

5:5-62.1

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2011 **CHAPTER:** 14

NJSA: 5:5-62.1 (Permits racetrack permit holders to provide for single parimutuel pool for each running or harness horse race)

BILL NO: S2229 (Substituted for A3200)

SPONSOR(S) Codey and others

DATE INTRODUCED: September 13, 2010

COMMITTEE: **ASSEMBLY:** Regulatory Oversight and Gaming

SENATE: State Government, Wagering, Tourism & Historic Preservation

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** December 13, 2010

SENATE: November 22, 2010

DATE OF APPROVAL: January 28, 2011

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced version of bill enacted)

S2229

SPONSOR'S STATEMENT: (Begins on page 2 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A3200

SPONSOR'S STATEMENT: (Begins on page 2 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

VETO MESSAGE A1705 MENTIONED IN GOVERNOR'S PRESS RELEASE Yes

OTHER:

Recommendations on the future of horse racing in New Jersey / Governor's Advisory Commission on Gaming, Sports and Entertainment.
by New Jersey. Governor's Gaming, Sports and Entertainment Advisory Commission.
[974.90 G191, 2010a](#)

LAW/RWH

P.L.2011, CHAPTER 14, *approved January 28, 2011*
Senate, No. 2229

1 AN ACT concerning horse racing and supplementing P.L.1940, c.17
2 (C.5:5-22 et seq.).

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

6
7 1. Notwithstanding the provisions of any other law to the
8 contrary, in order to create larger parimutuel pools capable of
9 handling a greater variety of wagers and in order to reduce the
10 adverse effect of large wagers, the New Jersey Racing Commission
11 may authorize permitholders to combine all wagers placed on the
12 results of one or more running or harness horse races into a single
13 parimutuel pool, provided that all take-out percentages for wager
14 types from this combined pool are consistent with the percentages
15 provided for in P.L.1940, c.17 (C.5:5-22 et seq.).

16 The New Jersey Racing Commission shall adopt, pursuant to the
17 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
18 seq.), such rules and regulations as may be necessary to effectuate
19 the purposes of this section.

20
21 2. This act shall take effect immediately.

22
23
24 STATEMENT

25
26 This bill provides that the New Jersey Racing Commission may
27 authorize permitholders to combine all wagers placed on the results
28 of one or more running or harness horse races into a single
29 parimutuel pool, as long as take-out percentages for wager types
30 from this combined pool are consistent with the percentages
31 provided for in the racing statutes. These larger pools would be
32 capable of handling a greater variety of wagers than current pools
33 and would reduce the adverse effect of large wagers.

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36
37
38 Permits racetrack permitholders to provide for single parimutuel
39 pool for each running or harness horse race.

SENATE, No. 2229

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED SEPTEMBER 13, 2010

Sponsored by:

Senator RICHARD J. CODEY

District 27 (Essex)

Senator JENNIFER BECK

District 12 (Mercer and Monmouth)

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Assemblywoman CONNIE WAGNER

District 38 (Bergen)

Co-Sponsored by:

Senator Gordon

SYNOPSIS

Permits racetrack permitholders to provide for single parimutuel pool for each running or harness horse race.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/14/2010)

1 AN ACT concerning horse racing and supplementing P.L.1940, c.17
2 (C.5:5-22 et seq.).

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SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 2229

STATE OF NEW JERSEY

DATED: NOVEMBER 8, 2010

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably Senate, No. 2229.

This bill provides that the New Jersey Racing Commission may authorize permitholders to combine all wagers placed on the results of one or more running or harness horse races into a single parimutuel pool, as long as take-out percentages for wager types from this combined pool are consistent with the percentages provided for in the racing statutes. These larger pools would be capable of handling a greater variety of wagers than current pools and would reduce the adverse effect of large wagers.

ASSEMBLY REGULATORY OVERSIGHT AND GAMING
COMMITTEE

STATEMENT TO

SENATE, No. 2229

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2010

The Assembly Regulatory Oversight and Gaming Committee reports favorably Senate, No. 2229.

This bill provides that the New Jersey Racing Commission may authorize permitholders to combine all wagers placed on the results of one or more running or harness horse races into a single parimutuel pool, as long as take-out percentages for wager types from this combined pool are consistent with the percentages provided for in the racing statutes. These larger pools would be capable of handling a greater variety of wagers than current pools and would reduce the adverse effect of large wagers.

ASSEMBLY, No. 3200

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED SEPTEMBER 16, 2010

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Assemblywoman CONNIE WAGNER

District 38 (Bergen)

SYNOPSIS

Permits racetrack permitholders to provide for single parimutuel pool for each running or harness horse race.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/9/2010)

1 AN ACT concerning horse racing and supplementing P.L.1940, c.17
2 (C.5:5-22 et seq.).

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
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ASSEMBLY REGULATORY OVERSIGHT AND GAMING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3200

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2010

The Assembly Regulatory Oversight and Gaming Committee reports favorably Assembly, No. 3200.

