the national guard as
10 hereinbefore provided, or in any off-track wagering facility, whether
11 publicly owned or controlled or otherwise, and except as permitted by
12 the [commissioner] Director of the Division of Alcoholic Beverage
13 Control in specified cases and subject to rules and regulations.

14 (cf: R.S.33:1-42)

15
16 47. This act shall take effect immediately, and sections 37 and 38
17 shall expire upon the closure of Garden State Park.

18
19
20 STATEMENT

21
22 This bill authorizes the establishment of an off-track wagering
23 system in this State consisting of one or more off-track wagering
24 facilities at which parimutuel wagering will be conducted on simulcast
25 horse races. A maximum of 15 licensed off-track wagering facilities
26 would be permitted (not more than eight during the first two years
27 after the legislation's effective date). In addition, the bill authorizes
28 the establishment of an account wagering system through which
29 persons may wager on horse races by phone or other electronic means.

30 The bill also makes changes to the simulcasting and casino
31 simulcasting laws. Regarding simulcasting, the bill eliminates the cap
32 on the percentage of the parimutuel pool that an in-State racetrack
33 may pay to an out-of-State racetrack as compensation for the
34 simulcasting of an out-of-State race. The bill also provides and
35 alternative formula for the distribution of in-State and out-of-State
36 simulcasting money wagered at Garden State Park. Regarding casino
37 simulcasting, the bill eliminates minimum live race date requirements
38 that currently prevent some New Jersey racetracks from participating
39 in casino simulcasting. The bill also permits a casino to use a hub
40 facility that utilizes an out-of-State transaction processor.

41 Finally, the bill makes two appropriations. The bill appropriates
42 \$150,000 through the New Jersey Racing Commission to the group
43 certified by the commission as representing a majority of the active
44 licensed thoroughbred jockeys in New Jersey for the purpose of
45 providing health and welfare benefits to active, disabled and retired
46 New Jersey jockeys and their dependents based upon reasonable

1 criteria by that organization. The bill also appropriates \$100,000 to
2 the New Jersey Racing Commission to fund a study to examine
3 potential solutions to the winter stabling and training crisis,
4 precipitated by the scheduled closure of Garden State Park and its
5 stabling and training facilities, currently experienced by thoroughbred
6 horsemen who wish to keep their horses in this State through the
7 winter months.

8

9 **Off-track Wagering**

10 The New Jersey Racing Commission is authorized to issue licenses
11 to the New Jersey Sports and Exposition Authority (NJSEA) to permit
12 off-track wagering at specified off-track wagering facilities. As part
13 of the licensing process, the NJSEA must hold a permit each year to
14 conduct at least 151 standardbred race dates at the Meadowlands and
15 conduct in the aggregate at the Meadowlands and Monmouth Park at
16 least 141 thoroughbred race dates in calendar years 2001, 2002 and
17 2003 and at least 120 thoroughbred race dates in each calendar year
18 thereafter.

19 In addition, the NJSEA must demonstrate that it has entered into
20 a contract, called a "participation agreement", with all other entities
21 that: held a permit to conduct a race horse meeting in this State in
22 calendar year 2000, have complied with the terms of the permit and
23 are in good standing with the commission and the State. It is
24 envisioned that through the participation agreement, the permit holders
25 will come to a consensus on a variety of issues, including various
26 aspects of the off-track wagering facility itself and how certain profits
27 generated from the facility will be divided among the permit holders.
28 Through the participation agreement, it is anticipated that the permit
29 holders will work together to establish a State-wide, collective-style
30 off-track wagering system.

31 The bill grants the commission oversight of the entire licensing
32 process, including many aspects of the off-track wagering facility
33 itself, such as site plans and the location of the facility and the
34 amenities to be offered at the facility. The bill requires the NJSEA to
35 obtain all applicable municipal zoning and planning approvals required
36 for the off-track wagering facility. The bill provides that if the
37 NJSEA wants to offer alcoholic beverages for on-premise
38 consumption at an off-track wagering facility, it must acquire a class
39 C license in the traditional manner.

40 The commission will be required to hold a public hearing in the
41 municipality where an off-track wagering facility is proposed to be
42 located with certain notices of the meeting to be published 15 days
43 prior. The Attorney General is given the power to approve or
44 disapprove the commission's decision to grant an off-track wagering
45 license.

46 The bill provides methods for determining how money wagered at

1 an off-track wagering facility will be allocated.

2 **Account Wagering**

3 The New Jersey Racing Commission is authorized to issue a license
4 to the NJSEA to establish an account wagering system. As part of the
5 licensing process, the NJSEA must hold a permit each year to conduct
6 at least 151 standardbred race dates at the Meadowlands and conduct
7 in the aggregate at the Meadowlands and Monmouth Park at least 141
8 thoroughbred race dates in calendar years 2001, 2002 and 2003 and at
9 least 120 thoroughbred race dates in each calendar year thereafter.

10 In addition, as with the off track wagering licensing process, the
11 NJSEA must demonstrate that it has entered into a contract, called a
12 "participation agreement", with all other entities that: held a permit to
13 conduct a race horse meeting in this State consisting of at least 40
14 days in the aggregate, have complied with the terms of the permit and
15 are in good standing with the commission and the State. The
16 participation agreement for the account wagering system would serve
17 a similar function as the participation agreement for the off-track
18 wagering system.

19 As with the off-track wagering system, the bill grants the
20 commission oversight of the entire licensing process of the account
21 wagering system.

22 The bill contains provisions which relate to the opening and
23 maintenance of a wagering account within the system, how credits and
24 debits will be made to a wagering account, and how the NJSEA may
25 accept account wagers.

26 Again, the bill provides methods for determining how money
27 wagered through the account wagering system will be allocated.

28

29 **Other Provisions Concerning Off-Track Wagering and Account**
30 **Wagering**

31 The bill also:

32 provides for the determination of the amount of funds needed by
33 the New Jersey Racing Commission for its activities and identifies
34 sources to provide those funds, including an annual assessment upon
35 racing permit holders, if necessary;

36 establishes the New Jersey Racing Industry Special Fund and
37 provides that a portion of money wagered at off-track wagering
38 facilities or through the account wagering system will be allocated to
39 the fund, to be distributed for purse money and various programs;

40 provides that of the money in the New Jersey Horse Racing
41 Industry Special Fund, 65% will be disbursed to permit holders
42 conducting thoroughbred racing and to thoroughbred funds and 35%
43 will be disbursed to permit holders conducting standardbred racing and
44 to standardbred funds, except that of the money deposited into the
45 New Jersey Horse Racing Industry Special Fund from the off-track
46 wagering facility located on or closest to the former site of the

1 Atlantic City Race Course, 100% will be disbursed to permit holders
2 conducting thoroughbred racing and to thoroughbred funds;
3 requires minutes of all commission meetings to be submitted to the
4 Governor for approval;
5 addresses the licensing and registration of all employees involved
6 with off-track wagering and account wagering;
7 gives racetrack employees working in the admissions department
8 or parimutuel clerk department, and employees of a racetrack's food
9 and beverage vendor, a "one-time right of first refusal offer of
10 employment" for similar positions at each off-track wagering facility
11 as it opens, and with the account wagering licensee as it implements
12 account wagering;
13 provides that if a racetrack closes, employees of the racetrack's
14 admissions department or parimutuel clerk department, and employees
15 of the racetrack's food and beverage vendor, employed when the
16 racetrack closed, will be given a "one-time right of first refusal offer
17 of employment" for similar positions at an off-track wagering facility
18 as each facility opens;
19 provides that in the event that a racetrack closes but the permit
20 holder continues to hold a permit to conduct a horse race meeting at
21 another racetrack, that permit holder shall offer to each person who
22 was employed at the former racetrack at the time it closed but who is
23 not eligible for a right of first refusal offer under this bill, severance
24 pay in the amount of two weeks of base pay for each year of
25 employment at the racetrack;
26 provides that racetrack employees who receive preference for
27 employment at an off-track wagering facility or with an account
28 wagering licensee will not suffer any reduction in seniority, pay or
29 employer contribution to pension and health benefits and will receive
30 a "substantially equivalent level of benefits";
31 provides that the Department of Health and Senior Services will
32 develop criteria for prevention and education programs for compulsive
33 gamblers in order for these programs to receive certain grant money
34 (existing law refers only to treatment programs); and
35 provides for an annual assessment, beginning on July 1, 2001,
36 against permit holders in the amount of \$200,000 to be appropriated
37 to the Department of Health and Senior Services and used to fund
38 prevention and education and treatment programs for compulsive
39 gambling.

SENATE ECONOMIC GROWTH, AGRICULTURE AND
TOURISM COMMITTEE

STATEMENT TO

SENATE, No. 2228

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably Senate Bill No. 2228 with amendments.

As amended by the committee, this bill authorizes the establishment of an off-track wagering system in this State consisting of one or more off-track wagering facilities at which parimutuel wagering will be conducted on simulcast horse races. A maximum of 15 licensed off-track wagering facilities would be permitted (not more than eight during the first two years after the legislation's effective date). In addition, the bill authorizes the establishment of an account wagering system through which persons may wager on horse races by phone or other electronic means. The bill also makes changes to the simulcasting laws. Regarding simulcasting, the bill eliminates the cap on the percentage of the parimutuel pool that an in-State racetrack may pay to an out-of-State racetrack as compensation for the simulcasting of an out-of-State race.

Finally, the bill appropriates \$95,000 to the New Jersey Racing Commission to fund a study to examine potential solutions to the winter stabling and training crisis, precipitated by the scheduled closure of Garden State Park and its stabling and training facilities, currently experienced by thoroughbred horsemen who wish to keep their horses in this State through the winter months.

Off-track Wagering

The New Jersey Racing Commission is authorized to issue licenses to the New Jersey Sports and Exposition Authority (NJSEA) to permit off-track wagering at specified off-track wagering facilities. As part of the licensing process, the NJSEA must hold a permit each year to conduct at least 151 standardbred race dates at the Meadowlands and conduct in the aggregate at the Meadowlands and Monmouth Park at least 141 thoroughbred race dates in calendar years 2002, 2003 and 2004. For each calendar year thereafter, the NJSEA will still be required to schedule no fewer than 141 thoroughbred race dates, unless it can demonstrate to the satisfaction of the New Jersey Racing

Commission that to schedule fewer dates (to a minimum of 120) would be in the best interest of racing and the State.

In addition, the NJSEA must demonstrate that it has entered into a contract, called a "participation agreement", with all other entities that: held a permit to conduct a horse race meeting in this State in calendar year 2000, have complied with the terms of the permit, and are in good standing with the commission and the State. It is envisioned that through the participation agreement, the permit holders will come to a consensus on a variety of issues, including various aspects of the off-track wagering facility itself and how certain profits generated from the facility will be divided among the permit holders. Through the participation agreement, it is anticipated that the permit holders will work together to establish a State-wide, collective-style off-track wagering system.

The bill grants the commission oversight of the entire licensing process, including many aspects of the off-track wagering facility itself, such as site plans and the location of the facility and the amenities to be offered at the facility. The bill provides that a municipality will have veto power over the NJSEA's decision to site an off-track wagering facility in that municipality. Even if the municipality does not veto the facility, the NJSEA may not site the facility in an area zoned residential, must submit its plans to the municipal planning board and must make reasonable efforts to address the reasonable concerns of the planning board.

The bill provides that alcoholic beverages may be offered for on-premise consumption at an off-track wagering facility only by a Class C plenary retail consumption licensee by agreement or contract with the authority pursuant to current law and the regulation of the Division of Alcoholic Beverage Control.

The commission will be required to hold a public hearing in the municipality where an off-track wagering facility is proposed to be located with certain notices of the meeting to be published 15 days prior. The Attorney General is given the power to approve or disapprove the commission's decision to grant an off-track wagering license.

The bill provides methods for determining how money wagered at an off-track wagering facility will be allocated.

Account Wagering

The New Jersey Racing Commission is authorized to issue a license to the NJSEA to establish an account wagering system. As with the off-track wagering licensing process, the NJSEA must hold a permit each year to conduct a certain number of race dates.

In addition, as with the off-track wagering licensing process, the NJSEA must demonstrate that it has entered into a contract, called a "participation agreement", with all other entities that: held a permit to conduct a horse race meeting in this State in calendar year 2000 consisting of at least 40 days in the aggregate, have complied with the

terms of the permit, and are in good standing with the commission and the State. The participation agreement for the account wagering system would serve a similar function as the participation agreement for the off-track wagering system.

As with the off-track wagering system, the bill grants the commission oversight of the entire licensing process of the account wagering system.

The bill contains provisions which relate to the opening and maintenance of a wagering account within the system, how credits and debits will be made to a wagering account, and how the NJSEA may accept account wagers.

Again, the bill provides methods for determining how money wagered through the account wagering system will be allocated.

Other Provisions Concerning Off-Track Wagering and Account Wagering

The bill also:

- C provides for the determination of the amount of funds needed by the New Jersey Racing Commission for its activities and identifies sources to provide those funds, including an annual assessment upon racing permit holders, if necessary.
- C establishes the New Jersey Racing Industry Special Fund and provides that a portion of money wagered at off-track wagering facilities or through the account wagering system will be allocated to the fund, to be distributed for purse money and various programs.
- C provides that of the money in the New Jersey Racing Industry Special Fund, 65% will be disbursed to permit holders conducting thoroughbred racing for purses and thoroughbred programs and 35% will be disbursed to permit holders conducting standardbred racing for purses and standardbred programs, except that of the money deposited into the New Jersey Racing Industry Special Fund from the off-track wagering facility located on or closest to the former site of the Atlantic City Race Course, 100% will be disbursed to permit holders conducting thoroughbred racing.
- C requires minutes of all commission meetings to be submitted to the Governor for approval.
- C addresses the licensing and registration of all employees involved with off-track wagering and account wagering.
- C gives racetrack employees working in the admissions department or parimutuel clerk department, and employees of a racetrack's food and beverage vendor, a "one-time right of first refusal offer of employment" for similar positions at each off-track wagering facility as it opens, and with the account wagering licensee as it implements account wagering.
- C provides that if a racetrack closes, employees of the racetrack's admissions department or parimutuel clerk department, and employees of the racetrack's food and beverage vendor, employed

when the racetrack closed, will be given a "one-time right of first refusal offer of employment" for similar positions at an off-track wagering facility as each facility opens.

- C provides that racetrack employees who receive preference for employment at an off-track wagering facility or with an account wagering licensee will not suffer any reduction in seniority, pay or employer contribution to pension and health benefits and will receive a "substantially equivalent level of benefits".
- C provides that the Department of Health and Senior Services will develop criteria for prevention and education programs for compulsive gamblers in order for these programs to receive certain grant money (existing law refers only to treatment programs).
- C provides for an annual assessment, beginning on July 1, 2003, against permit holders in the amount of \$200,000 to be appropriated to the Department of Health and Senior Services and used to fund prevention, education and treatment programs for compulsive gambling.
- C provides \$150,000 annually for Jockeys' Health and Welfare and \$150,000 annually for Standardbred Drivers' Health and Welfare, to be funded from a portion of breakage and outstanding parimutuel tickets from off-track wagering and account wagering proceeds.

Committee Amendments

The committee amended the bill to:

- C change the Legislative findings and declarations section to reflect other amendments to the bill (section 2).
- C add definitions for consistency with other amendments to the bill (section 3).
- C establish that only a private holder of a Class C plenary retail consumption license may provide alcoholic beverages at an off-track wagering facility. Previously, the bill required the NJSEA to acquire such a license (section 5).
- C provide that a municipality will have veto power over the NJSEA's decision to site an off-track wagering facility in that municipality. The authority would be afforded an opportunity to present its plans to the governing body of the municipality. If the governing body does not veto the facility, the authority would be permitted to move forward in the licensing process, provided that: (1) the proposed off-track wagering facility site is not in an area zoned residential; (2) the authority has submitted its plans to the municipal planning board; and (3) the authority has made reasonable efforts to address the reasonable concerns expressed by the municipal planning board (section 5).
- C make explicit the Racing Commission's power to audit the NJSEA's off-track wagering and account wagering records (sections 8 and 15).
- C explicitly state that the account wagering system established by the

bill is the only system through which a person in this State may legally engage in account wagering, and explicitly state that only the account wagering licensee (the NJSEA) licensed under this bill is legally permitted to accept wagers from a person located within this State (section 16).

- C make a technical change to correct a subsection reference (section 21).
- C change the funding for Jockey's Health and Welfare from a one-time \$150,000 General Fund appropriation to \$150,000 annually from a portion of wagering proceeds, and provide for \$150,000 annually for Standardbred Drivers' Health and Welfare, also from a portion of wagering proceeds (section 25, delete section 37).
- C provide that a portion of each breeds' (thoroughbred and standardbred) purse money may be used for programs that benefit horsemen and the organizations that represent the majority of horsemen (section 27).
- C remove language providing for a severance package for employees of Garden State Park racetrack, because a package has already been negotiated privately (section 29).
- C require the NJSEA to annually schedule no fewer than 141 thoroughbred race dates beyond the first three years of off-track wagering and account wagering, unless the NJSEA can demonstrate to the satisfaction of the Racing Commission that to schedule fewer dates (to a minimum of 120) would be in the best interest of racing and the State (section 30).
- C postpone the annual \$200,000 assessment against racing permit holders for compulsive gambling programs for one year, to July 1, 2003 (section 34).
- C reduce the General Fund appropriation to fund a winter stabling study from \$300,000 to \$95,000 (section 36).
- C delete two sections that would have provided for a new formula to split certain wagering proceeds generated at Garden State Park in certain circumstances. Now that Garden State Park has closed this past May, these two sections have no effect (delete sections 38 and 39).
- C delete a section that would have allowed a casino participating in casino simulcasting to utilize a hub facility with a transaction processor located out-of-State (a hub facility is the "nerve center" for wagering data and for recording payments between the casino, the racetrack(s) and the Racing Commission)(delete section 43).
- C delete a section regarding casino simulcasting that appears in Assembly, No. 2598 and Senate, No. 1590 and is, therefore, not needed in this bill (delete section 44).
- C delete a superfluous section that specifies that alcoholic beverages would be permitted in an off-track wagering facility. The Division of Alcoholic Beverage Control has regulatory authority in this regard (delete section 46).
- C change the effective date of certain sections pertaining to off-track

wagering and account wagering to the 180th day after enactment, except that the Racing Commission may take whatever administrative action in advance that is necessary for the implementation of this legislation (section 47).

As amended and reported, this bill is identical to Assembly, No. 3315 (3R) of 2001.

[First Reprint]

SENATE, No. 2228

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MARCH 26, 2001

Sponsored by:

Senator MARTHA W. BARK

District 8 (Atlantic, Burlington and Camden)

Senator JOHN O. BENNETT

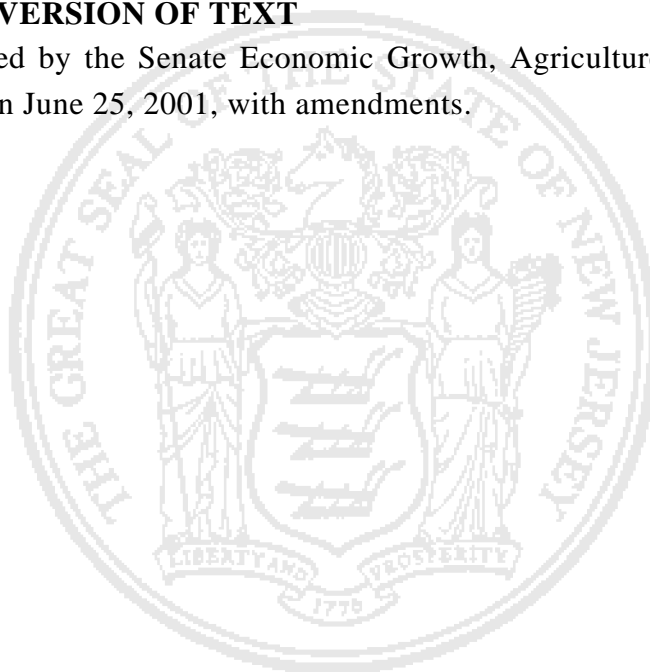
District 12 (Monmouth)

SYNOPSIS

Establishes off-track wagering facilities and account wagering system for parimutuel betting on horse races, changes certain requirements pertaining to simulcasting and casino simulcasting and makes appropriation.

CURRENT VERSION OF TEXT

As reported by the Senate Economic Growth, Agriculture and Tourism Committee on June 25, 2001, with amendments.



1 AN ACT concerning horse racing, supplementing chapter 5 of Title 5
2 of the Revised Statutes and amending various parts of the statutory
3 law and making an appropriation.

4

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

7

8 1. (New Section) Sections 1-35 of this act shall be known and may
9 be cited as the “Off-Track and Account Wagering Act.”

10

11 2. (New Section) The Legislature finds and declares that:

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

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

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

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

34 ¹[e. The Sports and Exposition Authority, as an instrumentality of
35 the State, typically is not subject to local zoning and planning laws
36 when performing a function for the benefit of all the people of the
37 State. Furthermore, property it owns or controls typically is
38 considered public property devoted to an essential government
39 function and therefore, not subject to local property taxation.

40 In reality, the authority, in establishing off-track wagering facilities,
41 would not be performing an essential government function, but rather

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SEG committee amendments adopted June 25, 2001.

1 an essentially private business function. In addition, the establishment
2 of off-track wagering represents a substantial expansion of gambling
3 in this State. Numerous municipalities, residents and established
4 businesses would be impacted by the establishment of such facilities
5 throughout the State. There could be municipalities that may view the
6 placement of such facilities at the discretion of the authority and the
7 racing commission as unwanted and unwarranted intrusions for which
8 they would have to provide services but for which they may not
9 receive appropriate levels of property taxes. Therefore, fundamental
10 fairness dictates that the powers of municipalities not be eroded with
11 regard to the establishment of these facilities and that the authority
12 should not be permitted to disregard local rules and controls and tax
13 requirements. Off-track wagering facilities owned or controlled by the
14 authority shall be subject to local zoning and planning rules and local
15 property taxation.]

16 e. In establishing off-track wagering facilities, the authority will not
17 be performing an essential government function but rather an
18 essentially private business function. Numerous municipalities,
19 residents and businesses will be impacted by the establishment of off-
20 track wagering facilities throughout the State. A municipality may
21 oppose the placement of an off-track wagering facility within its
22 boundaries at the discretion of the authority and the commission. A
23 municipality may want an off-track wagering facility sited within its
24 boundaries, but only if the municipality receives an appropriate level
25 of property tax for municipal services. Therefore, fundamental
26 fairness dictates that any municipality be empowered to refuse the
27 siting of a facility within its boundaries. Fundamental fairness also
28 dictates that an off-track wagering facility, even if owned and not
29 leased by the authority, be subject to local property tax requirements.¹

30 f. By regulation of the Division of Alcoholic Beverage Control,
31 there exist special licenses that permit the sale of alcoholic beverages
32 on public property. These special licenses, typically available to the
33 authority, are inexpensive and circumvent the traditional method for
34 obtaining a license to sell alcoholic beverages. Because the
35 establishment of off-track wagering facilities is, in reality, essentially
36 a private business ¹[venture] function¹ and not an essential
37 government function, the authority ¹[shall be required to obtain a
38 license to sell alcoholic beverages in the traditional manner] is not
39 permitted to receive a special license. Under this act, only a private
40 holder of a Class C plenary retail consumption license is permitted to
41 provide alcoholic beverages at an off-track wagering facility¹.

42

43 3. (New Section) As used in this act:

44 “Account holder” means a resident of this State over age 18 who
45 establishes an account pursuant to this act through which account
46 wagers are placed.

1 “Account wagering” means a form of parimutuel wagering in which
2 an account holder may deposit money in an account with the account
3 wagering licensee and then use the account balance to pay for
4 parimutuel wagers by the account holder.

5 “Account wagering licensee” means the New Jersey Sports and
6 Exposition Authority, provided that the commission has granted its
7 approval for the authority to establish an account wagering system as
8 provided for in this act.

9 “Account wagering system” means the system through which
10 account wagers are processed by the account wagering licensee
11 pursuant to this act.

12 “Authority” means the New Jersey Sports and Exposition Authority
13 created by section 4 of P.L.1971, c.137 (C.5:10-4).

14 “Backstretch Benevolency” means the Backstretch Benevolency
15 Programs Fund established pursuant to section 1 of P.L.1993, c.15
16 (C.5:5-44.8).

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

20 “Breeding and Development” means the New Jersey Horse
21 Breeding and Development Account established pursuant to section 5
22 of P.L.1967, c.40 (C.5:5-88).

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

25 “Executive Director” means the Executive Director of the
26 commission.

27 “Health and Welfare” means moneys distributed to the
28 Standardbred Breeder's and Owner's Association for the administration
29 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
30 c.17 (C.5:5-66).

31 “In-State host track” means a racetrack within this State which is
32 operated by a permit holder which conducts a horse race upon which
33 account wagers are placed pursuant to this act.

34 “In-State sending track” means a racetrack within this State which
35 is operated by a permit holder and is equipped to conduct off-track
36 simulcasting.

37 "In-State track" means an in-State host track or an in-State sending
38 track.

39 “Interstate common pool” means the parimutuel pool established
40 within this State or in another state or foreign nation within which is
41 combined parimutuel pools of one or more receiving tracks located in
42 one or more states or foreign nations upon a race at an out-of-State
43 sending track or out-of-State host track for the purpose of establishing
44 payoff prices in the various jurisdictions.

45 ¹"Jockey's Health and Welfare" means a health and welfare trust
46 established by the organization certified by the New Jersey Racing

1 Commission as representing a majority of the active licensed
2 thoroughbred jockeys in New Jersey for the purpose of providing
3 health and welfare benefits to active, disabled and retired New Jersey
4 jockeys and their dependents based upon reasonable criteria by that
5 organization.¹

6 “New Jersey Racing Industry Special Fund” means the fund
7 established pursuant to section 27 of this act.

8 ¹"New Jersey Thoroughbred Horsemen's Association" means the
9 association representing the majority of New Jersey thoroughbred
10 owners and trainers responsible for receiving and distributing funds for
11 programs designed to aid thoroughbred horsemen.¹

12 “Off-track simulcasting” means the simultaneous audio or visual
13 transmission of horse races conducted at in-State and out-of-State
14 racetracks to off-track wagering facilities and parimutuel wagering at
15 those off-track wagering facilities on the results of those races.

16 “Off-track wagering” means parimutuel wagering at an off-track
17 wagering facility as authorized under this act.

18 “Off-track wagering facility” means a licensed facility, other than
19 a racetrack, at which parimutuel wagering is conducted pursuant to
20 this act.

21 “Off-track wagering licensee” means the New Jersey Sports and
22 Exposition Authority, provided that the commission has granted its
23 approval for the authority to conduct an off-track wagering facility as
24 provided for in this act.

25 “Out-of-State host track” means a racetrack in a jurisdiction other
26 than the State of New Jersey, the operator of which is lawfully
27 permitted to conduct a horse race meeting and which conducts horse
28 races upon which account wagers may be placed pursuant to this act.

29 “Out-of-State sending track” means a racetrack in a jurisdiction
30 other than the State of New Jersey which is equipped to conduct off-
31 track simulcasting and the operator of which is lawfully permitted to
32 conduct a horse race meeting and to provide simulcast horse races to
33 off-track wagering facilities in this State.

34 "Out-of-State track" means an out-of-State host track or an out-of-
35 State sending track.

36 “Outstanding parimutuel ticket” means a winning parimutuel ticket
37 which is not claimed within six months of sale.

38 “Parimutuel” means any system whereby wagers with respect to the
39 outcome of a horse race are placed with, or in, a wagering pool
40 conducted by an authorized person, and in which the participants are
41 wagering with each other and not against the person conducting the
42 wagering pool.

43 “Participation agreement” means the written contract that provides
44 for the establishment or implementation of either (a) an off-track
45 wagering facility or facilities or (b) an account wagering system. Each
46 such contract shall set forth the manner in which the off-track

1 wagering facility or facilities or the account wagering system shall be
2 managed, operated and capitalized, as well as how expenses and
3 revenues shall be allocated and distributed by and among the authority
4 and the other eligible ¹[participants] participants¹.

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

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

9 "Racing costs" means the prospective and actual costs for all
10 licensing, investigation, operation, regulation, supervision and
11 enforcement activities and functions performed by the commission.

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

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

18 ¹"Standardbred Drivers' Health and Welfare" means a health and
19 welfare trust established by the Standardbred Breeders' and Owners'
20 Association of New Jersey for the purpose of providing health and
21 welfare benefits to active, disabled and retired New Jersey
22 standardbred drivers and their dependents based upon reasonable
23 criteria by that organization.¹

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

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

30
31 4. (New Section) a. The commission is authorized to issue a
32 license to the authority to permit off-track wagering at a specified
33 facility, upon application of the authority and in accordance with the
34 provisions of this act. A license issued pursuant to this act shall be
35 valid for a period of one year. The commission shall issue a license
36 only if the authority schedules at least the minimum number of race
37 dates required in Section 30 of this act and it is satisfied that the
38 authority has entered into a participation agreement with each and
39 every other person, partnership, association, corporation, or authority
40 or the successor in interest to such person, partnership, association,
41 corporation or authority that:

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

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

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

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

4 b. As part of the license application process, any participation
5 agreement entered into for the purposes of this section, or any
6 modification to the agreement made thereafter, shall be reviewed by
7 the commission and the Attorney General to determine whether the
8 agreement meets the requirements of this act and shall be subject to
9 the approval of the commission and the Attorney General.

10
11 5. (New Section) a. At the time of filing an application for an off-
12 track wagering license, the authority shall submit to the commission
13 a non-refundable filing fee in an amount established by regulation by
14 the commission, and a certification in a form prescribed by the
15 commission which specifies, but is not limited to, the following
16 information:

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

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

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

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

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

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

29 b. A separate application and certification shall be filed for each
30 off-track wagering facility that the authority proposes to establish.

