

5:5-64

LEGISLATIVE HISTORY CHECKLIST

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(New Jersey Racing Commission--Special Fund)

NJSA: 5:5-64 et al

LAWS OF: 1997 CHAPTER: 29

BILL NO: S1348

SPONSOR(S): Palaia and others

DATE INTRODUCED: June 20, 1996

COMMITTEE: ASSEMBLY: Appropriations
SENATE: Senior citizens; Budget

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
Second reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: January 29, 1997
SENATE: November 25, 1996

DATE OF APPROVAL: March 7, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes 10-7-96 & 11-18-96

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
REPORTS: No

HEARINGS: No

KBP:pp

[Second Reprint]
SENATE, No. 1348

STATE OF NEW JERSEY

INTRODUCED JUNE 20, 1996

By Senators PALAIA, CODEY and Casey

1 AN ACT concerning the New Jersey Racing Commission ²[and] ²
2 amending ¹[P.L.1992. c.19] P.L.1940. c.17, P.L.1984. c.236. and
3 P.L.1971. c.137 and supplementing Title 5 of the Revised Statutes¹
4 , and making an appropriation².

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

8
9 ¹[1. Section 15 of P.L.1992, c.19 (C.5:12-205) is amended to read
10 as follows:

11 15. The New Jersey Racing Commission shall establish and
12 administer a separate fund to be known as the "Casino Simulcasting
13 Special Fund," into which shall be deposited the sums dedicated to the
14 fund by section 13 of this act.

15 Moneys deposited in the special fund shall be annually disbursed in
16 their entirety by the New Jersey Racing Commission and used for the
17 following purposes in the following order of priority:

18 a. Moneys in the special fund shall first be used to pay the
19 difference between the amount paid to the Atlantic City Racetrack
20 pursuant to subsection c. of section 13 of this act and \$2,000,000 in
21 each calendar year during calendar years 1993, 1994, and 1995, except
22 that if casino simulcasting in Atlantic City begins after January 1, 1993
23 and before January 1, 1994, the amount to be paid for calendar year
24 1993 shall be the difference between the amount paid pursuant to
25 subsection c. of that section 13 and that portion of \$2,000,000
26 determined by the following formula:

27
28
$$A = C$$

29
30
$$B D$$

31

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SSV committee amendments adopted October 7, 1996.

² Senate SBA committee amendments adopted November 18, 1996.

1 here: A = 365 minus (a) the number of racing days in 1993, other than
2 live racing days, prior to the commencement of casino simulcasting in
3 Atlantic City that the Atlantic City Racetrack conducts simulcasting
4 under the provisions of the "Simulcasting Racing Act," P.L.1985,
5 c.269 (C.5:5-110 et seq.) or the provisions of section 37 of P.L.1992,
6 c.19 (C.5:5-125), and (b) the number of live racing days conducted by
7 the Atlantic City Racetrack in 1993;

8

9 B = 365 (the number of calendar days in 1993);

10 C = the total amount to be paid to the Atlantic City Racetrack;

11 D = \$2,000,000.

12

13 b. From any amounts remaining after the payments required by
14 subsection a. of this section are made, the New Jersey Racing
15 Commission shall pay to each casino which began to conduct casino
16 simulcasting within six months after the effective date of this act an
17 amount equal to the breakage moneys and outstanding parimutuel
18 ticket moneys resulting from wagering at the casino on simulcast horse
19 races from out-of-State sending tracks during the first five years that
20 the casino conducts casino simulcasting and 50% of these amounts
21 thereafter.

22 c. From any amounts remaining after the payments required by
23 subsections a. and b. of this section are made, the New Jersey Racing
24 Commission shall pay to each casino which begins to conduct casino
25 simulcasting later than six months after this act's effective date,
26 including casinos established after that date, an amount equal to the
27 breakage moneys and outstanding parimutuel tickets moneys resulting
28 from wagering at the casino on simulcast horse races from
29 out-of-State sending tracks during the first two years that the casino
30 conducts casino simulcasting and 40% of these amounts thereafter.

