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"New law changes state's horse-racing panel rules," 8-20-2003 The Press, p.C3

P.L. 2003, CHAPTER 151, *approved August 15, 2003*  
Senate Bill No. 2338 (*First Reprint*)

1 AN ACT concerning horse racing, amending P.L.1971, c.137  
2 <sup>1</sup>[(C.5:10-1 et seq.)]<sup>1</sup>, supplementing P.L.1940, c.17 (C.5:5-22 et  
3 seq.) and repealing section 2 of P.L.1984 c.24 (C.5:5-43.1) .  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. (New section) a. No member or employee of the commission  
9 shall hold any direct or indirect interest in, or be employed by, any  
10 applicant for or holder of a permit or license issued by the commission  
11 for a period of <sup>1</sup>[four] two<sup>1</sup> years commencing at the termination of  
12 membership on or employment with the commission, except that a  
13 secretarial or clerical employee of the commission may accept such  
14 employment at any time after the termination of employment with the  
15 commission.

16 b. No <sup>1</sup>[commission]<sup>1</sup> member or <sup>1</sup>[person employed by]  
17 employee of<sup>1</sup> the commission shall represent any person or party other  
18 than the State before or against the commission with respect to any  
19 matter that was before the commission during the tenure of the  
20 commission member or <sup>1</sup>[an]<sup>1</sup> employee of the commission for a  
21 period of <sup>1</sup>[four] two<sup>1</sup> years from the termination of his or her office  
22 or employment with the commission.  
23

24 2. (New section) a. No applicant for or holder of a permit or  
25 license issued by the commission shall employ or offer to employ, or  
26 provide, transfer or sell, or offer to provide, transfer or sell <sup>1,1</sup> any  
27 interest, direct or indirect, in any holder of a permit or license issued  
28 by the commission to a former member or employee of the commission  
29 restricted from such <sup>1</sup>[transactions] employment or interest<sup>1</sup> pursuant  
30 to section 1 of this act, P.L. , c. (C. )(now before the  
31 Legislature as this bill).

32 b. The commission shall promulgate regulations establishing  
33 sanctions upon an applicant for or holder of a permit or license issued  
34 by the commission for a violation of this section.  
35

36 3. (New section) Notwithstanding any other law to the contrary,  
37 the commission may allot racing dates for a period of not more than

**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 underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate floor amendments adopted May 19, 2003.

1 six calendar years.

2

3 4. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read as  
4 follows:

5 7. a. The authority is hereby authorized, licensed and empowered  
6 to apply to the Racing Commission for a permit or permits to hold and  
7 conduct, at any of the projects set forth in paragraphs (1) and (5) of  
8 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), horse race  
9 meetings for stake, purse or reward, and to provide a place or places  
10 on the race meeting grounds or enclosure for wagering by patrons on  
11 the results of such horse races by the parimutuel system, and to receive  
12 charges and collect all revenues, receipts and other sums from the  
13 ownership and operation thereof; provided that only the authority  
14 through its employees shall conduct such horse race meetings and  
15 wagering and the authority is expressly prohibited from placing in the  
16 control of any other person, firm or corporation the conduct of such  
17 horse race meetings, or wagering.

18 b. Except as otherwise provided in this section, such horse race  
19 meetings and parimutuel wagering shall be conducted by the authority  
20 in the manner and subject to compliance with the standards set forth  
21 in P.L.1940, c.17 (C.5:5-22 et seq.) and the rules, regulations and  
22 conditions prescribed by the Racing Commission thereunder for the  
23 conduct of horse race meetings and for parimutuel betting at such  
24 meetings.

25 c. Application for said permit or permits shall be on such forms and  
26 shall include such accompanying data as the Racing Commission shall  
27 prescribe for other applicants. The Racing Commission shall proceed  
28 to review and act on any such application within 30 days after its filing  
29 and the Racing Commission is authorized in its sole discretion to  
30 determine whether a permit shall be granted to the authority. If, after  
31 such review, the Racing Commission acts favorably on such  
32 application, a permit shall be granted to the authority without any  
33 further approval and shall remain in force and effect so long as any  
34 bonds or notes of the authority remain outstanding, the provisions of  
35 any other law to the contrary notwithstanding. In granting a permit to  
36 the authority to conduct a horse race meeting, the Racing Commission  
37 shall not be subject to any limitation as to the number of tracks  
38 authorized for the conduct of horse race meetings pursuant to any  
39 provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said permit shall set  
40 forth the dates to be allotted to the authority for its initial horse race  
41 meetings. Thereafter application for dates for horse race meetings by  
42 the authority and the allotment thereof by the Racing Commission,  
43 including the renewal of the same dates theretofore allotted, shall be  
44 governed by the applicable provisions of P.L.1940, c.17 (C.5:5-22 et  
45 seq.). Notwithstanding the provisions of any other law to the  
46 contrary, the Racing Commission shall allot annually to the authority

1 [(1)] for the Meadowlands Complex, in the case of harness racing, not  
2 less than 100 racing days, and in the case of running racing, not less  
3 than 56 racing days, if and to the extent that application is made  
4 therefor [, and (2) for any other project which is set forth in  
5 paragraph (5) of subsection a. of section 6 of P.L.1971, c.137  
6 (C.5:10-6), and which was previously operated by a permitholder  
7 other than the authority, racing days shall be limited, in type of racing  
8 and amount of days, to those allotted by the Racing Commission to the  
9 prior permitholder for the year 1985, as of December 13, 1984; except  
10 that the authority may apply to the Racing Commission for an  
11 extension of the number and type of racing days pursuant to section 2  
12 of P.L.1984, c.247 (C.5:5-43.1)].

13 d. No hearing, referendum or other election or proceeding, and no  
14 payment, surety or cash bond or other deposit, shall be required for  
15 the authority to hold or conduct the horse race meetings with  
16 parimutuel wagering herein authorized.

17 e. The authority shall determine the amount of the admission fee  
18 for the races and all matters relating to the collection thereof.

19 f. Distribution of sums deposited in parimutuel pools to winners  
20 thereof shall be in accordance with the provisions of section 44 of  
21 P.L.1940, c.17 (C.5:5-64) pertaining thereto. The authority shall  
22 make disposition of the deposits remaining undistributed as follows:

23 (1) In the case of harness races:

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

28 (i) 4 1/2% thereof to increase purses and grant awards for starting  
29 horses, as provided or as may be provided by rules of the New Jersey  
30 Racing Commission, with payment to be made in the same manner as  
31 payment of other purses and awards;

32 (ii) 49% thereof for the establishment of a Sire Stakes Program for  
33 standardbred horses, with payment to be made to the Department of  
34 Agriculture for administration as hereinbefore provided;

35 (iii) 5 1/2% thereof to the Sire Stakes Program for purse  
36 supplements designed to improve and promote the standardbred  
37 breeding industry in New Jersey by increasing purses for owners of  
38 horses that are sired by a New Jersey registered stallion and are  
39 eligible to participate in the Sire Stakes Program. The Sire Stakes  
40 Program board of trustees shall consult with the Standardbred  
41 Breeders' and Owners' Association of New Jersey before disbursing  
42 money for purse supplements;

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

45 Payment of the sums held and set aside pursuant to subparagraphs  
46 (iii) and (iv) shall be made to the commission every seventh day of any

1 and every race meeting in the amount then due, as determined in the  
2 manner provided above, and shall be accompanied by a report under  
3 oath showing the total of all such contributions, together with such  
4 other information as the commission may require.