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

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

35 e. ¹[If an off-track wagering licensee, including the authority,
36 seeks to offer alcoholic] Notwithstanding R.S.33:1-42, alcoholic¹
37 beverages ¹may be offered¹ for on-premise consumption at an off-
38 track wagering facility ¹[, the licensee shall acquire] only if provided
39 by¹ a Class C plenary retail consumption ¹[license] licensee, by an
40 agreement or contract with the authority,¹ pursuant to the provisions
41 of R.S.33:1-1 et seq. in accordance with such procedures as
42 established by statute and by regulation of the Division of Alcoholic
43 Beverage Control ¹[for the acquisition of such licenses by private
44 individuals or business entities] . The authority shall not hold a
45 license to provide alcoholic beverages at an off-track wagering
46 facility¹.

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

4 g. The commission shall by regulation establish minimum standards
5 for off-track wagering facilities, including, but not limited to,
6 standards for size, seating capacity, parking and services to be
7 provided.

8 h. ¹[As a condition of licensure, an off-track wagering licensee,
9 including the] The¹ authority ¹[when the authority is the licensee
10 which will own or control the facility, shall obtain all applicable] ,in
11 lieu of obtaining¹ municipal zoning and planning approvals ¹that may
12 otherwise be¹ required in connection with the off-track wagering
13 facility ¹, shall submit a written notice of its intention to site an off-
14 track wagering facility to the governing body of the municipality
15 within which the facility would be sited. The notice shall identify the
16 proposed site of the facility by street address, if any, or by reference
17 to lot and block numbers as shown on the current tax duplicate in the
18 municipal tax assessor's offices. Within 45 days of its receipt of the
19 authority's notice of intention, the municipal governing body may
20 disapprove of the proposed site of an off-track wagering facility by
21 adopting a resolution which shall be valid and binding upon the
22 authority and the commission upon delivery of a duly certified copy of
23 the resolution to the authority and the commission. Whenever a
24 municipality determines to consider a resolution disapproving a
25 proposed off-track wagering facility, the authority shall be given an
26 opportunity to offer a public presentation of the proposed facility prior
27 to consideration of the resolution. A resolution disapproving a
28 proposed off-track wagering facility shall state the reasons for
29 disapproval.

30 In the event the governing body shall not adopt such a resolution,
31 the authority may seek a license for an off-track wagering facility in
32 that municipality and the commission may grant the authority the
33 license provided that:

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

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

39 (3) the authority has made reasonable efforts to address the
40 reasonable concerns expressed by the municipal planning board¹.

41
42 6. (New Section) Within 14 days of receipt of a completed
43 application, certification and applicable fees, the executive director
44 shall determine whether the same is in due form and meets the
45 requirements of law in all respects, and upon being satisfied thereof,
46 the commission, within 45 days of receipt of a completed application,

1 certification and applicable fees, shall hold a public hearing in the
2 municipality in which the proposed off-track wagering facility is to be
3 located. The costs of the public hearing shall be paid by the authority.
4 The executive director shall cause a display advertisement,
5 approximately 11 inches by 8 inches in size, to be published at least
6 once in a daily newspaper, and at least once in a weekly newspaper,
7 published, or circulated if none is published, in the county where the
8 municipality is located at least 15 days before the date of the public
9 hearing and to be published again in that daily newspaper on the third
10 day preceding the public hearing and in the latest edition of that
11 weekly newspaper that will be in circulation on the third day preceding
12 the public hearing. The advertisement shall contain sufficient
13 information to apprise the public as to the purpose of the hearing, the
14 time and place thereof, and the nature of the license applied for. The
15 advertisement shall be prepared and placed by the executive director,
16 but shall be paid for by the authority.

17

18 7. (New Section) a. No sooner than 30 days nor later than
19 60 days following the public hearing, the commission shall make a final
20 determination on the license application. The commission shall
21 approve the application if it determines that the plan for the proposed
22 facility includes appropriate standards of quality for the premises and
23 services it will provide and that the authority has demonstrated by
24 clear and convincing evidence that establishment of the proposed off-
25 track wagering facility will not be inimical to the interests of the public
26 and the horse racing industry in this State. The commission shall
27 submit its determination to the Attorney General for review and
28 approval. The determination of the commission shall be deemed
29 approved by the Attorney General if not affirmatively approved or
30 disapproved by the Attorney General within 14 days of the date of
31 submission. The decision of the Attorney General shall be deemed a
32 final decision. Upon approval by the Attorney General, the
33 commission shall issue to the authority an off-track wagering license
34 specifying the location, the periods of time during a calendar year and
35 the hours of operation during which off-track wagering is permitted at
36 the facility, and prescribing any other conditions or terms the
37 commission deems appropriate.

38 b. With the approval of the commission, the off-track wagering
39 licensee may enter into a contract or agreement with a person or entity
40 to conduct or operate an off-track wagering facility for the licensee
41 and to act as the agent of the licensee in all off-track wagering matters
42 approved by the commission.

43

44 8. (New Section) a. The commission shall have full power to
45 prescribe rules, regulations and conditions under which all off-track
46 wagering licenses are issued and renewed in the State ¹, including

1 requiring an annual audit of the off-track wagering licensee's books
2 and records pertaining to off-track wagering.¹ and to revoke, suspend
3 or refuse to renew a license if in the opinion of the commission the
4 revocation of, suspension of or refusal to renew such license is in the
5 public interest; provided, however, that such rules, regulations and
6 conditions shall be uniform in their application.

7 b. The commission shall have no right or power to determine who
8 shall be officers, directors or employees of any off-track wagering
9 facility, or the salaries thereof; provided, however, that the
10 commission may compel the discharge of any official or employee of
11 the licensee at the off-track wagering facility who: (1) fails or refuses
12 for any reason to comply with the rules or regulations of the
13 commission; (2) fails or refuses for any reason to comply with any of
14 the provisions of this act; (3) fails to establish by clear and convincing
15 evidence in the opinion of the commission good character, honesty,
16 competency and integrity; or (4) has been convicted of a crime
17 involving fraud, dishonesty or moral turpitude.

18
19 9. (New Section) Nothing in this act shall be deemed to abrogate
20 the common law right or any other right established by law to exclude
21 or eject permanently from any off-track wagering facility any person
22 who disrupts the operations of its premises, threatens the security of
23 its premises or its occupants, or is disorderly or intoxicated.

24
25 10. (New Section) a. The total number of off-track wagering
26 facilities licensed in this State pursuant to this act shall not exceed 15.

27 b. The commission shall issue no more than eight off-track
28 wagering licenses within the first two years of the effective date of this
29 act.

30
31 11. (New Section) It shall be lawful for the off-track wagering
32 licensee to conduct off-track simulcasting at the off-track wagering
33 facility with all in-State sending tracks and with any out-of-State
34 sending track in accordance with the provisions of this act and
35 applicable regulations which the commission may promulgate.

36
37 12. (New Section) An in-State sending track may transmit to
38 licensed off-track wagering facilities all or some of the live races
39 conducted at the racetrack. The off-track wagering licensee, as a
40 condition of continued operation of the off-track wagering facility,
41 shall receive all live races which are offered and transmitted by in-
42 State sending tracks.

43
44 13. (New Section) a. The commission is authorized to issue a
45 license to the authority to establish an account wagering system in
46 accordance with the provisions of this act. A license issued pursuant

1 to this act shall be valid for a term of one year. The commission shall
2 issue a license only if the authority schedules at least the minimum
3 number of race dates required in section 30 of this act and it is
4 satisfied that the authority has entered into a participation agreement
5 with each and every person, partnership, association, corporation or
6 authority or the successor in interest to such person, partnership,
7 association, corporation or authority that:

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

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

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

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

17 b. As part of the license application process, any participation
18 agreement, or any modification to the agreement made thereafter,
19 entered into for the purposes of this section shall be reviewed by the
20 commission and the Attorney General to determine whether the
21 agreement meets the requirements of this act and shall be subject to
22 the approval of the commission and the Attorney General.

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

29

30 14. (New Section) a. Within 14 days of receipt of a completed
31 application, certification and applicable fees, the executive director
32 shall determine whether the same is in due form and meets the
33 requirements of law in all respects, and upon being satisfied thereof,
34 the executive director, within 45 days of receipt of a completed
35 application, certification and applicable fees, shall hold a public
36 hearing, the costs of which shall be paid by the applicant.

37 b. No sooner than 30 days nor later than 60 days following the
38 public hearing, the commission shall make a final determination on the
39 application. The commission shall approve the application if it
40 determines that the authority has demonstrated by clear and convincing
41 evidence that wagers placed through the proposed account wagering
42 system will be accurately processed and that there will be sufficient
43 safeguards to maintain the integrity of the horse racing industry in this
44 State. The commission's determination shall be submitted to the
45 Attorney General for review and approval. The determination of the
46 commission shall be deemed approved by the Attorney General if not

1 affirmatively approved or disapproved by the Attorney General within
2 14 days of the date of submission. The decision of the Attorney
3 General shall be deemed a final decision. Upon approval by the
4 Attorney General, the commission shall issue to the authority a license
5 to participate in the account wagering system.

6 c. With the approval of the commission, an account wagering
7 licensee may enter into a contract or agreement with a person or entity
8 to conduct or operate an account wagering system or facility for the
9 licensee and to act as the agent of the licensee in all account wagering
10 matters approved by the commission.

11

12 15. (New Section) a. The commission shall have full power to
13 prescribe rules, regulations and conditions under which all account
14 wagering licenses are issued or renewed in this State ¹, including
15 requiring an annual audit of the account wagering licensee's books and
16 records pertaining to account wagering.¹ and to revoke, suspend or
17 refuse to renew a license if in the opinion of the commission the
18 revocation of, suspension of or refusal to renew such license is in the
19 public interest; provided, however, that such rules, regulations and
20 conditions shall be uniform in their application.

21 b. The commission shall have no right or power to determine who
22 shall be officers, directors or employees of any account wagering
23 licensee, or the salaries thereof; provided, however, that the
24 commission may compel the discharge of any official or employee of
25 the licensee or the account wagering system who: (1) fails or refuses
26 for any reason to comply with the rules or regulations of the
27 commission; (2) fails or refuses for any reason to comply with any of
28 the provisions of this act; (3) fails to establish by clear and convincing
29 evidence in the opinion of the commission good character, honesty,
30 competency and integrity; or (4) has been convicted of a crime
31 involving fraud, dishonesty or moral turpitude.

32

33 16. (New Section) a. ¹A person shall not place an account wager
34 from within this State except in accordance with this act through the
35 account wagering licensee, and no entity, other than the account
36 wagering licensee, shall accept an account wager from a person within
37 this State.¹ A person may not place an account wager unless the
38 person has established an account with the account wagering licensee.
39 To establish a wagering account, a person shall be a New Jersey
40 resident at least 18 years of age.

41 b. The account shall be in the name of a natural person and may
42 not be in the name of any beneficiary, custodian, joint trust,
43 corporation, partnership or other organization or entity.

44 c. An account may be established by a person completing an
45 application form approved by the commission and submitting it
46 together with a certification, or other proof, of age and residency. The

1 form shall include the address of the principal residence of the
2 prospective account holder and a statement that a false statement made
3 in regard to an application may subject the applicant to prosecution.

4 d. The prospective account holder shall submit the completed
5 application to the account wagering licensee, to any account wagering
6 participating permit holder or to a licensed off-track wagering facility
7 or such other person or entity as may be approved by the commission.
8 The account wagering licensee may accept or reject an application
9 after receipt and review of the application and certification, or other
10 proof, of age and residency for compliance with this act.

11 e. Any prospective account holder who provides false or
12 misleading information on the application is subject to rejection of the
13 application or cancellation of the account by the account wagering
14 licensee without notice.

15 f. The account wagering licensee shall have the right to suspend or
16 close any wagering account at its discretion.

17 g. Any person not in good standing with the commission shall not
18 be entitled to maintain a wagering account.

19 h. The address provided by the applicant in the application shall be
20 deemed the proper address for the purposes of mailing checks, account
21 withdrawals, notices and other materials.

22 i. A wagering account shall not be assignable or otherwise
23 transferable.

24 j. Except as otherwise provided in this act or in regulations which
25 the commission may adopt hereunder, all account wagers shall be final
26 and no wager shall be canceled by the account holder at any time after
27 the wager has been accepted by the account wagering licensee.

28 k. For the purposes of this act and notwithstanding any other law
29 to the contrary, all messages or orders to place account wagers
30 received by the licensee on behalf of a participating permit holder shall
31 be deemed made to a place within this State.

32 l. All persons or accepting account wagers on behalf of ¹[an] the¹
33 account wagering licensee shall do so at a location within this State.

34 m. The account wagering licensee may at any time declare the
35 system closed for receiving any wagers on any race or closed for all
36 wagering.

37

38 17. (New Section) a. Credits to a wagering account shall be made
39 as follows:

40 (1) The account holder's deposits to the wagering account shall be
41 submitted by the account holder to the account wagering licensee and
42 shall be in the form of one of the following:

43 (a) cash given to the account wagering licensee;

44 (b) check, money order, negotiable order of withdrawal, or wire or
45 electronic transfer, payable and remitted to the account wagering
46 licensee; or

1 (c) charges made to an account holder's debit or credit card upon
2 the account holder's direct and personal instruction, which instruction
3 may be given by telephone communication or other electronic means
4 to the account wagering licensee or its agent by the account holder if
5 the use of the card has been approved by the account wagering
6 licensee.

7 (2) Credit for winnings from wagers placed with funds in a
8 wagering account and credit for account wagers on horses that are
9 scratched shall be posted to the account by the account wagering
10 licensee.

11 (3) The account wagering licensee shall have the right to refuse for
12 any reason all or part of any wager or deposit to the account.

13 (4) Funds deposited in the account shall not bear interest to the
14 account holder.

15 b. Debits to a wagering account shall be made as follows:

16 (1) Upon receipt by the account wagering licensee of an account
17 wager properly placed pursuant to section 18 of this act, the account
18 wagering licensee shall debit the account holder's wagering account
19 in the amount of the wager.

20 (2) The account wagering licensee may authorize a withdrawal
21 from a wagering account when the account holder submits to the
22 licensee, the licensee's agent, a participating permit holder, a licensed
23 off-track wagering facility or such other entity as may be approved by
24 the commission the following:

25 (i) proper identification;

26 (ii) the correct personal identification number; and

27 (iii) a properly completed and executed withdrawal slip on a form
28 approved by the commission.

29 Upon receipt of a properly completed and executed withdrawal
30 form, and if there are sufficient funds in the account to cover the
31 withdrawal, the licensee shall send, within three business days of
32 receipt, a check to the holder at the address specified in the application
33 for the wagering account. The check shall be made payable only to the
34 holder of the wagering account and in the amount of the requested
35 withdrawal.

36
37 18. (New Section) The account wagering licensee may accept
38 account wagers only from residents of New Jersey and only as follows:

39 a. The account wager shall be placed directly with the account
40 wagering licensee by the holder of the wagering account.

41 b. The account holder placing the account wager shall provide the
42 licensee with the correct personal identification number of the holder
43 of the wagering account.

44 c. A licensee may not accept an account wager, or series of
45 wagers, in an amount in excess of funds on deposit in the wagering
46 account of the holder placing the wager. Funds on deposit include

1 amounts credited under section 17 of this act and in the account at the
2 time the wager is placed.

3 d. Only the holder of a wagering account shall place an account
4 wager. Unless otherwise approved by the commission, no person,
5 corporation or other entity shall directly or indirectly act as an
6 intermediary, transmitter or agent in the placing of wagers for a holder
7 of a wagering account; provided, however, that the use of credit or
8 debit cards specifically approved by the licensee or the use of checks,
9 money orders or negotiable orders of withdrawal or the use of
10 telephonic, computer or electronic means by the account holder to
11 place such wagers shall not be prohibited.

12 e. The account holder may place a wager in person, by direct
13 telephone call or by communication through other electronic media.

14

15 19. (New Section) All amounts remaining in wagering accounts
16 inactive or dormant for such period and under such conditions as
17 established by regulation shall be paid 50% to the account wagering
18 licensee and 50% to the New Jersey Racing Industry Special Fund.

19

20 20. (New Section) Sums wagered at the off-track wagering facility
21 on the result of a simulcast horse race at an in-State sending track, or
22 through the account wagering system on a race conducted at an in-
23 State host track, shall be included in the appropriate parimutuel pool
24 generated at the in-State track and shall be distributed pursuant to
25 section 21 of this act. Payments to persons holding winning tickets at
26 an off-track wagering facility or through the account wagering system,
27 shall be made according to the same odds as those generated at the
28 in-State track.

29

30 21. (New Section) Sums wagered at an off-track wagering facility
31 on races being transmitted to that off-track wagering facility from an
32 in-State sending track and sums wagered through the account
33 wagering system on a race conducted at an in-State host track shall be
34 deposited in the parimutuel pool generated at the in-State track for
35 those races and shall be distributed in accordance with the provisions
36 of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
37 c.236 (C.5:5-64.1), as appropriate. Such sums wagered at an off-
38 track wagering facility or through the account wagering system which
39 remain undistributed pursuant to those sections shall be distributed as
40 follows, except that moneys resulting from breakage on amounts
41 wagered at the off-track wagering facility or through the account
42 wagering system and from outstanding parimutuel ticket moneys
43 issued at the off-track wagering facility or through the account
44 wagering system shall be distributed as provided by subsection ¹[h.]
45 g.¹ of this section.

46 a. 6% of the parimutuel pool generated at the off-track wagering

1 facility or through the account wagering system shall be paid to the in-
2 State track for overnight purses. In the event that (1) any racetrack
3 at which a horse race meeting was conducted in calendar year 2000
4 ceases to operate as a racetrack prior to calendar year 2003 and (2) an
5 off-track wagering facility is operated on that former racetrack site,
6 6.15% of the parimutuel pool generated at that off-track wagering
7 facility shall be paid to the in-State sending track for overnight purses.

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

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

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

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

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

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

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

43 g. All breakage moneys and outstanding parimutuel ticket moneys
44 resulting from wagering at the off-track wagering facility or through
45 the account wagering system on races conducted by an in-State track
46 shall be paid to the commission for racing costs in accordance with

1 section 26 of this act. If in any calendar year the total amount of
2 breakage moneys and outstanding parimutuel ticket moneys referred
3 to herein exceeds amounts required to pay racing costs as provided in
4 section 26 of this act, such remaining funds shall be allocated as
5 follows: 50% to the off-track wagering licensee or the account
6 wagering licensee, as appropriate and 50% to the New Jersey Racing
7 Industry Special Fund.

8

9 22. (New Section) a. The off-track wagering licensee may, in
10 accordance with the provisions of this act and any applicable
11 regulations of the commission and with the approval of the
12 commission, also receive at the facility simulcast horse races
13 conducted at out-of-State sending tracks; provided, however, that the
14 off-track wagering licensee may receive simulcast horse races from
15 only those out-of-State sending tracks that have been approved by the
16 commission, which approval may not be unreasonably withheld.

17 b. An account wagering licensee may, with the approval of the
18 commission, also accept account wagers on horse races conducted at
19 out-of-State host tracks; provided, however, that the account
20 wagering licensee may receive wagers on out-of-State horse races
21 from only those out-of-State host tracks that have been approved by
22 the commission, which approval may not be unreasonably withheld.

23

24 23. (New Section) a. The off-track wagering licensee receiving
25 a simulcast horse race from an out-of-State sending track shall pay to
26 the out-of-State sending track for the transmission such amount, if
27 any, as may be agreed upon by the off-track wagering licensee and the
28 out-of-State sending track.

29 b. The account wagering licensee accepting account wagers on a
30 horse race conducted at an out-of-State host track shall pay to the
31 out-of-State host track such amount, if any, as provided for in the
32 agreement, if any, between the account wagering licensee and the out-
33 of-State host track.

34

35 24. (New Section) a. Except as provided in subsection b. of this
36 section, the commission shall not permit an out-of-State sending track
37 or an out-of-State host track to participate in off-track simulcasting or
38 qualify as an out-of-State host track, respectively, unless the
39 parimutuel pools respecting the off-track wagering facility or the
40 account wagering system shall be combined with comparable
41 parimutuel pools at the out-of-State track. The types of wagering,
42 takeout, distribution of winnings, rules of racing, method of
43 calculating breakage, and the percentage of deposits remaining
44 undistributed from a parimutuel pool after payment is made to winning
45 ticket holders shall be determined in accordance with the law or policy
46 applicable to the out-of-State track.

1 b. With the prior approval of the commission and the concurrence
2 of the out-of-State track, an off-track wagering licensee or the account
3 wagering licensee, and receiving tracks or entities in other states other
4 than the state in which the out-of-State track is located may form an
5 interstate common pool. With respect to such interstate common
6 pools, the commission may approve types of wagering, takeout,
7 distribution of winnings, rules of racing, method of calculating
8 breakage, and a percentage of deposits remaining undistributed from
9 a parimutuel pool after payment is made to winning ticket holders
10 which are different from those which would otherwise be applied in
11 this State but which are consistent for all parties to the interstate
12 common pool.

13

14 25. (New Section) Sums wagered at an off-track wagering facility
15 on races being transmitted to that off-track wagering facility from an
16 out-of-State sending track and sums wagered through the account
17 wagering system on races conducted by an out-of-State host track
18 shall be subject to the takeout rate determined pursuant to section 24
19 of this act and the sums resulting from that takeout rate as applied to
20 the parimutuel pool generated at the off-track wagering facility or
21 through the account wagering system shall be distributed as follows,
22 except money resulting from breakage on amounts wagered at the
23 off-track wagering facility or through the account wagering system
24 and from outstanding parimutuel ticket moneys issued at the off-track
25 wagering facility shall be distributed as provided by subsection c. of
26 this section.

27 a. The amount, if any, as agreed by the off-track wagering licensee
28 or account wagering licensee and the out-of-State track pursuant to
29 section 23 of this act shall be paid to the out-of State track.

30 b. Of the amount remaining after the deduction of the amount
31 under subsection a. of this section from the amount of the takeout
32 rate, 40% shall be paid to the New Jersey Racing Industry Special
33 Fund and 60% shall be paid to the off-track wagering licensee or the
34 account wagering licensee, as appropriate.

35 c. ¹~~[All breakage]~~ Breakage¹ moneys and outstanding parimutuel
36 ticket moneys resulting from wagering at the off-track wagering
37 facility or through the account wagering system on races conducted by
38 the out-of-State track ¹~~[shall be paid]~~ shall be distributed as follows:
39 \$150,000 annually to Jockey's Health and Welfare, \$150,000 annually
40 to Standardbred Drivers' Health and Welfare, and all remaining
41 moneys¹ to the commission for racing costs in accordance with section
42 26 of this act. If in any calendar year the total amount of breakage
43 moneys and outstanding parimutuel ticket moneys referred to herein
44 exceed ¹the \$300,000 to be paid to Jockey's Health and Welfare and
45 Standardbred Drivers' Health and Welfare, and the¹ amounts required
46 to pay racing costs as provided in section 26 of this act, such

1 remaining funds shall be allocated as follows: 50% to the off-track
2 wagering licensee or account wagering licensee, as appropriate and
3 50% to the New Jersey Racing Industry Special Fund.

4
5 26. (New Section) a. The State Treasurer shall certify racing
6 costs on an annual basis. These racing costs shall be the basis for
7 payment and reimbursement to the commission from the following
8 sources, in the following order:

9 (1) license and permit fees received by the commission;

10 (2) breakage moneys and outstanding parimutuel ticket moneys as
11 provided in sections 21 and 25 of this act, and the outstanding
12 parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17
13 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of
14 P.L.1971, c.137 (C.5:10-7).

15 b. If, in any year, amounts received by the commission from the
16 sources specified in subsection a. of this section are not sufficient to
17 reimburse the commission for racing costs, there shall be an
18 assessment against permit holders or successors in interest to permit
19 holders, if applicable, to reimburse the commission for its costs for
20 which funds are not otherwise appropriated to the commission by law.
21 Such assessment shall be approved by the State Treasurer. The
22 commission shall establish, by regulation, an assessment formula which
23 apportions such costs to each permit holder or successor in interest,
24 if applicable.

25 c. Subject to the approval of the State Treasurer, the commission
26 may adjust the annual assessment when necessary to cover
27 expenditures not anticipated at the time of the assessment.

28 d. The funds derived from the sources specified in this section
29 shall be held in a non-lapsing dedicated account, for use in accordance
30 with the provisions of this section.

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

38 a. 92% shall be distributed as follows:

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

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

1 Of the allocations made pursuant to this subsection ¹to permit
2 holders conducting thoroughbred racing¹, specific distributions shall
3 be made to the overnight ¹thoroughbred ¹purse account ¹[for the
4 breed and horsemen's organization]¹ of each permit holder ¹and for
5 programs designed to aid the thoroughbred horsemen and the New
6 Jersey Thoroughbred Horsemen's Association. Expenditures for
7 programs designed to aid the thoroughbred horsemen and the New
8 Jersey Thoroughbred Horsemen's Association shall not exceed 2.9%
9 of such allocations¹. Distribution among thoroughbred permit
10 holders¹ shall be based on the following formula: total overnight
11 ¹thoroughbred¹ purse distribution for each permit holder in the prior
12 calendar year divided by the total overnight ¹thoroughbred¹ purse
13 distribution of all permit holders ¹[for the respective breed]¹ in the
14 prior calendar year.

15 ¹Of the allocations made pursuant to this subsection to permit
16 holders conducting standardbred racing, specific distributions shall be
17 made to the overnight standardbred purse account of each permit
18 holder and for programs designed to aid the standardbred horsemen
19 and the Standardbred Breeders' and Owners' Association of New
20 Jersey. Expenditures for programs designed to aid the standardbred
21 horsemen and the Standardbred Breeders' and Owners' Association of
22 New Jersey shall not exceed 3.5% of such allocations. Distribution
23 among standardbred permit holders shall be based on the following
24 formula: total overnight standardbred purse distribution for each
25 permit holder in the prior calendar year divided by the total overnight
26 standardbred purse distribution of all permit holders in the prior
27 calendar year.¹

28 b. 8% shall be distributed as follows:

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

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

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

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

44

45 28. (New Section) All persons engaged in conducting wagering-
46 related activities at an off-track facility or through an account

1 wagering system, whether employed directly by the licensee or by a
2 person or entity conducting or operating the off-track wagering facility
3 or account wagering system to an agreement with the licensee, shall
4 be licensed or registered in accordance with such regulations as may
5 be promulgated by the commission hereunder. All other employees at
6 the off-track wagering facility or of account wagering system shall be
7 licensed or registered in accordance with regulations of the
8 commission. The commission shall have full power to prescribe rules,
9 regulations and conditions under which all such licenses are issued, or
10 registrations made, in this State and to revoke or refuse to issue a
11 license, or revoke or refuse to accept a registration, if in the opinion
12 of the commission the revocation or refusal is in the public interest,
13 provided, however, that such rules, regulations and conditions shall be
14 uniform in their application, and further provided that no fee shall be
15 in excess of \$50 for each license so granted or registration accepted.

16

17 29. (New Section) a. A person employed by a permit holder in
18 the admissions department or parimutuel clerk department of a
19 racetrack operated by a permit holder, or employed at the racetrack by
20 a food and beverage vendor contracting with the permit holder to
21 provide food and beverages at the racetrack, shall be given a one-time
22 right of first refusal offer of employment, as each off-track wagering
23 facility opens, for the then available positions of similar employment
24 in that off-track wagering facility, including any similar employment
25 with the off-track wagering licensee or with any vendor contracting
26 with the licensee to provide food and beverages at the off-track
27 wagering facility, or as each account wagering licensee implements
28 account wagering, for the then available positions of similar
29 employment with any account wagering licensee.

30 b. In the event that an off-track wagering facility is sited and
31 begins operations at the location or in the proximity of a former
32 racetrack, a person who, at the time of the closing of the former
33 racetrack, worked as an employee of the permit holder in the
34 admissions department or parimutuel clerk department of the former
35 racetrack operated by the permit holder, or who, at the time of the
36 closing of the former racetrack, worked at the racetrack as an
37 employee of a food and beverage vendor contracting with the permit
38 holder to provide food and beverages at the former racetrack, shall be
39 given a one-time right of first refusal offer of similar employment at
40 the off-track wagering facility. In the event that there are not a
41 sufficient number of employment opportunities for each of the former
42 employees who seek a position pursuant to the provisions of this
43 subsection, then each such former employee, for a period of four years
44 thereafter, shall have the right of first refusal set forth in the provisions
45 of subsection a. of this section. Employment opportunities that remain
46 after each former employee has been given an offer of similar

1 employment shall be made available to other persons in accordance
2 with the provisions of subsection a. of this section.

3 c. An employee of the permit holder or vendor contracting with
4 the permit holder who is given preference for employment pursuant to
5 subsections a. and b. of this section and accepts the employment shall
6 not suffer, at the time that the change in employment occurs, any
7 reduction in seniority, pay, or employer contribution to pension and
8 health benefits, and shall receive a substantially equivalent level of
9 benefits.