31 d. From any amounts remaining after the payments required by
32 subsections a., b. and c. of this section are made, the New Jersey
33 Racing Commission shall compensate, in such amounts as that
34 commission deems appropriate, the following entities in the following
35 order of priority:

36 (1) the New Jersey Racing Commission to offset its costs
37 associated with the regulation of horse racing and parimutuel
38 wagering, as approved by the Director of the Division of Budget and
39 Accounting;

40 (2) any racetrack in this State which can demonstrate to the
41 satisfaction of that commission that its financial well-being has been
42 negatively affected by casino simulcasting;

43 [(2)] (3) any racetrack in this State which that commission finds
44 to be financially distressed;

45 [(3)] (4) any horsemen's organization which will use the money
46 to fund a project which that commission determines will be beneficial

1 to the racing industry; and

2 **[(4)] (5)** all racetracks located in this State on an equal basis.
3 (cf: P.L.1992, c.199, s.2)**]**¹

4

5 ¹1. Section 44 of P.L.1940, c.17 (C.5:5-64) is amended to read as
6 follows:

7 44. Each holder of a permit shall distribute all sums deposited in
8 any pool where the patron is required to select one horse to the
9 winners thereof, less an amount which in harness races shall not
10 exceed 17% of the total deposits plus the breaks and which in other
11 races shall not exceed 17% of the total deposits plus the breaks. In
12 every pool where the patron is required to select two horses, the
13 holder of each permit for either harness or running track shall
14 distribute all sums deposited in each pool to the winners thereof, less
15 an amount which shall not exceed 19% of the total deposits plus the
16 breaks. In every pool where the patron is required to select three or
17 more horses, every holder of a permit shall distribute all sums
18 deposited in each pool to the winners thereof, less an amount which
19 shall not exceed 25% of the total deposits plus the breaks. Every
20 permitholder shall distribute to the persons holding winning tickets in
21 any of the aforementioned pools, as a minimum, a sum not exceeding
22 \$0.10, calculated on the basis of each dollar deposited in any pool
23 after the deduction of the said 17%, 19% or 25%, as the case may be.
24 Should the amount remaining in the pool be insufficient to pay the
25 winners the minimum, the breakage accruing in that race, or any
26 necessary portion thereof, shall be applied toward making up any such
27 deficiency. The breaks are hereby defined as the odd cents over any
28 multiple of \$0.10, calculated on the basis of \$1.00 otherwise payable
29 to a patron. Every permitholder engaged in the business of conducting
30 running race meetings under this act, except the New Jersey Sports
31 and Exposition Authority established pursuant to P.L.1971, c.137
32 (C.5:10-1 et seq.) and the Garden State Racetrack as provided in
33 section 5 of P.L.1982, c.201 (C.5:5-98), shall distribute as purse
34 money the breaks as herein defined, except as the same shall have been
35 applied toward making up a deficiency in a pool as herein provided.
36 Every permitholder engaged in the business of conducting harness race
37 meetings under this act, except the New Jersey Sports and Exposition
38 Authority and the Garden State Racetrack as provided in section 5 of
39 P.L.1982, c.201 (C.5:5-98), shall retain for his own uses and purposes
40 50% of the breaks as herein defined, except as the same shall have
41 been applied toward making up a deficiency in the pool as herein
42 provided, and shall distribute as purse money the remaining 50%. The
43 New Jersey Sports and Exposition Authority shall retain all breaks
44 commencing on May 10, 1971 as revenue to the authority, except as
45 the same shall have been applied toward making up a deficiency in a
46 pool as herein provided.

1 Every permitholder shall submit to the commission every seventh
2 day of any and every race meeting a report under oath showing the
3 daily and total amount of such breaks, together with such other
4 information as the commission may require. All sums held by any
5 permitholder for payment of outstanding parimutuel tickets not
6 claimed by the person or persons entitled thereto within six months
7 from the time such tickets are issued shall be paid upon the expiration
8 of such six-month holding period as follows:

9 a. In the case of running and harness races, beginning July 1, 1997
10 50% of those sums shall be paid to the racing commission for deposit
11 in the general fund of the State and disposition in accordance with
12 section 4 of P.L. , c. (C.) (now pending before the Legislature as
13 this bill);

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

18 c. In the case of harness races, 25% of those sums shall be retained
19 by the permitholder to supplement purses for sire stakes races on
20 which there is parimutuel wagering, and 25% shall be retained by the
21 permitholder to supplement overnight purses.

