

5:12-203

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(Atlantic City Racetrack--
simulcasting)

NJSA: 5:12-203

LAWS OF: 1992 CHAPTER: 199

BILL NO: A24

SPONSOR(S) Gaffney and others

DATE INTRODUCED: November 16, 1992

COMMITTEE: ASSEMBLY: Financial Institutions
SENATE: ---

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: December 14, 1992
SENATE: December 14, 1992

DATE OF APPROVAL: December 24, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

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P.L.1992, CHAPTER 199, approved December 24, 1992

1992 Assembly No. 24

1 AN ACT concerning the payment of certain moneys from casino
2 simulcasting and amending P.L.1992, c.19.

3

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

6 1. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to
7 read as follows:

8 13. Sums wagered at a casino on races being transmitted to
9 that casino from an out-of-State sending track shall be subject to
10 the takeout rate determined pursuant to section 12 of this act,
11 and the sums resulting from that takeout rate as applied to the
12 parimutuel pool generated at the casino shall be distributed as
13 follows, subject to the provisions of section 16 of this act:

14 a. .50% of the parimutuel pool generated at the casino shall be
15 paid to the New Jersey Racing Commission for deposit in the
16 Casino Simulcasting Fund established pursuant to section 18 of
17 this act;

18 b. 3%, or if applicable 6%, of the parimutuel pool generated at
19 the casino shall be paid to the casino to be used for payment to
20 the out-of-State sending track for the transmission of the race,
21 as provided in section 11 of this act;

22 c. in calendar years 1993, 1994, and 1995, 2% of the
23 parimutuel pool generated at the casino shall be paid to the New
24 Jersey Racing Commission for payment to the Atlantic City
25 Racetrack until a total of \$100,000,000 in parimutuel pools has
26 been generated in wagering on simulcast races at all casinos in
27 each of those calendar years, except that if casino simulcasting
28 in Atlantic City begins after January 1, 1993 and before January
29 1, 1994, 2% of the parimutuel pool generated at the casino shall
30 be paid to the commission for payment to the Atlantic City
31 Racetrack until that portion of \$100,000,000 determined by the
32 following formula has been generated in wagering at casinos on
33 simulcast races in 1993:

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$$\frac{A}{B} = \frac{C}{D}$$

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

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 live racing days conducted by the Atlantic City Racetrack in
 2 1993;

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

4 C = the amount of the parimutuel pool generated in
 5 wagering on simulcast races in 1993 of which 2% is to be paid to
 6 the New Jersey Racing Commission for payment to the Atlantic
 7 City Racetrack;

8 D = \$100,000,000;

9 d. of the amount remaining after the deduction of the amounts
 10 under subsections a., b., and c. from the amount of the takeout
 11 rate, 65% shall be paid to the casino during the first 18 months
 12 after the effective date of this act; 60% shall be paid to the
 13 casino during the next succeeding 12 months after that 18-month
 14 period; 55% shall be paid to the casino during the next succeeding
 15 12 months after that 12-month period; and 50% shall be paid to
 16 the casino commencing with the 43rd month after the effective
 17 date; except that if, at any time during the 42-month period
 18 following the effective date, wagering on sports events is
 19 authorized by law and a casino commences such wagering, 50%
 20 shall be paid to the casino upon the commencement of such
 21 wagering by that casino;

22 e. .50% of the parimutuel pool generated at the casino shall be
 23 paid to the New Jersey Racing Commission and shall be deposited
 24 by that commission as follows:

25 (1) 50% in the special trust account established pursuant to or
 26 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section
 27 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982,
 28 c.201 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137
 29 (C.5:10-7), as appropriate, for use and distribution as provided in
 30 section 46a.(2)(a), (b), and (c) of P.L.1940, c.17 (C.5:5-66), section
 31 2b.(1), (2), and (3) of P.L.1984, c.236 (C.5:5-66.1), section
 32 5a.(1)(a), (b), and (c) of P.L.1982, c.201 (C.5:5-98), or section
 33 7f.(1)(a)(i), (ii), and (iii) of P.L.1971, c.137 (C.5:10-7), as
 34 appropriate; and

35 (2) 50% in the special trust account established pursuant to or
 36 specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17
 37 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section
 38 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and
 39 distribution as provided therein;

40 f. .03% of the parimutuel pool generated at the casino shall be
 41 paid to the New Jersey Racing Commission and set aside in the
 42 special trust account for horse breeding and development for
 43 distribution and use as provided in section 5 of P.L.1967, c.40
 44 (C.5:5-88); and

