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5:5-44 ET AL.

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Bill No. S 3431

Sponsor(s) Greenberg & Bateman

Date Introduced Dec. 15, 1975

Committee: Assembly -----

Senate -----

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SENATE, No. 3431

STATE OF NEW JERSEY

INTRODUCED DECEMBER 15, 1975

By Senators GREENBERG and BATEMAN

(Without Reference)

AN Act to amend and supplement "An act creating the New Jersey Racing Commission and defining its powers and duties; providing for the granting of permits and licenses for the operation of race meetings whereat the running, steeplechase racing or harness racing of horses only may be conducted; providing for the licensing of concessionaires and operators and their employees; regulating the system or parimutuel betting and fixing the license fees, taxes and revenues imposed hereunder and fixing penalties for violations of the provisions of this act," approved March 8, 1940 (P. L. 1940, c. 17), as said Title was amended by P. L. 1941, c. 137.

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

1 1. Section 24 of P. L. 1940, c. 17 (C. 5:5-44) is amended to read
2 as follows:

3 24. a. In the event any person, partnership, association, **[or]**
4 corporation *or public body corporate and politic* is granted a permit
5 under this act to conduct a race meeting pursuant to provisions
6 thereof, such permit shall be renewed upon application of the
7 permitholder yearly for the next succeeding 10 years, for the same
8 dates allotted to such permitholder during the preceding year,
9 where it is in the public interest to do so, or for such other dates,
10 **[() not exceeding 75 racing days in the aggregate for running**
11 **racing and not exceeding 100 days in the aggregate for harness**
12 **racing ()]**, as the commission shall designate; provided, however,
13 that should any permitholder reject any or all of the days to which
14 they are entitled, the commission may allot them, or any of them,
15 among the remaining permitholders. Such allotment shall be on
16 a basis which in the discretion of the commission appears most

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

17 appropriate for the purpose of providing continuity of racing in
 18 the State; and provided, further, that such permitholder has not
 19 violated any of the provisions of this act.

20 *b. In addition to the racing days aforesaid, the commission shall*
 21 *allot equally among the four running racing permitholders an*
 22 *additional 100 racing days. The commission may also allot among*
 22A *the harness racing permitholders an additional 100 days, in any*
 23 *proportion it deems fit where it is in the public interest to do so.*
 24 *For purposes of this section, the term public interest shall include*
 25 *the following factors: (1) Protecting the State's revenues from*
 26 *racing and generating additional revenues to the State, its agencies*
 27 *and subdivisions; (2) Providing for continuity of racing and year-*
 28 *round racing so as to promote the racing industry and maintain*
 29 *and enhance the employment which it provides in this State;*
 30 *(3) Providing a recreational opportunity for residents in the*
 31 *several areas of the State where licensed tracks are situate;*
 32 *(4) Maintaining and improving this State's competitive position*
 32A *with regard to neighboring racing states.*

33 *c. In the event any permitholder should reject any or all of the*
 34 *days to which they are entitled or which they are allotted by the*
 35 *commission, the commission may allot those days, or any of them,*
 36 *among the remaining permitholders. Such allotment shall be on*
 37 *a basis which in the discretion of the commission appears most*
 38 *appropriate for the purpose of providing continuity of racing in*
 39 *the State and where the commission finds such allotment to be in*
 40 *the public interest; and provided, further, that such permitholder*
 41 *has not violated any of the provisions of this act.*

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

3 46. Every permitholder engaged in the business of conducting
 4 horse race meetings under this act shall make disposition of the
 5 deposits remaining undistributed pursuant to section 44 as follows:

6 a. In the case of harness races:

7 (1) Pay to the commission ~~【6%】~~ 5% of so much of the total
 8 contributions to all parimutuel pools conducted or made during
 9 such calendar year on any and every horse race track granted a
 10 permit under this act ~~【as does not exceed \$40,000,000.00; and 7%】~~
 11 of so much of such total contributions as exceeds \$40,000,000.00].
 12 Notwithstanding the foregoing, for pools where the patron is
 13 required to select two horses, the permitholder shall pay to the
 14 commission ~~【7%】~~ 6% of the total contributions and for pools
 15 where the patron is required to select three or more horses, the

16 permitholder shall pay to the commission **【10%】** 9% of the total
17 contributions.