5 (b) Distribute as purse money and for programs designed to aid the  
6 horsemen and the Standardbred Breeders' and Owners' Association of  
7 New Jersey 5.1175%, or in the case of races on a charity racing day  
8 5%, of such total contributions. Expenditures for programs designed  
9 to aid the horsemen and the Standardbred Breeders' and Owners'  
10 Association of New Jersey shall not exceed 3.5% of the sum available  
11 for distribution as purse money. The formula for distribution of the  
12 purse money as either overnight purses or special stakes shall be  
13 determined by an agreement between the Standardbred Breeders' and  
14 Owners' Association of New Jersey and the authority. Notwithstanding  
15 the foregoing, for pools where the patron is required to select two or  
16 more horses, the authority shall distribute as purse money 5.6175%,  
17 or in the case of races on a charity racing day 5.5%, of the total  
18 contributions and for pools where the patron is required to select three  
19 or more horses, the authority shall distribute as purse money 7.1175%,  
20 or in the case of races on a charity racing day 7%, of the total  
21 contributions. Notwithstanding the foregoing, for pools where a  
22 patron is required to select three or more horses, the authority shall  
23 retain out of the 7.1175% or 7% to be distributed as purse money a  
24 sum deemed necessary by the racing commission, for use by the  
25 commission to finance a prerace blood testing program, and such other  
26 testing programs which the commission shall deem proper and  
27 necessary and which shall be subject to the regulation and control of  
28 said commission.

29 (c) In the case of races on a racing day other than a charity racing  
30 day, distribute to the Standardbred Breeders' and Owners' Association  
31 of New Jersey for the administration of a health benefits program for  
32 horsemen.1175% of such total contributions.

33 (d) In the case of races on a racing day other than a charity racing  
34 day, distribute to the Sire Stakes Program for standardbred  
35 horses.02% of such total contributions.

36 (e) In the case of races on a racing day other than a charity racing  
37 day, distribute to the Backstretch Benevolency Programs Fund created  
38 pursuant to P.L.1993, c.15 (C.5:5-44.8).01% of such total  
39 contributions.

40 (2) In the case of running races:

41 (a) Hold and set aside in an account designated as a special trust  
42 account.05% of such total contributions, to be used and distributed for  
43 State horse breeding and development programs, research, fairs, horse  
44 shows, youth activities, promotion and administration, as provided in  
45 section 5 of P.L.1967, c.40 (C.5:5-88).

46 (b) Distribute as purse money and for programs designed to aid the

1 horsemen and the New Jersey Thoroughbred Horsemen's Association  
2 4.475%, or in the case of races on a charity racing day 4.24%, of such  
3 total contributions. Expenditures for programs designed to aid the  
4 horsemen and the New Jersey Thoroughbred Horsemen's Association  
5 shall not exceed 2.9% of the sum available for distribution as purse  
6 money. The formula for distribution of the purse money as either  
7 overnight purses or special stakes shall be determined by an agreement  
8 between the New Jersey Thoroughbred Horsemen's Association and  
9 the authority. Notwithstanding the foregoing, for pools where the  
10 patron is required to select three or more horses, the authority shall  
11 distribute as purse money 7.475%, or in the case of races on a charity  
12 racing day 7.24%, of the total contributions.

13 (c) Deduct and set aside in a special trust account established  
14 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17  
15 (C.5:5-66) for the establishment and support by the commission of the  
16 thoroughbred breeding industry in New Jersey.1% of such total  
17 contributions, except that for pools where the patron is required to  
18 select three or more horses, the amount shall be.6%. The money in the  
19 special trust account shall be used to: (i) improve purses for closed  
20 races; (ii) provide awards to owners and breeders of registered New  
21 Jersey bred horses who earn portions of purses in open and closed  
22 races at New Jersey race tracks or in closed races at an out-of-State  
23 track as part of a multi-state event to promote thoroughbred breeding,  
24 and to owners of stallions posted on the official stallion roster of the  
25 Thoroughbred Breeders' Association of New Jersey, which sire such  
26 New Jersey bred money earners; and (iii) provide awards to the New  
27 Jersey Thoroughbred Breeders' Association for programs beneficial to  
28 thoroughbred breeding in this State. The New Jersey thoroughbred  
29 award program shall be administered and disbursed by the  
30 Thoroughbred Breeders' Association of New Jersey subject to the  
31 approval of the commission. The special trust account to be  
32 established pursuant to this paragraph shall be separate and apart from  
33 the special trust account established and maintained pursuant to  
34 subparagraph (a) of this paragraph.

35 (d) In the case of races on a racing day other than a charity racing  
36 day, distribute to the Thoroughbred Breeders' Association of New  
37 Jersey.02% of such total contributions.

38 (e) In the case of races on a racing day other than a charity racing  
39 day, distribute to the Backstretch Benevolency Programs Fund created  
40 pursuant to P.L.1993, c.15 (C.5:5-44.8).01% of such total  
41 contributions.

42 Payment of the sums held and set aside pursuant to subparagraphs  
43 (a) and (c) of this subsection shall be made to the commission every  
44 seventh day of any and every race meeting in the amount then due, as  
45 determined in the manner provided above, and shall be accompanied  
46 by a report under oath showing the total of all such contributions,

1 together with such other information as the commission may require.

2 In addition to the amounts above, in the case of races on a racing  
3 day designated or allotted as a charity racing day pursuant to  
4 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or  
5 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of  
6 1% of all parimutuel pools shall be paid to the commission at the time  
7 and in the manner prescribed by the commission.

8 All amounts remaining in parimutuel pools, including the breaks,  
9 after such distribution and payments shall constitute revenues of the  
10 authority. Except as otherwise expressly provided in this section 7, the  
11 authority shall not be required to make any payments to the Racing  
12 Commission or others in connection with contributions to parimutuel  
13 pools.

14 In the event that a written agreement between the authority and the  
15 respective horsemen's associations shall require the distribution of  
16 additional sums of money to increase purses or contributions to the  
17 special trust accounts hereinabove provided, or both, any such  
18 distribution to be made in the year 1981 shall be made by the authority  
19 only from, and to the extent of, available moneys from the preceding  
20 year set aside for such purpose, after application of the authority's  
21 revenues, moneys or other funds as provided in subsection c.(1), (2),  
22 (3), (4), (5), (6) and (7) of section 6 of P.L.1971, c.137 (C.5:10-6).