10 ¹[d. In the event that a racetrack closes but the permit holder
11 continues to hold a permit to conduct a horse race meeting at another
12 racetrack, that permit holder shall offer to each person who was
13 employed at the former racetrack at the time it closed but who is not
14 eligible for a right of first refusal offer under subsection b. of this
15 section, severance pay in the amount of two weeks of base pay for
16 each year of employment at the racetrack. For the purpose of this
17 subsection, one week of base pay shall equal actual annual
18 compensation in the last one-year period of employment divided by
19 52.]¹

20

21 30. (New Section) a. The permit holder at Monmouth Park and
22 the thoroughbred permit holder at the Meadowlands together shall
23 schedule ¹(1)¹ no fewer than 141 thoroughbred race dates in the
24 aggregate in each of calendar years ¹[2001, 2002 and 2003] 2002,
25 2003 and 2004;¹ and ¹(2)¹ no fewer than ¹[120] 141¹ thoroughbred
26 race dates in the aggregate each calendar year thereafter ¹. provided
27 that the permit holders may schedule fewer than 141 thoroughbred
28 race dates in the aggregate if the commission determines, upon
29 application by the permit holders, that scheduling fewer dates in that
30 calendar year is in the best interest of the racing industry and the State.
31 In making its determination, the commission shall consider all factors,
32 including, but not limited to, handle, number of starters, interstate
33 competition, and export marketability. Notwithstanding the foregoing,
34 in no calendar year shall the permit holders schedule, in the aggregate,
35 fewer than 120 thoroughbred race dates¹;

36 b. the standardbred permit holder at the Meadowlands shall
37 schedule annually no fewer than 151 standardbred race dates; and

38 c. the permit holders at Freehold Raceway shall schedule annually
39 no fewer than 192 standardbred race dates.

40

41 31. (New Section) A true copy of the minutes of every meeting
42 of the commission shall be forthwith delivered by and under the
43 certification of, the executive director thereof to the Governor. No
44 action taken at such meeting of the commission shall have force and
45 effect until the earlier of 10 days, exclusive of Saturdays, Sundays and
46 public holidays, after such copy of the minutes shall have been so

1 delivered, or the approval thereof by the Governor. If, in the 10-day
2 period, the Governor returns such copy of the minutes with veto of
3 any action taken by the commission or any member thereof at such
4 meeting, such action shall be null and void and of no effect. The
5 Governor may approve all or part of the action taken at such meeting,
6 prior to the expiration of the 10-day period. This section shall not
7 apply to enforcement actions for violations of regulations promulgated
8 by the commission.

9
10 32. (New Section) The provisions of this act shall be deemed to
11 be severable, and if any phrase, clause, sentence or provision of this
12 act is declared to be unconstitutional or the applicability thereof to any
13 person is held invalid, the remainder of this act shall not thereby be
14 deemed to be unconstitutional or invalid.

15
16 33. (New Section) The commission shall promulgate rules and
17 regulations pursuant to the "Administrative Procedure Act," P.L.1968,
18 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

19
20 34. (New Section) In addition to any other funds provided by law
21 for prevention, education and treatment programs for compulsive
22 gamblers, beginning on July 1, ¹[2002] 2003¹, there shall be an annual
23 assessment against permit holders or successors in interest to permit
24 holders, if applicable, of a total sum of \$200,000 in the aggregate
25 which shall be paid into the General Fund for appropriation by the
26 Legislature to the Department of Health and Senior Services for
27 prevention and education and treatment programs for compulsive
28 gambling that meet the criteria developed pursuant to section 2 of
29 P.L.1993, c.229 (C.26:2-169), such as those provided by the Council
30 on Compulsive Gambling of New Jersey. Such funds shall be used to
31 address compulsive gambling issues related to off-track wagering
32 facilities and account wagering. The New Jersey Racing Commission
33 shall, by regulation, establish a formula which apportions the
34 assessment to each permit holder or successor in interest, if applicable.

35
36 35. (New section) In order to retain the competitive position of
37 the standardbred and thoroughbred racing programs at the authority
38 owned racetracks during the period in which the off-track wagering
39 and account wagering systems are developed, the authority, as it
40 deems appropriate, may supplement or enhance purses at its
41 racetracks; provided, however, that any such supplements shall be
42 decreased as the off-track wagering and account wagering systems are
43 developed.

44
45 36. (New section) On or before July 1, 2002, the commission shall
46 submit to the Governor and the Legislature a report indicating the

1 feasibility of establishing a permanent training facility or other means
2 to permit winter stabling for the New Jersey racing industry and
3 ¹[\$300,000] \$95,000¹ is appropriated from the General Fund to the
4 commission for that purpose.

5
6 ¹[37. (New section) There is appropriated from the General Fund
7 \$150,000 to the commission to be allocated to the group certified by
8 the commission as representing a majority of the active licensed
9 thoroughbred jockeys in New Jersey for the purpose of providing
10 health and welfare benefits to active, disabled and retired New Jersey
11 jockeys and their dependents based upon reasonable criteria by that
12 organization.]¹

13
14 ¹[38. (New section) Notwithstanding any other law to the
15 contrary, in the event that in any calendar year there shall be a
16 standardbred race meeting but no running race meeting conducted at
17 Garden State Park and Garden State Park is authorized by the
18 commission to receive horse races run live at in-State sending tracks
19 and conduct parimutuel wagering thereon, then from January 1
20 through May 31 of that calendar year, the amount reserved and set
21 aside by the in-State sending track as set forth in Section 8 of
22 P.L.1985, c.269 (C.5:5-117) shall not be forwarded to Garden State
23 Park but instead shall be forwarded to Monmouth Park to supplement
24 overnight purses at its next horse race meeting.]¹

25
26 ¹[39. (New section) Notwithstanding any other law to the
27 contrary, in the event that in any calendar year there shall be a
28 standardbred race meeting but no running race meeting conducted at
29 Garden State Park and Garden State Park is authorized by the
30 commission to receive horse races run live at one or more out-of-State
31 sending tracks and conduct parimutuel wagering thereon pursuant to
32 section 37 of P.L.1992, c.19 (C.5:5-125), as amended by this act,
33 P.L. , c. (C.)(now pending before the Legislature as this bill),
34 then, from January 1 through May 31 of that calendar year:

35 a. the amount resulting from the takeout rate shall be distributed
36 as follows:

37 (1) .50% of the parimutuel pool generated at Garden State Park
38 shall be deposited in the special trust account pursuant to section
39 5b.(3) of P.L. 1982, c.201 (C.5:5-98) for use and distribution as
40 provided therein;

41 (2) .03% of the parimutuel pool generated at Garden State Park
42 shall be paid to the commission and set aside in the special trust
43 account for horse breeding and development for use as provided in
44 section 5 of P.L.1967, c.40 (C.5:5-88);

45 (3) on the basis of all races in each program, or if two or more
46 programs are being transmitted simultaneously, on the basis of all

1 races in all such programs running simultaneously, 3.735% of the first
2 \$100,000 of the total pool generated at Garden State Park; 5.235% of
3 the total such pool from \$100,001 to \$150,000; 5.735% of the total
4 such pool from \$150,001 to \$250,000; 6.235% of the total such pool
5 from \$250,001 to \$300,000; and, if the amount of the total such pool
6 exceeds \$300,000, 6.485% of the total amount of such pool shall be
7 paid to supplement overnight purses at the next race meeting at
8 Monmouth Park and for programs designed to aid horsemen and the
9 New Jersey Thoroughbred Horsemen's Benevolent Association, as
10 provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-98).

11 (4) .02% of the parimutuel pool generated at Garden State Park
12 shall be paid to the Thoroughbred Breeders' Association of New
13 Jersey;

14 (5) .01% of the parimutuel pool generated at Garden State Park
15 shall be paid to the Backstretch Benevolency Programs Fund created
16 pursuant to P.L.1993, c.15 (C.5:5-44.8); and

17 (6) the amount remaining after the deduction of the amounts under
18 paragraphs (1), (2), (3), (4) and (5) shall be paid to the permit holder
19 at Garden State Park.

20 b. of all the breakage moneys and outstanding parimutuel ticket
21 moneys resulting from the wagering at Garden State Park on out-of-
22 State simulcast races, 50% shall be paid to the permit holder at Garden
23 State Park and 50% shall be paid to supplement purses at the next race
24 meeting at Monmouth Park and for programs designed to aid
25 horsemen and the New Jersey Thoroughbred Horsemen's Benevolent
26 Association, as provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-
27 98).]¹

28

29 ¹[40.] 37.¹ Section 37 of P.L.1992, c.19 (C.5:5-125) is amended
30 to read as follows:

31 37. a. (1) Notwithstanding any other law to the contrary, the New
32 Jersey Racing Commission, upon application by a receiving track, as
33 defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in accordance
34 with applicable federal law, may permit the track to receive, in
35 addition to the horse races authorized by section 10 of P.L.1985,
36 c.269 (C.5:5-119), simulcast transmissions of the racing program, in
37 full or in part, from any out-of-State sending track, as defined in
38 section 2 of P.L.1985, c.269 (C.5:5-111), during any time period,
39 provided that the receiving track agrees to receive all simulcast horse
40 races which any in-State sending track wishes to transmit to it during
41 that same time period, and provided further that, except as provided
42 in subsection b. of this section, the parimutuel pools at the receiving
43 track shall be combined with comparable parimutuel pools at the
44 out-of-State sending track. No limit shall be placed on the number of
45 racing programs the track may receive from out-of-State sending
46 tracks except as otherwise provided herein.

1 (2) Whenever an out-of-State sending track participates in
2 simulcasting pursuant to paragraph (1) of this subsection and the
3 parimutuel pools are combined at the out-of-State sending track, the
4 types of wagering, takeout, distribution of winnings, rules of racing,
5 method of calculating breakage, and the percentage of deposits
6 remaining undistributed from a parimutuel pool after payment is made
7 to winning ticket holders shall be determined in accordance with the
8 law or policy applicable to the out-of-State sending track. However,
9 moneys resulting from breakage on amounts wagered at the receiving
10 track and from outstanding parimutuel tickets issued at the receiving
11 track in all instances shall be distributed as provided by section 38 of
12 this act.

13 b. With the prior approval of the New Jersey Racing Commission
14 and the concurrence of the out-of-State sending track, a receiving
15 track and receiving tracks or entities in other states other than the
16 state in which the sending track is located may form an interstate
17 common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111).
18 With respect to such interstate common pools, the Racing Commission
19 may approve types of wagering, takeout, distribution of winnings,
20 rules of racing, method of calculating breakage, and a percentage of
21 deposits remaining undistributed from a parimutuel pool after payment
22 is made to winning ticket holders which are different from those which
23 would otherwise be applied in this State but which are consistent for
24 all parties to the interstate common pool. However, moneys resulting
25 from breakage on amounts wagered at the receiving track and from
26 outstanding parimutuel tickets issued at the receiving track in all
27 instances shall be distributed as provided in section 38 of this act.

28 c. [A receiving track which is authorized by the New Jersey
29 Racing Commission to receive the racing program, in full or in part,
30 from an out-of-State sending track pursuant to subsection a. of this
31 section shall pay the out-of-State sending track an amount equal to not
32 more than 3% of each parimutuel pool generated at the receiving
33 track. If the receiving track negotiates an agreement to pay the
34 out-of-State sending track an amount equal to less than 3% of the
35 parimutuel pool generated at the receiving track, the receiving track
36 shall be entitled to retain the difference between the amount agreed
37 upon and 3%] Deleted by amendment, P.L. c. (C.)(now pending
38 before the Legislature as this bill).

39 (cf: P.L.1992, c.19, s.37)

40

41 ¹[41.] 38.¹ Section 6 of P.L.1971, c.137 (C.5:10-6) is amended
42 to read as follows:

43 6. a. The authority, pursuant to the provisions of P.L.1971, c.137
44 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone
45 or in conjunction with others, and provided that, in the case of an
46 arrangement with respect to any of the projects set forth in this section

1 which shall be in conjunction with others, the authority shall have
2 sufficient right and power to carry out the public purposes set forth in
3 P.L.1971, c.137 (C.5:10-1 et seq.):

4 (1) To establish, develop, construct, operate, acquire, own,
5 manage, promote, maintain, repair, reconstruct, restore, improve and
6 otherwise effectuate, either directly or indirectly through lessees,
7 licensees or agents, a project to be located in the Hackensack
8 meadowlands upon a site not to exceed 750 acres and upon a site or
9 sites outside of that acreage, but either immediately contiguous thereto
10 or immediately across any public road which borders that acreage,
11 consisting of one or more stadiums, coliseums, arenas, pavilions,
12 stands, field houses, playing fields, recreation centers, courts,
13 gymnasiums, clubhouses, a racetrack for the holding of horse race
14 meetings, and other buildings, structures, facilities, properties and
15 appurtenances related to, incidental to, necessary for, or
16 complementary to a complex suitable for the holding of athletic
17 contests or other sporting events, or trade shows, exhibitions,
18 spectacles, public meetings, entertainment events or other expositions,
19 including, but not limited to, driveways, roads, approaches, parking
20 areas, parks, recreation areas, lodging facilities, vending facilities,
21 restaurants, transportation structures, systems and facilities, and
22 equipment, furnishings, and all other structures and appurtenant
23 facilities, related to, incidental to, necessary for, or complementary to
24 the purposes of that project or any facility thereof.

25 (2) To establish, develop, construct, acquire, lease or own,
26 operate, manage, promote, maintain, repair, reconstruct, restore,
27 improve and otherwise effectuate, either directly or indirectly through
28 lessees, licensees or agents, a project, at a site within the State of New
29 Jersey, consisting of a baseball stadium and other buildings, structures,
30 facilities, properties and appurtenances related thereto, or incidental
31 to, necessary for, or complementary to a complex suitable for the
32 holding of professional baseball games and other athletic contests or
33 sporting events, or trade shows, exhibitions, spectacles, public
34 meetings, entertainment events or other expositions, such project to
35 include driveways, roads, approaches, parking areas, parks, recreation
36 areas, vending facilities, restaurants, transportation structures, systems
37 and facilities, and equipment, furnishings and all other structures and
38 appurtenant facilities related to, incidental to, necessary for, or
39 complementary to the purposes of that project or any facility thereof.

40 (3) To establish, develop, construct, acquire, lease or own,
41 operate, manage, promote, maintain, repair, reconstruct, restore,
42 improve and otherwise effectuate, either directly or indirectly through
43 lessees, licensees or agents, projects located within the State of New
44 Jersey, but outside of the meadowlands complex, consisting of
45 aquariums and the buildings, structures, facilities, properties and
46 appurtenances related thereto, or incidental to, necessary for, or

1 complementary to those aquariums, such project to include driveways,
2 roads, approaches, parking areas, parks, recreation areas, vending
3 facilities, restaurants, transportation structures, systems and facilities,
4 and equipment, furnishings and all other structures and appurtenant
5 facilities related to, incidental to, necessary for, or complementary to
6 the purposes of that project or any facility thereof. To provide for a
7 project authorized under this paragraph:

8 (a) (Deleted by amendment, P.L.1988, c.172.)

9 (b) The authority is authorized to enter into agreements with the
10 State Treasurer providing for the acquisition and construction of an
11 aquarium by the authority, including the land necessary for the
12 aquarium, and the costs thereof, ownership of the aquarium and its
13 land which shall be conveyed to the State upon completion, and the
14 operation by the authority of the aquarium pursuant to a lease or other
15 agreement with the State containing such terms and conditions as the
16 State Treasurer may establish prior to the acquisition and construction
17 by the authority of the aquarium and the disbursements of funds
18 therefor. The State Treasurer is authorized to enter into a lease or
19 other agreement to effectuate the provisions of this subparagraph.

20 (4) To establish, develop, construct, acquire, own, operate,
21 manage, promote, maintain, repair, reconstruct, restore, improve and
22 otherwise effectuate, either directly or indirectly through lessees,
23 licensees or agents, a project consisting of an exposition or
24 entertainment center or hotel or office complex, including any
25 buildings, structures, properties and appurtenances related thereto,
26 incidental thereto, necessary therefor, or complementary thereto, such
27 project to include driveways, roads, approaches, parking areas, parks,
28 recreation areas, vending facilities, restaurants, transportation
29 structures, systems, and equipment, furnishings and all other structures
30 and appurtenances related to, incidental to, necessary for, or
31 complementary to, the purposes of that project. A project authorized
32 under this paragraph may be located within, immediately contiguous
33 to, or immediately across any public road which borders the site of any
34 other project of the authority, except the site of a racetrack authorized
35 by paragraph (5) of this subsection and acquired by the authority prior
36 to 1986.

37 (5) To establish, develop, construct, acquire, own, operate,
38 manage, promote, maintain, repair, reconstruct, restore, improve and
39 otherwise effectuate, either directly or indirectly through lessees,
40 licensees or agents, projects consisting of (a) racetrack facilities
41 located within the State of New Jersey, but outside of the
42 meadowlands complex, (b) their contiguous properties, and (c) their
43 auxiliary facilities, including, without limitation, pavilions, stands, field
44 houses, clubhouses, training tracks for horses, racetracks for the
45 holding of horse race meetings, fairgrounds, other exposition facilities,
46 and other buildings, structures, facilities, properties and appurtenances

1 related to, incidental to, necessary for, or complementary to a complex
2 suitable for the holding of horse race meetings, other sporting events,
3 or trade shows, exhibitions, spectacles, public meetings, entertainment
4 events or other expositions, including, but not limited to, driveways,
5 roads, approaches, parking areas, parks, recreation areas, lodging
6 facilities, vending facilities, restaurants, transportation structures,
7 systems and facilities, equipment, furnishings, and all other structures
8 and appurtenant facilities related to, incidental to, necessary for, or
9 complementary to the purposes of any of those projects or any facility
10 thereof.

11 Notwithstanding any law to the contrary, the acquisition of any
12 existing racetrack facility in and licensed by the State of New Jersey
13 shall be permitted on the condition that payments equivalent to all
14 municipal, school board and county taxes due to each entity shall be
15 paid by the authority to the extent and in accordance with the same
16 payment schedule as taxes would have been paid each year, as though
17 the racetrack facility remained in private ownership. In the event the
18 authority conveys lands or other parts of the racetrack facility to
19 others, the authority shall receive a reduction of such payments
20 commensurate with the amount required to be paid by the subsequent
21 owner of the lands and improvements disposed of by the authority. In
22 addition, the authority shall be responsible for paying all existing local
23 franchise fees, license and parking tax fees in effect at the time of the
24 acquisition.

25 (6) To establish, develop, acquire, own, operate, manage, promote
26 and otherwise effectuate, in whole or in part, either directly or
27 indirectly through lessees, licensees or agents, projects consisting of
28 events, expositions, teams, team franchises or membership in
29 professional sports leagues.

30 (7) To establish, develop, construct, acquire, own, operate,
31 manage, promote, maintain, repair, reconstruct, restore, improve and
32 otherwise effectuate, either directly or indirectly through lessees,
33 licensees or agents, projects consisting of facilities, at a site or sites
34 within the State of New Jersey and either within or without the
35 meadowlands complex, that are related to, incidental to, necessary for,
36 or complementary to the accomplishment or purpose of any project of
37 the authority authorized by this section, including any buildings,
38 structures, properties and appurtenances related thereto, incidental
39 thereto, necessary therefor, or complementary thereto, such projects
40 to include driveways, roads, approaches, parking areas, parks,
41 recreation areas, off-track and account wagering systems and facilities
42 or any interest therein, vending facilities, restaurants, transportation
43 structures, systems, and equipment, furnishings and all other structures
44 and appurtenances related to, incidental to, necessary for, or
45 complementary to the purposes of those projects.

46 (8) To establish, develop, acquire, construct, reconstruct, improve

1 and otherwise effectuate for transfer to, and for use and operation by,
2 Rutgers, the State University, either directly or indirectly through
3 lessees, licensees or agents, facilities located or to be located on
4 property owned, leased, or otherwise used by Rutgers, the State
5 University, consisting of an upgraded and expanded football stadium
6 and a new track and field, soccer and lacrosse facility and the
7 buildings, structures, properties and appurtenances related thereto, or
8 incidental to, necessary for, or complementary to the football stadium
9 and track and field, soccer and lacrosse facility, such facilities to
10 include driveways, access roads, approaches, parking areas, parks,
11 recreation areas, vending facilities, restaurants, transportation
12 structures, systems and equipment, furnishings and all other structures
13 and appurtenances related or incidental to, necessary for, or
14 complementary to the purposes of those facilities; provided however
15 that construction shall not begin on the expansion of the seating
16 capacity of Rutgers Stadium until the Commissioner of Transportation
17 certifies that all funding necessary to complete the Route 18 project in
18 Piscataway Township has been appropriated and construction has
19 begun on the Route 18 project in Piscataway Township under the
20 Department of Transportation's capital program.

21 (9) To acquire by purchase, lease or otherwise, and to develop,
22 construct, operate, own, lease, manage, repair, reconstruct, restore,
23 improve, enlarge or otherwise effectuate, either directly or through
24 lessees, licensees or agents, a convention center project in the city of
25 Atlantic City, Atlantic County, consisting of the existing convention
26 hall and a new convention hall or center, and associated parking areas
27 and railroad terminal facilities and including the leasing of adjacent
28 land for hotel facilities. In connection therewith, the authority is
29 authorized to:

30 (a) Assume existing leasehold or other contractual obligations
31 pertaining to any such facilities or properties or to make provision for
32 the payment or retirement of any debts and obligations of the
33 governmental entity operating any such convention hall or center or of
34 any bonds or other obligations payable from and secured by a lien on
35 or pledge of the luxury tax revenues;

36 (b) Make loans or payments in aid of construction with respect to
37 infrastructure and site development for properties located in the area
38 between the sites of the existing convention hall and a new convention
39 center or located contiguous to or across any public road which
40 borders the area;

41 (c) Convert the existing convention hall or any facilities, structures
42 or properties thereof, or any part thereof, not disposed of by the
43 authority, to any sports, exposition, exhibition, or entertainment use
44 or to use as a forum for public events or meetings, or to any other use
45 which the authority shall determine to be consistent with its operation
46 of the Atlantic City convention center project.

1 (10) To provide a feasibility study for the use and development of
2 the existing convention center in the city of Asbury Park, county of
3 Monmouth and to provide a feasibility study for the construction, use
4 and development of a convention center or recreational facility in any
5 other municipality.

6 (11) To provide funding to public or private institutions of higher
7 education in the State to establish, develop, acquire, construct,
8 reconstruct or improve facilities located or to be located on property
9 owned, leased, or otherwise used by an institution, consisting of sports
10 facilities and the buildings, structures, properties and appurtenances
11 related thereto, or incidental to, necessary for, or complementary to
12 those sports facilities, such facilities to include driveways, access
13 roads, approaches, parking areas, parks, recreation areas, vending
14 facilities, restaurants, transportation structures, systems and
15 equipment, furnishings and all other structures and appurtenances
16 related or incidental to, necessary for, or complementary to the
17 purposes of those facilities.

18 (12) To acquire by purchase, lease, or otherwise, including all
19 right, title and interest of the Greater Wildwood Tourism Improvement
20 Development Authority in any property, and to develop, construct,
21 operate, own, lease, manage, repair, reconstruct, restore, improve,
22 enlarge or otherwise effectuate, either directly or through lessees,
23 licensees or agents, a convention center facility in the City of
24 Wildwood, Cape May County, consisting of and including any existing
25 and acquired buildings, structures, properties and appurtenances and
26 including restaurants, retail businesses, access roads, approaches,
27 parking areas, transportation structures and systems, recreation areas,
28 equipment, furnishings, vending facilities, and all other structures and
29 appurtenances incidental to, necessary for, or complementary to the
30 purpose of such Wildwood convention center facility. In connection
31 therewith, the authority is expressly authorized to:

32 (a) assume any existing mortgages, leaseholds or other contractual
33 obligations or encumbrances with respect to the site of the Wildwood
34 convention center facility and any other existing and acquired
35 buildings, structures, properties, and appurtenances;

36 (b) enter into agreements with a local public body or bodies
37 providing for any necessary financial support or other assistance for
38 the operation and maintenance of such Wildwood convention center
39 facility from taxes or other sources of the local public body or bodies
40 as shall be made available for such purposes;

41 (c) to the extent permitted by law and by the terms of the bonds
42 or notes issued to finance the Wildwood convention center facility,
43 transfer its ownership interest or other rights with respect to the
44 convention center facility to another State authority or agency;

45 (d) upon payment of all outstanding bonds and notes issued
46 therefore, transfer its ownership interest and other rights with respect

1 thereto to such other public body as shall be authorized to own and
2 operate such a facility; and

3 (e) convert any existing convention hall or any facilities, structures
4 or properties thereof, or any part thereof, not disposed of by the
5 authority, to any use which the authority shall determine to be
6 consistent with the operation of the Wildwood convention center
7 facility.

8 b. The authority, pursuant to the provisions of P.L.1971, c.137
9 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
10 projects, capital contributions to others for transportation and other
11 facilities, and accommodations for the public's use of any of those
12 projects, (2) to lease any part of any of those project sites not
13 occupied or to be occupied by the facilities of any of those projects,
14 for purposes determined by the authority to be consistent with or
15 related to the purposes of those projects, including, but not limited to,
16 hotels and other accommodations for transients and other facilities
17 related to or incidental to any of those projects, and (3) to sell or
18 dispose of any real or personal property, including, but not limited to,
19 such portion of the site of any of those projects not occupied or to be
20 occupied by the facilities of any of those projects, at not less than the
21 fair market value of the property, except in the case of sale or
22 disposition to the State, any political subdivision of the State or any
23 agency or instrumentality of the State or any political subdivision of
24 the State.

25 c. Revenues, moneys or other funds, if any, derived from the
26 operation or ownership of the meadowlands complex, including the
27 conduct of horse race meetings, shall be applied, in accordance with
28 the resolution or resolutions authorizing or relating to the issuance of
29 bonds or notes of the authority, to the following purposes and in the
30 following order:

31 (1) The costs of operation and maintenance of the meadowlands
32 complex and reserves therefor;

33 (2) Principal, sinking fund installments and redemption premiums
34 of and interest on any bonds or notes of the authority payable from
35 such revenues, moneys or other funds and issued for the purposes of
36 the meadowlands complex or for the purposes of refunding the same,
37 including reserves and payments with respect to credit agreements
38 therefor;

39 (3) The costs of any major or extraordinary repairs, renewals or
40 replacements with respect to the meadowlands complex or incidental
41 improvements thereto, not paid pursuant to paragraph (1) above,
42 including reserves therefor;

43 (4) Payments required to be made pursuant to section 18b.;

44 (5) Payments authorized to be made pursuant to section 18c.;

45 (6) Except to the extent payments with respect to bonds or notes
46 are provided with priority in accordance with paragraph (2) of this

1 subsection, payments required to be made in accordance with the
2 resolution authorizing or relating to the issuance of bonds or notes of
3 the authority, for the purposes of any project authorized by this act,
4 including payments and reserves with respect to any bonds or notes of
5 the authority with respect to the meadowlands complex which are not
6 provided with priority in accordance with paragraph (2) of this
7 subsection;

8 (7) Payments required to be made to repay any obligation incurred
9 by the authority to the State;

10 (8) The balance remaining after application in accordance with the
11 above shall be deposited in the General State Fund, provided that (a)
12 there shall be appropriated for authorized State purposes from the
13 amount so deposited that amount which shall be calculated by the
14 State Treasurer to be the debt service savings realized with respect to
15 the refinancing of the initial project as defined in section 1 of
16 P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the
17 issuance of bonds of the authority guaranteed by the State, and (b)
18 after such appropriation, 40% of any balance remaining from the
19 amounts so deposited shall be appropriated to the Meadowlands
20 Commission for any of its purposes authorized by P.L.1968, c.404,
21 and any amendments or supplements thereto.

22 d. Revenues, moneys or other funds, if any, derived from the
23 operation or ownership of any project other than the meadowlands
24 complex, the Atlantic City convention center project, or the Wildwood
25 convention center facility and other than a baseball stadium project or
26 an office complex project located on the site of a baseball stadium
27 shall be applied for such purposes, in such manner and subject to such
28 conditions as shall be provided in the resolution authorizing or relating
29 to the issuance of bonds or notes of the authority for the purposes of
30 such project, and the balance, if any, remaining after such application
31 may be applied, to the extent not contrary to or inconsistent with the
32 resolution, in the following order (1) to the purposes of the
33 meadowlands complex, unless otherwise agreed upon by the State
34 Treasurer and the authority, (2) to the purposes of any other project
35 of the authority; and, the balance remaining, if any, shall be deposited
36 in the General Fund.

37 e. Revenues, moneys or other funds, if any, derived from the
38 operation, ownership, or leasing of a baseball stadium project or an
39 office complex project located on the site of a baseball stadium shall
40 be applied for the purposes, in the manner and subject to the
41 conditions as shall be provided in the resolution authorizing or relating
42 to the issuance of bonds or notes of the authority for the purposes of
43 a baseball stadium project or an office complex project located on the
44 site of a baseball stadium, if any, and the balance, if any, remaining
45 after such application shall be applied, to the extent not contrary to or
46 inconsistent with the resolution, to the following purposes and in the

1 following order:

2 (1) The costs of operation and maintenance of a baseball stadium
3 project and an office complex project located on the site of a baseball
4 stadium and reserves therefor;

5 (2) Payments made to repay the bonded indebtedness incurred by
6 the authority for the purposes of a baseball stadium project or an
7 office complex project located on the site of a baseball stadium;

8 (3) Payments equivalent to an amount required to be made by the
9 State for payments in lieu of taxes pursuant to P.L.1977, c.272
10 (C.54:4-2.2a et seq.);

11 (4) The balance remaining after application in accordance with the
12 above shall be deposited in the General Fund.

13 f. Revenues, moneys or other funds, if any, derived from the
14 operation, ownership or leasing of the Atlantic City convention center
15 project shall be applied to the costs of operating and maintaining the
16 Atlantic City convention center project and to the other purposes set
17 forth in this subsection as shall be provided by resolution of the
18 authority.