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

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

26 (b) 49% thereof for the establishment of a Sire Stakes Program
27 for standardbred horses with payment to be made to the Depart-
28 ment of Agriculture for administration as hereinbefore provided;

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

39 (d) 3% thereof for other New Jersey horse breeding and promo-
40 tion conducted by the New Jersey Department of Agriculture.

41 (3) Retain **【10%】** 6% of so much of such total contributions
42 **【as does not exceed \$40,000,000.00 and 9% of so much of such**
43 **total contributions as exceed \$40,000,000.00】** for his own uses
44 and purposes. Notwithstanding the foregoing, for pools where
45 the patron is required to select two horses, the permitholder
46 shall retain **【11%】** 6.5% of the total contributions and for pools
47 where the patron is required to select three or more horses, the
48 permitholder shall retain **【14%】** 8% of the total contributions.
49 Each permitholder shall contribute out of its **【14%】** 8% share of
50 pools, where the patron is required to select three or more horses,
51 a sum deemed necessary by the Racing Commission, to finance a
52 prerace blood testing program, *and such other testing programs*
53 *which the commission shall deem proper and necessary and which*
54 *shall be subject to the regulation and control of said commission.*

55 (4) *Distribute as purse money and for programs designed to aid*
56 *the horsemen and the Standardbred Breeders' and Owners' Asso-*
57 *ciation of New Jersey 5% of such total contribution. Expenditures*

58 for programs designed to aid the horsemen and the Standardbred
 59 Breeders' and Owners' Association of New Jersey shall not exceed
 60 3.5% of the sum available for distribution as purse money. The
 61 formula for distribution of the purse money as either overnight
 62 purses or special stakes shall be determined by an agreement
 63 between the Standardbred Breeders' and Owners' Association of
 64 New Jersey and the tracks. Notwithstanding the foregoing, for
 65 pools where the patron is required to select two or more horses,
 66 the permitholder shall distribute as purse money 5.5% of the
 67 total contributions and for pools where the patron is required
 68 to select three or more horses, the permitholder shall distribute
 69 as purse money 7% of the total contributions. Notwithstanding
 70 the foregoing, for pools where a patron is required to select three
 71 or more horses, each permitholder shall retain out of the 7% to be
 72 distributed as purse money, a sum deemed necessary by the racing
 73 commission, for use by the commission to finance a prerace blood
 74 testing program, and such other testing programs which the com-
 75 mission shall deem proper and necessary and which shall be subject
 76 to the regulation and control of said commission.

77 (5) Payment on account of such sums to be paid to the commis-
 78 sion shall be made every seventh day of any and every race meeting
 79 in the amount then due as determined in the manner provided
 80 above, and shall be accompanied by a report under oath showing
 81 the total of all such contributions, together with such other informa-
 82 tion as the commission may require. Except as otherwise provided
 83 by law, no admission or amusement tax, excise tax, license or horse
 84 racing fee of any kind shall be assessed or collected from any
 85 permitholder by the State of New Jersey, or by any county or
 86 municipality, or by any other body having power to assess or collect
 87 license fees or taxes.

88 b. In the case of other races:

89 (1) Pay to the commission **[9.15%]** 8.15% of so much of the
 90 total contributions to all parimutuel pools conducted or made
 91 during such calendar year on any and every horse race track
 92 granted a permit under this act. Notwithstanding the foregoing,
 93 for pools where the patron is required to select three or more
 94 horses, the permitholder shall pay to the commission **[10.15%]**
 95 9.15% of the total contributions.

96 (2) Hold and set aside in an account designated as a special
 97 trust account .15% of such total contributions to be used and
 98 distributed as hereinafter provided and as provided in section 5
 99 of P. L. 1967, c. 40, for the following purposes and no other:

100 (a) 10% of 1% thereof for contributions and awards designed to

101 improve and promote the thoroughbred breeding industry in New
 102 Jersey through payment of awards to owners and breeders of
 103 registered New Jersey bred horses which earn portions of purses
 104 in open events on New Jersey tracks, and to owners of stallions
 105 posted on the official stallion rosters of the Thoroughbred Breeders'
 106 Association of New Jersey which sire such registered New Jersey
 107 bred money earners;

108 (b) 5% of 1% thereof for State horse breeding and development
 109 programs, research, fairs, horse shows, youth activities, promotion
 110 and administration.