45 g. the amount remaining after the deduction of the amounts
 46 under subsections a., b., c., d., e., and f. from the amount of the
 47 takeout rate shall be distributed as follows:

48 (1) 43% of that remaining amount shall be paid to the New
 49 Jersey Racing Commission and shall be distributed by that
 50 commission, on the basis of the following formula, among the
 51 New Jersey racetracks for their own use:

52
$$\frac{A}{B} - \frac{C}{D}$$

 53

1 where: A = the gross parimutuel pool generated at each
2 racetrack during the preceding calendar year, including the
3 parimutuel pool on simulcast races;

4 B = the gross parimutuel pool generated at racetracks
5 Statewide during the preceding calendar year, including the
6 parimutuel pool on simulcast races;

7 C = the amount to be paid to each racetrack from the
8 moneys available for distribution pursuant this paragraph;

9 D = the total amount of moneys available for
10 distribution pursuant to this paragraph;

11 (2) 43% of that remaining amount shall be paid to the New
12 Jersey Racing Commission and, subject to the provisions of
13 section 14 of this act, shall be distributed by that commission, in
14 the following year and on the basis of the following formula,
15 among the New Jersey racetracks for payment as purse money
16 and for programs designed to aid horsemen and horsemen's
17 organizations as provided in section 46a.(4) of P.L.1940, c.17
18 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
19 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of
20 P.L.1971, c.137 (C.5:10-7), in the case of harness races, and
21 section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66),
22 section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of
23 P.L.1971, c.137 (C.5:10-7), in the case of running races:

$$\frac{A}{B} = \frac{C}{D}$$

24
25
26
27 where: A = the total amount distributed by each racetrack
28 pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section
29 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982,
30 c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137
31 (C.5:10-7), in the case of harness races, or section 46b.(1)(d) or
32 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
33 c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137
34 (C.5:10-7), in the case of running races, during the preceding
35 calendar year, plus any additional amounts paid out by each
36 racetrack for overnight purses during the preceding calendar year
37 from the permit holder's share of the parimutuel pool;

38 B = the total amount distributed by racetracks
39 Statewide pursuant to section 46a.(4) of P.L.1940, c.17
40 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section
41 5a.(2) of P.L.1982, c.201 (C.5:5-98), and section 7f.(1)(b) of
42 P.L.1971, c.137 (C.5:10-7), in the case of harness races, and
43 pursuant to section 46b.(1)(d) and 46b.(2)(d) of P.L.1940, c.17
44 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), and
45 section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of
46 running races, during the preceding calendar year, plus any
47 additional amounts paid out by racetracks for overnight purses
48 during the preceding calendar year from the permit holders'
49 share of the parimutuel pool;

50 C = the amount to be paid to each racetrack from the
51 moneys available for distribution pursuant this paragraph;

52 D = the total amount of moneys available for
53 distribution pursuant to this paragraph; and

54 (3) 14% of that remaining amount shall be paid to the New

1 Jersey Racing Commission for deposit in the Casino Simulcasting
2 Special Fund established pursuant to section 15 of this act.

3 In addition, all breakage moneys and outstanding parimutuel
4 ticket moneys resulting from the wagering at the casino shall be
5 paid to the New Jersey Racing Commission and deposited in the
6 Casino Simulcasting Special Fund.

7 If a racetrack conducts both harness races and running races,
8 the moneys the racetrack receives for payment pursuant to
9 paragraph (2) of subsection g. above shall be distributed on the
10 basis of the following formula:

$$\frac{A}{B} = \frac{C}{D}$$

11
12
13
14 where: A - the total amount distributed by the racetrack
15 pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section
16 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982,
17 c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137
18 (C.5:10-7), as appropriate, in the case of harness races, plus any
19 additional amounts paid out by the racetrack for overnight purses
20 for harness races during the preceding calendar year from the
21 permit holder's share of the parimutuel pool, or pursuant to
22 section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66),
23 section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of
24 P.L.1971, c.137 (C.5:10-7), as appropriate, in the case of running
25 races, plus any additional amounts paid out by the racetrack for
26 overnight purses for running races during the preceding calendar
27 year from the permit holder's share of the parimutuel pool, as
28 the case may be;

29 B - the total amount distributed by the racetrack
30 pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section
31 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982,
32 c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137
33 (C.5:10-7), as appropriate, and pursuant to section 46b.(1)(d) or
34 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
35 c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137
36 (C.5:10-7), as appropriate, plus any additional amounts paid out
37 by the racetrack for overnight purses for both harness and
38 running races during the preceding calendar year from the permit
39 holder's share of the parimutuel pool;

40 C - the amount to be paid by the racetrack for
41 overnight purse money and for programs designed to aid horsemen
42 and horsemen's organizations as provided in section 46a.(4) of
43 P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236
44 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or
45 section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of
46 harness races, and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940,
47 c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or
48 section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of
49 running races;

50 D - the total amount of moneys available to the
51 racetrack for distribution as overnight purse money and for
52 programs designed to aid horsemen and horsemen's organizations
53 pursuant to this paragraph.