19 Luxury tax revenues paid to the authority by the State Treasurer
20 pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be
21 deposited by the authority in a separate fund or account and applied
22 to the following purposes and in the following order:

23 (1) To pay the principal, sinking fund installments and redemption
24 premiums of and interest on any bonds or notes of the authority,
25 including bonds or notes of the authority issued for the purpose of
26 refunding bonds or notes, issued for purposes of (i) the initial
27 acquisition of the existing properties which will constitute part of the
28 Atlantic City convention center project, if the bonds or notes shall be
29 payable under the terms of the resolution of the authority relating
30 thereto from luxury tax revenues, or (ii) providing improvements,
31 additions or replacements to the Atlantic City convention center
32 project, if the bonds or notes shall be payable under the terms of the
33 resolution of the authority relating thereto from luxury tax revenues;
34 and to pay any amounts due from the authority under any credit
35 agreement entered into by the authority in connection with the bonds
36 or notes.

37 (2) To pay the costs of operation and maintenance of the Atlantic
38 City convention center project.

39 (3) To establish and maintain a working capital and maintenance
40 reserve fund for the Atlantic City convention center project in an
41 amount as shall be determined by the authority to be necessary.

42 (4) To repay to the State those amounts paid by the State with
43 respect to bonds or notes of the authority issued for the purposes of
44 the Atlantic City convention center project.

45 (5) The balance of any luxury tax revenues not required for any of
46 the foregoing purposes and remaining at the end of any calendar year

1 shall be paid to the State Treasurer for application to purposes in the
2 city of Atlantic City pursuant to section 5 of P.L.1981, c.461
3 (C.40:48-8.30a).

4 The authority may pledge the luxury tax revenues paid to it as
5 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security
6 for the payment of the principal of and interest or premium on its
7 bonds or notes issued for the purposes set forth above in paragraph (1)
8 of this subsection f. in the same manner, to the same extent and with
9 the same effect as the pledge of any of its other revenues, receipts and
10 funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

11 g. Revenues, moneys or other funds, if any, derived from the
12 ownership or operation of the Wildwood convention center facility
13 shall be applied to the costs of operating and maintaining the
14 Wildwood convention center facility and to the other purposes set
15 forth in this subsection as shall be provided by resolution of the
16 authority.

17 The tourism related tax revenues paid to the authority pursuant to
18 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be
19 deposited by the authority in a separate fund or account and applied
20 to any or all of the following purposes pursuant to an allocation of
21 funds approved by the State Treasurer in writing and in advance of any
22 application of such funds:

23 (1) to pay amounts due with respect to any obligations transferred
24 to the authority pursuant to section 17 of P.L.1997, c.273
25 (C.40:54D-25.1) pertaining to the Wildwood convention center
26 facility:

27 (2) to repay to the State those amounts paid with respect to bonds
28 or notes of the authority issued for the purposes of the Wildwood
29 convention center facility;

30 (3) to pay the cost of operation and maintenance reserve for the
31 Wildwood convention center facility;

32 (4) to establish and maintain a working capital and maintenance of
33 the Wildwood convention center facility.

34 The balance, if any, of any tourism related tax revenues not
35 allocated to any of the purposes set forth in the previous paragraphs
36 and remaining at the end of the calendar year shall be paid to the State
37 Treasurer for deposit in the General Fund.

38 (cf: P.L.1997, c.273, s.20)

39

40 ¹[42.] 39.¹ Section 18 of P.L.1971, c.137 (C.5:10-18) is amended
41 to read as follows:

42 18. a. All projects and other property of the authority, except an
43 off-track wagering facility or account wagering system facility
44 established pursuant to P.L. , c. (now pending before the
45 Legislature as this bill), is hereby declared to be public property
46 devoted to an essential public and governmental function and purpose

1 and shall be exempt from all taxes and special assessments of the State
2 or any political subdivision thereof; provided, however, that when any
3 part of the project site not occupied or to be occupied by facilities of
4 the project is leased by the authority to another whose property is not
5 exempt and the leasing of which does not make the real estate taxable,
6 the estate created by the lease and the appurtenances thereto shall be
7 listed as the property of the lessee thereof, or his assignee, and be
8 assessed and taxed as real estate. All bonds or notes issued pursuant
9 to the act are hereby declared to be issued by a body corporate and
10 public of the State and for an essential public and governmental
11 purpose and such bonds and notes, and the interest thereon and the
12 income therefrom, and all funds, revenues, income and other moneys
13 received or to be received by the authority and pledged or available to
14 pay or secure the payment of such bonds or notes, or interest thereon,
15 shall at all times be exempt from taxation except for transfer,
16 inheritance and estate taxes.

17 b. To the end that there does not occur an undue loss of future tax
18 revenues by reason of the acquisition of real property by the authority
19 for the meadowlands complex the authority annually shall make
20 payments in-lieu-of-taxes to the municipality in which such property
21 is located in an amount computed in each year with respect to each
22 such municipality by multiplying the total amount to be raised by real
23 property taxation in each such year by a fraction, the numerator of
24 which is the amount of real property taxes assessed against the
25 property acquired by the authority in the tax year in which this act
26 becomes effective and the denominator of which is the total amount to
27 be raised by real property taxation in such municipality in the tax year
28 in which this act becomes effective. Such payments shall be made in
29 each year commencing with the first year subsequent to the year in
30 which such real property shall have been converted from a taxable to
31 an exempt status by reason of acquisition thereof by the authority.

32 c. The authority is further authorized and empowered to enter into
33 any agreement or agreements with the Meadowlands Commission or
34 with any county or municipality located in whole or part within the
35 Hackensack meadowlands whereby the authority will undertake to pay
36 any additional amounts to compensate for any loss of tax revenues by
37 reason of the acquisition of any real property by the authority for the
38 meadowlands complex or to pay amounts to be used by such
39 commission, county or municipality in furtherance of the development
40 of the Hackensack meadowlands, including the meadowlands complex.
41 The commission and every such county and municipality is authorized
42 and empowered to enter into such agreements with the authority and
43 to accept payments which the authority makes thereunder.

44 d. All payments to municipalities pursuant to subsections b. and
45 c. shall be treated as payments in-lieu-of-property taxes for all
46 purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).
47 (cf: P.L.1971, c.137, s.18)

1 ¹[43. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
2 read as follows:

3 104. a. (1) Unless otherwise provided in this subsection, no
4 agreement which provides for the payment, however defined, of any
5 direct or indirect interest, percentage or share of any money or
6 property gambled at a casino or simulcasting facility or derived from
7 casino gaming activity or wagering at a simulcasting facility of any
8 such interest, percentage, or share of any revenues, profits or earnings
9 of a casino or simulcasting facility shall be lawful.

10 (2) Agreements which provide only for the payment of a fixed sum
11 which is in no way affected by the amount of any such money,
12 property, revenues, profits or earnings shall not be subject to the
13 provisions of this subsection; and receipts, rentals or charges for real
14 property, personal property or services shall not lose their character
15 as payments of a fixed sum because of contract, lease, or license
16 provisions for adjustments in charges, rentals or fees on account of
17 changes in taxes or assessments, cost-of-living index escalations,
18 expansion or improvement of facilities, or changes in services supplied.

19 (3) Agreements between a casino licensee and its employees which
20 provide for casino employee or casino key employee profit sharing and
21 which are in writing and have been filed with the commission shall be
22 lawful and effective only if expressly approved as to their terms by the
23 commission.

24 (4) Agreements to lease an approved casino hotel or the land
25 thereunder and agreements for the complete management of all casino
26 gaming operations in a casino hotel shall not be subject to the
27 provisions of this subsection but shall rather be subject to the
28 provisions of subsections b. and c. of section 82 of this act.

29 (5) Agreements which provide for percentage charges between the
30 casino licensee and a holding company or intermediary company of the
31 casino licensee shall be in writing and filed with the commission but
32 shall not be subject to the provisions of this subsection.

33 (6) Agreements relating to simulcast racing and wagering between
34 a casino licensee and an in-State or out-of-State sending track licensed
35 or exempt from licensure in accordance with subsection c. of section
36 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
37 commission, and be lawful and effective only if expressly approved as
38 to their terms by the commission and the New Jersey Racing
39 Commission, except that any such agreements which provide for a
40 percentage of the parimutuel pool wagered at a simulcasting facility to
41 be paid to the sending track shall not be subject to the provisions of
42 paragraph (1) of this subsection.

43 (7) Agreements relating to simulcast racing and wagering between
44 a casino licensee and a casino service industry licensed pursuant to the
45 provisions of subsection a. of section 92 of P.L.1977, c.110
46 (C.5:12-92) as a hub facility, as defined in joint regulations of the

1 Casino Control Commission and the New Jersey Racing Commission,
2 shall be in writing, be filed with the commission, and be lawful and
3 effective only if expressly approved as to their terms by the
4 commission and the New Jersey Racing Commission, except that any
5 such agreements which provide for a percentage of the casino
6 licensee's share of the parimutuel pool wagered at a simulcasting
7 facility to be paid to the hub facility shall not be subject to the
8 provisions of paragraph (1) of this subsection. As used in this
9 paragraph, "hub facility" means a facility which acts as an intermediary
10 between a casino simulcasting facility and a sending track with respect
11 to the transmission of parimutuel wagering data and which is
12 responsible for generating all reports necessary for the reconciliation
13 of payments between casino licensees, sending tracks and the New
14 Jersey Racing Commission. The hub facility also may, but is not
15 required to, perform other functions including the transmission of
16 pictures of simulcast horse races and parimutuel non-wagering data.
17 Nothing herein shall preclude a hub facility from utilizing a transaction
18 processor located outside of this State, subject to the regulation of the
19 New Jersey Casino Control Commission and the New Jersey Racing
20 Commission.

21 (8) Agreements relating to simulcast racing and wagering between
22 a casino licensee and a casino service industry licensed pursuant to the
23 provisions of subsection a. of section 92 of P.L.1977, c.110
24 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
25 shall be in writing, be filed with the commission, and be lawful and
26 effective only if expressly approved as to their terms by the
27 commission, except that any such agreements which provide for a
28 percentage of the casino licensee's share of the parimutuel pool
29 wagered at a simulcasting facility to be paid to the casino service
30 industry shall not be subject to the provisions of paragraph (1) of this
31 subsection.

32 b. Each casino applicant or licensee shall maintain, in accordance
33 with the rules of the commission, a record of each written or unwritten
34 agreement regarding the realty, construction, maintenance, or business
35 of a proposed or existing casino hotel or related facility. The
36 foregoing obligation shall apply regardless of whether the casino
37 applicant or licensee is a party to the agreement. Any such agreement
38 may be reviewed by the commission on the basis of the reasonableness
39 of its terms, including the terms of compensation, and of the
40 qualifications of the owners, officers, employees, and directors of any
41 enterprise involved in the agreement, which qualifications shall be
42 reviewed according to the standards enumerated in section 86 of this
43 act. If the commission disapproves such an agreement or the owners,
44 officers, employees, or directors of any enterprise involved therein, the
45 commission may require its termination.

46 Every agreement required to be maintained, and every related

1 agreement the performance of which is dependent upon the
2 performance of any such agreement, shall be deemed to include a
3 provision to the effect that, if the commission shall require termination
4 of an agreement pursuant to this subsection, such termination shall
5 occur without liability on the part of the casino applicant or licensee
6 or any qualified party to the agreement or any related agreement.
7 Failure expressly to include such a provision in the agreement shall not
8 constitute a defense in any action brought to terminate the agreement.
9 If the agreement is not maintained or presented to the commission in
10 accordance with commission regulations, or the disapproved
11 agreement is not terminated, the commission may pursue any remedy
12 or combination of remedies provided in this act.

13 For the purposes of this subsection, "casino applicant" includes any
14 person required to hold a casino license pursuant to section 82 of
15 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
16 a casino license or any approval required under P.L.1977, c.110
17 (C.5:12-1 et seq.).

18 c. Nothing in this act shall be deemed to permit the transfer of any
19 license, or any interest in any license, or any certificate of compliance
20 or any commitment or reservation.
21 (cf: P.L.1996, c.84, s.7)]¹

22
23 ¹[44. Section 5 of P.L.1992, c.19 (C.5:12-195) is amended to
24 read as follows:

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

35 a. in the case of harness races, each permit holder shall conduct at
36 least 75% of the average number of live racing programs conducted by
37 that permit holder during calendar years 1990 and 1991; and

38 b. in the case of running races, Monmouth Racetrack shall conduct
39 at least the same number of live racing programs conducted in 1991,
40 Garden State Racetrack shall conduct at least 60% of the live racing
41 programs conducted by that permit holder in calendar year 1990, and
42 each of the other permit holders conducting running races shall
43 conduct at least 75% of the live racing programs conducted by that
44 permit holder in calendar year 1990.

45 For the purpose of satisfying the requirements of this section for
46 the conduct of live racing programs, any live racing program or part

1 thereof which is cancelled because of weather or another act of God
2 shall be deemed to have been conducted, subject to the approval of the
3 New Jersey Racing Commission.]

4 (cf: P.L.1992, c.19, s.5)]¹

5
6 ¹[45.] 40.¹ Section 2 of P.L.1993, c.229 (C.26:2-169) is amended
7 to read as follows:

8 2. The Department of Health and Senior Services shall develop
9 criteria which [a] prevention, education and treatment [program]
10 programs for compulsive gamblers shall meet in order to become
11 eligible for a grant from the funds made available for such [treatment]
12 programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).
13 The department shall also develop a formula for the distribution of
14 available funds which will result in an equitable distribution among the
15 programs which meet the eligibility criteria and apply for grants.

16 The department shall submit a report to the Senate Budget and
17 Appropriations Committee and the Assembly Appropriations
18 Committee, or their successors, describing the criteria developed
19 pursuant to this section and detailing the amount of grants distributed
20 and the names of the programs receiving grants. The department shall
21 submit the report annually to both committees.

22 (cf: P.L.1993, c.229, s.2)

23
24 ¹[46. R.S.33:1-42 is amended to read as follows:

25 33:1-42. No sales of alcoholic beverages shall be made in any
26 public buildings belonging to or under the control of the state or any
27 political subdivision thereof except as to the national guard as
28 hereinbefore provided, or in any off-track wagering facility, whether
29 publicly owned or controlled or otherwise, and except as permitted by
30 the [commissioner] Director of the Division of Alcoholic Beverage
31 Control in specified cases and subject to rules and regulations.

32 (cf: R.S.33:1-42)]¹

33
34 ¹[47. This] 41. Sections 30-38 and 40 of this ¹act shall take
35 effect immediately ¹[, and sections 37 and 38 shall expire upon the
36 closure of Garden State Park] and the remaining sections shall take
37 effect on the 180th day after enactment, but the commission shall take
38 such anticipatory administrative action in advance as shall be necessary
39 for the implementation of the act¹.

§§1-30,32-35 -
C.5:5-127 to
5:5-160
§31 - C.5:5-22.1
§36 - T&E &
Approp.
§41 - Note to
§§1-40

P.L. 2001, CHAPTER 199, *approved August 5, 2001*
Assembly, No. 3315 (*Third Reprint*)

1 **AN ACT** concerning horse racing, supplementing chapter 5 of Title 5
2 of the Revised Statutes and amending various parts of the statutory
3 law and making an appropriation.

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

7
8 1. (New Section) Sections 1-35 of this act shall be known and may
9 be cited as the “Off-Track and Account Wagering Act.”

10

11 2. (New Section) The Legislature finds and declares that:

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

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

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

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ACT committee amendments adopted May 17, 2001.

² Assembly floor amendments adopted June 14, 2001.

³ Senate SEG committee amendments adopted June 25, 2001.

1 ²[e. The Sports and Exposition Authority, as an instrumentality of
2 the State, typically is not subject to local zoning and planning laws
3 when performing a function for the benefit of all the people of the
4 State. Furthermore, property it owns or controls typically is
5 considered public property devoted to an essential government
6 function and therefore, not subject to local property taxation.

7 In reality, the authority, in establishing off-track wagering facilities,
8 would not be performing an essential government function, but rather
9 an essentially private business function. In addition, the establishment
10 of off-track wagering represents a substantial expansion of gambling
11 in this State. Numerous municipalities, residents and established
12 businesses would be impacted by the establishment of such facilities
13 throughout the State. There could be municipalities that may view the
14 placement of such facilities at the discretion of the authority and the
15 racing commission as unwanted and unwarranted intrusions for which
16 they would have to provide services but for which they may not
17 receive appropriate levels of property taxes. Therefore, fundamental
18 fairness dictates that the powers of municipalities not be eroded with
19 regard to the establishment of these facilities and that the authority
20 should not be permitted to disregard local rules and controls and tax
21 requirements. Off-track wagering facilities owned or controlled by the
22 authority shall be subject to local zoning and planning rules and local
23 property taxation.]

24 e. In establishing off-track wagering facilities, the authority will not
25 be performing an essential government function but rather an
26 essentially private business function. Numerous municipalities,
27 residents and businesses will be impacted by the establishment of off-
28 track wagering facilities throughout the State. A municipality may
29 oppose the placement of an off-track wagering facility within its
30 boundaries at the discretion of the authority and the commission. A
31 municipality may want an off-track wagering facility sited within its
32 boundaries, but only if the municipality receives an appropriate level
33 of property tax for municipal services. Therefore, fundamental
34 fairness dictates that any municipality be empowered to refuse the
35 siting of a facility within its boundaries. Fundamental fairness also
36 dictates that an off-track wagering facility, even if owned and not
37 leased by the authority, be subject to local property tax requirements.²

38 f. By regulation of the Division of Alcoholic Beverage Control,
39 there exist special licenses that permit the sale of alcoholic beverages
40 on public property. These special licenses, typically available to the
41 authority, are inexpensive and circumvent the traditional method for
42 obtaining a license to sell alcoholic beverages. Because the
43 establishment of off-track wagering facilities is, in reality, essentially
44 a private business ²[venture] function² and not an essential
45 government function, the authority ³[shall be required to obtain a
46 license to sell alcoholic beverages in the traditional manner] is not

1 permitted to receive a special license. Under this act, only a private
2 holder of a Class C plenary retail consumption license is permitted to
3 provide alcoholic beverages at an off-track wagering facility³.

4
5 3. (New Section) As used in this act:

6 “Account holder” means a resident of this State over age 18 who
7 establishes an account pursuant to this act through which account
8 wagers are placed.

9 “Account wagering” means a form of parimutuel wagering in which
10 an account holder may deposit money in an account with the account
11 wagering licensee and then use the account balance to pay for
12 parimutuel wagers by the account holder.

13 “Account wagering licensee” means the New Jersey Sports and
14 Exposition Authority, provided that the commission has granted its
15 approval for the authority to establish an account wagering system as
16 provided for in this act.

17 “Account wagering system” means the system through which
18 account wagers are processed by the account wagering licensee
19 pursuant to this act.

20 “Authority” means the New Jersey Sports and Exposition Authority
21 created by section 4 of P.L.1971, c.137 (C.5:10-4).

22 “Backstretch Benevolency” means the Backstretch Benevolency
23 Programs Fund established pursuant to section 1 of P.L.1993, c.15
24 (C.5:5-44.8).

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

28 “Breeding and Development” means the New Jersey Horse
29 Breeding and Development Account established pursuant to section 5
30 of P.L.1967, c.40 (C.5:5-88).

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

33 “Executive Director” means the Executive Director of the
34 commission.

35 “Health and Welfare” means moneys distributed to the
36 Standardbred Breeder's and Owner's Association for the administration
37 of a health benefits program pursuant to section 46 a. (5) of P.L.1940,
38 c.17 (C.5:5-66).

39 “In-State host track” means a racetrack within this State which is
40 operated by a permit holder which conducts a horse race upon which
41 account wagers are placed pursuant to this act.

42 “In-State sending track” means a racetrack within this State which
43 is operated by a permit holder and is equipped to conduct off-track
44 simulcasting.

45 “In-State track” means an in-State host track or an in-State sending
46 track.

1 “Interstate common pool” means the parimutuel pool established
2 within this State or in another state or foreign nation within which is
3 combined parimutuel pools of one or more receiving tracks located in
4 one or more states or foreign nations upon a race at an out-of-State
5 sending track or out-of-State host track for the purpose of establishing
6 payoff prices in the various jurisdictions.

7 ¹“Jockey's Health and Welfare” means a health and welfare trust
8 established by the organization certified by the New Jersey Racing
9 Commission as representing a majority of the active licensed
10 thoroughbred jockeys in New Jersey for the purpose of providing
11 health and welfare benefits to active, disabled and retired New Jersey
12 jockeys and their dependents based upon reasonable criteria by that
13 organization.¹

14 “New Jersey Racing Industry Special Fund” means the fund
15 established pursuant to section 27 of this act.

16 ¹“New Jersey Thoroughbred Horsemen's Association” means the
17 association representing the majority of New Jersey thoroughbred
18 owners and trainers responsible for receiving and distributing funds for
19 programs designed to aid thoroughbred horsemen.¹

20 “Off-track simulcasting” means the simultaneous audio or visual
21 transmission of horse races conducted at in-State and out-of-State
22 racetracks to off-track wagering facilities and parimutuel wagering at
23 those off-track wagering facilities on the results of those races.

24 “Off-track wagering” means parimutuel wagering at an off-track
25 wagering facility as authorized under this act.

26 “Off-track wagering facility” means a licensed facility, other than
27 a racetrack, at which parimutuel wagering is conducted pursuant to
28 this act.

29 “Off-track wagering licensee” means the New Jersey Sports and
30 Exposition Authority, provided that the commission has granted its
31 approval for the authority to conduct an off-track wagering facility as
32 provided for in this act.

33 “Out-of-State host track” means a racetrack in a jurisdiction other
34 than the State of New Jersey, the operator of which is lawfully
35 permitted to conduct a horse race meeting and which conducts horse
36 races upon which account wagers may be placed pursuant to this act.

37 “Out-of-State sending track” means a racetrack in a jurisdiction
38 other than the State of New Jersey which is equipped to conduct off-
39 track simulcasting and the operator of which is lawfully permitted to
40 conduct a horse race meeting and to provide simulcast horse races to
41 off-track wagering facilities in this State.

42 “Out-of-State track” means an out-of-State host track or an out-of-
43 State sending track.

44 “Outstanding parimutuel ticket” means a winning parimutuel ticket
45 which is not claimed within six months of sale.

46 “Parimutuel” means any system whereby wagers with respect to the

1 outcome of a horse race are placed with, or in, a wagering pool
2 conducted by an authorized person, and in which the participants are
3 wagering with each other and not against the person conducting the
4 wagering pool.

5 “Participation agreement” means the written contract that provides
6 for the establishment or implementation of either (a) an off-track
7 wagering facility or facilities or (b) an account wagering system. Each
8 such contract shall set forth the manner in which the off-track
9 wagering facility or facilities or the account wagering system shall be
10 managed, operated and capitalized, as well as how expenses and
11 revenues shall be allocated and distributed by and among the authority
12 and the other eligible ¹[participants] participants¹.

13 “Permit holder” means the holder of an annual permit to conduct a
14 horse race meeting issued by the commission.

15 “Racetrack” means the physical facility where a permit holder
16 conducts a horse race meeting with parimutuel wagering.

17 “Racing costs” means the prospective and actual costs for all
18 licensing, investigation, operation, regulation, supervision and
19 enforcement activities and functions performed by the commission.

20 “Simulcast horse races” means horse races conducted at an in-State
21 sending track or an out-of-State sending track, as the case may be, and
22 transmitted simultaneously by picture to a receiving track or an off-
23 track wagering facility.

24 “Sire Stakes” means the Sire Stakes Program established pursuant
25 to section 1 of P.L.1971, c.85 (C.5:5-91).

26 ³“Standardbred Drivers' Health and Welfare” means a health and
27 welfare trust established by the Standardbred Breeders' and Owners'
28 Association of New Jersey for the purpose of providing health and
29 welfare benefits to active, disabled and retired New Jersey
30 standardbred drivers and their dependents based upon reasonable
31 criteria by that organization.³

32 “Takeout” means that portion of a wager which is deducted from
33 or not included in the parimutuel pool, and which is distributed other
34 than to persons placing wagers.

35 “Thoroughbred Breeders and Stallions” means the special trust
36 account created pursuant to section 46 b.(1)(e) of P.L.1940, c.17
37 (C.5:5-66).

38
39 4. (New Section) a. The commission is authorized to issue a
40 license to the authority to permit off-track wagering at a specified
41 facility, upon application of the authority and in accordance with the
42 provisions of this act. A license issued pursuant to this act shall be
43 valid for a period of one year. The commission shall issue a license
44 only if the authority schedules at least the minimum number of race
45 dates required in Section 30 of this act and it is satisfied that the
46 authority has entered into a participation agreement with each and

1 every other person, partnership, association, corporation, or authority
2 or the successor in interest to such person, partnership, association,
3 corporation or authority that:

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

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

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

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

12 b. As part of the license application process, any participation
13 agreement entered into for the purposes of this section, or any
14 modification to the agreement made thereafter, shall be reviewed by
15 the commission and the Attorney General to determine whether the
16 agreement meets the requirements of this act and shall be subject to
17 the approval of the commission and the Attorney General.

18
19 5. (New Section) a. At the time of filing an application for an off-
20 track wagering license, the authority shall submit to the commission
21 a non-refundable filing fee in an amount established by regulation by
22 the commission, and a certification in a form prescribed by the
23 commission which specifies, but is not limited to, the following
24 information:

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

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

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

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

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

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

37 b. A separate application and certification shall be filed for each
38 off-track wagering facility that the authority proposes to establish.

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

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

43 e. ³[If an off-track wagering licensee, including the authority,
44 seeks to offer alcoholic] Notwithstanding R.S.33:1-42, alcoholic³
45 beverages ³may be offered³ for on-premise consumption at an off-
46 track wagering facility ³[, the licensee shall acquire] only if provided

1 by³ a Class C plenary retail consumption ³[license] licensee, by an
2 agreement or contract with the authority,³ pursuant to the provisions
3 of R.S.33:1-1 et seq. in accordance with such procedures as
4 established by statute and by regulation of the Division of Alcoholic
5 Beverage Control ³[for the acquisition of such licenses by private
6 individuals or business entities] . The authority shall not hold a
7 license to provide alcoholic beverages at an off-track wagering
8 facility³.

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

12 g. The commission shall by regulation establish minimum standards
13 for off-track wagering facilities, including, but not limited to,
14 standards for size, seating capacity, parking and services to be
15 provided.

16 h. ²[As a condition of licensure, an off-track wagering licensee,
17 including the] The² authority ²[when the authority is the licensee
18 which will own or control the facility, shall obtain all applicable], in
19 lieu of obtaining² municipal zoning and planning approvals ²that may
20 otherwise be² required in connection with the off-track wagering
21 facility², shall submit a written notice of its intention to site an off-
22 track wagering facility to the governing body of the municipality
23 within which the facility would be sited. The notice shall identify the
24 proposed site of the facility by street address, if any, or by reference
25 to lot and block numbers as shown on the current tax duplicate in the
26 municipal tax assessor's offices. Within 45 days of its receipt of the
27 authority's notice of intention, the municipal governing body may
28 disapprove of the proposed site of an off-track wagering facility by
29 adopting a resolution which shall be valid and binding upon the
30 authority and the commission upon delivery of a duly certified copy of
31 the resolution to the authority and the commission. Whenever a
32 municipality determines to consider a resolution disapproving a
33 proposed off-track wagering facility, the authority shall be given an
34 opportunity to offer a public presentation of the proposed facility prior
35 to consideration of the resolution. A resolution disapproving a
36 proposed off-track wagering facility shall state the reasons for
37 disapproval.

38 In the event the governing body shall not adopt such a resolution,
39 the authority may seek a license for an off-track wagering facility in
40 that municipality and the commission may grant the authority the
41 license provided that:

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

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

1 (3) the authority has made reasonable efforts to address the
2 reasonable concerns expressed by the municipal planning board².

3
4 6. (New Section) Within 14 days of receipt of a completed
5 application, certification and applicable fees, the executive director
6 shall determine whether the same is in due form and meets the
7 requirements of law in all respects, and upon being satisfied thereof,
8 the commission, within 45 days of receipt of a completed application,
9 certification and applicable fees, shall hold a public hearing in the
10 municipality in which the proposed off-track wagering facility is to be
11 located. The costs of the public hearing shall be paid by the authority.
12 The executive director shall cause a display advertisement,
13 approximately 11 inches by 8 inches in size, to be published at least
14 once in a daily newspaper, and at least once in a weekly newspaper,
15 published, or circulated if none is published, in the county where the
16 municipality is located at least 15 days before the date of the public
17 hearing and to be published again in that daily newspaper on the third
18 day preceding the public hearing and in the latest edition of that
19 weekly newspaper that will be in circulation on the third day preceding
20 the public hearing. The advertisement shall contain sufficient
21 information to apprise the public as to the purpose of the hearing, the
22 time and place thereof, and the nature of the license applied for. The
23 advertisement shall be prepared and placed by the executive director,
24 but shall be paid for by the authority.

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

46 b. With the approval of the commission, the off-track wagering

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

5
6 8. (New Section) a. The commission shall have full power to
7 prescribe rules, regulations and conditions under which all off-track
8 wagering licenses are issued and renewed in the State ¹, including
9 requiring an annual audit of the off-track wagering licensee's books
10 and records pertaining to off-track wagering.¹ and to revoke, suspend
11 or refuse to renew a license if in the opinion of the commission the
12 revocation of, suspension of or refusal to renew such license is in the
13 public interest; provided, however, that such rules, regulations and
14 conditions shall be uniform in their application.

15 b. The commission shall have no right or power to determine who
16 shall be officers, directors or employees of any off-track wagering
17 facility, or the salaries thereof; provided, however, that the
18 commission may compel the discharge of any official or employee of
19 the licensee at the off-track wagering facility who: (1) fails or refuses
20 for any reason to comply with the rules or regulations of the
21 commission; (2) fails or refuses for any reason to comply with any of
22 the provisions of this act; (3) fails to establish by clear and convincing
23 evidence in the opinion of the commission good character, honesty,
24 competency and integrity; or (4) has been convicted of a crime
25 involving fraud, dishonesty or moral turpitude.

