

5:5-94 to 5:5-99

LEGISLATIVE HISTORY CHECKLIST

(Garden State Racetrack - provides financial incentives for private buyers to reopen and operate)

NJSA 5:5-94 to 5:5-99; 5-5:88

LAWS 1982

CHAPTER 201

Bill No. S1876

Sponsor(s) Rand and Laskin

Date Introduced Oct. 25, 1982

Committee: Assembly Independent Authorities and Commissions

Senate

Amended during passage

Yes

No

Substituted for A2178 (not attached since identical to S1876)

Date of Passage: Assembly Nov. 28, 1982

Senate Nov. 8, 1982

Date of approval Dec. 16, 1982

Following statements are attached if available:

Sponsor statement	Yes	No
Committee Statement: Assembly	Yes	No
Senate	Yes	No
Fiscal Note	Yes	No
Veto Message	yes Yes	No
Message on signing	Yes	No

Following were printed:

Reports	Yes	No
Hearings	Yes	No

See newspaper clipping file, "New Jersey - Horseracing - 1982" in New Jersey Reference Department of State Library.

6/22/81

STATE OF NEW JERSEY

INTRODUCED OCTOBER 25, 1982

By Senators RAND and LASKIN

(Without Reference)

AN ACT concerning the Garden State Racetrack and amending P. L. 1967, c. 40, supplementing Title 5 of the Revised Statutes, and repealing P. L. 1978, c. 27.

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

1 1. (New section) The Legislature finds and declares:

2 a. The destruction by fire of the Garden State Racetrack in
3 the spring of 1977 was a severe blow to the economic well-being of
4 the area surrounding the racetrack and of the larger south Jersey
5 area, most importantly because of the loss of jobs directly and
6 indirectly connected with the operation of the racetrack and the
7 serving of its patrons.

8 b. The demise of the racetrack has also hurt the State because
9-11 of the loss of revenue to the State generated by attendance at the
12 racetrack and has harmed the racing industry in the State because
13 of an insufficient number of tracks to establish a successful year-
14 round circuit for thoroughbred racing.

15 c. It is vitally important that the Garden State Racetrack be
16 reopened as soon as possible so that the economic benefits of an
17 operating track and its attendant service industries will once
18 again flow into the area—and to the State as a whole.

19 d. It is desirable to accomplish this reopening through the
20 private sector rather than through a governmental authority,
21 and in order to do so, it is justifiable to offer a private buyer
22 economic advantages and encouragement so that such a buyer will
23 make the initial sizeable capital investment necessary to rebuild

**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.**

24 the track and will make the continuing expenditures necessary for
25 a successful racetrack operation.

26 e. Precedent already exists for recognizing the particular finan-
27 cial problems and needs of individual racetracks and addressing
28 those problems and needs, namely, by allowing a thoroughbred
29 racetrack that receives an average daily parimutuel handle of
30 \$1 million or less to pay less in revenue to the State than a track
31 with a daily handle of more than \$1 million, and by allowing a
32 thoroughbred track with a daily handle of more than \$1 million to
33 retain for its own uses an additional 1% out of the State's share
34 of the handle when that track faces competition from a harness
35 track during the summer months.

1 2. (New section) Notwithstanding the provisions of P. L. 1978,
2 c. 1 (C. 5:10-27 et seq.) to the contrary, the New Jersey Sports
3 and Exposition Authority shall not acquire the Garden State
4 Racetrack during the period of one year following the effective
5 date of this act.

1 3. (New section) Notwithstanding the provisions of P. L. 1940,
2 c. 17 (C. 5:5-22 et seq.) to the contrary, if a private buyer pur-
3 chases the Garden State Racetrack during the period of one year
4 following the effective date of this act and applies to the New
5 Jersey Racing Commission for a racing permit or permits, the
6 commission shall review and act on the application within 30 days
7 after its filing and is authorized in its sole discretion to determine
8 whether a permit shall be granted to the applicant. If, after the
9 the review, the commission acts favorably on the application, a
10 permit shall be granted to the applicant without any further
11 approval. No hearing, referendum, or other election or proceed-
12 ing shall be required for the private buyer to hold or conduct
13 the horse race meetings with parimutuel wagering herein
14 authorized.