111 (3) Distribute as purse money and for programs designed to
 112 aid the horsemen and **【their representatives】** *the New Jersey*
 113 *Horsemen's Benevolent and Protective Association* **【8.74%】** 4.24%
 114 of such total contributions. Expenditures for programs designed
 115 to aid the horsemen and **【their representatives】** *the New Jersey*
 116 *Horsemen's Benevolent and Protective Association* shall not exceed
 117 **【3.2%】** 2.9% of the sum available for distribution as purse money.
 118 The formula for distribution of the purse money as either overnight
 119 purses or special stakes shall be determined by an agreement
 120 between the **【organization or organizations representing the**
 121 **horsemen】** *New Jersey Horsemen's Benevolent and Protective*
 122 *Association* and the tracks. Notwithstanding the foregoing, for
 123 pools where the patron is required to select three or more horses,
 124 the permitholder shall distribute as purse money **【6.74%】** 7.24%
 125 of the total contributions.

126 (4) Retain **【3.96%】** 4.46% of such total contributions for his
 127 own uses and purposes. Notwithstanding the foregoing, for pools
 128 where the patron is required to select two horses, the permitholder
 129 shall retain **【5.96%】** 6.46% of the total contributions and for pools
 130 where the patron is required to select three or more horses, the
 131 permitholder shall retain **【7.46%】** 7.96% of the total contributions.

132 Payment on account of such sums to be paid to the commission
 133 shall be made every seventh day of any and every race meeting in
 134 the amount then due as determined in the manner provided above,
 135 and shall be accompanied by a report under oath showing the total
 136 of all such contributions, together with such other information as
 137 the commission may require. Except as otherwise provided by law,
 138 no admission or amusement tax, excise tax, license or horse racing
 139 fee of any kind shall be assessed or collected from any permitholder
 140 by the State of New Jersey, or by any county or municipality, or
 141 by any other body having power to assess or collect license fees or
 142 taxes.

143 (5) Notwithstanding the foregoing, for pools where a patron is
144 required to select three or more horses, 50% of 1% of the total
145 contributions shall be held and set aside in the special trust account
146 referred to in paragraph b. of section 44 of this act.

147 *c. Winter racing days:*

148 *Notwithstanding any other provision of this section, every*
149 *permitholder engaged in the business of conducting horse race*
150 *meetings or portions of horse race meetings under this act, during*
151 *the period of November 1 to March 31 (hereinafter referred to as*
152 *winter racing days), shall make disposition of the deposits remain-*
153 *ing undistributed pursuant to section 44 as follows:*

154 (1) *In the case of harness races:*

155 (a) *Pay to the commission 4% of so much of the total contribu-*
156 *tions to all parimutuel pools conducted or made during such*
157 *calendar year on any and every horse race track granted a permit*
158 *under this act. Notwithstanding the foregoing, for pools where*
159 *the patron is required to select two horses, the permitholder shall*
160 *pay to the commission 5% of the total contributions and for pools*
161 *where the patron is required to select three or more horses, the*
162 *permitholder shall pay to the commission 8% of the total con-*
163 *tributions.*

164 (b) *Hold and set aside in an account designated as a special*
165 *trust account 1% of such total contributions in all pools to be used*
166 *and distributed as hereinafter provided and as provided in section*
167 *5 of P. L. 1967, c. 40, for the following purposes and no other:*

168 (i) *42% thereof to increase purses and grant awards for*
169 *starting horses as provided or as may be provided by rules of*
170 *the New Jersey Racing Commission with payment to be made*
171 *in the same manner as payment of other purses and awards;*

172 (ii) *49% thereof for the establishment of a Sire Stakes*
173 *Program for standardbred horses with payment to be made to*
174 *the Department of Agriculture for administration as herein-*
175 *before provided;*

176 (iii) *5 1/2% thereof for contributions and awards designed*
177 *to improve and promote the standardbred breeding industry in*
178 *New Jersey through payment of awards to owners and*
179 *breeders of New Jersey bred horses which are registered with*
180 *the Standardbred Breeders' and Owners' Association of New*
181 *Jersey of purses in open events on New Jersey tracks, and to*
182 *owners of stallions posted on the official stallions roster of the*
183 *Standardbred Breeders' and Owners' Association of New*
184 *Jersey which sire such registered New Jersey bred money*
185 *earners;*

186 (iv) 3% thereof for other New Jersey horse breeding and
187 promotion conducted by the New Jersey Department of
188 Agriculture.

