

SENATE, No. 3426

STATE OF NEW JERSEY

INTRODUCED JUNE 16, 1983

By Senators RAND and CODEY

(Without Reference)

AN ACT concerning ownership of stock or interest in racing corporations and amending P. L. 1946, c. 167.

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

1 1. Section 1 of P. L. 1946, c. 167 (C. 5:5-34.1) is amended to read
2 as follows:

3 1. Whenever any association or corporation has been or shall be
4 granted a permit to hold or conduct a horse race meeting, no
5 person shall in any manner become the owner or holder, directly
6 or indirectly, of any shares of stock or certificates or other evidence
7 of ownership **[of any]** *comprising a five percent or greater* interest
8 in such association or corporation without first having obtained the
9 approval of the commission therefor; and the commission may,
10 after hearing, revoke such permit granted to any corporation
11 or association which shall register on its books in the name of
12 any person its shares of stock or certificates or other evidence of
13 ownership of any *such* interest in such association or corporation
14 without the approval of the commission having first been obtained,
15 or which shall knowingly permit a person to be directly or indirectly
16 interested in **[its]** *these* shares of stock or certificates or other
17 evidence of ownership of any interest in such association or corpo-
18 ration without reporting the same to the commission. Whenever the
19 commission shall give to any person its approval to own or hold
20 **[the]** *these* shares of stock or certificates or other evidence of
21 ownership of any *such* interest in any such association or corpora-
22 tion, it shall by registered mail notify the secretary of such associ-

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

Matter printed in italics *thus* is new matter.

23 ation or corporation of such approval; provided, however, that
24 under no circumstances shall the commission give such approval
25 to any person who has been convicted of a crime involving moral
26 turpitude, or has violated any of the provisions of the racing laws
27 of the State of New Jersey or any rule or regulation of the com-
28 mission, or has at any time been denied a license or permit of any
29 kind by the commission.

1 2. This act shall take effect immediately.

STATEMENT

This bill amends N. J. S. 5:5-34.1 to provide that whenever a person shall in any manner become the owner or holder, directly or indirectly, of any shares of stock comprising a 5% or greater interest in a racetrack, that person shall first obtain the approval of the New Jersey Racing Commission therefor. This approval is accomplished through a background check performed at the direction of the commission. Presently, the law provides that before a person may own "any shares of stock" in a racetrack, that person must first pass a background check.

By providing a 5% threshold, the unreasonable requirement that the commission must perform these checks on all persons buying stock in "public" racing corporations will be eliminated. The 5% threshold will still protect the public from potentially corrupt tracks, as individuals who own substantial percentages of race-tracks will be scrutinized.

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S3426 (1983)

A-3157, sponsored by Assemblyman Richard A. Zimmer, R-Hunterdon, which grants Civil Service status to certain employees of the Housing Finance Agency in the Department of Community Affairs.

A-1844, sponsored by Assemblyman (now Senator) Raymond Lesniak, D-Union, which provides that an individual is guilty of sexual assault if he commits an act of penetration with a mentally defective person.

S-1118, sponsored by State Senator Wayne Dumont, Jr., R-Warren, which repeals the section of the Municipal Land Use Law that requires loss of farmland tax assessment at the time of preliminary subdivision. Under the provisions of this bill the tax assessment would change when there is an actual change in the use of the land.

S-3426, sponsored by State Senator Walter Rand, D-Camden, which requires New Jersey Racing Commission approval prior to the purchase of racetrack shares of stock representing a 5 percent or greater interest in the racetrack. Under current law Racing Commission approval is required for every stock transaction, even a single share. With the recent sale of Garden State Racetrack to a public corporation, the Attorney General has estimated that application of the old law could require as many as 9,000 background checks that are required before the Racing Commission can act on stock transfers. S-3426 would require that such background checks and Racing Commission actions be limited to those who would hold controlling interests in racetracks.

A-3327, sponsored by Assemblyman John P. Doyle, D-Ocean, which amends the State Amusement Games Licensing Law to increase the licensing fee from \$150 to \$250. And arcade owners must pay an additional fee of \$10 per machine for each machine over 50.

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