26
27 9. (New Section) Nothing in this act shall be deemed to abrogate
28 the common law right or any other right established by law to exclude
29 or eject permanently from any off-track wagering facility any person
30 who disrupts the operations of its premises, threatens the security of
31 its premises or its occupants, or is disorderly or intoxicated.

32
33 10. (New Section) a. The total number of off-track wagering
34 facilities licensed in this State pursuant to this act shall not exceed 15.

35 b. The commission shall issue no more than eight off-track
36 wagering licenses within the first two years of the effective date of this
37 act.

38
39 11. (New Section) It shall be lawful for the off-track wagering
40 licensee to conduct off-track simulcasting at the off-track wagering
41 facility with all in-State sending tracks and with any out-of-State
42 sending track in accordance with the provisions of this act and
43 applicable regulations which the commission may promulgate.

44
45 12. (New Section) An in-State sending track may transmit to
46 licensed off-track wagering facilities all or some of the live races

1 conducted at the racetrack. The off-track wagering licensee, as a
2 condition of continued operation of the off-track wagering facility,
3 shall receive all live races which are offered and transmitted by in-
4 State sending tracks.

5
6 13. (New Section) a. The commission is authorized to issue a
7 license to the authority to establish an account wagering system in
8 accordance with the provisions of this act. A license issued pursuant
9 to this act shall be valid for a term of one year. The commission shall
10 issue a license only if the authority schedules at least the minimum
11 number of race dates required in section 30 of this act and it is
12 satisfied that the authority has entered into a participation agreement
13 with each and every person, partnership, association, corporation or
14 authority or the successor in interest to such person, partnership,
15 association, corporation or authority that:

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

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

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

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

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

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

37
38 14. (New Section) a. Within 14 days of receipt of a completed
39 application, certification and applicable fees, the executive director
40 shall determine whether the same is in due form and meets the
41 requirements of law in all respects, and upon being satisfied thereof,
42 the executive director, within 45 days of receipt of a completed
43 application, certification and applicable fees, shall hold a public
44 hearing, the costs of which shall be paid by the applicant.

45 b. No sooner than 30 days nor later than 60 days following the
46 public hearing, the commission shall make a final determination on the

1 application. The commission shall approve the application if it
2 determines that the authority has demonstrated by clear and convincing
3 evidence that wagers placed through the proposed account wagering
4 system will be accurately processed and that there will be sufficient
5 safeguards to maintain the integrity of the horse racing industry in this
6 State. The commission's determination shall be submitted to the
7 Attorney General for review and approval. The determination of the
8 commission shall be deemed approved by the Attorney General if not
9 affirmatively approved or disapproved by the Attorney General within
10 14 days of the date of submission. The decision of the Attorney
11 General shall be deemed a final decision. Upon approval by the
12 Attorney General, the commission shall issue to the authority a license
13 to participate in the account wagering system.

14 c. With the approval of the commission, an account wagering
15 licensee may enter into a contract or agreement with a person or entity
16 to conduct or operate an account wagering system or facility for the
17 licensee and to act as the agent of the licensee in all account wagering
18 matters approved by the commission.

19

20 15. (New Section) a. The commission shall have full power to
21 prescribe rules, regulations and conditions under which all account
22 wagering licenses are issued or renewed in this State ¹, including
23 requiring an annual audit of the account wagering licensee's books and
24 records pertaining to account wagering.¹ and to revoke, suspend or
25 refuse to renew a license if in the opinion of the commission the
26 revocation of, suspension of or refusal to renew such license is in the
27 public interest; provided, however, that such rules, regulations and
28 conditions shall be uniform in their application.

29 b. The commission shall have no right or power to determine who
30 shall be officers, directors or employees of any account wagering
31 licensee, or the salaries thereof; provided, however, that the
32 commission may compel the discharge of any official or employee of
33 the licensee or the account wagering system who: (1) fails or refuses
34 for any reason to comply with the rules or regulations of the
35 commission; (2) fails or refuses for any reason to comply with any of
36 the provisions of this act; (3) fails to establish by clear and convincing
37 evidence in the opinion of the commission good character, honesty,
38 competency and integrity; or (4) has been convicted of a crime
39 involving fraud, dishonesty or moral turpitude.

40

41 16. (New Section) a. ²A person shall not place an account wager
42 from within this State except in accordance with this act through the
43 account wagering licensee, and no entity, other than the account
44 wagering licensee, shall accept an account wager from a person within
45 this State.² A person may not place an account wager unless the
46 person has established an account with the account wagering licensee.

- 1 To establish a wagering account, a person shall be a New Jersey
2 resident at least 18 years of age.
- 3 b. The account shall be in the name of a natural person and may
4 not be in the name of any beneficiary, custodian, joint trust,
5 corporation, partnership or other organization or entity.
- 6 c. An account may be established by a person completing an
7 application form approved by the commission and submitting it
8 together with a certification, or other proof, of age and residency. The
9 form shall include the address of the principal residence of the
10 prospective account holder and a statement that a false statement made
11 in regard to an application may subject the applicant to prosecution.
- 12 d. The prospective account holder shall submit the completed
13 application to the account wagering licensee, to any account wagering
14 participating permit holder or to a licensed off-track wagering facility
15 or such other person or entity as may be approved by the commission.
16 The account wagering licensee may accept or reject an application
17 after receipt and review of the application and certification, or other
18 proof, of age and residency for compliance with this act.
- 19 e. Any prospective account holder who provides false or
20 misleading information on the application is subject to rejection of the
21 application or cancellation of the account by the account wagering
22 licensee without notice.
- 23 f. The account wagering licensee shall have the right to suspend or
24 close any wagering account at its discretion.
- 25 g. Any person not in good standing with the commission shall not
26 be entitled to maintain a wagering account.
- 27 h. The address provided by the applicant in the application shall be
28 deemed the proper address for the purposes of mailing checks, account
29 withdrawals, notices and other materials.
- 30 i. A wagering account shall not be assignable or otherwise
31 transferable.
- 32 j. Except as otherwise provided in this act or in regulations which
33 the commission may adopt hereunder, all account wagers shall be final
34 and no wager shall be canceled by the account holder at any time after
35 the wager has been accepted by the account wagering licensee.
- 36 k. For the purposes of this act and notwithstanding any other law
37 to the contrary, all messages or orders to place account wagers
38 received by the licensee on behalf of a participating permit holder shall
39 be deemed made to a place within this State.
- 40 l. All persons or accepting account wagers on behalf of ²[an] the²
41 account wagering licensee shall do so at a location within this State.
- 42 m. The account wagering licensee may at any time declare the
43 system closed for receiving any wagers on any race or closed for all
44 wagering.
- 45
- 46 17. (New Section) a. Credits to a wagering account shall be made

1 as follows:

2 (1) The account holder's deposits to the wagering account shall be
3 submitted by the account holder to the account wagering licensee and
4 shall be in the form of one of the following:

5 (a) cash given to the account wagering licensee;

6 (b) check, money order, negotiable order of withdrawal, or wire or
7 electronic transfer, payable and remitted to the account wagering
8 licensee; or

9 (c) charges made to an account holder's debit or credit card upon
10 the account holder's direct and personal instruction, which instruction
11 may be given by telephone communication or other electronic means
12 to the account wagering licensee or its agent by the account holder if
13 the use of the card has been approved by the account wagering
14 licensee.

15 (2) Credit for winnings from wagers placed with funds in a
16 wagering account and credit for account wagers on horses that are
17 scratched shall be posted to the account by the account wagering
18 licensee.

19 (3) The account wagering licensee shall have the right to refuse for
20 any reason all or part of any wager or deposit to the account.

21 (4) Funds deposited in the account shall not bear interest to the
22 account holder.

23 b. Debits to a wagering account shall be made as follows:

24 (1) Upon receipt by the account wagering licensee of an account
25 wager properly placed pursuant to section 18 of this act, the account
26 wagering licensee shall debit the account holder's wagering account
27 in the amount of the wager.

28 (2) The account wagering licensee may authorize a withdrawal
29 from a wagering account when the account holder submits to the
30 licensee, the licensee's agent, a participating permit holder, a licensed
31 off-track wagering facility or such other entity as may be approved by
32 the commission the following:

33 (i) proper identification;

34 (ii) the correct personal identification number; and

35 (iii) a properly completed and executed withdrawal slip on a form
36 approved by the commission.

37 Upon receipt of a properly completed and executed withdrawal
38 form, and if there are sufficient funds in the account to cover the
39 withdrawal, the licensee shall send, within three business days of
40 receipt, a check to the holder at the address specified in the application
41 for the wagering account. The check shall be made payable only to the
42 holder of the wagering account and in the amount of the requested
43 withdrawal.

44

45 18. (New Section) The account wagering licensee may accept
46 account wagers only from residents of New Jersey and only as follows:

- 1 a. The account wager shall be placed directly with the account
2 wagering licensee by the holder of the wagering account.
- 3 b. The account holder placing the account wager shall provide the
4 licensee with the correct personal identification number of the holder
5 of the wagering account.
- 6 c. A licensee may not accept an account wager, or series of
7 wagers, in an amount in excess of funds on deposit in the wagering
8 account of the holder placing the wager. Funds on deposit include
9 amounts credited under section 17 of this act and in the account at the
10 time the wager is placed.
- 11 d. Only the holder of a wagering account shall place an account
12 wager. Unless otherwise approved by the commission, no person,
13 corporation or other entity shall directly or indirectly act as an
14 intermediary, transmitter or agent in the placing of wagers for a holder
15 of a wagering account; provided, however, that the use of credit or
16 debit cards specifically approved by the licensee or the use of checks,
17 money orders or negotiable orders of withdrawal or the use of
18 telephonic, computer or electronic means by the account holder to
19 place such wagers shall not be prohibited.
- 20 e. The account holder may place a wager in person, by direct
21 telephone call or by communication through other electronic media.
22
- 23 19. (New Section) All amounts remaining in wagering accounts
24 inactive or dormant for such period and under such conditions as
25 established by regulation shall be paid 50% to the account wagering
26 licensee and 50% to the New Jersey Racing Industry Special Fund.
27
- 28 20. (New Section) Sums wagered at the off-track wagering facility
29 on the result of a simulcast horse race at an in-State sending track, or
30 through the account wagering system on a race conducted at an in-
31 State host track, shall be included in the appropriate parimutuel pool
32 generated at the in-State track and shall be distributed pursuant to
33 section 21 of this act. Payments to persons holding winning tickets at
34 an off-track wagering facility or through the account wagering system,
35 shall be made according to the same odds as those generated at the
36 in-State track.
37
- 38 21. (New Section) Sums wagered at an off-track wagering facility
39 on races being transmitted to that off-track wagering facility from an
40 in-State sending track and sums wagered through the account
41 wagering system on a race conducted at an in-State host track shall be
42 deposited in the parimutuel pool generated at the in-State track for
43 those races and shall be distributed in accordance with the provisions
44 of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984,
45 c.236 (C.5:5-64.1), as appropriate. Such sums wagered at an off-
46 track wagering facility or through the account wagering system which

1 remain undistributed pursuant to those sections shall be distributed as
2 follows, except that moneys resulting from breakage on amounts
3 wagered at the off-track wagering facility or through the account
4 wagering system and from outstanding parimutuel ticket moneys
5 issued at the off-track wagering facility or through the account
6 wagering system shall be distributed as provided by subsection ³[h.]
7 g.³ of this section.

8 a. 6% of the parimutuel pool generated at the off-track wagering
9 facility or through the account wagering system shall be paid to the in-
10 State track for overnight purses. In the event that (1) any racetrack
11 at which a horse race meeting was conducted in calendar year 2000
12 ceases to operate as a racetrack prior to calendar year 2003 and (2) an
13 off-track wagering facility is operated on that former racetrack site,
14 6.15% of the parimutuel pool generated at that off-track wagering
15 facility shall be paid to the in-State sending track for overnight purses.

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

19 (1) in the case of harness races conducted by an in-State track, in
20 the special trust account established pursuant to or specified in section
21 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236
22 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section
23 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
24 distribution as provided in section 46a.(2)(a),(b) and (c) of P.L.1940,
25 c.17 (C.5:5-66), sections 2b.(1), (2) and (3) of P.L.1984, c.236
26 (C.5:5-66.1), section 5a.(1)(a), (b) and (c) of P.L.1982, c.201 (C.5:5-
27 98), or section 7f.(1)(a)(i), (ii) and (iii) of P.L.1971, c.137 (C.5:10-7);
28 and

29 (2) in the case of running races conducted by an in-State track, in
30 the special trust account established pursuant to or specified in section
31 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of
32 P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137
33 (C.5:10-7), as appropriate, for use and distribution as provided
34 therein, as appropriate.

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

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

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

46 f. The remainder of the parimutuel pool after deduction of the

1 amounts under subsections a. through f. of this section shall be paid to
2 the off-track wagering licensee or the account wagering licensee, as
3 appropriate on a pro rata basis, as determined by the commission
4 based upon the volume of wagering handled by each licensee.

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

16
17 22. (New Section) a. The off-track wagering licensee may, in
18 accordance with the provisions of this act and any applicable
19 regulations of the commission and with the approval of the
20 commission, also receive at the facility simulcast horse races
21 conducted at out-of-State sending tracks; provided, however, that the
22 off-track wagering licensee may receive simulcast horse races from
23 only those out-of-State sending tracks that have been approved by the
24 commission, which approval may not be unreasonably withheld.

25 b. An account wagering licensee may, with the approval of the
26 commission, also accept account wagers on horse races conducted at
27 out-of-State host tracks; provided, however, that the account
28 wagering licensee may receive wagers on out-of-State horse races
29 from only those out-of-State host tracks that have been approved by
30 the commission, which approval may not be unreasonably withheld.

31
32 23. (New Section) a. The off-track wagering licensee receiving
33 a simulcast horse race from an out-of-State sending track shall pay to
34 the out-of-State sending track for the transmission such amount, if
35 any, as may be agreed upon by the off-track wagering licensee and the
36 out-of-State sending track.

37 b. The account wagering licensee accepting account wagers on a
38 horse race conducted at an out-of-State host track shall pay to the
39 out-of-State host track such amount, if any, as provided for in the
40 agreement, if any, between the account wagering licensee and the out-
41 of-State host track.

42
43 24. (New Section) a. Except as provided in subsection b. of this
44 section, the commission shall not permit an out-of-State sending track
45 or an out-of-State host track to participate in off-track simulcasting or
46 qualify as an out-of-State host track, respectively, unless the

1 parimutuel pools respecting the off-track wagering facility or the
2 account wagering system shall be combined with comparable
3 parimutuel pools at the out-of-State track. The types of wagering,
4 takeout, distribution of winnings, rules of racing, method of
5 calculating breakage, and the percentage of deposits remaining
6 undistributed from a parimutuel pool after payment is made to winning
7 ticket holders shall be determined in accordance with the law or policy
8 applicable to the out-of-State track.

9 b. With the prior approval of the commission and the concurrence
10 of the out-of-State track, an off-track wagering licensee or the account
11 wagering licensee, and receiving tracks or entities in other states other
12 than the state in which the out-of-State track is located may form an
13 interstate common pool. With respect to such interstate common
14 pools, the commission may approve types of wagering, takeout,
15 distribution of winnings, rules of racing, method of calculating
16 breakage, and a percentage of deposits remaining undistributed from
17 a parimutuel pool after payment is made to winning ticket holders
18 which are different from those which would otherwise be applied in
19 this State but which are consistent for all parties to the interstate
20 common pool.

21

22 25. (New Section) Sums wagered at an off-track wagering facility
23 on races being transmitted to that off-track wagering facility from an
24 out-of-State sending track and sums wagered through the account
25 wagering system on races conducted by an out-of-State host track
26 shall be subject to the takeout rate determined pursuant to section 24
27 of this act and the sums resulting from that takeout rate as applied to
28 the parimutuel pool generated at the off-track wagering facility or
29 through the account wagering system shall be distributed as follows,
30 except money resulting from breakage on amounts wagered at the
31 off-track wagering facility or through the account wagering system
32 and from outstanding parimutuel ticket moneys issued at the off-track
33 wagering facility shall be distributed as provided by subsection c. of
34 this section.

35 a. The amount, if any, as agreed by the off-track wagering licensee
36 or account wagering licensee and the out-of-State track pursuant to
37 section 23 of this act shall be paid to the out-of State track.

38 b. Of the amount remaining after the deduction of the amount
39 under subsection a. of this section from the amount of the takeout
40 rate, 40% shall be paid to the New Jersey Racing Industry Special
41 Fund and 60% shall be paid to the off-track wagering licensee or the
42 account wagering licensee, as appropriate.

43 c. ¹[All breakage] Breakage¹ moneys and outstanding parimutuel
44 ticket moneys resulting from wagering at the off-track wagering
45 facility or through the account wagering system on races conducted by
46 the out-of-State track ³[in the amount of] shall be distributed as

1 follows:³ \$150,000 ³[shall be paid]³ annually to Jockey's Health and
2 Welfare, ³\$150,000 annually to Standardbred Drivers' Health and
3 Welfare,³ and all remaining moneys¹ ³[shall be paid]³ to the
4 commission for racing costs in accordance with section 26 of this act.
5 If in any calendar year the total amount of breakage moneys and
6 outstanding parimutuel ticket moneys referred to herein exceed ¹the
7 ³[\$150,000] ³\$300,000³ to be paid to Jockey's Health and Welfare and
8 ³Standardbred Drivers' Health and Welfare, and ³ the¹ amounts
9 required to pay racing costs as provided in section 26 of this act, such
10 remaining funds shall be allocated as follows: 50% to the off-track
11 wagering licensee or account wagering licensee, as appropriate and
12 50% to the New Jersey Racing Industry Special Fund.

13

14 26. (New Section) a. The State Treasurer shall certify racing
15 costs on an annual basis. These racing costs shall be the basis for
16 payment and reimbursement to the commission from the following
17 sources, in the following order:

18 (1) license and permit fees received by the commission;

19 (2) breakage moneys and outstanding parimutuel ticket moneys as
20 provided in sections 21 and 25 of this act, and the outstanding
21 parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17
22 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of
23 P.L.1971, c.137 (C.5:10-7).

24 b. If, in any year, amounts received by the commission from the
25 sources specified in subsection a. of this section are not sufficient to
26 reimburse the commission for racing costs, there shall be an
27 assessment against permit holders or successors in interest to permit
28 holders, if applicable, to reimburse the commission for its costs for
29 which funds are not otherwise appropriated to the commission by law.
30 Such assessment shall be approved by the State Treasurer. The
31 commission shall establish, by regulation, an assessment formula which
32 apportions such costs to each permit holder or successor in interest,
33 if applicable.

34 c. Subject to the approval of the State Treasurer, the commission
35 may adjust the annual assessment when necessary to cover
36 expenditures not anticipated at the time of the assessment.

37 d. The funds derived from the sources specified in this section
38 shall be held in a non-lapsing dedicated account, for use in accordance
39 with the provisions of this section.

40

41 27. (New Section) The commission shall establish and administer
42 a separate fund to be known as the "New Jersey Racing Industry
43 Special Fund" into which shall be deposited the sums dedicated to the
44 fund by sections 19, 21 and 25 of this act. Money deposited in this
45 special fund shall be disbursed monthly by the commission and used as
46 follows:

1 a. 92% shall be distributed as follows:

2 (1) in the case of money deposited into the special fund from the
3 off-track wagering facility located on the former site of the Atlantic
4 City Race Course, or, if no off-track wagering facility exists on that
5 former site, the off-track wagering facility located closest to that
6 former site, 100% to permit holders conducting thoroughbred racing;

7 (2) except as provided in paragraph (1), 65% to permit holders
8 conducting thoroughbred racing and 35% to permit holders conducting
9 harness racing;

10 Of the allocations made pursuant to this subsection ¹to permit
11 holders conducting thoroughbred racing¹, specific distributions shall
12 be made to the overnight ¹thoroughbred¹ purse account ¹[for the
13 breed and horsemen's organization]¹ of each permit holder ¹and for
14 programs designed to aid the thoroughbred horsemen and the New
15 Jersey Thoroughbred Horsemen's Association. Expenditures for
16 programs designed to aid the thoroughbred horsemen and the New
17 Jersey Thoroughbred Horsemen's Association shall not exceed 2.9%
18 of such allocations¹. Distribution ¹among thoroughbred permit
19 holders¹ shall be based on the following formula: total overnight
20 ¹thoroughbred¹ purse distribution for each permit holder in the prior
21 calendar year divided by the total overnight ¹thoroughbred¹ purse
22 distribution of all permit holders ¹[for the respective breed]¹ in the
23 prior calendar year.

24 ¹Of the allocations made pursuant to this subsection to permit
25 holders conducting standardbred racing, specific distributions shall be
26 made to the overnight standardbred purse account of each permit
27 holder and for programs designed to aid the standardbred horsemen
28 and the Standardbred Breeders' and Owners' Association of New
29 Jersey. Expenditures for programs designed to aid the standardbred
30 horsemen and the Standardbred Breeders' and Owners' Association of
31 New Jersey shall not exceed 3.5% of such allocations. Distribution
32 among standardbred permit holders shall be based on the following
33 formula: total overnight standardbred purse distribution for each
34 permit holder in the prior calendar year divided by the total overnight
35 standardbred purse distribution of all permit holders in the prior
36 calendar year.¹

37 b. 8% shall be distributed as follows:

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

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

45 Of the amounts distributed to thoroughbred funds pursuant to this
46 subsection, the following distributions shall apply: 94% to

1 Thoroughbred Breeders and Stallions; 3% to Backstretch
2 Benevolency; and 3% to Breeding and Development.

3 Of the amount distributed to harness funds pursuant to this
4 subsection, the following distributions shall apply: 75% to Sire Stakes;
5 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10%
6 to Health and Welfare; and 3.5% to Breeding and Development.

7
8 28. (New Section) All persons engaged in conducting wagering-
9 related activities at an off-track facility or through an account
10 wagering system, whether employed directly by the licensee or by a
11 person or entity conducting or operating the off-track wagering facility
12 or account wagering system to an agreement with the licensee, shall
13 be licensed or registered in accordance with such regulations as may
14 be promulgated by the commission hereunder. All other employees at
15 the off-track wagering facility or of account wagering system shall be
16 licensed or registered in accordance with regulations of the
17 commission. The commission shall have full power to prescribe rules,
18 regulations and conditions under which all such licenses are issued, or
19 registrations made, in this State and to revoke or refuse to issue a
20 license, or revoke or refuse to accept a registration, if in the opinion
21 of the commission the revocation or refusal is in the public interest,
22 provided, however, that such rules, regulations and conditions shall be
23 uniform in their application, and further provided that no fee shall be
24 in excess of \$50 for each license so granted or registration accepted.

25
26 29. (New Section) a. A person employed by a permit holder in
27 the admissions department or parimutuel clerk department of a
28 racetrack operated by a permit holder, or employed at the racetrack by
29 a food and beverage vendor contracting with the permit holder to
30 provide food and beverages at the racetrack, shall be given a one-time
31 right of first refusal offer of employment, as each off-track wagering
32 facility opens, for the then available positions of similar employment
33 in that off-track wagering facility, including any similar employment
34 with the off-track wagering licensee or with any vendor contracting
35 with the licensee to provide food and beverages at the off-track
36 wagering facility, or as each account wagering licensee implements
37 account wagering, for the then available positions of similar
38 employment with any account wagering licensee.

39 b. In the event that an off-track wagering facility is sited and
40 begins operations at the location or in the proximity of a former
41 racetrack, a person who, at the time of the closing of the former
42 racetrack, worked as an employee of the permit holder in the
43 admissions department or parimutuel clerk department of the former
44 racetrack operated by the permit holder, or who, at the time of the
45 closing of the former racetrack, worked at the racetrack as an
46 employee of a food and beverage vendor contracting with the permit
47 holder to provide food and beverages at the former racetrack, shall be

1 given a one-time right of first refusal offer of similar employment at
2 the off-track wagering facility. In the event that there are not a
3 sufficient number of employment opportunities for each of the former
4 employees who seek a position pursuant to the provisions of this
5 subsection, then each such former employee, for a period of four years
6 thereafter, shall have the right of first refusal set forth in the provisions
7 of subsection a. of this section. Employment opportunities that remain
8 after each former employee has been given an offer of similar
9 employment shall be made available to other persons in accordance
10 with the provisions of subsection a. of this section.

11 c. An employee of the permit holder or vendor contracting with
12 the permit holder who is given preference for employment pursuant to
13 subsections a. and b. of this section and accepts the employment shall
14 not suffer, at the time that the change in employment occurs, any
15 reduction in seniority, pay, or employer contribution to pension and
16 health benefits, and shall receive a substantially equivalent level of
17 benefits.

18 ¹[d. In the event that a racetrack closes but the permit holder
19 continues to hold a permit to conduct a horse race meeting at another
20 racetrack, that permit holder shall offer to each person who was
21 employed at the former racetrack at the time it closed but who is not
22 eligible for a right of first refusal offer under subsection b. of this
23 section, severance pay in the amount of two weeks of base pay for
24 each year of employment at the racetrack. For the purpose of this
25 subsection, one week of base pay shall equal actual annual
26 compensation in the last one-year period of employment divided by
27 52.]¹

28
29 30. (New Section) a. The permit holder at Monmouth Park and
30 the thoroughbred permit holder at the Meadowlands together shall
31 schedule ¹(1)¹ no fewer than 141 thoroughbred race dates in the
32 aggregate in each of calendar years ¹[2001, 2002 and 2003] 2002,
33 2003 and 2004;¹ and ¹(2)¹ no fewer than ¹[120] 141¹ thoroughbred
34 race dates in the aggregate each calendar year thereafter ¹, provided
35 that the permit holders may schedule fewer than 141 thoroughbred
36 race dates in the aggregate if the commission determines, upon
37 application by the permit holders, that scheduling fewer dates in that
38 calendar year is in the best interest of the racing industry and the State.
39 In making its determination, the commission shall consider all factors,
40 including, but not limited to, handle, number of starters, interstate
41 competition, and export marketability. Notwithstanding the foregoing,
42 in no calendar year shall the permit holders schedule, in the aggregate,
43 fewer than 120 thoroughbred race dates¹;

44 b. the standardbred permit holder at the Meadowlands shall
45 schedule annually no fewer than 151 standardbred race dates; and

46 c. the permit holders at Freehold Raceway shall schedule annually
47 no fewer than 192 standardbred race dates.

1 31. (New Section) A true copy of the minutes of every meeting
2 of the commission shall be forthwith delivered by and under the
3 certification of, the executive director thereof to the Governor. No
4 action taken at such meeting of the commission shall have force and
5 effect until the earlier of 10 days, exclusive of Saturdays, Sundays and
6 public holidays, after such copy of the minutes shall have been so
7 delivered, or the approval thereof by the Governor. If, in the 10-day
8 period, the Governor returns such copy of the minutes with veto of
9 any action taken by the commission or any member thereof at such
10 meeting, such action shall be null and void and of no effect. The
11 Governor may approve all or part of the action taken at such meeting,
12 prior to the expiration of the 10-day period. This section shall not
13 apply to enforcement actions for violations of regulations promulgated
14 by the commission.

15

16 32. (New Section) The provisions of this act shall be deemed to
17 be severable, and if any phrase, clause, sentence or provision of this
18 act is declared to be unconstitutional or the applicability thereof to any
19 person is held invalid, the remainder of this act shall not thereby be
20 deemed to be unconstitutional or invalid.

21

22 33. (New Section) The commission shall promulgate rules and
23 regulations pursuant to the “Administrative Procedure Act,” P.L.1968,
24 c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

25

26 34. (New Section) In addition to any other funds provided by law
27 for prevention, education and treatment programs for compulsive
28 gamblers, beginning on July 1, ²[2002] 2003², there shall be an annual
29 assessment against permit holders or successors in interest to permit
30 holders, if applicable, of a total sum of \$200,000 in the aggregate
31 which shall be paid into the General Fund for appropriation by the
32 Legislature to the Department of Health and Senior Services for
33 prevention and education and treatment programs for compulsive
34 gambling that meet the criteria developed pursuant to section 2 of
35 P.L.1993, c.229 (C.26:2-169), such as those provided by the Council
36 on Compulsive Gambling of New Jersey. Such funds shall be used to
37 address compulsive gambling issues related to off-track wagering
38 facilities and account wagering. The New Jersey Racing Commission
39 shall, by regulation, establish a formula which apportions the
40 assessment to each permit holder or successor in interest, if applicable.

41

42 35. (New section) In order to retain the competitive position of
43 the standardbred and thoroughbred racing programs at the authority
44 owned racetracks during the period in which the off-track wagering
45 and account wagering systems are developed, the authority, as it
46 deems appropriate, may supplement or enhance purses at its
47 racetracks; provided, however, that any such supplements shall be

1 decreased as the off-track wagering and account wagering systems are
2 developed.

3

4 36. (New section) On or before July 1, 2002, the commission shall
5 submit to the Governor and the Legislature a report indicating the
6 feasibility of establishing a permanent training facility or other means
7 to permit winter stabling for the New Jersey racing industry and
8 ³[\$300,000] \$95,000³ is appropriated from the General Fund to the
9 commission for that purpose.