23 g. All sums held by the authority for payment of outstanding  
24 parimutuel tickets not claimed by the person or persons entitled  
25 thereto within the time provided by law shall be paid upon the  
26 expiration of such time, without further obligation to such  
27 ticketholder, as follows:

28 (1) In the case of running and harness races, beginning July 1, 1997  
29 50% of those sums shall be paid to the Racing Commission for deposit  
30 in the general fund of the State and disposition in accordance with  
31 section 4 of P.L.1997, c.29 (C.5:5-68.1);

32 (2) In the case of running races, 50% of those sums shall be paid  
33 to the commission and set aside in the special trust account established  
34 pursuant to section 46b.(1)(e) and section 46b.(2)(e) of P.L.1940, c.17  
35 (C.5:5-66); and

36 (3) In the case of harness races, 25% of those sums shall be  
37 retained by the permitholder to supplement purses for sire stakes races  
38 on which there is parimutuel wagering, and 25% shall be retained by  
39 the permitholder to supplement overnight purses.

40 h. No admission or amusement tax, excise tax, license or horse  
41 racing fee of any kind shall be assessed or collected from the authority  
42 by the State of New Jersey, or by any county or municipality, or by  
43 any other body having power to assess or collect license fees or taxes.

44 i. Any horse race meeting and the parimutuel system of wagering  
45 upon the results of horse races held at such race meeting shall not  
46 under any circumstances, if conducted as provided in the act and in



1 conformity thereto, be held or construed to be unlawful, other statutes  
2 of the State to the contrary notwithstanding.

3 j. Each employee of the authority engaged in the conducting of  
4 horse race meetings shall obtain the appropriate license from the  
5 Racing Commission, subject to the same terms and conditions as is  
6 required of similar employees of other permitholders. The Racing  
7 Commission may suspend any member of the authority upon approval  
8 of the Governor and the license of any employee of the authority in  
9 connection with the conducting of horse race meetings, pending a  
10 hearing by the Racing Commission, for any violation of the New Jersey  
11 laws regulating horse racing or any rule or regulation of the  
12 commission. Such hearing shall be held and conducted in the manner  
13 provided in said laws.

14 (cf: P.L.2002, c.103, s.2)

15

16 5. Section 2 of P.L.1984, c.247 (C.5:5-43.1) is repealed.

17

18 6. This act shall take effect immediately.

19

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21

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23 \_\_\_\_\_  
24 Makes certain changes regarding the regulation of the horse racing  
industry.

**SENATE, No. 2338**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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INTRODUCED FEBRUARY 27, 2003

**Sponsored by:**  
**Senator MARTHA W. BARK**  
**District 8 (Burlington)**

**SYNOPSIS**

Makes various changes regarding the regulation of the horse racing industry.

**CURRENT VERSION OF TEXT**

As introduced.



S2338 BARK

2

1 AN ACT concerning horse racing, amending P.L.1971, c.137 (C.5:10-1  
2 et seq.), supplementing P.L.1940, c.17 (C.5:5-22 et seq.) and  
3 repealing section 2 of P.L.1984 c.24 (C.5:5-43.1) .  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. (New section) a. No member or employee of the commission  
9 shall hold any direct or indirect interest in, or be employed by, any  
10 applicant for or holder of a permit or license issued by the commission  
11 for a period of four years commencing at the termination of  
12 membership on or employment with the commission, except that a  
13 secretarial or clerical employee of the commission may accept such  
14 employment at any time after the termination of employment with the  
15 commission.

16 b. No commission member or person employed by the commission  
17 shall represent any person or party other than the State before or  
18 against the commission with respect to any matter that was before the  
19 commission during the tenure of the commission member or an  
20 employee of the commission for a period of four years from the  
21 termination of his or her office or employment with the commission.  
22

23 2. (New section) a. No applicant for or holder of a permit or  
24 license issued by the commission shall employ or offer to employ, or  
25 provide, transfer or sell, or offer to provide, transfer or sell any  
26 interest, direct or indirect, in any holder of a permit or license issued  
27 by the commission to a former member or employee of the commission  
28 restricted from such transactions pursuant to section 1 of this act,  
29 P.L. , c. (C. )(now before the Legislature as this bill).

30 b. The commission shall promulgate regulations establishing  
31 sanctions upon an applicant for or holder of a permit or license issued  
32 by the commission for a violation of this section.  
33

34 3. (New section) Notwithstanding any other law to the contrary,  
35 the commission may allot racing dates for a period of not more than  
36 six calendar years.  
37

38 4. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read as  
39 follows:

40 7. a. The authority is hereby authorized, licensed and empowered  
41 to apply to the Racing Commission for a permit or permits to hold and  
42 conduct, at any of the projects set forth in paragraphs (1) and (5) of  
43 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), horse race

**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 underlined thus is new matter.**

1 meetings for stake, purse or reward, and to provide a place or places  
2 on the race meeting grounds or enclosure for wagering by patrons on  
3 the results of such horse races by the parimutuel system, and to receive  
4 charges and collect all revenues, receipts and other sums from the  
5 ownership and operation thereof; provided that only the authority  
6 through its employees shall conduct such horse race meetings and  
7 wagering and the authority is expressly prohibited from placing in the  
8 control of any other person, firm or corporation the conduct of such  
9 horse race meetings, or wagering.

10 b. Except as otherwise provided in this section, such horse race  
11 meetings and parimutuel wagering shall be conducted by the authority  
12 in the manner and subject to compliance with the standards set forth  
13 in P.L.1940, c.17 (C.5:5-22 et seq.) and the rules, regulations and  
14 conditions prescribed by the Racing Commission thereunder for the  
15 conduct of horse race meetings and for parimutuel betting at such  
16 meetings.

17 c. Application for said permit or permits shall be on such forms and  
18 shall include such accompanying data as the Racing Commission shall  
19 prescribe for other applicants. The Racing Commission shall proceed  
20 to review and act on any such application within 30 days after its filing  
21 and the Racing Commission is authorized in its sole discretion to  
22 determine whether a permit shall be granted to the authority. If, after  
23 such review, the Racing Commission acts favorably on such  
24 application, a permit shall be granted to the authority without any  
25 further approval and shall remain in force and effect so long as any  
26 bonds or notes of the authority remain outstanding, the provisions of  
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34 the authority and the allotment thereof by the Racing Commission,  
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36 governed by the applicable provisions of P.L.1940, c.17 (C.5:5-22 et  
37 seq.). Notwithstanding the provisions of any other law to the  
38 contrary, the Racing Commission shall allot annually to the authority  
39 **[(1)]** for the Meadowlands Complex, in the case of harness racing, not  
40 less than 100 racing days, and in the case of running racing, not less  
41 than 56 racing days, if and to the extent that application is made  
42 therefor **[**, and (2) for any other project which is set forth in  
43 paragraph (5) of subsection a. of section 6 of P.L.1971, c.137  
44 (C.5:10-6), and which was previously operated by a permitholder  
45 other than the authority, racing days shall be limited, in type of racing  
46 and amount of days, to those allotted by the Racing Commission to the

1 prior permitholder for the year 1985, as of December 13, 1984; except  
2 that the authority may apply to the Racing Commission for an  
3 extension of the number and type of racing days pursuant to section 2  
4 of P.L.1984, c.247 (C.5:5-43.1)].