54 (cf: P.L.1992,c.19,s.13)

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

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

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

10 a. Moneys in the special fund shall first be used to pay the
11 difference between the amount paid to the Atlantic City
12 Racetrack pursuant to subsection c. of section 13 of this act and
13 \$2,000,000 in each calendar year during calendar years 1993,
14 1994, and 1995, except that if casino simulcasting in Atlantic
15 City begins after January 1, 1993 and before January 1, 1994, the
16 amount to be paid for calendar year 1993 shall be the difference
17 between the amount paid pursuant to subsection c. of that section
18 13 and that portion of \$2,000,000 determined by the following
19 formula:

$$\frac{A - C}{B - D}$$

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21
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23 where: A = 365 minus (a) the number of racing days in 1993,
24 other than live racing days, prior to the commencement of casino
25 simulcasting in Atlantic City that the Atlantic City Racetrack
26 conducts simulcasting under the provisions of the "Simulcasting
27 Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions
28 of section 37 of P.L.1992, c.19 (C.5:5-125), and (b) the number of
29 live racing days conducted by the Atlantic City Racetrack in
30 1993;

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

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

34 D = \$2,000,000.

35 b. From any amounts remaining after the payments required
36 by subsection a. of this section are made, the New Jersey Racing
37 Commission shall pay to each casino which began to conduct
38 casino simulcasting within six months after the effective date of
39 this act an amount equal to the breakage moneys and outstanding
40 parimutuel ticket moneys resulting from wagering at the casino
41 on simulcast horse races from out-of-State sending tracks during
42 the first five years that the casino conducts casino simulcasting
43 and 50% of these amounts thereafter.

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

54 d. From any amounts remaining after the payments required

1 by subsections a., b. and c. of this section are made, the New
2 Jersey Racing Commission shall compensate, in such amounts as
3 that commission deems appropriate, the following entities in the
4 following order of priority:

5 (1) any racetrack in this State which can demonstrate to the
6 satisfaction of that commission that its financial well-being has
7 been negatively affected by casino simulcasting;

8 (2) any racetrack in this State which that commission finds to
9 be financially distressed;

10 (3) any horsemen's organization which will use the money to
11 fund a project which that commission determines will be
12 beneficial to the racing industry; and

13 (4) all racetracks located in this State on an equal basis.

14 (cf: P.L.1992,c.19,s.15)

15 3. Section 16 of P.L.1992, c. 19 (C.5:12-206) is amended to
16 read as follows:

17 16. Payment to the Atlantic City Racetrack of sums provided
18 by subsection c. of section 13 or subsection a. of section 15 of
19 this act shall be made after the conclusion of each calendar year
20 for calendar years 1993 through 1995. In order to be eligible to
21 receive the amounts provided by those subsections, the Atlantic
22 City Racetrack shall not receive any simulcast horse race under
23 the provisions of the "Simulcasting Racing Act," P.L.1985, c.269
24 (C.5:5-110 et seq.) or the provisions of section 37 of this act
25 during any part of an applicable calendar year, or if casino
26 simulcasting in Atlantic City begins after January 1, 1993 and
27 before January 1, 1994 then during any part of 1993 after the
28 commencement of casino simulcasting in Atlantic City, other
29 than when a horse race meeting is being conducted at Atlantic
30 City Racetrack pursuant to a permit issued by the New Jersey
31 Racing Commission. If the Atlantic City Racetrack is not
32 eligible to receive the amount provided by subsection c. of
33 section 13, that amount shall be distributed on the basis of
34 subsections d. and g. of section 13 of this act.

35 (cf: P.L.1992,c.19,s.16)

36 4. This act shall take effect immediately.