189 (c) Retain 7% of so much of such total contributions for his own
190 uses and purposes. Notwithstanding the foregoing, for pools where
191 the patron is required to select two horses, the permitholder shall
192 retain 7.5% of the total contributions and for pools where the
193 patron is required to select three or more horses, the permitholder
194 shall retain 9% of the total contributions. Each permitholder shall
195 contribute out of its 9% share of pools, where the patron is re-
196 quired to select three or more horses, a sum deemed necessary by
197 the Racing Commission, to finance a prerace blood testing program,
198 and such other testing programs as the commission shall deem
199 proper and necessary, and which shall be subject to the regulation
200 and control of said commission.

201 (d) Distribute as purse money and for programs designed to aid
202 the horsemen and the Standardbred Breeders' and Owners' Asso-
203 ciation of New Jersey 5% of such total contribution. Expenditures
204 for programs designed to aid the horsemen and the Standardbred
205 Breeders' and Owners' Association of New Jersey shall not exceed
206 3.5% of the sum available for distribution as purse money. The
207 formula for distribution of the purse money as either overnight
208 purses or special stakes shall be determined by an agreement
209 between the Standardbred Breeders' and Owners' Association of
210 New Jersey and the tracks. Notwithstanding the foregoing, for
211 pools where the patron is required to select two or more horses,
212 the permitholder shall distribute as purse money 5.5% of the total
213 contributions and for pools where the patron is required to select
214 three or more horses, the permitholder shall distribute as purse
215 money 7% of the total contributions. Notwithstanding the fore-
216 going, for pools where a patron is required to select three or more
217 horses, each permitholder shall retain out of the 6.5% to be dis-
218 tributed as purse money, a sum deemed necessary by the racing
219 commission, for use by the commission to finance a prerace blood
220 testing program and such other testing programs as the commis-
221 sion shall deem proper and necessary and which shall be subject to
222 the regulation and control of said commission.

223 (e) Payment on account of such sums to be paid to the commis-
224 sion shall be made every seventh day of any and every race meeting
225 in the amount then due as determined in the manner provided
226 above, and shall be accompanied by a report under oath showing
227 the total of all such contributions, together with such other in-

228 formation as the commission may require. Except as otherwise
 229 provided by law, no admission or amusement tax, excise tax,
 230 license or horse racing fee of any kind shall be assessed or collected
 231 from any permit holder by the State of New Jersey, or by any
 232 county or municipality, or by any other body having power to
 233 assess or collect license fees or taxes.

234 (2) In the case of other races:

235 (a) Pay to the commission 7.15% of so much of the total con-
 236 tributions to all parimutuel pools conducted or made during such
 237 calendar year on any and every horse race track granted a permit
 238 under this act. Notwithstanding the foregoing, for pools where the
 239 patron is required to select three or more horses, the permit holder
 240 shall pay to the commission 8.15% of the total contributions.

241 (b) Hold and set aside in an account designated as a special
 242 trust account 15% of 1% of such total contributions to be used and
 243 distributed as hereinafter provided and as provided in section 5
 244 of P. L. 1967, c. 40, for the following purposes and no other:

245 (i) 10% of 1% thereof for contributions and awards
 246 designed to improve and promote the thoroughbred breeding
 247 industry in New Jersey through payment of awards to owners
 248 and breeders of registered New Jersey bred horses which earn
 249 portions or purses in open events on New Jersey tracks, and
 250 to owners of stallions posted on the official stallion rosters of
 251 the Thoroughbred Breeders' Association of New Jersey which
 252 sire such registered New Jersey bred money earners;

253 (ii) 5% of 1% thereof for State horse breeding and develop-
 254 ment programs, research, fairs, horse shows, youth activities,
 255 promotion and administration.

256 (c) Distribute as purse money and for programs designed to aid
 257 the horsemen and the New Jersey Horsemen's Benevolent and
 258 Protective Association 4.24% of such total contributions. Expen-
 259 ditures for programs designed to aid the horsemen and the New
 260 Jersey Horsemen's Benevolent and Protective Association shall
 261 not exceed 2.9% of the sum available for distribution as purse
 262 money. The formula for distribution of the purse money as either
 263 overnight purses or special stakes shall be determined by an agree-
 264 ment between the New Jersey Horseman's Benevolent and Protec-
 265 tive Association representing the horsemen and the tracks. Not-
 266 withstanding the foregoing, for pools where the patron is required
 267 to select three or more horses, the permit holder shall distribute as
 268 purse money 7.24% of the total contributions.