5 d. No hearing, referendum or other election or proceeding, and no  
6 payment, surety or cash bond or other deposit, shall be required for  
7 the authority to hold or conduct the horse race meetings with  
8 parimutuel wagering herein authorized.

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20 (i) 4 1/2% thereof to increase purses and grant awards for starting  
21 horses, as provided or as may be provided by rules of the New Jersey  
22 Racing Commission, with payment to be made in the same manner as  
23 payment of other purses and awards;

24 (ii) 49% thereof for the establishment of a Sire Stakes Program for  
25 standardbred horses, with payment to be made to the Department of  
26 Agriculture for administration as hereinbefore provided;

27 (iii) 5 1/2% thereof to the Sire Stakes Program for purse  
28 supplements designed to improve and promote the standardbred  
29 breeding industry in New Jersey by increasing purses for owners of  
30 horses that are sired by a New Jersey registered stallion and are  
31 eligible to participate in the Sire Stakes Program. The Sire Stakes  
32 Program board of trustees shall consult with the Standardbred  
33 Breeders' and Owners' Association of New Jersey before disbursing  
34 money for purse supplements;

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

37 Payment of the sums held and set aside pursuant to subparagraphs  
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19 necessary and which shall be subject to the regulation and control of  
20 said commission.

21 (c) In the case of races on a racing day other than a charity racing  
22 day, distribute to the Standardbred Breeders' and Owners' Association  
23 of New Jersey for the administration of a health benefits program for  
24 horsemen.1175% of such total contributions.

25 (d) In the case of races on a racing day other than a charity racing  
26 day, distribute to the Sire Stakes Program for standardbred  
27 horses.02% of such total contributions.

28 (e) In the case of races on a racing day other than a charity racing  
29 day, distribute to the Backstretch Benevolency Programs Fund created  
30 pursuant to P.L.1993, c.15 (C.5:5-44.8).01% of such total  
31 contributions.

32 (2) In the case of running races:

33 (a) Hold and set aside in an account designated as a special trust  
34 account.05% of such total contributions, to be used and distributed for  
35 State horse breeding and development programs, research, fairs, horse  
36 shows, youth activities, promotion and administration, as provided in  
37 section 5 of P.L.1967, c.40 (C.5:5-88).

38 (b) Distribute as purse money and for programs designed to aid the  
39 horsemen and the New Jersey Thoroughbred Horsemen's Association  
40 4.475%, or in the case of races on a charity racing day 4.24%, of such  
41 total contributions. Expenditures for programs designed to aid the  
42 horsemen and the New Jersey Thoroughbred Horsemen's Association  
43 shall not exceed 2.9% of the sum available for distribution as purse  
44 money. The formula for distribution of the purse money as either  
45 overnight purses or special stakes shall be determined by an agreement  
46 between the New Jersey Thoroughbred Horsemen's Association and

1 the authority. Notwithstanding the foregoing, for pools where the  
2 patron is required to select three or more horses, the authority shall  
3 distribute as purse money 7.475%, or in the case of races on a charity  
4 racing day 7.24%, of the total contributions.

5 (c) Deduct and set aside in a special trust account established  
6 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17  
7 (C.5:5-66) for the establishment and support by the commission of the  
8 thoroughbred breeding industry in New Jersey.1% of such total  
9 contributions, except that for pools where the patron is required to  
10 select three or more horses, the amount shall be.6%. The money in the  
11 special trust account shall be used to: (i) improve purses for closed  
12 races; (ii) provide awards to owners and breeders of registered New  
13 Jersey bred horses who earn portions of purses in open and closed  
14 races at New Jersey race tracks or in closed races at an out-of-State  
15 track as part of a multi-state event to promote thoroughbred breeding,  
16 and to owners of stallions posted on the official stallion roster of the  
17 Thoroughbred Breeders' Association of New Jersey, which sire such  
18 New Jersey bred money earners; and (iii) provide awards to the New  
19 Jersey Thoroughbred Breeders' Association for programs beneficial to  
20 thoroughbred breeding in this State. The New Jersey thoroughbred  
21 award program shall be administered and disbursed by the  
22 Thoroughbred Breeders' Association of New Jersey subject to the  
23 approval of the commission. The special trust account to be  
24 established pursuant to this paragraph shall be separate and apart from  
25 the special trust account established and maintained pursuant to  
26 subparagraph (a) of this paragraph.

27 (d) In the case of races on a racing day other than a charity racing  
28 day, distribute to the Thoroughbred Breeders' Association of New  
29 Jersey.02% of such total contributions.

30 (e) In the case of races on a racing day other than a charity racing  
31 day, distribute to the Backstretch Benevolency Programs Fund created  
32 pursuant to P.L.1993, c.15 (C.5:5-44.8).01% of such total  
33 contributions.

34 Payment of the sums held and set aside pursuant to subparagraphs  
35 (a) and (c) of this subsection shall be made to the commission every  
36 seventh day of any and every race meeting in the amount then due, as  
37 determined in the manner provided above, and shall be accompanied  
38 by a report under oath showing the total of all such contributions,  
39 together with such other information as the commission may require.

40 In addition to the amounts above, in the case of races on a racing  
41 day designated or allotted as a charity racing day pursuant to  
42 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or  
43 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of  
44 1% of all parimutuel pools shall be paid to the commission at the time  
45 and in the manner prescribed by the commission.

46 All amounts remaining in parimutuel pools, including the breaks,

1 after such distribution and payments shall constitute revenues of the  
2 authority. Except as otherwise expressly provided in this section 7, the  
3 authority shall not be required to make any payments to the Racing  
4 Commission or others in connection with contributions to parimutuel  
5 pools.

6 In the event that a written agreement between the authority and the  
7 respective horsemen's associations shall require the distribution of  
8 additional sums of money to increase purses or contributions to the  
9 special trust accounts hereinabove provided, or both, any such  
10 distribution to be made in the year 1981 shall be made by the authority  
11 only from, and to the extent of, available moneys from the preceding  
12 year set aside for such purpose, after application of the authority's  
13 revenues, moneys or other funds as provided in subsection c.(1), (2),  
14 (3), (4), (5), (6) and (7) of section 6 of P.L.1971, c.137 (C.5:10-6).