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STATEMENT

41 At present, under the "Casino Simulcasting Act," P.L.1992, c.
42 19 (C.5:12-191 et seq.), the Atlantic City Racetrack is entitled
43 to receive annually certain moneys from the simulcasting of
44 out-of-State races to casinos during calendar years 1993, 1994,
45 and 1995, provided that the Atlantic City Racetrack does not
46 receive simulcast horse races during any part of each of those
47 years. Since simulcasting to casinos has not yet begun but is
48 expected to begin sometime in 1993, this provision would require
49 the Atlantic City Racetrack to cease receiving simulcast races
50 after December 31, 1992 in order to avoid forfeiture of moneys
51 from casino simulcasting in 1993. This bill permits the Atlantic
52 City Racetrack to continue receiving simulcast races in 1993
53 until casino simulcasting begins without forfeiting those moneys
54 to which it is entitled after the commencement of casino

1 simulcasting. The bill also prorates the amount to which the
2 Atlantic City Racetrack would be entitled in 1993 if casino
3 simulcasting begins during that year.

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8 Makes certain changes concerning payment of moneys to Atlantic
9 City Racetrack from casino simulcasting.

1 by subsections a., b. and c. of this section are made, the New
2 Jersey Racing Commission shall compensate, in such amounts as
3 that commission deems appropriate, the following entities in the
4 following order of priority:

5 (1) any racetrack in this State which can demonstrate to the
6 satisfaction of that commission that its financial well-being has
7 been negatively affected by casino simulcasting;

8 (2) any racetrack in this State which that commission finds to
9 be financially distressed;

10 (3) any horsemen's organization which will use the money to
11 fund a project which that commission determines will be
12 beneficial to the racing industry; and

13 (4) all racetracks located in this State on an equal basis.

14 (cf: P.L.1992,c.19,s.15)

15 3. Section 16 of P.L.1992, c. 19 (C.5:12-206) is amended to
16 read as follows:

17 16. Payment to the Atlantic City Racetrack of sums provided
18 by subsection c. of section 13 or subsection a. of section 15 of
19 this act shall be made after the conclusion of each calendar year
20 for calendar years 1993 through 1995. In order to be eligible to
21 receive the amounts provided by those subsections, the Atlantic
22 City Racetrack shall not receive any simulcast horse race under
23 the provisions of the "Simulcasting Racing Act," P.L.1985, c.269
24 (C.5:5-110 et seq.) or the provisions of section 37 of this act
25 during any part of an applicable calendar year, or if casino
26 simulcasting in Atlantic City begins after January 1, 1993 and
27 before January 1, 1994 then during any part of 1993 after the
28 commencement of casino simulcasting in Atlantic City, other
29 than when a horse race meeting is being conducted at Atlantic
30 City Racetrack pursuant to a permit issued by the New Jersey
31 Racing Commission. If the Atlantic City Racetrack is not
32 eligible to receive the amount provided by subsection c. of
33 section 13, that amount shall be distributed on the basis of
34 subsections d. and g. of section 13 of this act.

35 (cf: P.L.1992,c.19,s.16)

36 4. This act shall take effect immediately.

37

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39

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STATEMENT

41 At present, under the "Casino Simulcasting Act," P.L.1992, c.
42 19 (C.5:12-191 et seq.), the Atlantic City Racetrack is entitled
43 to receive annually certain moneys from the simulcasting of
44 out-of-State races to casinos during calendar years 1993, 1994,
45 and 1995, provided that the Atlantic City Racetrack does not
46 receive simulcast horse races during any part of each of those
47 years. Since simulcasting to casinos has not yet begun but is
48 expected to begin sometime in 1993, this provision would require
49 the Atlantic City Racetrack to cease receiving simulcast races
50 after December 31, 1992 in order to avoid forfeiture of moneys
51 from casino simulcasting in 1993. This bill permits the Atlantic
52 City Racetrack to continue receiving simulcast races in 1993
53 until casino simulcasting begins without forfeiting those moneys
54 to which it is entitled after the commencement of casino

1 simulcasting. The bill also prorates the amount to which the
2 Atlantic City Racetrack would be entitled in 1993 if casino
3 simulcasting begins during that year.

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8 Makes certain changes concerning payment of moneys to Atlantic
9 City Racetrack from casino simulcasting.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 24

STATE OF NEW JERSEY

DATED: DECEMBER 3, 1992

The Assembly Financial Institutions Committee reports favorably Assembly Bill No. 24.

This bill permits the Atlantic City Racetrack to continue receiving simulcast races in 1993 until casino simulcasting begins without forfeiting those moneys to which it is entitled pursuant to sections 13 and 15 of the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-203 and 5:12-205), after the commencement of casino simulcasting. The bill also prorates the amount to which the Atlantic City Racetrack would be entitled from casino simulcasting in 1993 if casino simulcasting begins during that year.