

5:5-64

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July 18, 1969

Legislative Notes on R.S. 5:5-64
(Horse breeding - 1% of racing for)

L. 1969, Chapter 50 - 5735
Introduced April 21, 1969 by Sears & Coffee.
There was a statement, ~~made~~. (Copy enclosed)
This bill was amended during passage. (Copy enclosed)

No recent hearings or reports were found on this subject.

JH/rb

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SENATE, No. 735

STATE OF NEW JERSEY

INTRODUCED APRIL 21, 1969

By Senators SEARS and COFFEE

Referred to Committee on State Government

AN ACT to amend ***[and supplement]*** "An act to provide funds to improve the breeding of horses and development of the horse industry in New Jersey and to augment funds available for purses for distribution to owners of winning horses at race meetings and creating an account in the State Treasury to be known as the New Jersey Horse Breeding and Development Account, and amending and supplementing P. L. 1940, chapter 17," approved April 28, 1967 (P. L. 1967, c. 40), and amending P. L. 1940, chapter 17.

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

1 1. Section 44 of chapter 17 of the laws of 1940 (C. 5:5-64) is
2 amended to read as follows:

3 44. Each holder of a permit shall distribute all sums deposited
4 in any pool to the winners thereof, less an amount which in harness
5 races shall not exceed 16% of the total deposits plus the breaks and
6 which in other races shall not exceed **[14½%]** 15% of the total de-
7 posits plus the breaks. Every permit holder shall distribute to
8 the persons holding winning tickets, as a minimum, a sum not ex-
9 ceeding \$0.10, calculated on the basis of each dollar deposited in any
10 pool after the deduction of the said 16% or **[14½%]** 15% as the
11 case may be. Should the amount remaining in the pool be insufficient
12 to pay the winners the minimum, the breakage accruing in that
13 race, or any necessary portion thereof, shall be applied toward
14 making up any such deficiency. The breaks are hereby defined as
15 the odd cents over any multiple of \$0.10, calculated on the basis
16 of \$1.00 otherwise payable to a patron. Every permit holder en-
17 gaged in the business of conducting running or harness race meet-
18 ings under this act shall pay to the commission for the use of the

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

19 State the breaks as herein defined, except as the same shall have
 20 been applied toward making up a deficiency in a pool as herein
 21 provided. Payment of such breaks shall be made every seventh
 22 day of any and every race meeting and shall be accompanied by a
 23 report under oath showing the daily and total amount of such
 24 breaks together with such other information as the commission
 25 may require. All sums held by any permit holder for payment of
 26 outstanding pari-mutuel tickets not claimed by the person or per-
 27 sons entitled thereto within 60 days from the time such tickets are
 28 issued shall be paid to the commission upon the expiration of such
 29 60-day holding period.

1 2. Section 4 of chapter 40 of the laws of 1967 (C. 5:5-87) is
 2 amended to read as follows:

3 4. **¶**Every holder of a permit shall hold and set aside in an account
 4 designated as special trust account $\frac{1}{2}$ of 1% of all moneys de-
 5 posit in any pool, less the breaks. **¶****Every holder of a harness per-*
 6 *mit shall hold and set aside in an account designated as special trust*
 7 *account 1/2 of 1% of all moneys deposited in any pool. Every holder*
 8 *of a thoroughbred permit shall hold and set aside in an account des-*
 9 *ignated as special trust account 1% of all moneys deposited in any*
 10 *pool. The funds in said special trust account shall be used and*
 11 *distributed as hereinafter provided, for the following purposes and*
 12 *no other: (a) 85% thereof to increase purses and grant awards for*
 13 *starting horses as provided or as may be provided by the rules of*
 14 *the New Jersey Racing commission; (b) 10% thereof for contribu-*
 15 *tions and awards designed to improve and promote the thorough-*
 16 *bred and standardbred breeding industry in New Jersey through*
 17 *payment of awards to owners and breeders of registered New Jer-*
 18 *sey bred horses which earn portions of purses in open events on*
 19 *New Jersey tracks, and to owners of stallions posted on the official*
 20 *stallion rosters of the Thoroughbred Breeders Association of New*
 21 *Jersey and the Standardbred Breeders' and Owners' Association*
 22 *of New Jersey which sire such registered New Jersey bred money*
 23 *earners; (c) 5% thereof for State horse breeding and development*
 24 *programs, research, fairs, horse shows, youth activities, promotion*
 25 *and administration.* **¶*** 4. (a) *Every holder of a harness permit shall*
 26 *hold and set aside in an account designated as special trust account*
 27 *1/2 of 1% of all moneys deposited in any pool. The funds in said*
 28 *special trust account shall be used and distributed as hereinafter*
 29 *provided, for the following purposes and no other: (1) 85% thereof*
 30 *to increase purses and grant awards for starting horses as provided*
 31 *or as may be provided by the rules of the New Jersey Racing Com-*
 32 *mission; (2) 10% thereof for contributions and awards designed*