269 (d) Retain 5.46% of such total contributions for his own uses
270 and purposes. Notwithstanding the foregoing, for pools where the
271 patron is required to select two horses, the permitholder shall
272 retain 7.46% of the total contributions and for pools where the
273 patron is required to select three or more horses, the permit-
274 holder shall retain 3.96% of the total contributions.

275 (e) Notwithstanding the foregoing, for pools where a patron is
276 required to select three or more horses, 50% of 1% of the total
277 contributions shall be held and set aside in the special trust account
278 referred to in paragraph b. of section 44 of this act.

279 (f) Payment on account of such sums to be paid to the commis-
280 sion shall be made every seventh day of any and every race meet-
281 ing in the amount then due as determined in the manner provided
282 above, and shall be accompanied by a report under oath showing
283 the total of all such contributions, together with such other infor-
284 mation as the commission may require. Except as otherwise pro-
285 vided by law, no admission or amusement tax, excise tax, license or
286 horse racing fee of any kind shall be assessed or collected from any
287 permitholder by the State of New Jersey, or by any county or
288 municipality, or by any other body having power to assess or
289 collect license fees or taxes.

290 d. Night racing days:

291 Notwithstanding any other provision of this section, every
292 permitholder engaged in the business of conducting horse race
293 meetings or portions of horse race meetings under this act, wherein
294 the first race of each day's meeting shall commence after 6 p.m.
295 (hereinafter referred to as night racing days) shall make disposi-
296 tion for each such day as shall qualify under this subsection, of the
297 deposits remaining undistributed pursuant to section 44 in
298 accordance with the provisions of subsection c., entitled winter
299 racing days.

300 e. Night racing during winter racing days:

301 If any permitholder is engaged in the business of conducting
302 horse race meetings or portions of horse race meetings under this
303 act, wherein all or a portion of the days fall within the provisions
304 of both subsection c. (winter racing days) and subsection d. (night
305 racing days), then the track association shall make disposition of
306 the deposits remaining undistributed pursuant to section 44 in
307 accordance with the provisions of subsection c., entitled winter
308 racing days and shall, in addition thereto, for its own uses and
309 purposes retain from the total contributions to all parimutuel pools
310 conducted or made on such day or days an additional 1% for its

311 *own uses and purposes. Said additional 1% shall be deducted*
312 *from the percent otherwise payable under said section to the Rac-*
313 *ing Commission.*

1 3. (New section) The New Jersey Horsemen's Benevolent and
2 Protective Association, the Standardbred Breeders' and Owners'
3 Association of New Jersey, and the Thoroughbred Breeders'
4 Association of New Jersey shall file annually with the State
5 Treasurer and the Racing Commission during the month of
6 February for the preceding calendar year an audit prepared by
7 a certified public accountant of New Jersey of all funds received
8 by such associations under this Title. Said reports shall be subject
9 to review by the treasurer and the Racing Commission.

1 4. (New section) If any provision of this act, or the application
2 thereof to any person or circumstances, shall be held invalid, the
3 remainder of the act and the application of such provision to other
4 persons or circumstances shall not be affected thereby.

1 5. Section 1 of this act shall take effect September 1, 1976.
2 Sections 2, 3 and 4 of this act shall take effect January 1, 1976.

STATEMENT

This bill will establish by law the portion of the betting pool that is to be utilized for purses in harness races. Such a statutory mandate already exists for other running races.

The bill would also give the Racing Commission the discretion to award an additional 100 racing days among all harness permit-holders, and an additional 100 days among all other running racing permitholders.

In order to encourage winter racing and night racing in New Jersey, the bill would also authorize the permitholder to keep an additional 1% of the betting pool. Moreover, permitholders would be allowed to retain an additional 1% from all betting pools. These amendments will not only help to protect the economic health of the racing industry, but also improve the ability of the New Jersey Racing Commission to establish a strong two-circuit racing program in the State. The public interest is served by a strong racing industry since significant and needed revenues for the State are provided by the program and the recreational interests of many of our citizens are met.