22 Where it is shown to the satisfaction of the commission that the
23 reason for the parimutuel tickets being outstanding and unclaimed is
24 the loss, misplacement or theft of said tickets within the confines and
25 control of the parimutuel department of any permitholder, and it is
26 further shown to the satisfaction of the commission that said
27 parimutuel tickets have been cashed by such parimutuel department,
28 the commission may adjust and credit the permitholder's account
29 accordingly and the permitholder shall reimburse any employee who
30 has been held personally accountable and paid for such lost, stolen or
31 misplaced tickets.

32 All outstanding parimutuel ticket money shall be deposited in an
33 account separate and apart from the track's mutuel or general treasury
34 account. The outstanding parimutuel ticket account shall be subject
35 to the rules and regulations prescribed by the Division of New Jersey
36 Racing Commission.¹

37 (cf: P.L.1986, c.19, s.1)

38
39 ¹2. Section 1 of P.L.1984, c.236 (C.5:5-64.1) is amended to read
40 as follows:

41 1. Notwithstanding the provisions of section 44 of P.L.1940, c.17
42 (C.5:5-64) or any other law to the contrary, a holder of a permit to
43 conduct harness race meetings, who operates a racetrack at which
44 harness race meetings were conducted during calendar year 1984, but
45 which were suspended for 30 days or more during that calendar year
46 because of fire, and a holder of a permit to conduct harness race

1 meetings, who conducted harness race meetings at the aforementioned
2 racetrack during 1984 and who continues to conduct harness race
3 meetings at that racetrack, shall distribute all sums deposited in any
4 pool where the patron is required to select one horse to the winners
5 thereof, less an amount which shall not exceed 17% of the total
6 deposits plus the breaks. In every pool where the patron is required to
7 select two horses, the holder of the permit shall distribute all sums
8 deposited in each pool to the winners thereof, less an amount which
9 shall not exceed 19% of the total deposits plus the breaks. In every
10 pool where the patron is required to select three or more horses, the
11 holder of the permit shall distribute all sums deposited in each pool to
12 the winners thereof, less an amount which shall not exceed 25% of the
13 total deposits plus the breaks. The permitholder shall distribute to the
14 persons holding winning tickets in any of the aforementioned pools, as
15 a minimum, a sum not exceeding \$0.10, calculated on the basis of each
16 dollar deposited in any pool after the deduction of the 17%, 19% or
17 25%, as the case may be. Should the amount remaining in the pool be
18 insufficient to pay the winners the minimum, the breakage accruing in
19 that race, or any necessary portion thereof, shall be applied toward
20 making up any such deficiency. The breaks are hereby defined as the
21 odd cents over any multiple of \$0.10, calculated on the basis of \$1.00
22 otherwise payable to a patron. The permitholder shall retain for his
23 own uses and purposes 50% of the breaks as herein defined, except as
24 the same shall have been applied toward making up a deficiency in a
25 pool as herein provided, and shall distribute as purse money the
26 remaining 50%. The permitholder shall submit to the commission
27 every seventh day of any and every race meeting a report under oath
28 showing the daily and total amount of the breaks, together with such
29 other information as the commission may require. All sums held by
30 the permitholder for payment of outstanding parimutuel tickets, not
31 claimed by the persons entitled thereto within six months from the time
32 such tickets are issued, shall be paid upon the expiration of such
33 six-month holding period as follows: a. beginning July 1, 1997 50%
34 shall be paid to the racing commission for deposit in the general fund
35 of the State and disposition in accordance with section 4 of P.L. ,
36 c. (C.) (now pending before the Legislature as this bill); b. 25%
37 shall be retained by the permitholder to supplement purses for sire
38 stakes races on which there is parimutuel wagering; and c. 25% shall
39 be retained by the permitholder to supplement overnight purses.

40 Where it is shown to the satisfaction of the commission that the
41 reason for the parimutuel tickets being outstanding and unclaimed is
42 the loss, misplacement or theft of the tickets within the confines and
43 control of the parimutuel department of the permitholder, and it is
44 further shown to the satisfaction of the commission that the parimutuel
45 tickets have been cashed by the parimutuel department, the
46 commission may adjust and credit the permitholder's account

1 accordingly and the permit holder shall reimburse any employee who
2 has been held personally accountable and paid for such lost, stolen or
3 misplaced tickets.

