

12/29/76

5:5-64

Legislative History of R.S. 5:5-64 (racing pools, distribution, admissions tax)

1974 Amendment

copy 2

L. 1974 c. 181-51446
Oct. 21 -- Introduced by Greenberg
Oct. 21 -- Passed Senate under emergency resolution (27-3)
Oct. 21 -- Received in Assembly
Oct. 21 -- No Ref., 2nd reading
Nov. 25 -- Amended by Gallagher
Nov. 25 -- 2nd reading, amended
Nov. 25 -- Passed Assembly under emergency resolution (66-1)
Nov. 25 -- Received in Senate
Nov. 25 -- No Ref., 2nd reading
Dec. 12 -- Assembly amendment passed in Senate (37-0)
Dec. 16 -- Approved, Chapter 181, 1974
No statement of purpose

No hearings or reports were located

Newspaper clippings (copies attached)

"Cherry Hill's Tale of 'whoa' on Racing Days"
Newark Star Ledger, October 11, 1974

"Hamilton Township May Gain from
Extra Race Days" Atlantic City Press, October 16, 1974

ETC.

DEPOSITORY COPY
Do Not Remove From Library

CORRECTED COPY
SENATE, No. 1446

STATE OF NEW JERSEY

INTRODUCED OCTOBER 21, 1974

By Senator GREENBERG

(Without Reference)

AN ACT to amend "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 of 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 18, 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 44 of P. L. 1940, c. 17 (C. 5:5-64) is amended to read
2 as follows:

3 44. Each holder of a permit shall distribute all sums deposited
4 in any pool *where the patron is required to select one horse to*
5 *the winners thereof, less an amount which in harness races shall*
6 *not exceed 17% of the total deposits plus the breaks and which in*
7 *other races shall not exceed 17% of the total deposits plus the*
8 *breaks. In every pool where the patron is required to select two*
9 *horses, the holder of each permit for either harness or running*
10 *track shall distribute all sums deposited in each pool to the winners*
11 *thereof, less an amount which shall not exceed 19% of the total*
12 *deposits plus the breaks. In every pool where the patron is re-*
13 *quired to select three or more horses, every holder of a permit shall*
14 *distribute all sums deposited in each pool to the winners thereof,*
15 *less an amount which shall not exceed 25% of the total deposits,*
16 *plus the breaks. Every permit holder shall distribute to the per-*
17 *sons holding winning tickets in any of the aforementioned pools,*

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

18 as a minimum, a sum not exceeding \$0.10, calculated on the basis
 19 of each dollar deposited in any pool after the deduction of the said
 20 17%, 19% or 25%, as the case may be. Should the amount re-
 21 maining in the pool be insufficient to pay the winners the minimum,
 22 the breakage accruing in that race, or any necessary portion
 23 thereof, shall be applied toward making up any such deficiency.
 24 The breaks are hereby defined as the odd cents over any multiple
 25 of \$0.10, calculated on the basis of \$1.00 otherwise payable to a
 26 patron. Every permit holder engaged in the business of conducting
 27 running or harness race meetings under this act shall [pay to the
 28 commission for the use of the State], *retain* the breaks as herein
 29 defined, except as the same shall have been applied toward making
 30 up a deficiency in a pool as herein provided[;], *and shall allot the*
 31 *breaks in the following manner:*

32 *a. 75% shall be deposited in a special trust account and dis-*
 33 *tributed equally among the race permit holders, which moneys*
 34 *shall be used exclusively for the purpose of increasing overnight*
 35 *purses; and*

36 *b. 25% shall be deposited in a special trust account for the*
 37 *establishment and support by the commission of sire stake or*
 38 *breeders award programs, which moneys shall be distributed by*
 39 *the commission for New Jersey bred thoroughbred stake races,*
 40 *New Jersey thoroughbred breeder award payments, and awards to*
 41 *New Jersey thoroughbred breeders associations for programs*
 42 *beneficial to thoroughbred breeding in this State, standardbred*
 43 *breeder award and sire stakes payments. The New Jersey*
 44 *thoroughbred stake race moneys shall be administered and dis-*
 45 *bursed by the commission while the thoroughbred breeder award*
 46 *and standardbred breeder award and standardbred sire stakes*
 47 *moneys shall be administered and disbursed by the New Jersey*
 48 *Department of Agriculture. The special trust account to be estab-*
 49 *lished pursuant to this paragraph b. shall be separate and apart*
 50 *from any special trust account established and maintained pur-*
 51 *suant to section 46 of P. L. 1940, c. 17 (C. 5:5-66);*

52 *c. The commission may authorize proportional payments from*
 53 *the total funds specified in a. and b. above to any or all race permit*
 54 *holders for the purpose of assisting them in keeping their track*
 55 *and stable facilities open during periods of time when they are*
 56 *not normally in operation; and provided further, however, that any*
 57 *permit holder engaged in the business of conducting harness race*
 58 *meetings wherein the total contribution to all parimutuel pools*
 59 *therefor did not exceed \$40,000,000.00 during the prior calendar*

60 year shall retain 50% of said breaks for his own uses and purposes.
 61 Payment of such breaks shall be made every seventh day of any and
 62 every race meeting and shall be accompanied by a report under oath
 63 showing the daily and total amount of such breaks together with
 64 such other information as the commission may require. All sums
 65 held by any permit holder for payment of outstanding parimutuel
 66 tickets not claimed by the person or persons entitled thereto within
 67 6 months from the time such tickets are issued shall be paid to the
 68 commission upon the expiration of such 6-month holding period.