10

11 ¹[37. (New section) There is appropriated from the General Fund
12 \$150,000 to the commission to be allocated to the group certified by
13 the commission as representing a majority of the active licensed
14 thoroughbred jockeys in New Jersey for the purpose of providing
15 health and welfare benefits to active, disabled and retired New Jersey
16 jockeys and their dependents based upon reasonable criteria by that
17 organization.]¹

18

19 ¹[38. (New section) Notwithstanding any other law to the
20 contrary, in the event that in any calendar year there shall be a
21 standardbred race meeting but no running race meeting conducted at
22 Garden State Park and Garden State Park is authorized by the
23 commission to receive horse races run live at in-State sending tracks
24 and conduct parimutuel wagering thereon, then from January 1
25 through May 31 of that calendar year, the amount reserved and set
26 aside by the in-State sending track as set forth in Section 8 of
27 P.L.1985, c.269 (C.5:5-117) shall not be forwarded to Garden State
28 Park but instead shall be forwarded to Monmouth Park to supplement
29 overnight purses at its next horse race meeting.]¹

30

31 ¹[39. (New section) Notwithstanding any other law to the
32 contrary, in the event that in any calendar year there shall be a
33 standardbred race meeting but no running race meeting conducted at
34 Garden State Park and Garden State Park is authorized by the
35 commission to receive horse races run live at one or more out-of-State
36 sending tracks and conduct parimutuel wagering thereon pursuant to
37 section 37 of P.L.1992, c.19 (C.5:5-125), as amended by this act,
38 P.L. , c. (C.) (now pending before the Legislature as this bill), then,
39 from January 1 through May 31 of that calendar year:

40 a. the amount resulting from the takeout rate shall be distributed
41 as follows:

42 (1) .50% of the parimutuel pool generated at Garden State Park
43 shall be deposited in the special trust account pursuant to section
44 5b.(3) of P.L.1982, c.201 (C.5:5-98) for use and distribution as
45 provided therein;

46 (2) .03% of the parimutuel pool generated at Garden State Park
47 shall be paid to the commission and set aside in the special trust

1 account for horse breeding and development for use as provided in
2 section 5 of P.L.1967, c.40 (C.5:5-88);

3 (3) on the basis of all races in each program, or if two or more
4 programs are being transmitted simultaneously, on the basis of all
5 races in all such programs running simultaneously, 3.735% of the first
6 \$100,000 of the total pool generated at Garden State Park; 5.235% of
7 the total such pool from \$100,001 to \$150,000; 5.735% of the total
8 such pool from \$150,001 to \$250,000; 6.235% of the total such pool
9 from \$250,001 to \$300,000; and, if the amount of the total such pool
10 exceeds \$300,000, 6.485% of the total amount of such pool shall be
11 paid to supplement overnight purses at the next race meeting at
12 Monmouth Park and for programs designed to aid horsemen and the
13 New Jersey Thoroughbred Horsemen's Benevolent Association, as
14 provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-98).

15 (4) .02% of the parimutuel pool generated at Garden State Park
16 shall be paid to the Thoroughbred Breeders' Association of New
17 Jersey;

18 (5) .01% of the parimutuel pool generated at Garden State Park
19 shall be paid to the Backstretch Benevolency Programs Fund created
20 pursuant to P.L.1993, c.15 (C.5:5-44.8); and

21 (6) the amount remaining after the deduction of the amounts under
22 paragraphs (1), (2), (3), (4) and (5) shall be paid to the permit holder
23 at Garden State Park.

24 b. of all the breakage moneys and outstanding parimutuel ticket
25 moneys resulting from the wagering at Garden State Park on out-of-
26 State simulcast races, 50% shall be paid to the permit holder at Garden
27 State Park and 50% shall be paid to supplement purses at the next race
28 meeting at Monmouth Park and for programs designed to aid
29 horsemen and the New Jersey Thoroughbred Horsemen's Benevolent
30 Association, as provided in section 5b.(2) of P.L.1982, c.201 (C.5:5-
31 98).]¹

32

33 ¹[40.] 37.¹ Section 37 of P.L.1992, c.19 (C.5:5-125) is amended
34 to read as follows:

35 37. a. (1) Notwithstanding any other law to the contrary, the
36 New Jersey Racing Commission, upon application by a receiving track,
37 as defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in
38 accordance with applicable federal law, may permit the track to
39 receive, in addition to the horse races authorized by section 10 of
40 P.L.1985, c.269 (C.5:5-119), simulcast transmissions of the racing
41 program, in full or in part, from any out-of-State sending track, as
42 defined in section 2 of P.L.1985, c.269 (C.5:5-111), during any time
43 period, provided that the receiving track agrees to receive all simulcast
44 horse races which any in-State sending track wishes to transmit to it
45 during that same time period, and provided further that, except as
46 provided in subsection b. of this section, the parimutuel pools at the
47 receiving track shall be combined with comparable parimutuel pools

1 at the out-of-State sending track. No limit shall be placed on the
 2 number of racing programs the track may receive from out-of-State
 3 sending tracks except as otherwise provided herein.

4 (2) Whenever an out-of-State sending track participates in
 5 simulcasting pursuant to paragraph (1) of this subsection and the
 6 parimutuel pools are combined at the out-of-State sending track, the
 7 types of wagering, takeout, distribution of winnings, rules of racing,
 8 method of calculating breakage, and the percentage of deposits
 9 remaining undistributed from a parimutuel pool after payment is made
 10 to winning ticket holders shall be determined in accordance with the
 11 law or policy applicable to the out-of-State sending track. However,
 12 moneys resulting from breakage on amounts wagered at the receiving
 13 track and from outstanding parimutuel tickets issued at the receiving
 14 track in all instances shall be distributed as provided by section 38 of
 15 this act.

16 b. With the prior approval of the New Jersey Racing Commission
 17 and the concurrence of the out-of-State sending track, a receiving
 18 track and receiving tracks or entities in other states other than the
 19 state in which the sending track is located may form an interstate
 20 common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111).
 21 With respect to such interstate common pools, the Racing Commission
 22 may approve types of wagering, takeout, distribution of winnings,
 23 rules of racing, method of calculating breakage, and a percentage of
 24 deposits remaining undistributed from a parimutuel pool after payment
 25 is made to winning ticket holders which are different from those which
 26 would otherwise be applied in this State but which are consistent for
 27 all parties to the interstate common pool. However, moneys resulting
 28 from breakage on amounts wagered at the receiving track and from
 29 outstanding parimutuel tickets issued at the receiving track in all
 30 instances shall be distributed as provided in section 38 of this act.

31 c. [A receiving track which is authorized by the New Jersey
 32 Racing Commission to receive the racing program, in full or in part,
 33 from an out-of-State sending track pursuant to subsection a. of this
 34 section shall pay the out-of-State sending track an amount equal to not
 35 more than 3% of each parimutuel pool generated at the receiving
 36 track. If the receiving track negotiates an agreement to pay the
 37 out-of-State sending track an amount equal to less than 3% of the
 38 parimutuel pool generated at the receiving track, the receiving track
 39 shall be entitled to retain the difference between the amount agreed
 40 upon and 3%] Deleted by amendment, P.L. , c. (C.)(now pending
 41 before the Legislature as this bill).

42 (cf: P.L.1992, c.19, s.37)

43

44 ¹[41.] 38.¹ Section 6 of P.L.1971, c.137 (C.5:10-6) is amended
 45 to read as follows:

46 6. a. The authority, pursuant to the provisions of P.L.1971, c.137
 47 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone

1 or in conjunction with others, and provided that, in the case of an
2 arrangement with respect to any of the projects set forth in this section
3 which shall be in conjunction with others, the authority shall have
4 sufficient right and power to carry out the public purposes set forth in
5 P.L.1971, c.137 (C.5:10-1 et seq.):

6 (1) To establish, develop, construct, operate, acquire, own,
7 manage, promote, maintain, repair, reconstruct, restore, improve and
8 otherwise effectuate, either directly or indirectly through lessees,
9 licensees or agents, a project to be located in the Hackensack
10 meadowlands upon a site not to exceed 750 acres and upon a site or
11 sites outside of that acreage, but either immediately contiguous thereto
12 or immediately across any public road which borders that acreage,
13 consisting of one or more stadiums, coliseums, arenas, pavilions,
14 stands, field houses, playing fields, recreation centers, courts,
15 gymnasiums, clubhouses, a racetrack for the holding of horse race
16 meetings, and other buildings, structures, facilities, properties and
17 appurtenances related to, incidental to, necessary for, or
18 complementary to a complex suitable for the holding of athletic
19 contests or other sporting events, or trade shows, exhibitions,
20 spectacles, public meetings, entertainment events or other expositions,
21 including, but not limited to, driveways, roads, approaches, parking
22 areas, parks, recreation areas, lodging facilities, vending facilities,
23 restaurants, transportation structures, systems and facilities, and
24 equipment, furnishings, and all other structures and appurtenant
25 facilities, related to, incidental to, necessary for, or complementary to
26 the purposes of that project or any facility thereof.

27 (2) To establish, develop, construct, acquire, lease or own,
28 operate, manage, promote, maintain, repair, reconstruct, restore,
29 improve and otherwise effectuate, either directly or indirectly through
30 lessees, licensees or agents, a project, at a site within the State of New
31 Jersey, consisting of a baseball stadium and other buildings, structures,
32 facilities, properties and appurtenances related thereto, or incidental
33 to, necessary for, or complementary to a complex suitable for the
34 holding of professional baseball games and other athletic contests or
35 sporting events, or trade shows, exhibitions, spectacles, public
36 meetings, entertainment events or other expositions, such project to
37 include driveways, roads, approaches, parking areas, parks, recreation
38 areas, vending facilities, restaurants, transportation structures, systems
39 and facilities, and equipment, furnishings and all other structures and
40 appurtenant facilities related to, incidental to, necessary for, or
41 complementary to the purposes of that project or any facility thereof.

42 (3) To establish, develop, construct, acquire, lease or own,
43 operate, manage, promote, maintain, repair, reconstruct, restore,
44 improve and otherwise effectuate, either directly or indirectly through
45 lessees, licensees or agents, projects located within the State of New
46 Jersey, but outside of the meadowlands complex, consisting of
47 aquariums and the buildings, structures, facilities, properties and

1 appurtenances related thereto, or incidental to, necessary for, or
2 complementary to those aquariums, such project to include driveways,
3 roads, approaches, parking areas, parks, recreation areas, vending
4 facilities, restaurants, transportation structures, systems and facilities,
5 and equipment, furnishings and all other structures and appurtenant
6 facilities related to, incidental to, necessary for, or complementary to
7 the purposes of that project or any facility thereof. To provide for a
8 project authorized under this paragraph:

9 (a) (Deleted by amendment, P.L.1988, c.172.)

10 (b) The authority is authorized to enter into agreements with the
11 State Treasurer providing for the acquisition and construction of an
12 aquarium by the authority, including the land necessary for the
13 aquarium, and the costs thereof, ownership of the aquarium and its
14 land which shall be conveyed to the State upon completion, and the
15 operation by the authority of the aquarium pursuant to a lease or other
16 agreement with the State containing such terms and conditions as the
17 State Treasurer may establish prior to the acquisition and construction
18 by the authority of the aquarium and the disbursements of funds
19 therefor. The State Treasurer is authorized to enter into a lease or
20 other agreement to effectuate the provisions of this subparagraph.

21 (4) To establish, develop, construct, acquire, own, operate,
22 manage, promote, maintain, repair, reconstruct, restore, improve and
23 otherwise effectuate, either directly or indirectly through lessees,
24 licensees or agents, a project consisting of an exposition or
25 entertainment center or hotel or office complex, including any
26 buildings, structures, properties and appurtenances related thereto,
27 incidental thereto, necessary therefor, or complementary thereto, such
28 project to include driveways, roads, approaches, parking areas, parks,
29 recreation areas, vending facilities, restaurants, transportation
30 structures, systems, and equipment, furnishings and all other structures
31 and appurtenances related to, incidental to, necessary for, or
32 complementary to, the purposes of that project. A project authorized
33 under this paragraph may be located within, immediately contiguous
34 to, or immediately across any public road which borders the site of any
35 other project of the authority, except the site of a racetrack authorized
36 by paragraph (5) of this subsection and acquired by the authority prior
37 to 1986.

38 (5) To establish, develop, construct, acquire, own, operate,
39 manage, promote, maintain, repair, reconstruct, restore, improve and
40 otherwise effectuate, either directly or indirectly through lessees,
41 licensees or agents, projects consisting of (a) racetrack facilities
42 located within the State of New Jersey, but outside of the
43 meadowlands complex, (b) their contiguous properties, and (c) their
44 auxiliary facilities, including, without limitation, pavilions, stands, field
45 houses, clubhouses, training tracks for horses, racetracks for the
46 holding of horse race meetings, fairgrounds, other exposition facilities,
47 and other buildings, structures, facilities, properties and appurtenances

1 related to, incidental to, necessary for, or complementary to a complex
2 suitable for the holding of horse race meetings, other sporting events,
3 or trade shows, exhibitions, spectacles, public meetings, entertainment
4 events or other expositions, including, but not limited to, driveways,
5 roads, approaches, parking areas, parks, recreation areas, lodging
6 facilities, vending facilities, restaurants, transportation structures,
7 systems and facilities, equipment, furnishings, and all other structures
8 and appurtenant facilities related to, incidental to, necessary for, or
9 complementary to the purposes of any of those projects or any facility
10 thereof.

11 Notwithstanding any law to the contrary, the acquisition of any
12 existing racetrack facility in and licensed by the State of New Jersey
13 shall be permitted on the condition that payments equivalent to all
14 municipal, school board and county taxes due to each entity shall be
15 paid by the authority to the extent and in accordance with the same
16 payment schedule as taxes would have been paid each year, as though
17 the racetrack facility remained in private ownership. In the event the
18 authority conveys lands or other parts of the racetrack facility to
19 others, the authority shall receive a reduction of such payments
20 commensurate with the amount required to be paid by the subsequent
21 owner of the lands and improvements disposed of by the authority. In
22 addition, the authority shall be responsible for paying all existing local
23 franchise fees, license and parking tax fees in effect at the time of the
24 acquisition.

25 (6) To establish, develop, acquire, own, operate, manage, promote
26 and otherwise effectuate, in whole or in part, either directly or
27 indirectly through lessees, licensees or agents, projects consisting of
28 events, expositions, teams, team franchises or membership in
29 professional sports leagues.

30 (7) To establish, develop, construct, acquire, own, operate,
31 manage, promote, maintain, repair, reconstruct, restore, improve and
32 otherwise effectuate, either directly or indirectly through lessees,
33 licensees or agents, projects consisting of facilities, at a site or sites
34 within the State of New Jersey and either within or without the
35 meadowlands complex, that are related to, incidental to, necessary for,
36 or complementary to the accomplishment or purpose of any project of
37 the authority authorized by this section, including any buildings,
38 structures, properties and appurtenances related thereto, incidental
39 thereto, necessary therefor, or complementary thereto, such projects
40 to include driveways, roads, approaches, parking areas, parks,
41 recreation areas, off-track and account wagering systems and facilities
42 or any interest therein, vending facilities, restaurants, transportation
43 structures, systems, and equipment, furnishings and all other structures
44 and appurtenances related to, incidental to, necessary for, or
45 complementary to the purposes of those projects.

46 (8) To establish, develop, acquire, construct, reconstruct, improve
47 and otherwise effectuate for transfer to, and for use and operation by,

1 Rutgers, the State University, either directly or indirectly through
2 lessees, licensees or agents, facilities located or to be located on
3 property owned, leased, or otherwise used by Rutgers, the State
4 University, consisting of an upgraded and expanded football stadium
5 and a new track and field, soccer and lacrosse facility and the
6 buildings, structures, properties and appurtenances related thereto, or
7 incidental to, necessary for, or complementary to the football stadium
8 and track and field, soccer and lacrosse facility, such facilities to
9 include driveways, access roads, approaches, parking areas, parks,
10 recreation areas, vending facilities, restaurants, transportation
11 structures, systems and equipment, furnishings and all other structures
12 and appurtenances related or incidental to, necessary for, or
13 complementary to the purposes of those facilities; provided however
14 that construction shall not begin on the expansion of the seating
15 capacity of Rutgers Stadium until the Commissioner of Transportation
16 certifies that all funding necessary to complete the Route 18 project in
17 Piscataway Township has been appropriated and construction has
18 begun on the Route 18 project in Piscataway Township under the
19 Department of Transportation's capital program.

20 (9) To acquire by purchase, lease or otherwise, and to develop,
21 construct, operate, own, lease, manage, repair, reconstruct, restore,
22 improve, enlarge or otherwise effectuate, either directly or through
23 lessees, licensees or agents, a convention center project in the city of
24 Atlantic City, Atlantic County, consisting of the existing convention
25 hall and a new convention hall or center, and associated parking areas
26 and railroad terminal facilities and including the leasing of adjacent
27 land for hotel facilities. In connection therewith, the authority is
28 authorized to:

29 (a) Assume existing leasehold or other contractual obligations
30 pertaining to any such facilities or properties or to make provision for
31 the payment or retirement of any debts and obligations of the
32 governmental entity operating any such convention hall or center or of
33 any bonds or other obligations payable from and secured by a lien on
34 or pledge of the luxury tax revenues;

35 (b) Make loans or payments in aid of construction with respect to
36 infrastructure and site development for properties located in the area
37 between the sites of the existing convention hall and a new convention
38 center or located contiguous to or across any public road which
39 borders the area;

40 (c) Convert the existing convention hall or any facilities, structures
41 or properties thereof, or any part thereof, not disposed of by the
42 authority, to any sports, exposition, exhibition, or entertainment use
43 or to use as a forum for public events or meetings, or to any other use
44 which the authority shall determine to be consistent with its operation
45 of the Atlantic City convention center project.

46 (10) To provide a feasibility study for the use and development of
47 the existing convention center in the city of Asbury Park, county of

1 Monmouth and to provide a feasibility study for the construction, use
2 and development of a convention center or recreational facility in any
3 other municipality.

4 (11) To provide funding to public or private institutions of higher
5 education in the State to establish, develop, acquire, construct,
6 reconstruct or improve facilities located or to be located on property
7 owned, leased, or otherwise used by an institution, consisting of sports
8 facilities and the buildings, structures, properties and appurtenances
9 related thereto, or incidental to, necessary for, or complementary to
10 those sports facilities, such facilities to include driveways, access
11 roads, approaches, parking areas, parks, recreation areas, vending
12 facilities, restaurants, transportation structures, systems and
13 equipment, furnishings and all other structures and appurtenances
14 related or incidental to, necessary for, or complementary to the
15 purposes of those facilities.

16 (12) To acquire by purchase, lease, or otherwise, including all
17 right, title and interest of the Greater Wildwood Tourism Improvement
18 Development Authority in any property, and to develop, construct,
19 operate, own, lease, manage, repair, reconstruct, restore, improve,
20 enlarge or otherwise effectuate, either directly or through lessees,
21 licensees or agents, a convention center facility in the City of
22 Wildwood, Cape May County, consisting of and including any existing
23 and acquired buildings, structures, properties and appurtenances and
24 including restaurants, retail businesses, access roads, approaches,
25 parking areas, transportation structures and systems, recreation areas,
26 equipment, furnishings, vending facilities, and all other structures and
27 appurtenances incidental to, necessary for, or complementary to the
28 purpose of such Wildwood convention center facility. In connection
29 therewith, the authority is expressly authorized to:

30 (a) assume any existing mortgages, leaseholds or other contractual
31 obligations or encumbrances with respect to the site of the Wildwood
32 convention center facility and any other existing and acquired
33 buildings, structures, properties, and appurtenances;

34 (b) enter into agreements with a local public body or bodies
35 providing for any necessary financial support or other assistance for
36 the operation and maintenance of such Wildwood convention center
37 facility from taxes or other sources of the local public body or bodies
38 as shall be made available for such purposes;

39 (c) to the extent permitted by law and by the terms of the bonds
40 or notes issued to finance the Wildwood convention center facility,
41 transfer its ownership interest or other rights with respect to the
42 convention center facility to another State authority or agency;

43 (d) upon payment of all outstanding bonds and notes issued
44 therefore, transfer its ownership interest and other rights with respect
45 thereto to such other public body as shall be authorized to own and
46 operate such a facility; and

47 (e) convert any existing convention hall or any facilities, structures

1 or properties thereof, or any part thereof, not disposed of by the
2 authority, to any use which the authority shall determine to be
3 consistent with the operation of the Wildwood convention center
4 facility.

5 b. The authority, pursuant to the provisions of P.L.1971, c.137
6 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the
7 projects, capital contributions to others for transportation and other
8 facilities, and accommodations for the public's use of any of those
9 projects, (2) to lease any part of any of those project sites not
10 occupied or to be occupied by the facilities of any of those projects,
11 for purposes determined by the authority to be consistent with or
12 related to the purposes of those projects, including, but not limited to,
13 hotels and other accommodations for transients and other facilities
14 related to or incidental to any of those projects, and (3) to sell or
15 dispose of any real or personal property, including, but not limited to,
16 such portion of the site of any of those projects not occupied or to be
17 occupied by the facilities of any of those projects, at not less than the
18 fair market value of the property, except in the case of sale or
19 disposition to the State, any political subdivision of the State or any
20 agency or instrumentality of the State or any political subdivision of
21 the State.

22 c. Revenues, moneys or other funds, if any, derived from the
23 operation or ownership of the meadowlands complex, including the
24 conduct of horse race meetings, shall be applied, in accordance with
25 the resolution or resolutions authorizing or relating to the issuance of
26 bonds or notes of the authority, to the following purposes and in the
27 following order:

28 (1) The costs of operation and maintenance of the meadowlands
29 complex and reserves therefor;

30 (2) Principal, sinking fund installments and redemption premiums
31 of and interest on any bonds or notes of the authority payable from
32 such revenues, moneys or other funds and issued for the purposes of
33 the meadowlands complex or for the purposes of refunding the same,
34 including reserves and payments with respect to credit agreements
35 therefor;

36 (3) The costs of any major or extraordinary repairs, renewals or
37 replacements with respect to the meadowlands complex or incidental
38 improvements thereto, not paid pursuant to paragraph (1) above,
39 including reserves therefor;

40 (4) Payments required to be made pursuant to section 18b.;

41 (5) Payments authorized to be made pursuant to section 18c.;

42 (6) Except to the extent payments with respect to bonds or notes
43 are provided with priority in accordance with paragraph (2) of this
44 subsection, payments required to be made in accordance with the
45 resolution authorizing or relating to the issuance of bonds or notes of
46 the authority, for the purposes of any project authorized by this act,
47 including payments and reserves with respect to any bonds or notes of

1 the authority with respect to the meadowlands complex which are not
2 provided with priority in accordance with paragraph (2) of this
3 subsection;

4 (7) Payments required to be made to repay any obligation incurred
5 by the authority to the State;

6 (8) The balance remaining after application in accordance with the
7 above shall be deposited in the General State Fund, provided that (a)
8 there shall be appropriated for authorized State purposes from the
9 amount so deposited that amount which shall be calculated by the
10 State Treasurer to be the debt service savings realized with respect to
11 the refinancing of the initial project as defined in section 1 of
12 P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the
13 issuance of bonds of the authority guaranteed by the State, and (b)
14 after such appropriation, 40% of any balance remaining from the
15 amounts so deposited shall be appropriated to the Meadowlands
16 Commission for any of its purposes authorized by P.L.1968, c.404,
17 and any amendments or supplements thereto.

18 d. Revenues, moneys or other funds, if any, derived from the
19 operation or ownership of any project other than the meadowlands
20 complex, the Atlantic City convention center project, or the Wildwood
21 convention center facility and other than a baseball stadium project or
22 an office complex project located on the site of a baseball stadium
23 shall be applied for such purposes, in such manner and subject to such
24 conditions as shall be provided in the resolution authorizing or relating
25 to the issuance of bonds or notes of the authority for the purposes of
26 such project, and the balance, if any, remaining after such application
27 may be applied, to the extent not contrary to or inconsistent with the
28 resolution, in the following order (1) to the purposes of the
29 meadowlands complex, unless otherwise agreed upon by the State
30 Treasurer and the authority, (2) to the purposes of any other project
31 of the authority; and, the balance remaining, if any, shall be deposited
32 in the General Fund.

33 e. Revenues, moneys or other funds, if any, derived from the
34 operation, ownership, or leasing of a baseball stadium project or an
35 office complex project located on the site of a baseball stadium shall
36 be applied for the purposes, in the manner and subject to the
37 conditions as shall be provided in the resolution authorizing or relating
38 to the issuance of bonds or notes of the authority for the purposes of
39 a baseball stadium project or an office complex project located on the
40 site of a baseball stadium, if any, and the balance, if any, remaining
41 after such application shall be applied, to the extent not contrary to or
42 inconsistent with the resolution, to the following purposes and in the
43 following order:

44 (1) The costs of operation and maintenance of a baseball stadium
45 project and an office complex project located on the site of a baseball
46 stadium and reserves therefor;

47 (2) Payments made to repay the bonded indebtedness incurred by

1 the authority for the purposes of a baseball stadium project or an
2 office complex project located on the site of a baseball stadium;

3 (3) Payments equivalent to an amount required to be made by the
4 State for payments in lieu of taxes pursuant to P.L.1977, c.272
5 (C.54:4-2.2a et seq.);

6 (4) The balance remaining after application in accordance with the
7 above shall be deposited in the General Fund.

8 f. Revenues, moneys or other funds, if any, derived from the
9 operation, ownership or leasing of the Atlantic City convention center
10 project shall be applied to the costs of operating and maintaining the
11 Atlantic City convention center project and to the other purposes set
12 forth in this subsection as shall be provided by resolution of the
13 authority.

14 Luxury tax revenues paid to the authority by the State Treasurer
15 pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be
16 deposited by the authority in a separate fund or account and applied
17 to the following purposes and in the following order:

18 (1) To pay the principal, sinking fund installments and redemption
19 premiums of and interest on any bonds or notes of the authority,
20 including bonds or notes of the authority issued for the purpose of
21 refunding bonds or notes, issued for purposes of (i) the initial
22 acquisition of the existing properties which will constitute part of the
23 Atlantic City convention center project, if the bonds or notes shall be
24 payable under the terms of the resolution of the authority relating
25 thereto from luxury tax revenues, or (ii) providing improvements,
26 additions or replacements to the Atlantic City convention center
27 project, if the bonds or notes shall be payable under the terms of the
28 resolution of the authority relating thereto from luxury tax revenues;
29 and to pay any amounts due from the authority under any credit
30 agreement entered into by the authority in connection with the bonds
31 or notes.

32 (2) To pay the costs of operation and maintenance of the Atlantic
33 City convention center project.

34 (3) To establish and maintain a working capital and maintenance
35 reserve fund for the Atlantic City convention center project in an
36 amount as shall be determined by the authority to be necessary.

37 (4) To repay to the State those amounts paid by the State with
38 respect to bonds or notes of the authority issued for the purposes of
39 the Atlantic City convention center project.

40 (5) The balance of any luxury tax revenues not required for any of
41 the foregoing purposes and remaining at the end of any calendar year
42 shall be paid to the State Treasurer for application to purposes in the
43 city of Atlantic City pursuant to section 5 of P.L.1981, c.461
44 (C.40:48-8.30a).

45 The authority may pledge the luxury tax revenues paid to it as
46 provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security
47 for the payment of the principal of and interest or premium on its

1 bonds or notes issued for the purposes set forth above in paragraph (1)
2 of this subsection f. in the same manner, to the same extent and with
3 the same effect as the pledge of any of its other revenues, receipts and
4 funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

5 g. Revenues, moneys or other funds, if any, derived from the
6 ownership or operation of the Wildwood convention center facility
7 shall be applied to the costs of operating and maintaining the
8 Wildwood convention center facility and to the other purposes set
9 forth in this subsection as shall be provided by resolution of the
10 authority.

11 The tourism related tax revenues paid to the authority pursuant to
12 subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be
13 deposited by the authority in a separate fund or account and applied
14 to any or all of the following purposes pursuant to an allocation of
15 funds approved by the State Treasurer in writing and in advance of any
16 application of such funds:

17 (1) to pay amounts due with respect to any obligations transferred
18 to the authority pursuant to section 17 of P.L.1997, c.273
19 (C.40:54D-25.1) pertaining to the Wildwood convention center
20 facility:

21 (2) to repay to the State those amounts paid with respect to bonds
22 or notes of the authority issued for the purposes of the Wildwood
23 convention center facility;

24 (3) to pay the cost of operation and maintenance reserve for the
25 Wildwood convention center facility;

26 (4) to establish and maintain a working capital and maintenance of
27 the Wildwood convention center facility.

28 The balance, if any, of any tourism related tax revenues not
29 allocated to any of the purposes set forth in the previous paragraphs
30 and remaining at the end of the calendar year shall be paid to the State
31 Treasurer for deposit in the General Fund.

32 (cf: P.L.1997, c.273, s.20)

33
34 ¹[42.] 39.¹ Section 18 of P.L.1971, c.137 (C.5:10-18) is amended
35 to read as follows:

36 18. a. All projects and other property of the authority, except an
37 off-track wagering facility or account wagering system facility
38 established pursuant to P.L. , c. (now pending before the Legislature
39 as this bill). is hereby declared to be public property devoted to an
40 essential public and governmental function and purpose and shall be
41 exempt from all taxes and special assessments of the State or any
42 political subdivision thereof; provided, however, that when any part of
43 the project site not occupied or to be occupied by facilities of the
44 project is leased by the authority to another whose property is not
45 exempt and the leasing of which does not make the real estate taxable,
46 the estate created by the lease and the appurtenances thereto shall be
47 listed as the property of the lessee thereof, or his assignee, and be

1 assessed and taxed as real estate. All bonds or notes issued pursuant
2 to the act are hereby declared to be issued by a body corporate and
3 public of the State and for an essential public and governmental
4 purpose and such bonds and notes, and the interest thereon and the
5 income therefrom, and all funds, revenues, income and other moneys
6 received or to be received by the authority and pledged or available to
7 pay or secure the payment of such bonds or notes, or interest thereon,
8 shall at all times be exempt from taxation except for transfer,
9 inheritance and estate taxes.