4 All outstanding parimutuel ticket money shall be deposited in an
5 account separate and apart from the track's mutuel or general treasury
6 account. The outstanding parimutuel ticket account shall be subject
7 to the rules and regulations prescribed by the Division of New Jersey
8 Racing Commission.¹

9 (cf: P.L.1986, c.19, s.2)

10
11 ¹³. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read as
12 follows:

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

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

33 c. Application for said permit or permits shall be on such forms and
34 shall include such accompanying data as the Racing Commission shall
35 prescribe for other applicants. The Racing Commission shall proceed
36 to review and act on any such application within 30 days after its filing
37 and the Racing Commission is authorized in its sole discretion to
38 determine whether a permit shall be granted to the authority. If, after
39 such review, the Racing Commission acts favorably on such
40 application, a permit shall be granted to the authority without any
41 further approval and shall remain in force and effect so long as any
42 bonds or notes of the authority remain outstanding, the provisions of
43 any other law to the contrary notwithstanding. In granting a permit to
44 the authority to conduct a horse race meeting, the Racing Commission
45 shall not be subject to any limitation as to the number of tracks
46 authorized for the conduct of horse race meetings pursuant to any

1 provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said permit shall set
2 forth the dates to be allotted to the authority for its initial horse race
3 meetings. Thereafter application for dates for horse race meetings by
4 the authority and the allotment thereof by the Racing Commission,
5 including the renewal of the same dates theretofore allotted, shall be
6 governed by the applicable provisions of P.L.1940, c.17 (C.5:5-22 et
7 seq.). Notwithstanding the provisions of any other law to the
8 contrary, the Racing Commission shall allot annually to the authority
9 (1) for the Meadowlands Complex, in the case of harness racing, not
10 less than 100 racing days, and in the case of running racing, not less
11 than 56 racing days, if and to the extent that application is made
12 therefor, and (2) for any other project which is set forth in paragraph
13 (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), and
14 which was previously operated by a permitholder other than the
15 authority, racing days shall be limited, in type of racing and amount of
16 days, to those allotted by the Racing Commission to the prior
17 permitholder for the year 1985, as of December 13, 1984; except that
18 the authority may apply to the Racing Commission for an extension of
19 the number and type of racing days pursuant to section 2 of P.L.1984,
20 c.247 (C.5:5-43.1).

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

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

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

31 (1) In the case of harness races:

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

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

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

43 (iii) 5 1/2% thereof for contributions and awards designed to
44 improve and promote the standardbred breeding industry in New
45 Jersey through payment of awards to owners and breeders of New
46 Jersey bred horses, which are registered with the Standardbred

1 Breeders' and Owners' Association of New Jersey and which earn
2 portions of purses in open events on New Jersey tracks, and to owners
3 of stallions posted on the official stallion roster of the Standardbred
4 Breeders' and Owners' Association of New Jersey, which sire such
5 registered New Jersey bred money earners;

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

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

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

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

42 (d) In the case of races on a racing day other than a charity racing
43 day, distribute to the Sire Stakes Program for standardbred horses
44 .02% of such total contributions.

45 (e) In the case of races on a racing day other than a charity racing
46 day, distribute to the Backstretch Benevolency Programs Fund created

1 pursuant to P.L.1993, c.15 (C.5:5-44.8) .01% of such total
2 contributions.

3 (2) In the case of running races:

4 (a) Hold and set aside in an account designated as a special trust
5 account 5% of 1% of such total contributions, to be used and
6 distributed for State horse breeding and development programs,
7 research, fairs, horse shows, youth activities, promotion and
8 administration, as provided in section 5 of P.L.1967, c.40 (C.5:5-88).

9 (b) Distribute as purse money and for programs designed to aid the
10 horsemen and the New Jersey Thoroughbred Horseman's Benevolent
11 Association 4.475%, or in the case of races on a charity racing day
12 4.24%, of such total contributions. Expenditures for programs
13 designed to aid the horsemen and the New Jersey Thoroughbred
14 Horseman's Benevolent Association shall not exceed 2.9% of the sum
15 available for distribution as purse money. The formula for distribution
16 of the purse money as either overnight purses or special stakes shall be
17 determined by an agreement between the New Jersey Thoroughbred
18 Horseman's Benevolent Association and the authority.
19 Notwithstanding the foregoing, for pools where the patron is required
20 to select three or more horses, the authority shall distribute as purse
21 money 7.475%, or in the case of races on a charity racing day 7.24%,
22 of the total contributions.