33 to improve and promote the standardbred breeding industry in New
34 Jersey through payment of awards to owners and breeders of regis-
35 tered New Jersey bred horses which earn portions of purses in open
36 events on New Jersey tracks, and to owners of stallions posted on
37 the official stallion rosters of the Standardbred Breeders' and Own-
38 ers' Association of New Jersey which sire such registered New Jer-
39 sey bred money earners; (3) 5% thereof for horse breeding and
40 development programs, research, fairs, horse shows, youth activi-
41 ties, promotion and administration.

42 “(b)(1) Every holder of a thoroughbred permit shall hold and
43 set aside in an account designated as special trust account 1/2 of 1%
44 of all moneys deposited in any pool. The funds in said special trust
45 account shall be used and distributed as hereinafter provided, for
46 the following purposes and no other: (A) 85% thereof to increase
47 purses and grant awards for starting horses as provided or as may
48 be provided by the rules of the New Jersey Racing Commission;
49 (B) 10% thereof for contributions and awards designed to improve
50 and promote the thoroughbred breeding industry in New Jersey
51 through payment of awards to owners and breeders of registered
52 New Jersey bred horses which earn portions of purses in open
53 events on New Jersey tracks, and to owners of stallions posted on
54 the official stallion rosters of the Thoroughbred Breeders Associa-
55 tion of New Jersey which sire such registered New Jersey bred
56 money earners; (C) 5% thereof for horse breeding and development
57 programs, research, fairs, horse shows, youth activities, promotion
58 and administration.”

59 “(2) From and after May 1, 1969 and through and including
60 December 31, 1970, every holder of a thoroughbred permit shall
61 hold and set aside in an account designated as temporary special
62 trust account 1/2 of 1% of all moneys deposited in any pool. The
63 funds in said temporary special trust account shall be used and
64 distributed as hereinafter provided, for the following purposes and
65 no other: (A) 85% thereof to increase purses and grant awards for
66 starting horses as provided or as may be provided by the rules of
67 the New Jersey Racing Commission; provided, however, that such
68 sum shall be divided equally between, and be available for distribu-
69 tion in equal amounts, with respect to each track operated by the
70 holder of a thoroughbred permit; (B) 10% thereof for contributions
71 and awards designed to improve and promote the thoroughbred
72 breeding industry in New Jersey through payment of awards to
73 owners and breeders of registered New Jersey bred horses which
74 earn portions of purses in open events on New Jersey tracks, and
75 to owners of stallions posted on the official stallion rosters of the

76 *Thoroughbred Breeders Association of New Jersey which sire such*
 77 *registered New Jersey bred money earners; (C) 5% thereof for*
 78 *horse breeding and development programs, research, fairs, horse*
 79 *shows, youth activities, promotion and administration.**

1 3. Section 5 of chapter 40 of the laws of 1967 (C. 5:5-88) is
 2 amended to read as follows:

3 5. Every permit holder shall remit and pay to the commission in
 4 installments and at the same time and manner provided in section
 5 46 of the act to which this act is amendatory and supplementary,
 6 15% of all moneys set aside in the special trust account. All special
 7 trust account moneys received by the commission shall be separately
 8 accounted for and paid into the State Treasury for deposit and
 9 maintenance by the State Treasurer in a special account entitled
 10 "New Jersey Horse Breeding and Development Account."
 11 Moneys credited to such special account shall be appropriated to
 12 and used by the Department of Agriculture, under the supervision
 13 of the State Board of Agriculture *after consultation with and ap-*
 14 *proval of the ***[New Jersey Racing Commission and the]*** State*
 15 *Treasurer, as follows: *in the case of funds credited to such special*
 16 *account pursuant to section 4(a) of this act,* 66 $\frac{2}{3}$ % for contribu-*
 17 *tions and awards to improve and promote ***[thoroughbred and]****
 18 *standardbred breeding as provided in section ***[4(b)]*** *4(a)(2)**
 19 *above and 33 $\frac{1}{3}$ % for the purposes set forth in section ***[4(c)]****
 20 **4(a)(3)* above; and, in the case of funds credited to such special*
 21 *account pursuant to section 4(b) of the act, 66 $\frac{2}{3}$ % for contribu-*
 22 *tions and awards to improve and promote thoroughbred breeding as*
 23 *provided in sections 4(b)(1)(B) and 4(b)(2)(B) above and 33 $\frac{1}{3}$ %*
 24 *for the purposes set forth in sections 4(b)(1)(C) and 4(b)(2)(C)*
 25 *above.**