10 b. To the end that there does not occur an undue loss of future tax
11 revenues by reason of the acquisition of real property by the authority
12 for the meadowlands complex the authority annually shall make
13 payments in-lieu-of-taxes to the municipality in which such property
14 is located in an amount computed in each year with respect to each
15 such municipality by multiplying the total amount to be raised by real
16 property taxation in each such year by a fraction, the numerator of
17 which is the amount of real property taxes assessed against the
18 property acquired by the authority in the tax year in which this act
19 becomes effective and the denominator of which is the total amount to
20 be raised by real property taxation in such municipality in the tax year
21 in which this act becomes effective. Such payments shall be made in
22 each year commencing with the first year subsequent to the year in
23 which such real property shall have been converted from a taxable to
24 an exempt status by reason of acquisition thereof by the authority.

25 c. The authority is further authorized and empowered to enter into
26 any agreement or agreements with the Meadowlands Commission or
27 with any county or municipality located in whole or part within the
28 Hackensack meadowlands whereby the authority will undertake to pay
29 any additional amounts to compensate for any loss of tax revenues by
30 reason of the acquisition of any real property by the authority for the
31 meadowlands complex or to pay amounts to be used by such
32 commission, county or municipality in furtherance of the development
33 of the Hackensack meadowlands, including the meadowlands complex.
34 The commission and every such county and municipality is authorized
35 and empowered to enter into such agreements with the authority and
36 to accept payments which the authority makes thereunder.

37 d. All payments to municipalities pursuant to subsections b. and
38 c. shall be treated as payments in-lieu-of-property taxes for all
39 purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).
40 (cf: P.L.1971, c.137, s.18)

41

42 ¹[43. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
43 read as follows:

44 104. a. (1) Unless otherwise provided in this subsection, no
45 agreement which provides for the payment, however defined, of any
46 direct or indirect interest, percentage or share of any money or
47 property gambled at a casino or simulcasting facility or derived from

1 casino gaming activity or wagering at a simulcasting facility of any
2 such interest, percentage, or share of any revenues, profits or earnings
3 of a casino or simulcasting facility shall be lawful.

4 (2) Agreements which provide only for the payment of a fixed sum
5 which is in no way affected by the amount of any such money,
6 property, revenues, profits or earnings shall not be subject to the
7 provisions of this subsection; and receipts, rentals or charges for real
8 property, personal property or services shall not lose their character
9 as payments of a fixed sum because of contract, lease, or license
10 provisions for adjustments in charges, rentals or fees on account of
11 changes in taxes or assessments, cost-of-living index escalations,
12 expansion or improvement of facilities, or changes in services supplied.

13 (3) Agreements between a casino licensee and its employees which
14 provide for casino employee or casino key employee profit sharing and
15 which are in writing and have been filed with the commission shall be
16 lawful and effective only if expressly approved as to their terms by the
17 commission.

18 (4) Agreements to lease an approved casino hotel or the land
19 thereunder and agreements for the complete management of all casino
20 gaming operations in a casino hotel shall not be subject to the
21 provisions of this subsection but shall rather be subject to the
22 provisions of subsections b. and c. of section 82 of this act.

23 (5) Agreements which provide for percentage charges between the
24 casino licensee and a holding company or intermediary company of the
25 casino licensee shall be in writing and filed with the commission but
26 shall not be subject to the provisions of this subsection.

27 (6) Agreements relating to simulcast racing and wagering between
28 a casino licensee and an in-State or out-of-State sending track licensed
29 or exempt from licensure in accordance with subsection c. of section
30 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the
31 commission, and be lawful and effective only if expressly approved as
32 to their terms by the commission and the New Jersey Racing
33 Commission, except that any such agreements which provide for a
34 percentage of the parimutuel pool wagered at a simulcasting facility to
35 be paid to the sending track shall not be subject to the provisions of
36 paragraph (1) of this subsection.

37 (7) Agreements relating to simulcast racing and wagering between
38 a casino licensee and a casino service industry licensed pursuant to the
39 provisions of subsection a. of section 92 of P.L.1977, c.110
40 (C.5:12-92) as a hub facility, as defined in joint regulations of the
41 Casino Control Commission and the New Jersey Racing Commission,
42 shall be in writing, be filed with the commission, and be lawful and
43 effective only if expressly approved as to their terms by the
44 commission and the New Jersey Racing Commission, except that any
45 such agreements which provide for a percentage of the casino
46 licensee's share of the parimutuel pool wagered at a simulcasting
47 facility to be paid to the hub facility shall not be subject to the

1 provisions of paragraph (1) of this subsection. As used in this
2 paragraph, "hub facility" means a facility which acts as an intermediary
3 between a casino simulcasting facility and a sending track with respect
4 to the transmission of parimutuel wagering data and which is
5 responsible for generating all reports necessary for the reconciliation
6 of payments between casino licensees, sending tracks and the New
7 Jersey Racing Commission. The hub facility also may, but is not
8 required to, perform other functions including the transmission of
9 pictures of simulcast horse races and parimutuel non-wagering data.
10 Nothing herein shall preclude a hub facility from utilizing a transaction
11 processor located outside of this State, subject to the regulation of the
12 New Jersey Casino Control Commission and the New Jersey Racing
13 Commission.

14 (8) Agreements relating to simulcast racing and wagering between
15 a casino licensee and a casino service industry licensed pursuant to the
16 provisions of subsection a. of section 92 of P.L.1977, c.110
17 (C.5:12-92) to conduct casino simulcasting in a simulcasting facility
18 shall be in writing, be filed with the commission, and be lawful and
19 effective only if expressly approved as to their terms by the
20 commission, except that any such agreements which provide for a
21 percentage of the casino licensee's share of the parimutuel pool
22 wagered at a simulcasting facility to be paid to the casino service
23 industry shall not be subject to the provisions of paragraph (1) of this
24 subsection.

25 b. Each casino applicant or licensee shall maintain, in accordance
26 with the rules of the commission, a record of each written or unwritten
27 agreement regarding the realty, construction, maintenance, or business
28 of a proposed or existing casino hotel or related facility. The
29 foregoing obligation shall apply regardless of whether the casino
30 applicant or licensee is a party to the agreement. Any such agreement
31 may be reviewed by the commission on the basis of the reasonableness
32 of its terms, including the terms of compensation, and of the
33 qualifications of the owners, officers, employees, and directors of any
34 enterprise involved in the agreement, which qualifications shall be
35 reviewed according to the standards enumerated in section 86 of this
36 act. If the commission disapproves such an agreement or the owners,
37 officers, employees, or directors of any enterprise involved therein, the
38 commission may require its termination.

39 Every agreement required to be maintained, and every related
40 agreement the performance of which is dependent upon the
41 performance of any such agreement, shall be deemed to include a
42 provision to the effect that, if the commission shall require termination
43 of an agreement pursuant to this subsection, such termination shall
44 occur without liability on the part of the casino applicant or licensee
45 or any qualified party to the agreement or any related agreement.
46 Failure expressly to include such a provision in the agreement shall not
47 constitute a defense in any action brought to terminate the agreement.

1 If the agreement is not maintained or presented to the commission in
2 accordance with commission regulations, or the disapproved
3 agreement is not terminated, the commission may pursue any remedy
4 or combination of remedies provided in this act.

5 For the purposes of this subsection, "casino applicant" includes any
6 person required to hold a casino license pursuant to section 82 of
7 P.L.1977, c.110 (C.5:12-82) who has applied to the commission for
8 a casino license or any approval required under P.L.1977, c.110
9 (C.5:12-1 et seq.).

10 c. Nothing in this act shall be deemed to permit the transfer of any
11 license, or any interest in any license, or any certificate of compliance
12 or any commitment or reservation.

13 (cf: P.L.1996, c.84, s.7)]¹

14

15 ¹[44.] ²[40.¹ Section 5 of P.L.1992, c.19 (C.5:12-195) is
16 amended to read as follows:

17 5. A permit holder which wishes to conduct casino simulcasting
18 shall request the approval of the New Jersey Racing Commission in its
19 annual application for horse race meeting dates filed with that
20 commission pursuant to section 23 of P.L.1940, c.17 (C.5:5-43), or,
21 if applying between the submittal of annual applications, through such
22 supplemental application as that commission shall deem appropriate.
23 [The New Jersey Racing Commission shall not approve the request of
24 any permit holder to conduct casino simulcasting unless the permit
25 holder will conduct a number of live racing programs during the period
26 for which the permit is issued which is equal to the following:

27 a. in the case of harness races, each permit holder shall conduct at
28 least 75% of the average number of live racing programs conducted by
29 that permit holder during calendar years 1990 and 1991; and

30 b. in the case of running races, Monmouth Racetrack shall conduct
31 at least the same number of live racing programs conducted in 1991,
32 Garden State Racetrack shall conduct at least 60% of the live racing
33 programs conducted by that permit holder in calendar year 1990, and
34 each of the other permit holders conducting running races shall
35 conduct at least 75% of the live racing programs conducted by that
36 permit holder in calendar year 1990.

37 For the purpose of satisfying the requirements of this section for
38 the conduct of live racing programs, any live racing program or part
39 thereof which is cancelled because of weather or another act of God
40 shall be deemed to have been conducted, subject to the approval of the
41 New Jersey Racing Commission.]

42 (cf: P.L.1992, c.19, s.5)]²

43

44 ¹[45.] ²[41.¹] ^{40.}² Section 2 of P.L.1993, c.229 (C.26:2-169) is
45 amended to read as follows:

46 2. The Department of Health and Senior Services shall develop

1 criteria which [a] prevention, education and treatment [program]
 2 programs for compulsive gamblers shall meet in order to become
 3 eligible for a grant from the funds made available for such [treatment]
 4 programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).
 5 The department shall also develop a formula for the distribution of
 6 available funds which will result in an equitable distribution among the
 7 programs which meet the eligibility criteria and apply for grants.

8 The department shall submit a report to the Senate Budget and
 9 Appropriations Committee and the Assembly Appropriations
 10 Committee, or their successors, describing the criteria developed
 11 pursuant to this section and detailing the amount of grants distributed
 12 and the names of the programs receiving grants. The department shall
 13 submit the report annually to both committees.

14 (cf: P.L.1993, c.229, s.2)

15

16 ¹[46.] ²[42.]¹ R.S.33:1-42 is amended to read as follows:

17 33:1-42. No sales of alcoholic beverages shall be made in any
 18 public buildings belonging to or under the control of the state or any
 19 political subdivision thereof except as to the national guard as
 20 hereinbefore provided, or in any off-track wagering facility, whether
 21 publicly owned or controlled or otherwise, and except as permitted by
 22 the [commissioner] Director of the Division of Alcoholic Beverage
 23 Control in specified cases and subject to rules and regulations.

24 (cf: R.S.33:1-42)]²

25

26 ¹[47.]¹ ²[43.]¹ This] 41. Sections 30-38 and 40 of this² act shall
 27 take effect immediately¹[, and sections 37 and 38 shall expire upon the
 28 closure of Garden State Park]¹ ²and the remaining sections shall take
 29 effect on the 180th day after enactment, but the commission shall take
 30 such anticipatory administrative action in advance as shall be necessary
 31 for the implementation of the act².

32

33

34

35

36 Establishes off-track wagering facilities and account wagering system
 37 for parimutuel betting on horse races, changes certain requirements
 38 pertaining to simulcasting and makes appropriation.

CHAPTER 199

AN ACT concerning horse racing, supplementing chapter 5 of Title 5 of the Revised Statutes and amending various parts of the statutory law and making an appropriation.

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

C.5:5-127 Short title.

1. Sections 1-35 of this act shall be known and may be cited as the “Off-Track and Account Wagering Act.”

C.5:5-128 Findings, declarations relative to horse racing and off-track wagering.

2. The Legislature finds and declares that:

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

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

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

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

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

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

C.5:5-129 Definitions relative to horse racing and off-track wagering.

3. As used in this act:

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

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

“Account wagering licensee” means the New Jersey Sports and Exposition Authority, provided that the commission has granted its approval for the authority to establish an account

wagering system as provided for in this act.

“Account wagering system” means the system through which account wagers are processed by the account wagering licensee pursuant to this act.

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

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

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

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

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

“Executive Director” means the Executive Director of the commission.

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

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

“In-State sending track” means a racetrack within this State which is operated by a permit holder and is equipped to conduct off-track simulcasting.

“In-State track” means an in-State host track or an in-State sending track.

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

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

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

“New Jersey Thoroughbred Horseman's Association” means the association representing the majority of New Jersey thoroughbred owners and trainers responsible for receiving and distributing funds for programs designed to aid thoroughbred horsemen.

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

“Off-track wagering” means parimutuel wagering at an off-track wagering facility as authorized under this act.

“Off-track wagering facility” means a licensed facility, other than a racetrack, at which parimutuel wagering is conducted pursuant to this act.

“Off-track wagering licensee” means the New Jersey Sports and Exposition Authority, provided that the commission has granted its approval for the authority to conduct an off-track wagering facility as provided for in this act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C.5:5-130 Issuance of license to authority to permit off-track wagering.

4. a. The commission is authorized to issue a license to the authority to permit off-track wagering at a specified facility, upon application of the authority and in accordance with the provisions of this act. A license issued pursuant to this act shall be valid for a period of one year. The commission shall issue a license only if the authority schedules at least the minimum number of race dates required in Section 30 of this act and it is satisfied that the authority has entered into a participation agreement with each and every other person, partnership, association, corporation, or authority or the successor in interest to such person, partnership, association, corporation or authority that:

- (1) held a valid permit to hold or conduct a race horse meeting within this State in the calendar year 2000;
- (2) has complied with the terms of such permit; and
- (3) is in good standing with the commission and the State of New Jersey.

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

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

C.5:5-131 Filing fee, certification by authority; standards.

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

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

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

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

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

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

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

b. A separate application and certification shall be filed for each off-track wagering facility that the authority proposes to establish.

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

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

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

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

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

h. The authority, in lieu of obtaining municipal zoning and planning approvals that may otherwise be required in connection with the off-track wagering facility, shall submit a written notice of its intention to site an off-track wagering facility to the governing body of the municipality within which the facility would be sited. The notice shall identify the proposed site of the facility by street address, if any, or by reference to lot and block numbers as shown on the current tax duplicate in the municipal tax assessor's offices. Within 45 days of its receipt of the authority's notice of intention, the municipal governing body may disapprove of the proposed site of an off-track wagering facility by adopting a resolution which shall be valid and binding upon the authority and the commission upon delivery of a duly certified copy of the resolution to the authority and the commission. Whenever a municipality determines to consider a resolution disapproving a proposed off-track wagering facility, the authority shall be given an opportunity to offer a public presentation of the proposed facility prior to consideration of the resolution. A resolution disapproving a proposed off-track wagering facility shall state the reasons for disapproval.

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

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

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

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

C.5:5-132 Public hearing.

6. Within 14 days of receipt of a completed application, certification and applicable fees, the executive director shall determine whether the same is in due form and meets the requirements of law in all respects, and upon being satisfied thereof, the commission, within 45 days of receipt of a completed application, certification and applicable fees, shall hold a public hearing in the municipality in which the proposed off-track wagering facility is to be located. The costs of the public hearing shall be paid by the authority. The executive director shall cause a display advertisement, approximately 11 inches by 8 inches in size, to be published at least once in a daily newspaper, and at least once in a weekly newspaper, published, or circulated if none is published, in the county where the municipality is located at least 15 days before the date of the public hearing and to be published again in that daily newspaper on the third day preceding the public hearing and in the latest edition of that weekly newspaper that will be in circulation on the third day preceding the public hearing. The advertisement shall contain sufficient information to apprise the public as to the purpose of the hearing, the time and place thereof, and the nature of the license applied for. The advertisement shall be prepared and placed by the executive director, but shall be paid for by the authority.

C.5:5-133 Final determination on license application.

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

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

C.5:5-134 Powers of commission relative to off-track wagering.

8. a. The commission shall have full power to prescribe rules, regulations and conditions under which all off-track wagering licenses are issued and renewed in the State, including requiring an annual audit of the off-track wagering licensee's books and records pertaining to off-track wagering, and to revoke, suspend or refuse to renew a license if in the opinion of the commission the revocation of, suspension of or refusal to renew such license is in the public interest; provided, however, that such rules, regulations and conditions shall be uniform in their application.

b. The commission shall have no right or power to determine who shall be officers, directors or employees of any off-track wagering facility, or the salaries thereof; provided, however, that the commission may compel the discharge of any official or employee of the licensee at the off-track wagering facility who: (1) fails or refuses for any reason to comply with the rules or regulations of the commission; (2) fails or refuses for any reason to comply with any of the provisions of this act; (3) fails to establish by clear and convincing evidence in the opinion of the commission good character, honesty, competency and integrity; or (4) has been convicted of a crime involving fraud, dishonesty or moral turpitude.

C.5:5-135 Right to control patrons.

9. Nothing in this act shall be deemed to abrogate the common law right or any other right

established by law to exclude or eject permanently from any off-track wagering facility any person who disrupts the operations of its premises, threatens the security of its premises or its occupants, or is disorderly or intoxicated.

C.5:5-136 Limit on number of facilities.

10. a. The total number of off-track wagering facilities licensed in this State pursuant to this act shall not exceed 15.

b. The commission shall issue no more than eight off-track wagering licenses within the first two years of the effective date of this act.

C.5:5-137 Simulcasting permitted.

11. It shall be lawful for the off-track wagering licensee to conduct off-track simulcasting at the off-track wagering facility with all in-State sending tracks and with any out-of-State sending track in accordance with the provisions of this act and applicable regulations which the commission may promulgate.

C.5:5-138 Transmission of races from in-State sending tracks.

12. An in-State sending track may transmit to licensed off-track wagering facilities all or some of the live races conducted at the racetrack. The off-track wagering licensee, as a condition of continued operation of the off-track wagering facility, shall receive all live races which are offered and transmitted by in-State sending tracks.

C.5:5-139 Issuance of license to establish account wagering system.

13. a. The commission is authorized to issue a license to the authority to establish an account wagering system in accordance with the provisions of this act. A license issued pursuant to this act shall be valid for a term of one year. The commission shall issue a license only if the authority schedules at least the minimum number of race dates required in section 30 of this act and it is satisfied that the authority has entered into a participation agreement with each and every person, partnership, association, corporation or authority or the successor in interest to such person, partnership, association, corporation or authority that:

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

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

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

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

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

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

C.5:5-140 Public hearing.

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

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

c. With the approval of the commission, an account wagering licensee may enter into a contract or agreement with a person or entity to conduct or operate an account wagering system or facility for the licensee and to act as the agent of the licensee in all account wagering matters approved by the commission.

C.5:5-141 Powers of commission relative to account wagering.

15. a. The commission shall have full power to prescribe rules, regulations and conditions under which all account wagering licenses are issued or renewed in this State, including requiring an annual audit of the account wagering licensee's books and records pertaining to account wagering, and to revoke, suspend or refuse to renew a license if in the opinion of the commission the revocation of, suspension of or refusal to renew such license is in the public interest; provided, however, that such rules, regulations and conditions shall be uniform in their application.

b. The commission shall have no right or power to determine who shall be officers, directors or employees of any account wagering licensee, or the salaries thereof; provided, however, that the commission may compel the discharge of any official or employee of the licensee or the account wagering system who: (1) fails or refuses for any reason to comply with the rules or regulations of the commission; (2) fails or refuses for any reason to comply with any of the provisions of this act; (3) fails to establish by clear and convincing evidence in the opinion of the commission good character, honesty, competency and integrity; or (4) has been convicted of a crime involving fraud, dishonesty or moral turpitude.

C.5:5-142 Requirements for account wagering.

16. a. A person shall not place an account wager from within this State except in accordance with this act through the account wagering licensee, and no entity, other than the account wagering licensee, shall accept an account wager from a person within this State. A person may not place an account wager unless the person has established an account with the account wagering licensee. To establish a wagering account, a person shall be a New Jersey resident at least 18 years of age.

b. The account shall be in the name of a natural person and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

c. An account may be established by a person completing an application form approved by the commission and submitting it together with a certification, or other proof, of age and residency. The form shall include the address of the principal residence of the prospective account holder and a statement that a false statement made in regard to an application may subject the applicant to prosecution.

d. The prospective account holder shall submit the completed application to the account wagering licensee, to any account wagering participating permit holder or to a licensed off-track wagering facility or such other person or entity as may be approved by the commission. The account wagering licensee may accept or reject an application after receipt and review of the application and certification, or other proof, of age and residency for compliance with this act.

e. Any prospective account holder who provides false or misleading information on the application is subject to rejection of the application or cancellation of the account by the account wagering licensee without notice.

f. The account wagering licensee shall have the right to suspend or close any wagering account at its discretion.

g. Any person not in good standing with the commission shall not be entitled to maintain a wagering account.

h. The address provided by the applicant in the application shall be deemed the proper address for the purposes of mailing checks, account withdrawals, notices and other materials.

i. A wagering account shall not be assignable or otherwise transferable.

j. Except as otherwise provided in this act or in regulations which the commission may adopt hereunder, all account wagers shall be final and no wager shall be canceled by the account holder at any time after the wager has been accepted by the account wagering licensee.

k. For the purposes of this act and notwithstanding any other law to the contrary, all messages or orders to place account wagers received by the licensee on behalf of a participating permit holder shall be deemed made to a place within this State.

l. All persons accepting account wagers on behalf of the account wagering licensee shall do so at a location within this State.

m. The account wagering licensee may at any time declare the system closed for receiving any wagers on any race or closed for all wagering.

C.5:5-143 Credits to a wagering account.

17. a. Credits to a wagering account shall be made as follows:

(1) The account holder's deposits to the wagering account shall be submitted by the account holder to the account wagering licensee and shall be in the form of one of the following:

(a) cash given to the account wagering licensee;

(b) check, money order, negotiable order of withdrawal, or wire or electronic transfer, payable and remitted to the account wagering licensee; or

(c) charges made to an account holder's debit or credit card upon the account holder's direct and personal instruction, which instruction may be given by telephone communication or other electronic means to the account wagering licensee or its agent by the account holder if the use of the card has been approved by the account wagering licensee.

(2) Credit for winnings from wagers placed with funds in a wagering account and credit for account wagers on horses that are scratched shall be posted to the account by the account wagering licensee.

(3) The account wagering licensee shall have the right to refuse for any reason all or part of any wager or deposit to the account.

(4) Funds deposited in the account shall not bear interest to the account holder.

b. Debits to a wagering account shall be made as follows:

(1) Upon receipt by the account wagering licensee of an account wager properly placed pursuant to section 18 of this act, the account wagering licensee shall debit the account holder's wagering account in the amount of the wager.

(2) The account wagering licensee may authorize a withdrawal from a wagering account when the account holder submits to the licensee, the licensee's agent, a participating permit holder, a licensed off-track wagering facility or such other entity as may be approved by the commission the following:

(i) proper identification;

(ii) the correct personal identification number; and

(iii) a properly completed and executed withdrawal slip on a form approved by the commission.

Upon receipt of a properly completed and executed withdrawal form, and if there are sufficient funds in the account to cover the withdrawal, the licensee shall send, within three business days of receipt, a check to the holder at the address specified in the application for the wagering account. The check shall be made payable only to the holder of the wagering account and in the amount of the requested withdrawal.

C.5:5-144 Acceptance of account wagers.

18. The account wagering licensee may accept account wagers only from residents of New

Jersey and only as follows:

- a. The account wager shall be placed directly with the account wagering licensee by the holder of the wagering account.
- b. The account holder placing the account wager shall provide the licensee with the correct personal identification number of the holder of the wagering account.
- c. A licensee may not accept an account wager, or series of wagers, in an amount in excess of funds on deposit in the wagering account of the holder placing the wager. Funds on deposit include amounts credited under section 17 of this act and in the account at the time the wager is placed.
- d. Only the holder of a wagering account shall place an account wager. Unless otherwise approved by the commission, no person, corporation or other entity shall directly or indirectly act as an intermediary, transmitter or agent in the placing of wagers for a holder of a wagering account; provided, however, that the use of credit or debit cards specifically approved by the licensee or the use of checks, money orders or negotiable orders of withdrawal or the use of telephonic, computer or electronic means by the account holder to place such wagers shall not be prohibited.
- e. The account holder may place a wager in person, by direct telephone call or by communication through other electronic media.

C.5:5-145 Distribution of inactive, dormant accounts.

19. All amounts remaining in wagering accounts inactive or dormant for such period and under such conditions as established by regulation shall be paid 50% to the account wagering licensee and 50% to the New Jersey Racing Industry Special Fund.

C.5:5-146 Inclusion of amounts wagered in parimutuel pool.

20. Sums wagered at the off-track wagering facility on the result of a simulcast horse race at an in-State sending track, or through the account wagering system on a race conducted at an in-State host track, shall be included in the appropriate parimutuel pool generated at the in-State track and shall be distributed pursuant to section 21 of this act. Payments to persons holding winning tickets at an off-track wagering facility or through the account wagering system, shall be made according to the same odds as those generated at the in-State track.

C.5:5-147 Distribution of sums in parimutuel pool.

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

- a. 6% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be paid to the in-State track for overnight purses. In the event that (1) any racetrack at which a horse race meeting was conducted in calendar year 2000 ceases to operate as a racetrack prior to calendar year 2003 and (2) an off-track wagering facility is operated on that former racetrack site, 6.15% of the parimutuel pool generated at that off-track wagering facility shall be paid to the in-State sending track for overnight purses.

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

- (1) in the case of harness races conducted by an in-State track, in the special trust account established pursuant to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section

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

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

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

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

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

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

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

C.5:5-148 Receipt of simulcasts transmitted from out-of-State tracks.

22. a. The off-track wagering licensee may, in accordance with the provisions of this act and any applicable regulations of the commission and with the approval of the commission, also receive at the facility simulcast horse races conducted at out-of-State sending tracks; provided, however, that the off-track wagering licensee may receive simulcast horse races from only those out-of-State sending tracks that have been approved by the commission, which approval may not be unreasonably withheld.

b. An account wagering licensee may, with the approval of the commission, also accept account wagers on horse races conducted at out-of-State host tracks; provided, however, that the account wagering licensee may receive wagers on out-of-State horse races from only those out-of-State host tracks that have been approved by the commission, which approval may not be unreasonably withheld.

C.5:5-149 Payments to sending track.

23. a. The off-track wagering licensee receiving a simulcast horse race from an out-of-State sending track shall pay to the out-of-State sending track for the transmission such amount, if any, as may be agreed upon by the off-track wagering licensee and the out-of-State sending track.

b. The account wagering licensee accepting account wagers on a horse race conducted at an out-of-State host track shall pay to the out-of-State host track such amount, if any, as provided for in the agreement, if any, between the account wagering licensee and the out-of-State host track.

C.5:5-150 Conditions for participation of out-of-State sending tracks.

24. a. Except as provided in subsection b. of this section, the commission shall not permit an out-of-State sending track or an out-of-State host track to participate in off-track simulcasting or qualify as an out-of-State host track, respectively, unless the parimutuel pools respecting the

off-track wagering facility or the account wagering system shall be combined with comparable parimutuel pools at the out-of-State track. The types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and the percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders shall be determined in accordance with the law or policy applicable to the out-of-State track.

b. With the prior approval of the commission and the concurrence of the out-of-State track, an off-track wagering licensee or the account wagering licensee, and receiving tracks or entities in other states other than the state in which the out-of-State track is located may form an interstate common pool. With respect to such interstate common pools, the commission may approve types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and a percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders which are different from those which would otherwise be applied in this State but which are consistent for all parties to the interstate common pool.

C.5:5-151 Takeout rate, distribution.

25. Sums wagered at an off-track wagering facility on races being transmitted to that off-track wagering facility from an out-of-State sending track and sums wagered through the account wagering system on races conducted by an out-of-State host track shall be subject to the takeout rate determined pursuant to section 24 of this act and the sums resulting from that takeout rate as applied to the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be distributed as follows, except money resulting from breakage on amounts wagered at the off-track wagering facility or through the account wagering system and from outstanding parimutuel ticket moneys issued at the off-track wagering facility shall be distributed as provided by subsection c. of this section.

a. The amount, if any, as agreed by the off-track wagering licensee or account wagering licensee and the out-of-State track pursuant to section 23 of this act shall be paid to the out-of-State track.

b. Of the amount remaining after the deduction of the amount under subsection a. of this section from the amount of the takeout rate, 40% shall be paid to the New Jersey Racing Industry Special Fund and 60% shall be paid to the off-track wagering licensee or the account wagering licensee, as appropriate.

c. Breakage moneys and outstanding parimutuel ticket moneys resulting from wagering at the off-track wagering facility or through the account wagering system on races conducted by the out-of-State track shall be distributed as follows: \$150,000 annually to Jockey's Health and Welfare, \$150,000 annually to Standardbred Drivers' Health and Welfare, and all remaining moneys to the commission for racing costs in accordance with section 26 of this act. If in any calendar year the total amount of breakage moneys and outstanding parimutuel ticket moneys referred to herein exceed the \$300,000 to be paid to Jockey's Health and Welfare and Standardbred Drivers' Health and Welfare, and the amounts required to pay racing costs as provided in section 26 of this act, such remaining funds shall be allocated as follows: 50% to the off-track wagering licensee or account wagering licensee, as appropriate and 50% to the New Jersey Racing Industry Special Fund.

C.5:5-152 Annual certification of racing costs.