23 (c) 10% of 1% of all pools shall be deducted and set aside in the
24 special trust account established pursuant to section 46b.(1)(e) and
25 46b.(2)(e) of P.L.1940, c.17 (C.5:5-66).

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

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

33 For pools where a patron is required to select three or more horses,
34 50% of 1% of the total contributions shall be held and set aside in that
35 special trust account.

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

42 In addition to the amounts above, in the case of races on a racing
43 day designated or allotted as a charity racing day pursuant to
44 P.L.1977, c.200 (C.5:5-44.2 et seq.), P.L.1992, c.113 (C.5:5-44.7),
45 or P.L.1993, c.15 (C.5:5-44.8), an amount equal to 1/2 of 1% of all
46 parimutuel pools shall be paid to the commission at the time and in the

1 manner prescribed by the commission.

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

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

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

22 (1) In the case of running and harness races, beginning July 1, 1997
23 50% of those sums shall be paid to the Racing Commission for deposit
24 in the general fund of the State and disposition in accordance with
25 section 4 of P.L. , c. (C.) (now pending before the Legislature as
26 this bill);

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

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

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

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

44 j. Each employee of the authority engaged in the conducting of
45 horse race meetings shall obtain the appropriate license from the
46 Racing Commission, subject to the same terms and conditions as is

1 required of similar employees of other permitholders. The Racing
 2 Commission may suspend any member of the authority upon approval
 3 of the Governor and the license of any employee of the authority in
 4 connection with the conducting of horse race meetings, pending a
 5 hearing by the Racing Commission, for any violation of the New Jersey
 6 laws regulating horse racing or any rule or regulation of the
 7 commission. Such hearing shall be held and conducted in the manner
 8 provided in said laws.¹

9 (cf: P.L.1993, c.353, s.6)

10

11 ¹4. (New section) Beginning July 1, 1997, amounts resulting from
 12 parimutuel tickets remaining unclaimed after six months which are paid
 13 to the Racing Commission for deposit in the general fund pursuant to
 14 subsection a. of section 44 of P.L.1940, c.17 (C.5:5-64), subsection
 15 a. of section 1 of P.L.1984, c.236 (C.5:5-64.1) and paragraph (1) of
 16 subsection g. of section 7 of P.L.1971, c.137 (C.5:10-7) shall be
 17 appropriated each fiscal year ²[as follows: the first \$300,000 to
 18 Rutgers, the State University to fund the university's equine research
 19 programs and the balance]² to the Racing Commission to be used for
 20 the expenses of the commission.¹

21

22 ¹5. Notwithstanding the provisions of section 15 of P.L.1992, c.19
 23 (C.5:12-205) or any other law to the contrary, up to one-half of the
 24 total amount of funds available from calendar year 1996 under
 25 subsection d. of that section ²[may be used during] are appropriated
 26 for² fiscal year 1996-97 ²[by]to the Department of Law and Public
 27 Safety for² the New Jersey Racing Commission ²as needed² for the
 28 expenses of the commission ², subject to the approval of the Director
 29 of the Division of Budget and Accounting². ²[Funds from that
 30 allocation which are not used by the commission shall be used for the
 31 purposes of, and in the order of priority established by, subsection
 32 d.¹]²

33

34 ¹[2.] 6.¹ This act shall take effect immediately ²[¹, and section 5
 35 shall expire on June 30, 1997¹]².

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40 Appropriates funds to New Jersey Racing Commission from Casino
 41 Simulcasting Special Fund for FY1997; allocates funds from unclaimed
 42 parimutuel tickets for commission.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 1348

STATE OF NEW JERSEY

DATED: DECEMBER 16, 1996

The Assembly Appropriations Committee reports favorably Senate Bill No. 1348 (2R).