69 Where it is shown to the satisfaction of the commission that the
 70 reason for the parimutuel tickets being outstanding and unclaimed
 71 is the loss, misplacement or theft of said tickets within the confines
 72 and control of the parimutuel department of any permit holder,
 73 and it is further shown to the satisfaction of the commission that
 74 said parimutuel tickets have been cashed by such parimutuel
 75 department, the commission may adjust and credit the permit
 76 holder's account accordingly and the permit holder shall reimburse
 77 any employee who has been held personally accountable and paid
 78 for such lost, stolen or misplaced tickets.

79 *All outstanding parimutuel ticket money shall be deposited in*
 80 *an account separate and apart from the track's mutuel or general*
 81 *treasury account.*

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

3 46. Every permit holder 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% of so much of the total contribu-
 8 tions to all parimutuel pools conducted or made during such calen-
 9 dar year on any and every horse race track granted a permit under
 10 this act as does not exceed \$40,000,000.00; and 7% of so much of
 11 such total contributions as exceeds \$40,000,000.00. *Notwithstanding*
 12 *the foregoing, for pools where the patron is required to select two*
 13 *horses, the permit holder shall pay to the commission 7% of the*
 14 *total contributions and for pools where the patron is required to*
 15 *select three or more horses, the permit holder shall pay to the com-*
 16 *mission 10% of the total contributions.*

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

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

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

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

37 (d) 3% thereof for other New Jersey horse breeding and
 38 promotion conducted by the New Jersey Department of
 39 Agriculture.

40 (3) Retain 10% of so much of such total contributions as does
 41 not exceed \$40,000,000.00 and 9% of so much of such total contribu-
 42 tions as exceed \$40,000,000.00 for his own uses and purposes. *Not-*
 43 *withstanding the foregoing, for pools where the patron is required*
 44 *to select two horses, the permit holder shall retain 11% of the total*
 45 *contributions and for pools where the patron is required to select*
 46 *three or more horses, the permit holder shall retain 14% of the*
 47 *total contributions. Each permit holder shall contribute out of its*
 48 *14% share of pools, where the patron is required to select three or*
 49 *more horses, a sum deemed necessary by the Racing Commission to*
 50 *finance a pre-race blood testing program, which shall be subject to*
 51 *the regulation and control of said commission.*

52 b. In the case of other races:

53 (1) Pay to the commission 9.15% of so much of the total con-
 54 tributions to all parimutuel pools conducted or made during such
 55 calendar year on any and every horse race track granted a permit
 56 under this act. *Notwithstanding the foregoing, for pools where the*
 57 *patron is required to select three or more horses, the permit holder*
 58 *shall pay to the commission 10.15% of the total contributions.*

59 (2) Hold and set aside in an account designated as a special trust
 60 account 15% of 1% of such total contributions to be used and dis-
 61 tributed as hereinafter provided and as provided in section 5 of
 62 P. L. 1967, c. 40, for the following purposes and no other:

63 (a) 10% of 1% thereof for contributions and awards de-
64 signed to improve and promote the thoroughbred breeding
65 industry in New Jersey through payment of awards to owners
66 and breeders of registered New Jersey bred horses which earn
67 portions of purses in open events on New Jersey tracks, and to
68 owners of stallions posted on the official stallion rosters of
69 the Thoroughbred Breeders' Association of New Jersey which
70 sire such registered New Jersey bred money earners;

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

74 (3) Distribute as purse money *and for programs designed to aid*
75 *the horsemen and their representatives* 3.74% of such total con-
76 tributions. *Expenditures for programs designed to aid the horse-*
77 *men and their representatives shall not exceed 3.2% of the sum*
78 *available for distribution as purse money.* The formula for distri-
79 bution of the purse money as either overnight purses or special
80 stakes shall be determined by an agreement between the organiza-
81 tion or organizations representing the horsemen and the tracks.
82 *Notwithstanding the foregoing, for pools where the patron is re-*
83 *quired to select three or more horses, the permit holder shall*
84 *distribute as purse money 6.74% of the total contributions.*

85 (4) Retain 3.96% of such total contributions for his own uses
86 and purposes. *Notwithstanding the foregoing, for pools where the*
87 *patron is required to select two horses, the permit holder shall*
88 *retain 5.96% of the total contributions and for pools where the*
89 *patron is required to select three or more horses, the permit holder*
90 *shall retain 7.46% of the total contributions.*

91 Payment on account of such sums to be paid to the commission
92 shall be made every seventh day of any and every race meeting in
93 the amount then due as determined in the manner provided above,
94 and shall be accompanied by a report under oath showing the total
95 of all such contributions, together with such other information as
96 the commission may require. Except as otherwise provided by law,
97 no admission or amusement tax, excise tax, license or horse racing
98 fee of any kind shall be assessed or collected from any permit holder
99 by the State of New Jersey, or by any county or municipality, or
100 by any other body having power to assess or collect license fees or
101 taxes.