15 g. All sums held by the authority for payment of outstanding  
16 parimutuel tickets not claimed by the person or persons entitled  
17 thereto within the time provided by law shall be paid upon the  
18 expiration of such time, without further obligation to such  
19 ticketholder, as follows:

20 (1) In the case of running and harness races, beginning July 1, 1997  
21 50% of those sums shall be paid to the Racing Commission for deposit  
22 in the general fund of the State and disposition in accordance with  
23 section 4 of P.L.1997, c.29 (C.5:5-68.1);

24 (2) In the case of running races, 50% of those sums shall be paid  
25 to the commission and set aside in the special trust account established  
26 pursuant to section 46b.(1)(e) and section 46b.(2)(e) of P.L.1940, c.17  
27 (C.5:5-66); and

28 (3) In the case of harness races, 25% of those sums shall be  
29 retained by the permitholder to supplement purses for sire stakes races  
30 on which there is parimutuel wagering, and 25% shall be retained by  
31 the permitholder to supplement overnight purses.

32 h. No admission or amusement tax, excise tax, license or horse  
33 racing fee of any kind shall be assessed or collected from the authority  
34 by the State of New Jersey, or by any county or municipality, or by  
35 any other body having power to assess or collect license fees or taxes.

36 i. Any horse race meeting and the parimutuel system of wagering  
37 upon the results of horse races held at such race meeting shall not  
38 under any circumstances, if conducted as provided in the act and in  
39 conformity thereto, be held or construed to be unlawful, other statutes  
40 of the State to the contrary notwithstanding.

41 j. Each employee of the authority engaged in the conducting of  
42 horse race meetings shall obtain the appropriate license from the  
43 Racing Commission, subject to the same terms and conditions as is  
44 required of similar employees of other permitholders. The Racing  
45 Commission may suspend any member of the authority upon approval  
46 of the Governor and the license of any employee of the authority in



1 connection with the conducting of horse race meetings, pending a  
2 hearing by the Racing Commission, for any violation of the New Jersey  
3 laws regulating horse racing or any rule or regulation of the  
4 commission. Such hearing shall be held and conducted in the manner  
5 provided in said laws.

6 (cf: P.L.2002, c.103, s.2)

7  
8 5. Section 2 of P.L.1984, c.247 (C.5:5-43.1) is repealed.

9  
10 6. This act shall take effect immediately.

11  
12  
13 STATEMENT

14  
15 Under current law, a member or employee of the New Jersey  
16 Racing Commission, upon termination of membership or employment,  
17 is permitted to have an interest in, or accept employment with, entities  
18 regulated by the commission. This practice has led to potential  
19 conflicts of interest. This bill establishes employment restrictions upon  
20 former members and employees of the racing commission. In  
21 particular, the bill provides that:

22 c no employee or member of the commission will hold any direct or  
23 indirect interest in, or be employed by, any applicant for or a holder  
24 of a permit or license issued by the commission for a period of four  
25 years commencing at the termination of membership on the  
26 commission; and

27 c no commission member or person employed by the commission will  
28 represent any person or party other than the State before or against  
29 the commission with respect to any matter that was before the  
30 commission during the tenure of the commission member or an  
31 employee of the commission for a period of four years commencing  
32 at the termination of employment with the commission.

33 The bill also repeals section 2 of P.L.1984, c.247 (C.5:5-43.1) and  
34 eliminates part of subsection c. of section 7 of the "New Jersey Sports  
35 and Exposition Authority Law," P.L.1971, c.137 (C.5:10-7). These  
36 provisions have the effect of limiting the number of racing dates the  
37 New Jersey Sports and Exposition Authority may schedule at  
38 Monmouth Park. The section was enacted almost 20 years ago, when  
39 there were five healthy horse racing tracks in this state and  
40 competition among the tracks was a concern. Competition among  
41 tracks is sadly no longer a concern in this State. It is appropriate to  
42 repeal this section and to amend the sports authority law to allow the  
43 racing commission the flexibility to allot more racing dates at  
44 Monmouth Park.

45 Finally, the bill gives the racing commission the authority to allot  
46 racing dates for a period not to exceed six calendar years. At present,

**S2338 BARK**

9

- 1 the commission allots racing dates on an annual basis. To allow the
- 2 commission this flexibility would facilitate long-term agreements
- 3 between horsemen's associations and the racetrack owners.

SENATE ECONOMIC GROWTH, AGRICULTURE AND  
TOURISM COMMITTEE

STATEMENT TO

**SENATE, No. 2338**

**STATE OF NEW JERSEY**

DATED: MARCH 17, 2003

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably Senate Bill No. 2338.

Under current law, a member or employee of the New Jersey Racing Commission, upon termination of membership or employment, is permitted to have an interest in, or accept employment with, entities regulated by the commission. This practice has led to potential conflicts of interest. This bill establishes employment restrictions upon former members and employees of the racing commission. In particular, the bill provides that:

- C no employee or member of the commission will hold any direct or indirect interest in, or be employed by, any applicant for or a holder of a permit or license issued by the commission for a period of four years commencing at the termination of membership on the commission; and
- C no commission member or person employed by the commission will represent any person or party other than the State before or against the commission with respect to any matter that was before the commission during the tenure of the commission member or an employee of the commission for a period of four years commencing at the termination of employment with the commission.

The bill also repeals section 2 of P.L.1984, c.247 (C.5:5-43.1) and eliminates part of subsection c. of section 7 of the "New Jersey Sports and Exposition Authority Law," P.L.1971, c.137 (C.5:10-7). These provisions have the effect of limiting the number of racing dates the New Jersey Sports and Exposition Authority may schedule at Monmouth Park. The section was enacted almost 20 years ago, when there were five healthy horse racing tracks in this state and competition among the tracks was a concern. Competition among tracks is sadly no longer a concern in this State. It is appropriate to repeal this section and to amend the sports authority law to allow the racing commission the flexibility to allot more racing dates at Monmouth Park.

Finally, the bill gives the racing commission the authority to allot racing dates for a period not to exceed six calendar years. At present,

the commission allots racing dates on an annual basis. To allow the commission this flexibility would facilitate long-term agreements between horsemen's associations and the racetrack owners.

STATEMENT TO  
**SENATE, No. 2338**

with Senate Floor Amendments  
(Proposed By Senator BARK)

ADOPTED: MAY 19, 2003

These amendments reduce from four to two years the period of proposed post-employment restrictions for members and employees of the New Jersey Racing Commission. The amendments also make several technical changes in phrasing in order to make this bill identical to Assembly, No.3615.