Senate Bill No. 1348 (2R) provides funding for the remainder of fiscal year 1997 to the New Jersey Racing Commission from the Casino Simulcasting Special Fund and for fiscal year 1998 and thereafter from sums resulting from unclaimed parimutuel tickets that are currently deposited into the General Fund.

The bill appropriates to the commission for its expenses during fiscal year 1997 up to one-half of a portion of Casino Simulcasting Special Fund monies accumulated in calendar year 1996 that remain after certain statutory payments are made. Under current law, money deposited in the Casino Simulcasting Special Fund is allocated in priority order, after certain specified statutory amounts are paid to casinos that conduct casino simulcasting, to: racetracks negatively affected by casino simulcasting; financially distressed racetracks; horsemen's organizations for projects which benefit the racing industry; and all racetracks in this State on an equal basis.

For fiscal year 1998 and thereafter, the bill requires the sums resulting from unclaimed parimutuel tickets that are now deposited into the General Fund to be appropriated annually to the commission for its operating expenses.

The appropriation for the remainder of fiscal year 1997 shall be a one-time appropriation necessitated by the emergent nature of the current financial situation of the commission. Although the appropriation to the commission for fiscal year 1997 is "for up to one-half" of a portion of the money accumulated in the Casino Simulcasting Special Fund in calendar 1996, it was stated that the commission will expend only such sums as are essential for its operations until the end of the fiscal year, which sums may actually be less than one-half of the amount specified.

This bill is identical to A-2143 (1R) as amended and reported by this committee.

FISCAL IMPACT:

The bill appropriates to the Department of Law and Public Safety for the New Jersey Racing Commission for fiscal year 1997 up to one-half of the monies that will accumulate in calendar year 1996 in a certain portion of the Casino Simulcasting Special Fund. According to the commission, approximately \$800,000 is required by the commission for the remainder of the fiscal year to avoid employee layoffs and service reductions; approximately \$2 million will accumulate during calendar year 1996 in the portion of the Casino Simulcasting Special Fund that is affected by this bill. The appropriation is diverted, with the approval of the racing industry, from the portion of the fund that provides payments to racetracks negatively affected by casino simulcasting; financially distressed racetracks; horsemen's organizations for projects which benefit the racing industry; and all racetracks in this State on an equal basis.

For fiscal year 1998 and thereafter, the bill requires the annual appropriation to the commission of the amount of certain sums resulting from unclaimed parimutuel tickets currently deposited into the General Fund. The portion of unclaimed parimutuel tickets affected by this bill accumulates approximately \$1 million annually for General Fund.

The New Jersey Racing Commission received through the annual appropriations act \$2.7 million for FY 1996 and \$1.3 million for FY 1997. According to the commission, 27 investigative and licensing employees have been recently laid off.

SENATE SENIOR CITIZENS, VETERANS' AFFAIRS AND
AGRICULTURE COMMITTEE

STATEMENT TO
SENATE, No. 1348

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 7, 1996

The Senate Senior Citizens, Veterans' Affairs and Agriculture Committee reports favorably and with committee amendments Senate, No. 1348.

Under current law, a portion of the money derived from casino simulcasting is deposited in the Casino Simulcasting Special Fund and then allocated in priority order, after specified amounts go to casinos that conduct casino simulcasting, to: racetracks negatively affected by casino simulcasting; financially distressed racetracks; horsemen's organizations for projects which benefit the racing industry; and all racetracks in this State on an equal basis. This bill would allow the New Jersey Racing Commission to use up to one-half of these funds which are available from calendar year 1996 for its expenses during fiscal year 1996-97. The bill would also provide that beginning July 1, 1997, sums held by permitholders for payment of outstanding parimutuel tickets which remain unclaimed after six months shall be appropriated each fiscal year as follows: the first \$300,000 to Rutgers University to fund the university's equine research programs and the balance to the Racing Commission to be used for the expenses of the commission.

COMMITTEE AMENDMENTS

The committee amended the bill to eliminate provisions which would have allowed the Racing Commission to use money from the Casino Simulcasting Special Fund for its expenses on a continuing basis. The amendments provide, instead, that the commission may use money from this fund only during fiscal year 1996-97. The amendments also added provisions providing that, beginning with fiscal year 1997-98, the first \$300,000 generated annually by unclaimed parimutuel tickets would be appropriated to Rutgers University to fund equine research with the remainder of such funds appropriated to the commission for its expenses.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1348

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 18, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1348 (1R) with amendments.