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

1 4. Section 7 of chapter 40 of the laws of 1967 (C. 5:5-89) is
 2 amended to read as follows:

3 7. (a) To assist the Department of Agriculture in formulating
 4 State programs in aid of the breeding and development of horses
 5 and the preparation of recommendations as to budget requests for
 6 such programs, the commission shall, following the close of each
 7 horse meeting, notify the Secretary of Agriculture of the total
 8 amount of special trust account funds transmitted to the State
 9 Treasury for deposit in the New Jersey Horse Breeding and Devel-
 10 opment Account as a result of such horse race meeting.

11 **(b)** *The Secretary of Agriculture shall, at the end of each fiscal*
12 *year, provide the New Jersey Racing Commission with a detailed*
13 *financial statement of receipts and expenditures under sections 4(b)*
14 *and 4(c) of this act.*

15 **(c)** *The State Treasurer shall cause to be made, at the end of each*
16 *fiscal year, a thorough audit of the New Jersey Horse Breeding and*
17 *Development Account.*

1 **5.** *This act shall take effect immediately *but no payments or*
2 *distributions shall be made pursuant to subsection 4(b)(2) after*
3 *December 31, 1970.**

SENATE, No. 735

STATE OF NEW JERSEY

INTRODUCED APRIL 21, 1969

By Senators SEARS and COFFEE

Referred to Committee on State Government

AN ACT to amend and supplement "An act to provide funds to improve the breeding of horses and development of the horse industry in New Jersey and to augment funds available for purses for distribution to owners of winning horses at race meetings and creating an account in the State Treasury to be known as the New Jersey Horse Breeding and Development Account, and amending and supplementing P. L. 1940, chapter 17," approved April 28, 1967 (P. L. 1967, c. 40), and amending P. L. 1940, chapter 17.

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 2 amended to read as follows:

3 4. **Every holder of a permit shall hold and set aside in an account**
 4 **designated as special trust account $\frac{1}{2}$ of 1% of all moneys de-**
 5 **posit in any pool, less the breaks.]** *Every holder of a harness permit*
 6 *shall hold and set aside in an account designated as special trust*
 7 *account $\frac{1}{2}$ of 1% of all moneys deposited in any pool. Every holder*
 8 *of a thoroughbred permit shall hold and set aside in an account des-*
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 13 of the State Board of Agriculture *after consultation with and ap-*
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 15 *urer*, as follows: 66 $\frac{2}{3}$ % for contributions and awards to improve
 16 and promote thoroughbred and standardbred breeding as provided
 17 in section 4(b) above and 33 $\frac{1}{3}$ % for the purposes set forth in
 18 section 4(c) above.

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 20 seek the advice of the New Jersey Equine Advisory Board with
 21 reference to the distribution of the moneys as herein provided.

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 9 Treasury for deposit in the New Jersey Horse Breeding and Devel-
 10 opment Account as a result of such horse race meeting.

11 (b) *The Secretary of Agriculture shall, at the end of each fiscal*
 12 *year, provide the New Jersey Racing Commission with a detailed*
 13 *financial statement of receipts and expenditures under sections 4(b)*
 14 *and 4(c) of this act.*

15 (c) *The State Treasurer shall cause to be made, at the end of each*
 16 *fiscal year, a thorough audit of the New Jersey Horse Breeding and*
 17 *Development Account.*

1 5. This act shall take effect immediately.

STATEMENT

The State of Pennsylvania has recently decided to authorize thoroughbred, flat-track horse racing at several locations in Pennsylvania. One of the newly-authorized Pennsylvania tracks is located such that it is in direct proximity to, and will be directly competitive with, one of the existing New Jersey thoroughbred tracks. In addition, the purse schedule authorized by the State of Pennsylvania is such that the Pennsylvania thoroughbred tracks

will enjoy a distinct competitive advantage over New Jersey tracks. New Jersey horse owners and breeders are already being encouraged to enter their horses in race meetings at the new thoroughbred tracks in Pennsylvania.

The State of New Jersey derives large revenues from thoroughbred horse racing in New Jersey. Those revenues are due, in large measure, to the quality horses bred as a result of the high standards of the thoroughbred horse breeding industry in New Jersey. Revenues to the State of New Jersey—dependent as they are upon the high standards maintained by the New Jersey horse breeding industry—should be protected against dilution resulting from competitive practices of our neighboring states.