# ASSEMBLY, No. 3615

## STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MAY 15, 2003

**Sponsored by:**

**Assemblyman GARY L. GUEAR, SR.**

**District 14 (Mercer and Middlesex)**

**Assemblyman LARRY CHATZIDAKIS**

**District 8 (Burlington)**

**Assemblyman FRANCIS L. BODINE**

**District 8 (Burlington)**

**Assemblyman JEFF VAN DREW**

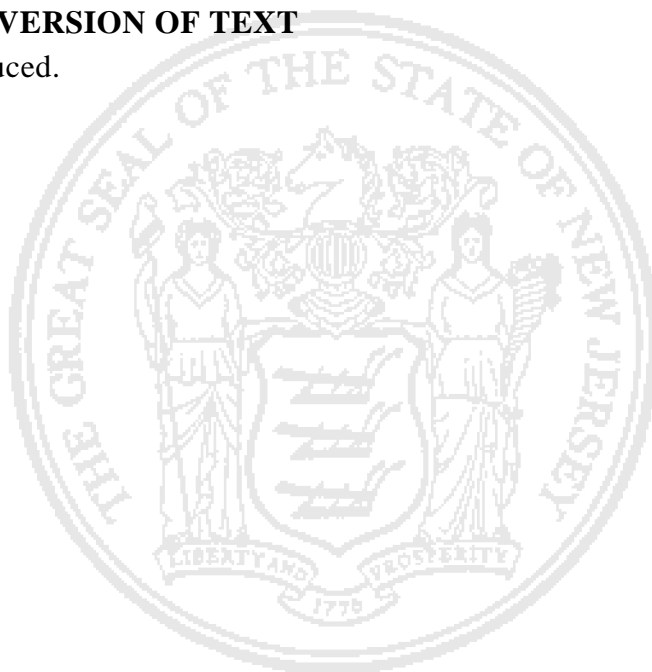
**District 1 (Cape May, Atlantic and Cumberland)**

**SYNOPSIS**

Makes certain changes regarding the regulation of the horse racing industry.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 5/23/2003)

A3615 GUEAR, CHATZIDAKIS

2

1 AN ACT concerning horse racing, amending P.L.1971, c.137,  
2 supplementing P.L.1940, c.17 (C.5:5-22 et seq.) and repealing  
3 section 2 of P.L.1984 c.247 (C.5:5-43.1) .  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. (New section) a. No member or employee of the commission  
9 shall hold any direct or indirect interest in, or be employed by, any  
10 applicant for or holder of a permit or license issued by the commission  
11 for a period of two years commencing at the termination of  
12 membership on or employment with the commission, except that a  
13 secretarial or clerical employee of the commission may accept such  
14 employment at any time after the termination of employment with the  
15 commission.

16 b. No member or employee of the commission shall represent any  
17 person or party other than the State before or against the commission  
18 with respect to any matter that was before the commission during the  
19 tenure of the commission member or employee of the commission for  
20 a period of two years from the termination of his or her office or  
21 employment with the commission.  
22

23 2. (New section) a. No applicant for or holder of a permit or  
24 license issued by the commission shall employ or offer to employ, or  
25 provide, transfer or sell, or offer to provide, transfer or sell, any  
26 interest, direct or indirect, in any holder of a permit or license issued  
27 by the commission to a former member or employee of the commission  
28 restricted from such employment or interest pursuant to section 1 of  
29 this act, P.L. , c. (C. )(now before the Legislature as this bill).

30 b. The commission shall promulgate regulations establishing  
31 sanctions upon an applicant for or holder of a permit or license issued  
32 by the commission for a violation of this section.  
33

34 3. (New section) Notwithstanding any other law to the contrary,  
35 the commission may allot racing dates for a period of not more than  
36 six calendar years.  
37

38 4. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read as  
39 follows:

40 7. a. The authority is hereby authorized, licensed and empowered  
41 to apply to the Racing Commission for a permit or permits to hold and  
42 conduct, at any of the projects set forth in paragraphs (1) and (5) of  
43 subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), horse race

**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 underlined thus is new matter.**

1 meetings for stake, purse or reward, and to provide a place or places  
2 on the race meeting grounds or enclosure for wagering by patrons on  
3 the results of such horse races by the parimutuel system, and to receive  
4 charges and collect all revenues, receipts and other sums from the  
5 ownership and operation thereof; provided that only the authority  
6 through its employees shall conduct such horse race meetings and  
7 wagering and the authority is expressly prohibited from placing in the  
8 control of any other person, firm or corporation the conduct of such  
9 horse race meetings, or wagering.

10 b. Except as otherwise provided in this section, such horse race  
11 meetings and parimutuel wagering shall be conducted by the authority  
12 in the manner and subject to compliance with the standards set forth  
13 in P.L.1940, c.17 (C.5:5-22 et seq.) and the rules, regulations and  
14 conditions prescribed by the Racing Commission thereunder for the  
15 conduct of horse race meetings and for parimutuel betting at such  
16 meetings.

17 c. Application for said permit or permits shall be on such forms and  
18 shall include such accompanying data as the Racing Commission shall  
19 prescribe for other applicants. The Racing Commission shall proceed  
20 to review and act on any such application within 30 days after its filing  
21 and the Racing Commission is authorized in its sole discretion to  
22 determine whether a permit shall be granted to the authority. If, after  
23 such review, the Racing Commission acts favorably on such  
24 application, a permit shall be granted to the authority without any  
25 further approval and shall remain in force and effect so long as any  
26 bonds or notes of the authority remain outstanding, the provisions of  
27 any other law to the contrary notwithstanding. In granting a permit to  
28 the authority to conduct a horse race meeting, the Racing Commission  
29 shall not be subject to any limitation as to the number of tracks  
30 authorized for the conduct of horse race meetings pursuant to any  
31 provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said permit shall set  
32 forth the dates to be allotted to the authority for its initial horse race  
33 meetings. Thereafter application for dates for horse race meetings by  
34 the authority and the allotment thereof by the Racing Commission,  
35 including the renewal of the same dates theretofore allotted, shall be  
36 governed by the applicable provisions of P.L.1940, c.17 (C.5:5-22 et  
37 seq.). Notwithstanding the provisions of any other law to the  
38 contrary, the Racing Commission shall allot annually to the authority  
39 **[(1)]** for the Meadowlands Complex, in the case of harness racing, not  
40 less than 100 racing days, and in the case of running racing, not less  
41 than 56 racing days, if and to the extent that application is made  
42 therefor **[**, and (2) for any other project which is set forth in paragraph  
43 (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), and  
44 which was previously operated by a permitholder other than the  
45 authority, racing days shall be limited, in type of racing and amount of  
46 days, to those allotted by the Racing Commission to the prior



1 permitholder for the year 1985, as of December 13, 1984; except that  
2 the authority may apply to the Racing Commission for an extension of  
3 the number and type of racing days pursuant to section 2 of P.L.1984,  
4 c.247 (C.5:5-43.1)].

5 d. No hearing, referendum or other election or proceeding, and no  
6 payment, surety or cash bond or other deposit, shall be required for  
7 the authority to hold or conduct the horse race meetings with  
8 parimutuel wagering herein authorized.

9 e. The authority shall determine the amount of the admission fee  
10 for the races and all matters relating to the collection thereof.