As amended, Senate Bill No. 1348 (1R) provides funding for the remainder of fiscal year 1997 to the New Jersey Racing Commission from the Casino Simulcasting Special Fund and for fiscal year 1998 and thereafter from sums resulting from unclaimed parimutuel tickets that are currently deposited into the General Fund.

The bill appropriates to the commission for its expenses during fiscal year 1997 up to one-half of a portion of Casino Simulcasting Special Fund monies accumulated in calendar year 1996 that remain after certain statutory payments are made. Under current law, money deposited in the Casino Simulcasting Special Fund is allocated in priority order, after certain specified statutory amounts are paid to casinos that conduct casino simulcasting, to: racetracks negatively affected by casino simulcasting; financially distressed racetracks; horsemen's organizations for projects which benefit the racing industry; and all racetracks in this State on an equal basis.

For fiscal year 1998 and thereafter, the bill requires the sums resulting from unclaimed parimutuel tickets that are now deposited into the General Fund to be appropriated annually to the commission for its operating expenses.

It is the intention of the committee that the appropriation made by section 5 of this bill to support the commission for the remainder of fiscal year 1997 shall be a one-time appropriation necessitated by the emergent nature of the financial situation in which the commission finds itself. It is mutually understood at this time by the committee, the commission and the racing industry that the money in the Casino Simulcasting Special Fund will not be diverted again in the future to fund the commission because that would result in a continuing reduction of payments required by current law to racetracks negatively affected by casino simulcasting, financially distressed racetracks, horsemen's organizations for projects that benefit the racing industry and the racetracks in this State. Although the appropriation to the

commission for fiscal year 1997 is "for up to one-half" of a portion of the money accumulated in the Casino Simulcasting Special Fund in calendar 1996, it is the understanding of the committee that the commission will expend only such sums as are essential for the commission's operations until the end of the fiscal year, which sums may actually be less than one-half of the amount specified.

Finally, the committee deleted by amendment the provision of section 4 of this bill that would have required an annual appropriation of \$300,000 from the sums resulting from unclaimed parimutuel tickets to Rutgers University to fund equine research programs. The committee took this action with the understanding that equine research programs are currently funded from the General Fund through the annual appropriations act and have been for past several fiscal years, and, therefore, dedication by statute of a specific amount from unclaimed parimutuel ticket revenues for that purpose is not necessary in this bill.

COMMITTEE AMENDMENTS

The committee amended the bill, with the approval of the sponsor, to change the language in section 5 of the bill so that it makes an actual appropriation of funds, and not just an allocation, to the New Jersey Racing Commission for fiscal year 1997. In addition, the committee deleted the provision in section 4 that would have required the first \$300,000 of sums resulting from certain unclaimed parimutuel tickets to be appropriated to Rutgers University, Agricultural Experiment Station for equine research programs

FISCAL IMPACT

The bill appropriates to the Department of Law and Public Safety for the New Jersey Racing Commission for fiscal year 1997 up to one-half of the monies that will accumulate in calendar year 1996 in a certain portion of the Casino Simulcasting Special Fund. According to the commission, approximately \$800,000 is required by the commission for the remainder of the fiscal year to avoid employee layoffs and service reductions; approximately \$2 million will accumulate during calendar year 1996 in the portion of the Casino Simulcasting Special Fund that is affected by this bill. The appropriation is diverted, with the approval of the racing industry, from the portion of the fund that provides payments to racetracks negatively affected by casino simulcasting; financially distressed racetracks; horsemen's organizations for projects which benefit the racing industry; and all racetracks in this State on an equal basis.

For fiscal year 1998 and thereafter, the bill requires the annual appropriation to the commission of the amount of certain sums resulting from unclaimed parimutuel tickets currently deposited into the General Fund. The portion of unclaimed parimutuel tickets affected by this bill accumulates approximately \$1 million annually for General Fund.

The New Jersey Racing Commission received through the annual appropriations act \$2.7 million for FY 1996 and \$1.3 million for FY 1997. According to the commission, 27 investigative and licensing employees have been recently laid off.