1 4. (New section) In granting a permit to the applicant to conduct
2 a horse race meeting, the commission shall not be subject to any
3 limitation as to the number of tracks authorized for the conduct
4 of horse race meetings pursuant to any provision of P. L. 1940,
5 c. 17 (C. 5:5-22 et seq.). The permit shall set forth the dates to be
6 allotted to the applicant for its initial horse race meetings.
7 Thereafter application for dates for horse race meetings by the
8 permitholder and the allotment thereof by the commission, includ-
9 ing the renewal of the same dates theretofore allotted, shall be
10 governed by the applicable provisions of P. L. 1940, c. 17 (C.
11 5:5-22 et seq.). Notwithstanding the provision of any other law
12 to the contrary, the commission shall allot annually to the permit-

13 holder, in the case of running racing, not less than 100 racing
14 days after January 31 and prior to July 1, and in the case of
15 harness racing, not less than 100 racing days after August 31 and
16 prior to January 1 following, if and to the extent that application
17 is made therefor.

1 5. (New section) The permit holder shall distribute the sums
2 deposited in parimutuel pools to winners thereof in accordance
3 with section 44 of P. L. 1940, c. 17 (C. 5:5-64) and shall dispose
4 of the deposits remaining undistributed as follows:

5 a. In the case of harness races:

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

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

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

19 (c) 5½% thereof for contributions and awards designed
20 to improve and promote the standardbred breeding industry
21 in New Jersey through payment of awards to owners and
22 breeders of New Jersey bred horses which are registered with
23-33 the Standardbred Breeders' and Owners' Association of New
34 Jersey and which earn portions of purses in open events on
35 New Jersey tracks, and to owners of stallions posted on the
36 official stallions roster of the Standardbred Breeders' and
37 Owners' Association of New Jersey which sire such registered
38 New Jersey bred money earners;

39 (d) 3% thereof for other New Jersey horse breeding and
40 promotion conducted by the New Jersey Department of Agri-
41 culture.

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

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

71 b. In the case of running races:

72 (1) Hold and set aside in an account designated as a special
73 trust account 15% of 1% of such total contributions to be used and
74 distributed as hereinafter provided and as provided in section 5 of
75 P. L. 1967, c. 40 (C. 5:5-88), for the following purposes and no
76 other:

77 (a) 10% of 1% thereof for contributions and awards de-
78 signed to improve and promote the thoroughbred breeding
79 industry in New Jersey through payment of awards to owners
80 and breeders of registered New Jersey bred horses which
81 earn portions of purses in open events on New Jersey tracks,
82 and to owners of stallions posted on the official stallion rosters
83 of the Thoroughbred Breeders' Association of New Jersey
84 which sire such registered New Jersey bred money earners;

85 (b) 5% of 1% thereof for State horse breeding and develop-
86 ment programs, research, fairs, horse shows, youth activities,
87 promotion and administration.

88 (2) Distribute as purse money and for programs designed to aid
89 the horsemen and the New Jersey Horsemen's Benevolent and
90 Protective Association 4.24% of such total contributions. Expendi-
91 tures for programs designed to aid the horsemen and the New

92 Jersey Horsemen's Benevolent and Protective Association shall
93 not exceed 2.9% of the sum available for distribution as purse
94 money. The formula for distribution of the purse money as either
95 overnight purses or special stakes shall be determined by an
96 agreement between the New Jersey Horsemen's Benevolent and
97 Protective Association and the permitholder. Notwithstanding the
98 foregoing, for pools where the patron is required to select three or
99 more horses, the permitholder shall distribute as purse money
100 7.24% of the total contributions.

101 (3) For pools where a patron is required to select three or more
102 horses, 50% of 1% of the total contributions shall be held and set
103 aside in the special trust account established pursuant to section
104 46 b. (1) (e) (i) and 46 b. (2) (e) (i) of P. L. 1940, c. 17 (C. 5:5-66).

105 Payment of the sums held and set aside pursuant to paragraphs
106 (1) and (3) of this subsection shall be made to the commission
107 every seventh day of any and every race meeting in the amount
108 then due as determined in the manner provided above, and shall
109 be accompanied by a report under oath showing the total of all
110 such contributions, together with such other information as the
111 commission may require.

112 In addition to the amounts above, an amount equal to $\frac{1}{2}$ of 1%
113 of all parimutuel pools shall be deposited annually in the General
114 Fund. All amounts remaining in parimutuel pools, including the
115 breaks, after the distribution and payments required by this
116 section shall constitute revenues of the permitholder. Except as
117 otherwise provided in this section, the permitholder shall not be
118 required to make any payments to the commission or others in
119 connection with contributions to parimutuel pools.

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

1 6. (New section) Except as otherwise provided in this act, the
2 horse race meetings and parimutuel wagering conducted by the
3 permitholder shall be conducted in the manner and subject to
4 compliance with the standards set forth in P. L. 1940, c. 17 (C.
5 5:5-22 et seq.) and the rules, regulations, and conditions prescribed
6 by the racing commission thereunder for the conduct of horse race
7 meetings and for parimutuel wagering at those meetings.