11 f. Distribution of sums deposited in parimutuel pools to winners  
12 thereof shall be in accordance with the provisions of section 44 of  
13 P.L.1940, c.17 (C.5:5-64) pertaining thereto. The authority shall  
14 make disposition of the deposits remaining undistributed as follows:

15 (1) In the case of harness races:

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

20 (i) 42 1/2% thereof to increase purses and grant awards for starting  
21 horses, as provided or as may be provided by rules of the New Jersey  
22 Racing Commission, with payment to be made in the same manner as  
23 payment of other purses and awards;

24 (ii) 49% thereof for the establishment of a Sire Stakes Program for  
25 standardbred horses, with payment to be made to the Department of  
26 Agriculture for administration as hereinbefore provided;

27 (iii) 5 1/2% thereof to the Sire Stakes Program for purse  
28 supplements designed to improve and promote the standardbred  
29 breeding industry in New Jersey by increasing purses for owners of  
30 horses that are sired by a New Jersey registered stallion and are  
31 eligible to participate in the Sire Stakes Program. The Sire Stakes  
32 Program board of trustees shall consult with the Standardbred  
33 Breeders' and Owners' Association of New Jersey before disbursing  
34 money for purse supplements;

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

37 Payment of the sums held and set aside pursuant to subparagraphs  
38 (iii) and (iv) shall be made to the commission every seventh day of any  
39 and every race meeting in the amount then due, as determined in the  
40 manner provided above, and shall be accompanied by a report under  
41 oath showing the total of all such contributions, together with such  
42 other information as the commission may require.

43 (b) Distribute as purse money and for programs designed to aid the  
44 horsemen and the Standardbred Breeders' and Owners' Association of  
45 New Jersey 5.1175%, or in the case of races on a charity racing day  
46 5%, of such total contributions. Expenditures for programs designed

1 to aid the horsemen and the Standardbred Breeders' and Owners'  
2 Association of New Jersey shall not exceed 3.5% of the sum available  
3 for distribution as purse money. The formula for distribution of the  
4 purse money as either overnight purses or special stakes shall be  
5 determined by an agreement between the Standardbred Breeders' and  
6 Owners' Association of New Jersey and the authority.  
7 Notwithstanding the foregoing, for pools where the patron is required  
8 to select two or more horses, the authority shall distribute as purse  
9 money 5.6175%, or in the case of races on a charity racing day 5.5%,  
10 of the total contributions and for pools where the patron is required to  
11 select three or more horses, the authority shall distribute as purse  
12 money 7.1175%, or in the case of races on a charity racing day 7%, of  
13 the total contributions. Notwithstanding the foregoing, for pools  
14 where a patron is required to select three or more horses, the authority  
15 shall retain out of the 7.1175% or 7% to be distributed as purse money  
16 a sum deemed necessary by the racing commission, for use by the  
17 commission to finance a prerace blood testing program, and such other  
18 testing programs which the commission shall deem proper and  
19 necessary and which shall be subject to the regulation and control of  
20 said commission.

21 (c) In the case of races on a racing day other than a charity racing  
22 day, distribute to the Standardbred Breeders' and Owners' Association  
23 of New Jersey for the administration of a health benefits program for  
24 horsemen.1175% of such total contributions.

25 (d) In the case of races on a racing day other than a charity racing  
26 day, distribute to the Sire Stakes Program for standardbred  
27 horses.02% of such total contributions.

28 (e) In the case of races on a racing day other than a charity racing  
29 day, distribute to the Backstretch Benevolency Programs Fund created  
30 pursuant to P.L.1993, c.15 (C.5:5-44.8).01% of such total  
31 contributions.

32 (2) In the case of running races:

33 (a) Hold and set aside in an account designated as a special trust  
34 account.05% of such total contributions, to be used and distributed for  
35 State horse breeding and development programs, research, fairs, horse  
36 shows, youth activities, promotion and administration, as provided in  
37 section 5 of P.L.1967, c.40 (C.5:5-88).

38 (b) Distribute as purse money and for programs designed to aid the  
39 horsemen and the New Jersey Thoroughbred Horsemen's Association  
40 4.475%, or in the case of races on a charity racing day 4.24%, of such  
41 total contributions. Expenditures for programs designed to aid the  
42 horsemen and the New Jersey Thoroughbred Horsemen's Association  
43 shall not exceed 2.9% of the sum available for distribution as purse  
44 money. The formula for distribution of the purse money as either  
45 overnight purses or special stakes shall be determined by an agreement  
46 between the New Jersey Thoroughbred Horsemen's Association and

1 the authority. Notwithstanding the foregoing, for pools where the  
2 patron is required to select three or more horses, the authority shall  
3 distribute as purse money 7.475%, or in the case of races on a charity  
4 racing day 7.24%, of the total contributions.

5 (c) Deduct and set aside in a special trust account established  
6 pursuant to section 46b.(1)(e) and 46b.(2)(e) of P.L.1940, c.17  
7 (C.5:5-66) for the establishment and support by the commission of the  
8 thoroughbred breeding industry in New Jersey.1% of such total  
9 contributions, except that for pools where the patron is required to  
10 select three or more horses, the amount shall be.6%. The money in the  
11 special trust account shall be used to: (i) improve purses for closed  
12 races; (ii) provide awards to owners and breeders of registered New  
13 Jersey bred horses who earn portions of purses in open and closed  
14 races at New Jersey race tracks or in closed races at an out-of-State  
15 track as part of a multi-state event to promote thoroughbred breeding,  
16 and to owners of stallions posted on the official stallion roster of the  
17 Thoroughbred Breeders' Association of New Jersey, which sire such  
18 New Jersey bred money earners; and (iii) provide awards to the New  
19 Jersey Thoroughbred Breeders' Association for programs beneficial to  
20 thoroughbred breeding in this State. The New Jersey thoroughbred  
21 award program shall be administered and disbursed by the  
22 Thoroughbred Breeders' Association of New Jersey subject to the  
23 approval of the commission. The special trust account to be  
24 established pursuant to this paragraph shall be separate and apart from  
25 the special trust account established and maintained pursuant to  
26 subparagraph (a) of this paragraph.

27 (d) In the case of races on a racing day other than a charity racing  
28 day, distribute to the Thoroughbred Breeders' Association of New  
29 Jersey.02% of such total contributions.

30 (e) In the case of races on a racing day other than a charity racing  
31 day, distribute to the Backstretch Benevolency Programs Fund created  
32 pursuant to P.L.1993, c.15 (C.5:5-44.8).01% of such total  
33 contributions.

34 Payment of the sums held and set aside pursuant to subparagraphs  
35 (a) and (c) of this subsection shall be made to the commission every  
36 seventh day of any and every race meeting in the amount then due, as  
37 determined in the manner provided above, and shall be accompanied  
38 by a report under oath showing the total of all such contributions,  
39 together with such other information as the commission may require.

40 In addition to the amounts above, in the case of races on a racing  
41 day designated or allotted as a charity racing day pursuant to  
42 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1993, c.15 (C.5:5-44.8), or  
43 section 1 of P.L.1997, c.80 (C.5:5-44.9), an amount equal to 1/2 of  
44 1% of all parimutuel pools shall be paid to the commission at the time  
45 and in the manner prescribed by the commission.