This bill is designed to increase by $\frac{1}{2}$ of 1% that portion of the total thoroughbred racing pool which is devoted to the continued development of the thoroughbred breeding industry in New Jersey. In addition, the provisions of this bill are designed to give the New Jersey Racing Commission greater responsibility for the development of horse breeding programs. The total thoroughbred “take” authorized by this bill—i. e., 15% of the total pool—is equal to or less than the “take” authorized by each of our neighboring states except Delaware, where the tracks are owned and run by the State.

In sum, this bill will provide a needed stimulus to the continued development of thoroughbred breeding in New Jersey and thereby protect the revenue to the State of New Jersey from horse racing—all without putting New Jersey tracks at a competitive disadvantage with regard to thoroughbred tracks in neighboring states. The New Jersey Racing Commission and the State Treasurer have approved this bill.

SENATE COMMITTEE AMENDMENTS TO
SENATE, No. 735

STATE OF NEW JERSEY

ADOPTED MAY 5, 1969

Amend page 1, title, line 1, delete "and supplement".

Amend page 2, section 2, line 5, after "breaks"]" delete the remainder of line 5 and lines 6 through 25 and insert in lieu thereof:

"4. (a) Every holder of a harness permit shall hold and set aside in an account designated as special trust account $\frac{1}{2}$ of 1% of all moneys deposited in any pool. The funds in said special trust account shall be used and distributed as hereinafter provided, for the following purposes and no other: (1) 85% thereof to increase purses and grant awards for starting horses as provided or as may be provided by the rules of the New Jersey Racing Commission; (2) 10% thereof for contributions and awards designed to improve and promote the standardbred breeding industry in New Jersey through payment of awards to owners and breeders of registered New Jersey bred horses which earn portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallion rosters of the Standardbred Breeders' and Owners' Association of New Jersey which sire such registered New Jersey bred money earners; (3) 5% thereof for horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration."

"(b)(1) Every holder of a thoroughbred permit shall hold and set aside in an account designated as special trust account $\frac{1}{2}$ of 1% of all moneys deposited in any pool. The funds in said special trust account shall be used and distributed as hereinafter provided, for the following purposes and no other: (A) 85% thereof to increase purses and grant awards for starting horses as provided or as may be provided by the rules of the New Jersey Racing Commission; (B) 10% thereof for contributions and awards designed to improve and promote the thoroughbred breeding industry in New Jersey through payment of awards to owners and breeders of registered New Jersey bred horses which earn portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders Association of New Jersey which sire such registered New Jersey bred money earners; (C) 5% thereof for horse breeding

and development programs, research, fairs, horse shows, youth activities, promotion and administration.”

“(2) From and after May 1, 1969 and through and including December 31, 1970, every holder of a thoroughbred permit shall hold and set aside in an account designated as temporary special trust account $\frac{1}{2}$ of 1% of all moneys deposited in any pool. The funds in said temporary special trust account shall be used and distributed as hereinafter provided, for the following purposes and no other: (A) 85% thereof to increase purses and grant awards for starting horses as provided or as may be provided by the rules of the New Jersey Racing Commission; provided, however, that such sum shall be divided equally between, and be available for distribution in equal amounts, with respect to each track operated by the holder of a thoroughbred permit; (B) 10% thereof for contributions and awards designed to improve and promote the thoroughbred breeding industry in New Jersey through payment of awards to owners and breeders of registered New Jersey bred horses which earn portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders Association of New Jersey which sire such registered New Jersey bred money earners; (C) 5% thereof for horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration.”

Amend page 3, section 3, line 14, delete “New Jersey Racing Commission and the”.

Amend page 3, section 3, line 15, before “ $66\frac{2}{3}\%$ ” insert “in the case of funds credited to such special account pursuant to section 4(a) of this act,”.

Amend page 3, section 3, line 16, delete “thoroughbred and”.

Amend page 3, section 3, line 17, delete “4(b)” and insert “4(a)(2)”.

Amend page 3, section 3, line 18, delete “4(c)” and insert “4(a)(3)”.

Amend page 3, section 3, line 18, after “above” insert “; and, in the case of funds credited to such special account pursuant to section 4(b) of the act, $66\frac{2}{3}\%$ for contributions and awards to improve and promote thoroughbred breeding as provided in sections 4(b)(1)(B) and 4(b)(2)(B) above and $33\frac{1}{3}\%$ for the purposes set forth in sections 4(b)(1)(C) and 4(b)(2)(C) above.”.

Amend page 3, section 5, line 1, after “immediately” insert “but no payments or distributions shall be made pursuant to subsection 4(b)(2) after December 31, 1970”.