102 (5) *Notwithstanding the foregoing, for pools where a patron is*
103 *required to select three or more horses, 50% of 1% of the total con-*
104 *tributions shall be held and set aside in the special trust account*
105 *referred to in paragraph b. of section 44 of this act.*

1 3. Section 4 of P. L. 1940, c. 17 (C. 5:5-25) is amended to read
2 as follows:

3 4. The commissioners shall receive no salaries but shall be al-
4 lowed reasonable expenses incurred in the performance of their
5 official duties in an amount not exceeding \$5,000.00 per annum in the
6 case of the chairman, and \$3,500.00 per annum in the case of each
7 of the other commissioners. *The commission shall appoint an*
8 *executive director of racing who shall be charged with the respon-*
9 *sibility of administering all commission activities. The executive*
10 *director of racing shall be appointed by the commission to serve*
11 *at its pleasure and shall receive such compensation as the commis-*
12 *sion shall determine.* The commission may also employ [a secre-
13 tary,] a chief inspector and such other assistant secretaries, and
14 inspectors, clerks, stenographers, and other employees as may be
15 necessary to carry out the provisions of this act, all of whom shall
16 have been actual residents of the State of New Jersey for at least
17 5 years and shall serve during the pleasure of the commission and
18 receive such compensation and perform such duties as the commis-
19 sion may determine; provided, however, that no person shall be
20 employed by the commission or hold any office or position under the
21 commission who holds an official relation to any association or
22 corporation engaged in or conducting horse racing or who holds
23 stock or bonds therein, or who has any pecuniary interest therein.
24 The provisions of Title 11, Revised Statutes, and acts amendatory
25 thereof and supplemental thereto, shall be construed to extend to
26 all of the offices, positions and employments mentioned in this sec-
27 tion with the exception of the following: commissioners, [secre-
28 tary] *executive director*, assistant secretaries, chief inspector,
29 assistant inspectors, and all special and part-time employees.

1 4. Section 5 of P. L. 1940, c. 17 (C. 5:5-26) is amended to read
2 as follows:

3 5. The [secretary] *executive director* shall give bond to the
4 State of New Jersey, with sufficient surety to be approved by the
5 commission, in the sum of \$50,000.00 conditioned that he will well
6 and faithfully execute and perform the duties of his office ac-
7 cording to the Constitution and the laws of this State, and such
8 chief inspector, assistant secretaries, inspectors, clerks, stenogra-
9 phers and employees may, if the commission determine that it be
10 necessary, give bond in such amount, as said commission may
11 determine upon. Every such bond when duly executed and ap-
12 proved shall be filed in the office of the Secretary of State. The
13 cost of any such bond so given as aforesaid shall be taken to be
14 part of the necessary expenses of the commission.

1 5. Section 34 of P. L. 1940, c. 17 (C. 5:5-54) is amended to read
2 as follows:

3 34. Each member of the commission *and the executive director*
4 shall have power to administer oaths and examine witnesses, and
5 shall have the power to issue subpoenas to compel the attendance
6 of witnesses and the production of all necessary reports, books,
7 papers, documents, correspondence and other evidence at any
8 designated place of hearing. The subpoenas shall be authenticated
9 by the seal of the commission, and any party to a proceeding before
10 the commission may secure from its subpoenas without charge. Mis-
11 conduct on the part of a person attending a hearing or the failure
12 of a witness when duly subpoenaed to attend, give testimony or pro-
13 duce any records, shall be punishable by the County Court of the
14 county wherein the offense is committed in the same manner as
15 such failure is punishable by that court in a case therein pending.

1 6. Section 35 of P. L. 1940, c. 17 (C. 5:5-55) is amended to read
2 as follows:

3 35. The commission may, as occasion shall require, by order, re-
4 fer to *the executive director or to one or more of its members* the
5 duty of taking testimony in a matter pending before it, and to
6 report thereon to the commission, but no determination shall be
7 made therein except by the commission.

1 7. Section 13 of P. L. 1940, c. 17 (C. 5:5-33) is amended to read
2 as follows:

3 13. All parimutuel employees and all horse owners, riders,
4 agents, trainers, stewards, starters, timers, judges, grooms, drivers,
5 and others, acting in any capacity in connection with the training of
6 the horses or the actual running of the races in any such race meet-
7 ing may be licensed by the commission, pursuant to such rules and
8 regulations as the commission may adopt. The commission shall
9 have full power to prescribe rules, regulations and conditions under
10 which all such licenses are issued in the State of New Jersey and to
11 revoke or refuse to issue a license if in the opinion of the commis-
12 sion the revocation or refusal to issue such license is in the public
13 interest; provided, however, that such rules, regulations and con-
14 ditions shall be uniform in their application; and further provided,
15 that no fee shall be in excess of ~~[\$10.00]~~ \$50.00 for each license so
16 granted.

1 8. This act shall take effect January 1, 1975.