This bill provides that the New Jersey Racing Commission may authorize permitholders to combine all wagers placed on the results of one or more running or harness horse races into a single parimutuel pool, as long as take-out percentages for wager types from this combined pool are consistent with the percentages provided for in the racing statutes. These larger pools would be capable of handling a greater variety of wagers than current pools and would reduce the adverse effect of large wagers.



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Governor Christie Takes Action on Legislation to Ensure Future Viability of Horse Racing in New Jersey

Monday, January 31, 2011 Tags: Bill Action

New measures move forward Christie Administration goals of securing a future for horseracing in New Jersey without taxpayer subsidy

Trenton, NJ – Furthering his commitment to ensuring a self-sustaining horse racing industry in New Jersey, Governor Chris Christie today signed two bills that provide additional tools for horse racing to operate successfully without taxpayer subsidy. These measures include allowing for "exchange wagering" at New Jersey's horse racing venues as well as establishing a single pari-mutuel pool for every horse race. Governor Christie also proposed revisions by conditional veto of the "Off Track and Account Wagering Act" that will help facilitate self-sustaining operations at both the Meadowlands Racetrack and Monmouth Park.

"These measures represent the next steps in following through on my Administration's commitment to securing a strong, independent, self-sufficient horse-racing industry in New Jersey," Governor Christie said. "We are providing new tools to help the industry implement new strategies, generate additional revenue and capitalize on interest in horse racing around the state. Along with our ongoing efforts to transform racing at the Meadowlands and Monmouth Park through private management, these measures will place horseracing on a path to economic stability and sustainability without public subsidy that New Jersey taxpayers can simply no longer afford."

By signing, A-2926 authorizing "exchange wagering," New Jersey will follow California as only the second state in the country where this type of wagering is permitted. Exchange wagering will provide opportunities to increase revenue for the racing industry by attracting new bettors.

In addition, the enactment of S-2229 will permit racetrack permit holders to provide a single pari-mutuel pool for every horse race, resulting in the attraction of new bettors and increased racing revenues. This will reduce the adverse effect that large wagers have on the payoff odds of winning bets by pooling all bets together.

Governor Christie also conditionally vetoed A-1705, which provided for revisions to the "Off Track and Account Wagering Act" to expedite the development of off track wagering facilities throughout the State.

"While I wholeheartedly endorse the objectives behind A-1705, a conditional veto is necessary to give us the necessary flexibility and latitude in negotiations, as it relates to the assignment of Off Track Wagering locations, and that any future OTW locations not be hampered out of the gate with additional fees on their operations," Governor Christie said. "While we continue to progress in a dialogue to develop a self-sustaining thoroughbred racing industry in New Jersey, it is critical that we have all tools available to reach an agreement that protects taxpayers and the needs of industry partners."

On December 17, 2010, Governor Christie announced a plan to preserve live Standardbred racing at the Meadowlands Racetrack through the lease of that facility to the Standardbred Breeders and Owners Association (SBOA). The assignment of four off-track wagering locations to the SBOA is a critical component of that agreement.

Consistent with the Governor's commitment to ease the burden borne by taxpayers in subsidizing New Jersey's horseracing industry and the recommendations of the supplementary report of the Hanson Commission issued on November 15th, the Christie Administration today also announced that the New Jersey Sports and Exposition Authority will issue in the near future a Request for Proposals for the sale of Monmouth Park, including assignment of additional off-track wagering operations.

A copy of the Governor Christie's conditional veto letter is attached.

- Governor Christie's conditional veto letter [pdf 140kB]

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STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT
ASSEMBLY BILL NO. 1705
(Second Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 1705 (Second Reprint) with my recommendations for reconsideration.

This bill revises the "Off-Track and Account Wagering Act" to expedite the establishment of off-track wagering facilities in this State. Specifically, the bill would permit entities other than racetrack operators to obtain licenses from the New Jersey Racing Commission to establish and operate off-track wagering facilities provided that they meet certain requirements, standards and criteria. Under the bill's provisions, current racetrack operators will have the opportunity to demonstrate to the satisfaction of the Commission that they have made progress towards establishing their share of the off-track wagering facilities authorized by law. If a licensee fails to establish the foregoing by January 1, 2012, all unused licenses will be forfeited and offered first to horsemen's organizations, and subsequently to any well-suited entity that meets the bill's requirements.