46 All amounts remaining in parimutuel pools, including the breaks,

1 after such distribution and payments shall constitute revenues of the  
2 authority. Except as otherwise expressly provided in this section 7,  
3 the authority shall not be required to make any payments to the Racing  
4 Commission or others in connection with contributions to parimutuel  
5 pools.

6 In the event that a written agreement between the authority and the  
7 respective horsemen's associations shall require the distribution of  
8 additional sums of money to increase purses or contributions to the  
9 special trust accounts hereinabove provided, or both, any such  
10 distribution to be made in the year 1981 shall be made by the authority  
11 only from, and to the extent of, available moneys from the preceding  
12 year set aside for such purpose, after application of the authority's  
13 revenues, moneys or other funds as provided in subsection c.(1), (2),  
14 (3), (4), (5), (6) and (7) of section 6 of P.L.1971, c.137 (C.5:10-6).

15 g. All sums held by the authority for payment of outstanding  
16 parimutuel tickets not claimed by the person or persons entitled  
17 thereto within the time provided by law shall be paid upon the  
18 expiration of such time, without further obligation to such  
19 ticketholder, as follows:

20 (1) In the case of running and harness races, beginning July 1, 1997  
21 50% of those sums shall be paid to the Racing Commission for deposit  
22 in the general fund of the State and disposition in accordance with  
23 section 4 of P.L.1997, c.29 (C.5:5-68.1);

24 (2) In the case of running races, 50% of those sums shall be paid  
25 to the commission and set aside in the special trust account established  
26 pursuant to section 46b.(1)(e) and section 46b.(2)(e) of P.L.1940, c.17  
27 (C.5:5-66); and

28 (3) In the case of harness races, 25% of those sums shall be  
29 retained by the permitholder to supplement purses for sire stakes races  
30 on which there is parimutuel wagering, and 25% shall be retained by  
31 the permitholder to supplement overnight purses.

32 h. No admission or amusement tax, excise tax, license or horse  
33 racing fee of any kind shall be assessed or collected from the authority  
34 by the State of New Jersey, or by any county or municipality, or by  
35 any other body having power to assess or collect license fees or taxes.

36 i. Any horse race meeting and the parimutuel system of wagering  
37 upon the results of horse races held at such race meeting shall not  
38 under any circumstances, if conducted as provided in the act and in  
39 conformity thereto, be held or construed to be unlawful, other statutes  
40 of the State to the contrary notwithstanding.

41 j. Each employee of the authority engaged in the conducting of  
42 horse race meetings shall obtain the appropriate license from the  
43 Racing Commission, subject to the same terms and conditions as is  
44 required of similar employees of other permitholders. The Racing  
45 Commission may suspend any member of the authority upon approval  
46 of the Governor and the license of any employee of the authority in

1 connection with the conducting of horse race meetings, pending a  
2 hearing by the Racing Commission, for any violation of the New Jersey  
3 laws regulating horse racing or any rule or regulation of the  
4 commission. Such hearing shall be held and conducted in the manner  
5 provided in said laws.

6 (cf: P.L.2002, c.103, s.2)

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8 5. Section 2 of P.L.1984, c.247 (C.5:5-43.1) is repealed.

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10 6. This act shall take effect immediately.

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### STATEMENT

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15 Under current law, a member or employee of the New Jersey  
16 Racing Commission, upon termination of membership or employment,  
17 is permitted to have an interest in, or accept employment with, entities  
18 regulated by the commission. This practice has led to potential  
19 conflicts of interest. This bill establishes employment restrictions upon  
20 former members and employees of the racing commission. In  
21 particular, the bill provides that:

22 c no employee or member of the commission will hold any direct or  
23 indirect interest in, or be employed by, any applicant for or a holder  
24 of a permit or license issued by the commission for a period of two  
25 years commencing at the termination of membership on the  
26 commission; and

27 c no commission member or person employed by the commission will  
28 represent any person or party other than the State before or against  
29 the commission with respect to any matter that was before the  
30 commission during the tenure of the commission member or an  
31 employee of the commission for a period of two years commencing  
32 at the termination of employment with the commission.

33 The bill also repeals section 2 of P.L.1984, c.247 (C.5:5-43.1) and  
34 eliminates part of subsection c. of section 7 of the "New Jersey Sports  
35 and Exposition Authority Law," P.L.1971, c.137 (C.5:10-7). These  
36 provisions have the effect of limiting the number of racing dates the  
37 New Jersey Sports and Exposition Authority may schedule at  
38 Monmouth Park. The section was enacted almost 20 years ago, when  
39 there were five healthy horse racing tracks in this State and  
40 competition among the tracks was a concern. Competition among  
41 tracks is sadly no longer a concern in this State. It is appropriate to  
42 repeal this section and to amend the sports authority law to allow the  
43 racing commission the flexibility to allot more racing dates at  
44 Monmouth Park.

45 Finally, the bill gives the racing commission the authority to allot  
46 racing dates for a period not to exceed six calendar years. At present,

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- 1 the commission allots racing dates on an annual basis. To allow the
- 2 commission this flexibility would facilitate long-term agreements
- 3 between horsemen's associations and the racetrack owners.

# ASSEMBLY TOURISM AND GAMING COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3615

# STATE OF NEW JERSEY

DATED: MAY 19, 2003

The Assembly Tourism and Gaming Committee reports favorably Assembly, No. 3615.

Under current law, a member or employee of the New Jersey Racing Commission, upon termination of membership or employment, is permitted to have an interest in, or accept employment with, entities regulated by the commission. This practice has led to potential conflicts of interest. This bill establishes employment restrictions upon former members and employees of the racing commission. In particular, the bill provides that:

- C no employee or member of the commission will hold any direct or indirect interest in, or be employed by, any applicant for or a holder of a permit or license issued by the commission for a period of two years commencing at the termination of membership on or employment with the commission; and
- C no commission member or person employed by the commission will represent any person or party other than the State before or against the commission with respect to any matter that was before the commission during the tenure of the employee or member for a period of two years commencing at the termination of membership or employment with the commission.

The bill also repeals section 2 of P.L.1984, c.247 (C.5:5-43.1) and eliminates part of subsection c. of section 7 of the "New Jersey Sports and Exposition Authority Law," P.L.1971, c.137 (C.5:10-7). These provisions have the effect of limiting the number of racing dates the New Jersey Sports and Exposition Authority may schedule at Monmouth Park. The section was enacted almost 20 years ago, when there were five healthy horse racing tracks in this State and competition among the tracks was a concern. Competition among tracks is sadly no longer a concern in this State.

Finally, the bill gives the racing commission the authority to allot racing dates for a period not to exceed six calendar years. At present, the commission allots racing dates on an annual basis. To allow the commission this flexibility could facilitate long-term agreements between horsemen's associations and the racetrack owners.