1 7. Section 5 of P. L. 1967, c. 40 (C. 5:5-88) is amended to read
2 as follows:

3 5. Every permitholder shall remit and pay to the commission in
 4 installments and at the same time and manner provided in sec-
 5 tion 46 of P. L. 1940, c. 17 (C. 5:5-66) all moneys set aside in the
 6 special trust account for contributions and awards and horse breed-
 7 ing and promotion pursuant to section 46 a. (2) (c) and (d)
 8 thereof, section 46 b. (1) (b) and (2) (b) thereof, [and] subsec-
 9 tion f. (1) (a) (iii) and (iv) and subsection f. (2) (a) of section 7
 10 of P. L. 1971, c. 137 (C. 5:10-7), and subsection a. (1) (c) and
 11 (d) and subsection b. (1) of section 5 of P. L. , c. (C.
 12) (now pending before the Legislature as Senate
 13 Bill No. of 1982). All such special trust account moneys
 14 received by the commission shall be separately accounted for and
 15 paid into the State treasury for deposit and maintenance by the
 16 State Treasurer in a special account entitled "New Jersey Horse
 17 Breeding and Development Account." Moneys credited to such
 18 special account shall be appropriated to and used by the Depart-
 19 ment of Agriculture, under the supervision of the State Board of
 20 Agriculture after consultation with and approval of the State
 21 Treasurer, for contributions and awards to improve and promote
 22 thoroughbred and standardbred breeding in the manner and
 23 amount as provided in said sections.

24 The Department of Agriculture is authorized to confer with and
 25 seek the advice of the New Jersey Equine Advisory Board with
 26 reference to the distribution of the moneys as herein provided.

1 8. P. L. 1978, c. 27 is repealed.

1 9. This act shall take effect immediately.

STATEMENT

This bill suspends for a year the authority of the New Jersey Sports and Exposition Authority to acquire the Garden State Racetrack and provides particular financial advantages to encourage a private buyer to purchase, reopen, and operate the racetrack.

Under this bill, a private buyer would be able to conduct 100 days of thoroughbred racing during February through June and 100 days of harness racing during September through December, and would be required to pay to the State $\frac{1}{2}$ of 1% of the handle rather than the amounts specified for private racetracks, some of which are significantly higher. The reduced rate to be paid to the State, however, would be limited to 10 years, after which rates applicable to other private tracks would be operative.

The destruction by fire of the Garden State Racetrack in the spring of 1977 was a severe economic blow to the area surrounding

the racetrack and the larger area of south Jersey. Its demise also diminished revenues to the State and restricted racing opportunities in the State for the racing industry. It is vitally important to reopen this track and to restore the jobs and revenue that exist with an operating track and its attendant service industries.

The economic need for the track to be reopened justifies the special advantages granted in this bill. Precedent already exists in that at present a thoroughbred track with an average daily handle of \$1 million or less is permitted to pay less to the State than a thoroughbred track with an average daily handle of more than \$1 million, and a thoroughbred track with an average daily handle of more than \$1 million is permitted to retain an additional 1% out of the State's share of the handle when that track faces competition from a harness track during the summer months.

P. L. 1978, c. 27, which also pertains to the possible purchase of the Garden State Racetrack by a private buyer, is repealed because it is intended that the provisions of this bill are to supersede those of P. L. 1978, c. 27.

3 5. Every permitholder shall remit and pay to the commission in
 4 installments and at the same time and manner provided in sec-
 5 tion 46 of P. L. 1940, c. 17 (C. 5:5-66) all moneys set aside in the
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 7 ing and promotion pursuant to section 46 a. (2) (c) and (d)
 8 thereof, section 46 b. (1) (b) and (2) (b) thereof, [and] subsec-
 9 tion f. (1) (a) (iii) and (iv) and subsection f. (2) (a) of section 7
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ASSEMBLY INDEPENDENT AUTHORITIES AND
COMMISSIONS COMMITTEE

STATEMENT TO
SENATE, No. 1876

STATE OF NEW JERSEY

DATED: NOVEMBER 23, 1982

The sponsor's statement adequately expresses the provisions and the purpose of this bill.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATELY

CONTACT: CARL GOLDEN

THURSDAY, DECEMBER 16, 1982

Governor Thomas H. Kean today signed the following bill into law:

S-1876, identical to A-2178), sponsored by Senator Walter Rand, D-Camden, which suspends for a year the authority of the Sports and Exposition Authority to acquire the Garden State Racetrack, provides certain financial advantages to private buyers to purchase, reopen and operate the racetrack.

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