While I commend the sponsors for their interest in enhancing the horse racing industry and wholeheartedly support the expeditious development of off-track wagering facilities in this State, I am concerned that some of the bill's provisions may impede the Administration's progress in developing a self-sustaining horse racing industry. Specifically, on December 17, 2010, in an effort to preserve live Standardbred racing at the Meadowlands I directed the Sports and Exposition Authority to negotiate with the Standardbred Breeders and Owners Association (SBOA) for the lease of the Meadowlands Racetrack. Moreover, because the full development of the State's off-track wagering

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network is essential to the future economic viability of the horse racing industry, I further directed the Authority to assign up to four off-track wagering locations as a component of any such lease agreement.

Moreover, in furtherance of our efforts to develop a self-sustaining horse racing industry, my Administration is also pursuing the sale or lease of Monmouth Park Racetrack. In connection with these proposed transactions, the assignment of additional off-track wagering locations by the Authority may be necessary. Thus, it is essential that the Administration and the Authority retain the flexibility to assign off-track wagering licenses in connection with the sale or lease of Monmouth Park.

Based upon the foregoing, I am concerned that the bill's provision requiring the forfeiture of off-track wagering licenses absent a showing of "progress" toward the development of such facilities may adversely impact the Authority's ability to assign off track wagering locations pursuant to an agreement with the SBOA or its designee in connection with the Meadowlands Racetrack or with a potential purchaser or operator of Monmouth Park. Accordingly, I am recommending that the legislation be revised to clarify that negotiations concerning the transfer or assignment of off-track wagering licenses in the context of a potential sale or lease of a racetrack shall be deemed "progress" toward the establishment of such facilities. Moreover, I am recommending that the bill be revised to require the Racing Commission to adhere to the standard set forth above in its development of progress benchmarks for licensees and to permit the Commission to adopt administrative regulations on an expedited basis.

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EXECUTIVE DEPARTMENT

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In addition, I am concerned that the bill's provision requiring licensees to pay annually to their host municipality an amount equal to 1% of profits will be a barrier to the development of off-track wagering facilities. While I fully support the sponsors' efforts to provide economic incentives for municipalities where off-track wagering facilities are being considered, existing law already requires facility operators to pay property taxes and, as such, this new fee would be an additional form of taxation that may discourage the development of new locations. While I am recommending through this conditional veto that the 1% fee be eliminated, I pledge to work with the sponsors to find alternatives to defray any additional cost burdens that host municipalities may incur.

Accordingly, I herewith return Assembly Bill No. 1705 (Second Reprint) and recommend that it be amended as follows:

- Page 3, Section 1, Lines 7-8: Delete ", and additional compensation as provided in this act,"
- Page 3, Section 1, Lines 13-15: Delete "and be further required to pay a portion of its wagering revenues to its host municipality" [pursuant to the terms of this act] as provided by law"
- Page 7, Section 3, Line 43: After "basis.", insert "For the purposes of this section, a permit holder shall be deemed to have made progress toward establishing its share of off-track wagering facilities if it has entered into an agreement, in connection with good faith negotiations over the sale or lease of a racetrack under the permit holder's control, to transfer allocated off-track wagering licenses or facilities to an individual or entity that is a bona fide prospective purchaser or lessee, or has demonstrated to the satisfaction of the

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Commission that the execution of such an agreement is imminent based upon the portions of such an agreement agreed upon in principle by the parties as evidenced by a memorandum of understanding or similar accord."

Page 10, Section 3, Line 1:

After "facility.", insert "Such benchmarks shall provide that a permit holder shall be deemed to have made progress toward establishing its share of off-track wagering facilities if it has entered into an agreement, in connection with good faith negotiations over the sale or lease of a racetrack under the permit holder's control, to transfer allocated off-track wagering licenses or facilities to an individual or entity that is a bona fide prospective purchaser or lessee, or has demonstrated to the satisfaction of the Commission that the execution of such an agreement is imminent based upon the portions of such an agreement agreed upon in principle by the parties as evidenced by a memorandum of understanding or similar accord."

Page 15, Section 7, Line 35:

Delete "a. An off-track wagering licensee, or its"

Page 15, Section 7, Lines 36-47:

Delete Lines 36-47 in their entirety

Page 16, Section 7, Lines 1-15:

Delete Lines 1-15 in their entirety

Page 16, Section 7, Line 16:

Delete "d."

Page 16, Line 45:

Insert new section 8:
"8. (New Section) Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Commission may adopt immediately upon filing with the Office of

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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Administrative Law such regulations as the Commission deems necessary to implement the provisions of this act, which shall be effective for a period not to exceed 180 days and may thereafter be amended, adopted or readopted by the Commission in accordance with the requirements of P.L.1968, c.410."

Page 16, Line 46:

Renumber Section 8 as Section 9

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa

Chief Counsel to the Governor