26. a. The State Treasurer shall certify racing costs on an annual basis. These racing costs shall be the basis for payment and reimbursement to the commission from the following sources, in the following order:

(1) license and permit fees received by the commission;

(2) breakage moneys and outstanding parimutuel ticket moneys as provided in sections 21 and 25 of this act, and the outstanding parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of P.L.1971, c.137 (C.5:10-7).

b. If, in any year, amounts received by the commission from the sources specified in subsection a. of this section are not sufficient to reimburse the commission for racing costs, there

shall be an assessment against permit holders or successors in interest to permit holders, if applicable, to reimburse the commission for its costs for which funds are not otherwise appropriated to the commission by law. Such assessment shall be approved by the State Treasurer. The commission shall establish, by regulation, an assessment formula which apportions such costs to each permit holder or successor in interest, if applicable.

c. Subject to the approval of the State Treasurer, the commission may adjust the annual assessment when necessary to cover expenditures not anticipated at the time of the assessment.

d. The funds derived from the sources specified in this section shall be held in a non-lapsing dedicated account, for use in accordance with the provisions of this section.

C.5:5-153 "New Jersey Racing Industry Special Fund."

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

a. 92% shall be distributed as follows:

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

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

Of the allocations made pursuant to this subsection to permit holders conducting thoroughbred racing, specific distributions shall be made to the overnight thoroughbred purse account of each permit holder and for programs designed to aid the thoroughbred horsemen and the New Jersey Thoroughbred Horseman's Association. Expenditures for programs designed to aid the thoroughbred horsemen and the New Jersey Thoroughbred Association shall not exceed 2.9% of such allocations. Distribution among thoroughbred permit holders shall be based on the following formula: total overnight thoroughbred purse distribution for each permit holder in the prior calendar year divided by the total overnight thoroughbred purse distribution of all permit holders in the prior calendar year.

Of the allocations made pursuant to this subsection to permit holders conducting standardbred racing, specific distributions shall be made to the overnight standardbred purse account of each permit holder and for programs designed to aid the standardbred horsemen and the Standardbred Breeders' and Owners' Association of New Jersey. Expenditures for programs designed to aid the standardbred horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 3.5% of such allocations. Distribution among standardbred permit holders shall be based on the following formula: total overnight standardbred purse distribution for each permit holder in the prior calendar year divided by the total overnight standardbred purse distribution of all permit holders in the prior calendar year.

b. 8% shall be distributed as follows:

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

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

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

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

C.5:5-154 Licensing, registration of persons conducting wagering-related activities.

28. All persons engaged in conducting wagering-related activities at an off-track facility or through an account wagering system, whether employed directly by the licensee or by a person or entity conducting or operating the off-track wagering facility or account wagering system to an agreement with the licensee, shall be licensed or registered in accordance with such regulations as may be promulgated by the commission hereunder. All other employees at the off-track wagering facility or of account wagering system shall be licensed or registered in accordance with regulations of the commission. The commission shall have full power to prescribe rules, regulations and conditions under which all such licenses are issued, or registrations made, in this State and to revoke or refuse to issue a license, or revoke or refuse to accept a registration, if in the opinion of the commission the revocation or refusal is in the public interest, provided, however, that such rules, regulations and conditions shall be uniform in their application, and further provided that no fee shall be in excess of \$50 for each license so granted or registration accepted.

C.5:5-155 One-time right of first refusal offers of employment.

29. a. A person employed by a permit holder in the admissions department or parimutuel clerk department of a racetrack operated by a permit holder, or employed at the racetrack by a food and beverage vendor contracting with the permit holder to provide food and beverages at the racetrack, shall be given a one-time right of first refusal offer of employment, as each off-track wagering facility opens, for the then available positions of similar employment in that off-track wagering facility, including any similar employment with the off-track wagering licensee or with any vendor contracting with the licensee to provide food and beverages at the off-track wagering facility, or as each account wagering licensee implements account wagering, for the then available positions of similar employment with any account wagering licensee.

b. In the event that an off-track wagering facility is sited and begins operations at the location or in the proximity of a former racetrack, a person who, at the time of the closing of the former racetrack, worked as an employee of the permit holder in the admissions department or parimutuel clerk department of the former racetrack operated by the permit holder, or who, at the time of the closing of the former racetrack, worked at the racetrack as an employee of a food and beverage vendor contracting with the permit holder to provide food and beverages at the former racetrack, shall be given a one-time right of first refusal offer of similar employment at the off-track wagering facility. In the event that there are not a sufficient number of employment opportunities for each of the former employees who seek a position pursuant to the provisions of this subsection, then each such former employee, for a period of four years thereafter, shall have the right of first refusal set forth in the provisions of subsection a. of this section. Employment opportunities that remain after each former employee has been given an offer of similar employment shall be made available to other persons in accordance with the provisions of subsection a. of this section.

c. An employee of the permit holder or vendor contracting with the permit holder who is given preference for employment pursuant to subsections a. and b. of this section and accepts the employment shall not suffer, at the time that the change in employment occurs, any reduction in seniority, pay, or employer contribution to pension and health benefits, and shall receive a substantially equivalent level of benefits.

C.5:5-156 Scheduling of race dates, minimum required.

30. a. The permit holder at Monmouth Park and the thoroughbred permit holder at the Meadowlands together shall schedule(1)no fewer than 141 thoroughbred race dates in the aggregate in each of calendar years 2002, 2003 and 2004;and(2)no fewer than 141 thoroughbred race dates in the aggregate in each calendar year thereafter, provided that the permit holders may schedule fewer than 141 thoroughbred race dates in the aggregate if the commission determines, upon application by the permit holders, that scheduling fewer dates in that calendar year is in the best interest of the racing industry and the State. In making its determination, the commission shall consider all factors, including, but not limited to, handle, number of starters, interstate competition, and export marketability. Notwithstanding the foregoing, in no calendar year shall the permit holders schedule, in the aggregate, fewer than 120 thoroughbred race dates;

b. the standardbred permit holder at the Meadowlands shall schedule annually no fewer than

151 standardbred race dates; and

c. the permit holders at Freehold Raceway shall schedule annually no fewer than 192 standardbred race dates.

C.5:5-22.1 Delivery, certification of commission minutes to Governor; approval.

31. A true copy of the minutes of every meeting of the commission shall be forthwith delivered by and under the certification of, the executive director thereof to the Governor. No action taken at such meeting of the commission shall have force and effect until the earlier of 10 days, exclusive of Saturdays, Sundays and public holidays, after such copy of the minutes shall have been so delivered, or the approval thereof by the Governor. If, in the 10-day period, the Governor returns such copy of the minutes with veto of any action taken by the commission or any member thereof at such meeting, such action shall be null and void and of no effect. The Governor may approve all or part of the action taken at such meeting, prior to the expiration of the 10-day period. This section shall not apply to enforcement actions for violations of regulations promulgated by the commission.

C.5:5-157 Severability.

32. The provisions of this act shall be deemed to be severable, and if any phrase, clause, sentence or provision of this act is declared to be unconstitutional or the applicability thereof to any person is held invalid, the remainder of this act shall not thereby be deemed to be unconstitutional or invalid.

C.5:5-158 Rules, regulations.

33. The commission shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

C.5:5-159 Annual assessment to fund certain programs for compulsive gambling.

34. In addition to any other funds provided by law for prevention, education and treatment programs for compulsive gamblers, beginning on July 1, 2003, there shall be an annual assessment against permit holders or successors in interest to permit holders, if applicable, of a total sum of \$200,000 in the aggregate which shall be paid into the General Fund for appropriation by the Legislature to the Department of Health and Senior Services for prevention and education and treatment programs for compulsive gambling that meet the criteria developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided by the Council on Compulsive Gambling of New Jersey. Such funds shall be used to address compulsive gambling issues related to off-track wagering facilities and account wagering. The New Jersey Racing Commission shall, by regulation, establish a formula which apportions the assessment to each permit holder or successor in interest, if applicable.

C.5:5-160 Supplementation, enhancement of purses at authority owned tracks.

35. In order to retain the competitive position of the standardbred and thoroughbred racing programs at the authority owned racetracks during the period in which the off-track wagering and account wagering systems are developed, the authority, as it deems appropriate, may supplement or enhance purses at its racetracks; provided, however, that any such supplements shall be decreased as the off-track wagering and account wagering systems are developed.

36. On or before July 1, 2002, the commission shall submit to the Governor and the Legislature a report indicating the feasibility of establishing a permanent training facility or other means to permit winter stabling for the New Jersey racing industry and \$95,000 is appropriated from the General Fund to the commission for that purpose.

37. Section 37 of P.L.1992, c.19 (C.5:5-125) is amended to read as follows:

C.5:5-125 Race track may receive simulcast transmissions from out-of-State track; interstate common pools, formation.

37. a. (1) Notwithstanding any other law to the contrary, the New Jersey Racing Commission,

upon application by a receiving track, as defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in accordance with applicable federal law, may permit the track to receive, in addition to the horse races authorized by section 10 of P.L.1985, c.269 (C.5:5-119), simulcast transmissions of the racing program, in full or in part, from any out-of-State sending track, as defined in section 2 of P.L.1985, c.269 (C.5:5-111), during any time period, provided that the receiving track agrees to receive all simulcast horse races which any in-State sending track wishes to transmit to it during that same time period, and provided further that, except as provided in subsection b. of this section, the parimutuel pools at the receiving track shall be combined with comparable parimutuel pools at the out-of-State sending track. No limit shall be placed on the number of racing programs the track may receive from out-of-State sending tracks except as otherwise provided herein.

(2) Whenever an out-of-State sending track participates in simulcasting pursuant to paragraph (1) of this subsection and the parimutuel pools are combined at the out-of-State sending track, the types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and the percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders shall be determined in accordance with the law or policy applicable to the out-of-State sending track. However, moneys resulting from breakage on amounts wagered at the receiving track and from outstanding parimutuel tickets issued at the receiving track in all instances shall be distributed as provided by section 38 of this act.

b. With the prior approval of the New Jersey Racing Commission and the concurrence of the out-of-State sending track, a receiving track and receiving tracks or entities in other states other than the state in which the sending track is located may form an interstate common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111). With respect to such interstate common pools, the Racing Commission may approve types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and a percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders which are different from those which would otherwise be applied in this State but which are consistent for all parties to the interstate common pool. However, moneys resulting from breakage on amounts wagered at the receiving track and from outstanding parimutuel tickets issued at the receiving track in all instances shall be distributed as provided in section 38 of this act.

c. (Deleted by amendment, P.L.2001, c.199).

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

C.5:10-6 Authority projects.

6. a. The authority, pursuant to the provisions of P.L.1971, c.137 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone or in conjunction with others, and provided that, in the case of an arrangement with respect to any of the projects set forth in this section which shall be in conjunction with others, the authority shall have sufficient right and power to carry out the public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

(1) To establish, develop, construct, operate, acquire, own, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project to be located in the Hackensack meadowlands upon a site not to exceed 750 acres and upon a site or sites outside of that acreage, but either immediately contiguous thereto or immediately across any public road which borders that acreage, consisting of one or more stadiums, coliseums, arenas, pavilions, stands, field houses, playing fields, recreation centers, courts, gymnasiums, clubhouses, a racetrack for the holding of horse race meetings, and other buildings, structures, facilities, properties and appurtenances related to, incidental to, necessary for, or complementary to a complex suitable for the holding of athletic contests or other sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, including, but not limited to, driveways, roads, approaches, parking areas, parks, recreation areas, lodging facilities, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings, and all other structures and appurtenant facilities, related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof.

(2) To establish, develop, construct, acquire, lease or own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project, at a site within the State of New Jersey, consisting of a baseball stadium and other buildings, structures, facilities, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to a complex suitable for the holding of professional baseball games and other athletic contests or sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof.

(3) To establish, develop, construct, acquire, lease or own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects located within the State of New Jersey, but outside of the meadowlands complex, consisting of aquariums and the buildings, structures, facilities, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to those aquariums, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof. To provide for a project authorized under this paragraph:

(a) (Deleted by amendment, P.L.1988, c.172.)

(b) The authority is authorized to enter into agreements with the State Treasurer providing for the acquisition and construction of an aquarium by the authority, including the land necessary for the aquarium, and the costs thereof, ownership of the aquarium and its land which shall be conveyed to the State upon completion, and the operation by the authority of the aquarium pursuant to a lease or other agreement with the State containing such terms and conditions as the State Treasurer may establish prior to the acquisition and construction by the authority of the aquarium and the disbursements of funds therefor. The State Treasurer is authorized to enter into a lease or other agreement to effectuate the provisions of this subparagraph.

(4) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project consisting of an exposition or entertainment center or hotel or office complex, including any buildings, structures, properties and appurtenances related thereto, incidental thereto, necessary therefor, or complementary thereto, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems, and equipment, furnishings and all other structures and appurtenances related to, incidental to, necessary for, or complementary to, the purposes of that project. A project authorized under this paragraph may be located within, immediately contiguous to, or immediately across any public road which borders the site of any other project of the authority, except the site of a racetrack authorized by paragraph (5) of this subsection and acquired by the authority prior to 1986.

(5) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects consisting of (a) racetrack facilities located within the State of New Jersey, but outside of the meadowlands complex, (b) their contiguous properties, and (c) their auxiliary facilities, including, without limitation, pavilions, stands, field houses, clubhouses, training tracks for horses, racetracks for the holding of horse race meetings, fairgrounds, other exposition facilities, and other buildings, structures, facilities, properties and appurtenances related to, incidental to, necessary for, or complementary to a complex suitable for the holding of horse race meetings, other sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, including, but not limited to, driveways, roads, approaches, parking areas, parks, recreation areas, lodging facilities, vending facilities, restaurants, transportation structures, systems and facilities, equipment, furnishings, and all other structures and appurtenant facilities related to, incidental to, necessary

for, or complementary to the purposes of any of those projects or any facility thereof.

Notwithstanding any law to the contrary, the acquisition of any existing racetrack facility in and licensed by the State of New Jersey shall be permitted on the condition that payments equivalent to all municipal, school board and county taxes due to each entity shall be paid by the authority to the extent and in accordance with the same payment schedule as taxes would have been paid each year, as though the racetrack facility remained in private ownership. In the event the authority conveys lands or other parts of the racetrack facility to others, the authority shall receive a reduction of such payments commensurate with the amount required to be paid by the subsequent owner of the lands and improvements disposed of by the authority. In addition, the authority shall be responsible for paying all existing local franchise fees, license and parking tax fees in effect at the time of the acquisition.

(6) To establish, develop, acquire, own, operate, manage, promote and otherwise effectuate, in whole or in part, either directly or indirectly through lessees, licensees or agents, projects consisting of events, expositions, teams, team franchises or membership in professional sports leagues.

(7) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects consisting of facilities, at a site or sites within the State of New Jersey and either within or without the meadowlands complex, that are related to, incidental to, necessary for, or complementary to the accomplishment or purpose of any project of the authority authorized by this section, including any buildings, structures, properties and appurtenances related thereto, incidental thereto, necessary therefor, or complementary thereto, such projects to include driveways, roads, approaches, parking areas, parks, recreation areas, off-track and account wagering systems and facilities or any interest therein, vending facilities, restaurants, transportation structures, systems, and equipment, furnishings and all other structures and appurtenances related to, incidental to, necessary for, or complementary to the purposes of those projects.

(8) To establish, develop, acquire, construct, reconstruct, improve and otherwise effectuate for transfer to, and for use and operation by, Rutgers, the State University, either directly or indirectly through lessees, licensees or agents, facilities located or to be located on property owned, leased, or otherwise used by Rutgers, the State University, consisting of an upgraded and expanded football stadium and a new track and field, soccer and lacrosse facility and the buildings, structures, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to the football stadium and track and field, soccer and lacrosse facility, such facilities to include driveways, access roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and equipment, furnishings and all other structures and appurtenances related or incidental to, necessary for, or complementary to the purposes of those facilities; provided however that construction shall not begin on the expansion of the seating capacity of Rutgers Stadium until the Commissioner of Transportation certifies that all funding necessary to complete the Route 18 project in Piscataway Township has been appropriated and construction has begun on the Route 18 project in Piscataway Township under the Department of Transportation's capital program.

(9) To acquire by purchase, lease or otherwise, and to develop, construct, operate, own, lease, manage, repair, reconstruct, restore, improve, enlarge or otherwise effectuate, either directly or through lessees, licensees or agents, a convention center project in the city of Atlantic City, Atlantic County, consisting of the existing convention hall and a new convention hall or center, and associated parking areas and railroad terminal facilities and including the leasing of adjacent land for hotel facilities. In connection therewith, the authority is authorized to:

(a) Assume existing leasehold or other contractual obligations pertaining to any such facilities or properties or to make provision for the payment or retirement of any debts and obligations of the governmental entity operating any such convention hall or center or of any bonds or other obligations payable from and secured by a lien on or pledge of the luxury tax revenues;

(b) Make loans or payments in aid of construction with respect to infrastructure and site development for properties located in the area between the sites of the existing convention hall and a new convention center or located contiguous to or across any public road which borders the area;

(c) Convert the existing convention hall or any facilities, structures or properties thereof, or any part thereof, not disposed of by the authority, to any sports, exposition, exhibition, or entertainment use or to use as a forum for public events or meetings, or to any other use which the authority shall determine to be consistent with its operation of the Atlantic City convention center project.

(10) To provide a feasibility study for the use and development of the existing convention center in the city of Asbury Park, county of Monmouth and to provide a feasibility study for the construction, use and development of a convention center or recreational facility in any other municipality.

(11) To provide funding to public or private institutions of higher education in the State to establish, develop, acquire, construct, reconstruct or improve facilities located or to be located on property owned, leased, or otherwise used by an institution, consisting of sports facilities and the buildings, structures, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to those sports facilities, such facilities to include driveways, access roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and equipment, furnishings and all other structures and appurtenances related or incidental to, necessary for, or complementary to the purposes of those facilities.

(12) To acquire by purchase, lease, or otherwise, including all right, title and interest of the Greater Wildwood Tourism Improvement Development Authority in any property, and to develop, construct, operate, own, lease, manage, repair, reconstruct, restore, improve, enlarge or otherwise effectuate, either directly or through lessees, licensees or agents, a convention center facility in the City of Wildwood, Cape May County, consisting of and including any existing and acquired buildings, structures, properties and appurtenances and including restaurants, retail businesses, access roads, approaches, parking areas, transportation structures and systems, recreation areas, equipment, furnishings, vending facilities, and all other structures and appurtenances incidental to, necessary for, or complementary to the purpose of such Wildwood convention center facility. In connection therewith, the authority is expressly authorized to:

(a) assume any existing mortgages, leaseholds or other contractual obligations or encumbrances with respect to the site of the Wildwood convention center facility and any other existing and acquired buildings, structures, properties, and appurtenances;

(b) enter into agreements with a local public body or bodies providing for any necessary financial support or other assistance for the operation and maintenance of such Wildwood convention center facility from taxes or other sources of the local public body or bodies as shall be made available for such purposes;

(c) to the extent permitted by law and by the terms of the bonds or notes issued to finance the Wildwood convention center facility, transfer its ownership interest or other rights with respect to the convention center facility to another State authority or agency;

(d) upon payment of all outstanding bonds and notes issued therefore, transfer its ownership interest and other rights with respect thereto to such other public body as shall be authorized to own and operate such a facility; and

(e) convert any existing convention hall or any facilities, structures or properties thereof, or any part thereof, not disposed of by the authority, to any use which the authority shall determine to be consistent with the operation of the Wildwood convention center facility.

b. The authority, pursuant to the provisions of P.L.1971, c.137 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the projects, capital contributions to others for transportation and other facilities, and accommodations for the public's use of any of those projects, (2) to lease any part of any of those project sites not occupied or to be occupied by the facilities of any of those projects, for purposes determined by the authority to be consistent with or related to the purposes of those projects, including, but not limited to, hotels and other accommodations for transients and other facilities related to or incidental to any of those projects, and (3) to sell or dispose of any real or personal property, including, but not limited to, such portion of the site of any of those projects not occupied or to be occupied by the facilities of any of those projects, at not less than the fair market value of the property, except in the case of sale or disposition to the State, any political subdivision of the State or any agency

or instrumentality of the State or any political subdivision of the State.

c. Revenues, moneys or other funds, if any, derived from the operation or ownership of the meadowlands complex, including the conduct of horse race meetings, shall be applied, in accordance with the resolution or resolutions authorizing or relating to the issuance of bonds or notes of the authority, to the following purposes and in the following order:

(1) The costs of operation and maintenance of the meadowlands complex and reserves therefor;

(2) Principal, sinking fund installments and redemption premiums of and interest on any bonds or notes of the authority payable from such revenues, moneys or other funds and issued for the purposes of the meadowlands complex or for the purposes of refunding the same, including reserves and payments with respect to credit agreements therefor;

(3) The costs of any major or extraordinary repairs, renewals or replacements with respect to the meadowlands complex or incidental improvements thereto, not paid pursuant to paragraph (1) above, including reserves therefor;

(4) Payments required to be made pursuant to section 18b.;

(5) Payments authorized to be made pursuant to section 18c.;

(6) Except to the extent payments with respect to bonds or notes are provided with priority in accordance with paragraph (2) of this subsection, payments required to be made in accordance with the resolution authorizing or relating to the issuance of bonds or notes of the authority, for the purposes of any project authorized by this act, including payments and reserves with respect to any bonds or notes of the authority with respect to the meadowlands complex which are not provided with priority in accordance with paragraph (2) of this subsection;

(7) Payments required to be made to repay any obligation incurred by the authority to the State;

(8) The balance remaining after application in accordance with the above shall be deposited in the General State Fund, provided that (a) there shall be appropriated for authorized State purposes from the amount so deposited that amount which shall be calculated by the State Treasurer to be the debt service savings realized with respect to the refinancing of the initial project as defined in section 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the issuance of bonds of the authority guaranteed by the State, and (b) after such appropriation, 40% of any balance remaining from the amounts so deposited shall be appropriated to the Meadowlands Commission for any of its purposes authorized by P.L.1968, c.404, and any amendments or supplements thereto.

d. Revenues, moneys or other funds, if any, derived from the operation or ownership of any project other than the meadowlands complex, the Atlantic City convention center project, or the Wildwood convention center facility and other than a baseball stadium project or an office complex project located on the site of a baseball stadium shall be applied for such purposes, in such manner and subject to such conditions as shall be provided in the resolution authorizing or relating to the issuance of bonds or notes of the authority for the purposes of such project, and the balance, if any, remaining after such application may be applied, to the extent not contrary to or inconsistent with the resolution, in the following order (1) to the purposes of the meadowlands complex, unless otherwise agreed upon by the State Treasurer and the authority, (2) to the purposes of any other project of the authority; and, the balance remaining, if any, shall be deposited in the General Fund.

e. Revenues, moneys or other funds, if any, derived from the operation, ownership, or leasing of a baseball stadium project or an office complex project located on the site of a baseball stadium shall be applied for the purposes, in the manner and subject to the conditions as shall be provided in the resolution authorizing or relating to the issuance of bonds or notes of the authority for the purposes of a baseball stadium project or an office complex project located on the site of a baseball stadium, if any, and the balance, if any, remaining after such application shall be applied, to the extent not contrary to or inconsistent with the resolution, to the following purposes and in the following order:

(1) The costs of operation and maintenance of a baseball stadium project and an office complex project located on the site of a baseball stadium and reserves therefor;

(2) Payments made to repay the bonded indebtedness incurred by the authority for the purposes of a baseball stadium project or an office complex project located on the site of a

baseball stadium;

(3) Payments equivalent to an amount required to be made by the State for payments in lieu of taxes pursuant to P.L.1977, c.272 (C.54:4-2.2a et seq.);

(4) The balance remaining after application in accordance with the above shall be deposited in the General Fund.

f. Revenues, moneys or other funds, if any, derived from the operation, ownership or leasing of the Atlantic City convention center project shall be applied to the costs of operating and maintaining the Atlantic City convention center project and to the other purposes set forth in this subsection as shall be provided by resolution of the authority.

Luxury tax revenues paid to the authority by the State Treasurer pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be deposited by the authority in a separate fund or account and applied to the following purposes and in the following order:

(1) To pay the principal, sinking fund installments and redemption premiums of and interest on any bonds or notes of the authority, including bonds or notes of the authority issued for the purpose of refunding bonds or notes, issued for purposes of (i) the initial acquisition of the existing properties which will constitute part of the Atlantic City convention center project, if the bonds or notes shall be payable under the terms of the resolution of the authority relating thereto from luxury tax revenues, or (ii) providing improvements, additions or replacements to the Atlantic City convention center project, if the bonds or notes shall be payable under the terms of the resolution of the authority relating thereto from luxury tax revenues; and to pay any amounts due from the authority under any credit agreement entered into by the authority in connection with the bonds or notes.

(2) To pay the costs of operation and maintenance of the Atlantic City convention center project.

(3) To establish and maintain a working capital and maintenance reserve fund for the Atlantic City convention center project in an amount as shall be determined by the authority to be necessary.

(4) To repay to the State those amounts paid by the State with respect to bonds or notes of the authority issued for the purposes of the Atlantic City convention center project.

(5) The balance of any luxury tax revenues not required for any of the foregoing purposes and remaining at the end of any calendar year shall be paid to the State Treasurer for application to purposes in the city of Atlantic City pursuant to section 5 of P.L.1981, c.461 (C.40:48-8.30a).

The authority may pledge the luxury tax revenues paid to it as provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security for the payment of the principal of and interest or premium on its bonds or notes issued for the purposes set forth above in paragraph (1) of this subsection f. in the same manner, to the same extent and with the same effect as the pledge of any of its other revenues, receipts and funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

g. Revenues, moneys or other funds, if any, derived from the ownership or operation of the Wildwood convention center facility shall be applied to the costs of operating and maintaining the Wildwood convention center facility and to the other purposes set forth in this subsection as shall be provided by resolution of the authority.

The tourism related tax revenues paid to the authority pursuant to subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be deposited by the authority in a separate fund or account and applied to any or all of the following purposes pursuant to an allocation of funds approved by the State Treasurer in writing and in advance of any application of such funds:

(1) to pay amounts due with respect to any obligations transferred to the authority pursuant to section 17 of P.L.1997, c.273 (C.40:54D-25.1) pertaining to the Wildwood convention center facility;

(2) to repay to the State those amounts paid with respect to bonds or notes of the authority issued for the purposes of the Wildwood convention center facility;

(3) to pay the cost of operation and maintenance reserve for the Wildwood convention center facility;

(4) to establish and maintain a working capital and maintenance of the Wildwood convention center facility.

The balance, if any, of any tourism related tax revenues not allocated to any of the purposes set forth in the previous paragraphs and remaining at the end of the calendar year shall be paid

to the State Treasurer for deposit in the General Fund.

39. Section 18 of P.L.1971, c.137 (C.5:10-18) is amended to read as follows:

C.5:10-18 Tax exemption; projects and property of authority; bonds or notes; payments in-lieu-of property taxes.

18. a. All projects and other property of the authority, except an off-track wagering facility or account wagering system facility established pursuant to P.L.2001, c.199, is hereby declared to be public property devoted to an essential public and governmental function and purpose and shall be exempt from all taxes and special assessments of the State or any political subdivision thereof; provided, however, that when any part of the project site not occupied or to be occupied by facilities of the project is leased by the authority to another whose property is not exempt and the leasing of which does not make the real estate taxable, the estate created by the lease and the appurtenances thereto shall be listed as the property of the lessee thereof, or his assignee, and be assessed and taxed as real estate. All bonds or notes issued pursuant to the act are hereby declared to be issued by a body corporate and public of the State and for an essential public and governmental purpose and such bonds and notes, and the interest thereon and the income therefrom, and all funds, revenues, income and other moneys received or to be received by the authority and pledged or available to pay or secure the payment of such bonds or notes, or interest thereon, shall at all times be exempt from taxation except for transfer, inheritance and estate taxes.

b. To the end that there does not occur an undue loss of future tax revenues by reason of the acquisition of real property by the authority for the meadowlands complex the authority annually shall make payments in-lieu-of-taxes to the municipality in which such property is located in an amount computed in each year with respect to each such municipality by multiplying the total amount to be raised by real property taxation in each such year by a fraction, the numerator of which is the amount of real property taxes assessed against the property acquired by the authority in the tax year in which this act becomes effective and the denominator of which is the total amount to be raised by real property taxation in such municipality in the tax year in which this act becomes effective. Such payments shall be made in each year commencing with the first year subsequent to the year in which such real property shall have been converted from a taxable to an exempt status by reason of acquisition thereof by the authority.

c. The authority is further authorized and empowered to enter into any agreement or agreements with the Meadowlands Commission or with any county or municipality located in whole or part within the Hackensack meadowlands whereby the authority will undertake to pay any additional amounts to compensate for any loss of tax revenues by reason of the acquisition of any real property by the authority for the meadowlands complex or to pay amounts to be used by such commission, county or municipality in furtherance of the development of the Hackensack meadowlands, including the meadowlands complex. The commission and every such county and municipality is authorized and empowered to enter into such agreements with the authority and to accept payments which the authority makes thereunder.

d. All payments to municipalities pursuant to subsections b. and c. shall be treated as payments in-lieu-of-property taxes for all purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).

40. Section 2 of P.L.1993, c.229 (C.26:2-169) is amended to read as follows:

C.26:2-169 Criteria for compulsive gambling programs; grants.

2. The Department of Health and Senior Services shall develop criteria which prevention, education and treatment programs for compulsive gamblers shall meet in order to become eligible for a grant from the funds made available for such programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145). The department shall also develop a formula for the distribution of available funds which will result in an equitable distribution among the programs which meet the eligibility criteria and apply for grants.

The department shall submit a report to the Senate Budget and Appropriations Committee

and the Assembly Appropriations Committee, or their successors, describing the criteria developed pursuant to this section and detailing the amount of grants distributed and the names of the programs receiving grants. The department shall submit the report annually to both committees.

41. Sections 30-38 and 40 of this act shall take effect immediately and the remaining sections shall take effect on the 180th day after enactment, but the commission shall take such anticipatory administrative action in advance as shall be necessary for the implementation of the act

Approved August 5, 2001.