

5:5-66

LEGISLATIVE HISTORY CHECKLIST

NJSA 5:5-66 (Harness race meetings--disposition of pari-mutual pools)

LAWS 1981 CHAPTER 449

Bill No. A3505

Sponsor(s) Codey, Bornheimer & Saxton

Date Introduced June 15, 1981

Committee: Assembly State Govt., Federal & Interstate Relations & Veterans Affairs

Senate _____

Amended during passage Yes No Amendments denoted by asterisks

according to Governor's recommendations:
Date of Passage: Assembly June 29, 1981

Re-enacted 1-4-82

Senate Nov. 16, 1981

Re-enacted 1-7-82

Date of approval Jan. 9, 1982

Following statements are attached if available:

Sponsor statement Yes No (Below)

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Sponsors' statements:

This bill would amend the provisions of the harness racing statute regarding the distribution of parimutual pools. It would provide greater revenue to the tracks to meet higher operating expenses and would supplement purses.

6/22/81

NOV 1982

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 3505

STATE OF NEW JERSEY

INTRODUCED JUNE 15, 1981

By Assemblymen CODEY, BORNHEIMER and SAXTON

Referred to Committee on State Government, Federal and
Interstate Relations and Veterans Affairs

AN ACT providing for the distribution and disposition of the pari-
mutuel pool at **harness** **horse** race meetings, and
amending P. L. 1940, c. 17, P. L. 1981, c. 118, and P. L. 1981,
c. 154.

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

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

3 46. Every permitholder engaged in the business of conducting
4 horse race meetings under this act, except the New Jersey Sports
5 and Exposition Authority established pursuant to P. L. 1971, c. 137
6 (C. 5:10-1 et seq.), shall make disposition of the deposits remain-
7 ing undistributed pursuant to section 44 as follows:

8 a. In the case of harness races:

9 (1) Pay to the commission **[3.30%]** **[2.10%]** **150%** of
10 so much of the total contributions to all parimutuel pools conducted
11 or made during such calendar year on any and every horse race
12 track granted a permit under this act. Notwithstanding the fore-
13 going, for pools where the patron is required to select two horses,
14 the permitholder shall pay to the commission **[4.30%]** **[3.10%]**
15 **2.50%** of the total contributions and for pools where the patron
16 is required to select three or more horses, the permitholder shall
17 pay to the commission **[7.30%]** **[6.10%]** **5.50%** of the
17A total contributions.

18 Payment on account of such sums to be paid to the commission
19 shall be made every seventh day of any and every race meeting in
20 the amount then due as determined in the manner provided above,
21 and shall be accompanied by a report under oath showing the total
22 of all such contributions, together with such other information as

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

23 the commission may require. Except as otherwise provided by law,
 24 no admission or amusement tax, excise tax, license or horse racing
 25 fee of any kind shall be assessed or collected from any permitholder
 26 by the State of New Jersey, or by any county or municipality, or
 27 by any other body having power to assess or collect license fees or
 28 taxes.

29 (2) Hold and set aside in an account designated as a special trust
 30 account 1.15% of such total contributions in all pools to be used
 31 and distributed as hereinafter provided and as provided in section
 32 5 of P. L. 1967, c. 40, for the following purposes and no other :

33 (a) 37% thereof to increase purses and grant awards for start-
 34 ing horses as provided or as may be provided by rules of the New
 35 Jersey Racing Commission with payment to be made in the same
 36 manner as payment of other purses and awards;

37 (b) 55% thereof for the establishment of a Sire Stakes Pro-
 38 gram for standardbred horses with payment to be made to the
 39 Department of Agriculture for administration as hereinbefore
 40 provided;

41 (c) 5% thereof for contributions and awards designed to improve
 42 and promote the standardbred breeding industry in New Jersey
 43 through payment of awards to owners and breeders of New Jersey
 44 bred horses which are registered with the Standardbred Breeders'
 45 and Owners' Association of New Jersey and which earn portions of
 46 purses in open events on New Jersey tracks, and to owners of
 47 stallions posted on the official stallions roster of the Standardbred
 48 Breeders' and Owners' Association of New Jersey which sire such
 49 registered New Jersey bred money earners;

50 (d) 3% thereof for other New Jersey horse breeding and promo-
 51 tion conducted by the New Jersey Department of Agriculture.

52 (3) Retain **[6%]** ****[6.80%]**** ****7.20%**** of so much of such
 53 total contributions for his own uses and purposes. Notwithstanding
 54 the foregoing, for pools where the patron is required to select two
 55 horses, the permitholder shall retain **[6.5%]** ****[7.30%]****
 56 ****7.70%**** of the total contributions and for pools where the patron
 57 is required to select three or more horses, the permitholder shall
 58 retain **[8%]** ****[8.80%]**** ****9.20%**** of the total contributions.
 59 Each permitholder shall contribute out of its **[8%]** ****[9.80%]****
 60 ****9.20%**** share of pools, where the patron is required to select
 61 three or more horses, a sum deemed necessary by the Racing Com-
 62 mission, to finance a prerace blood testing program, and such other
 63 testing programs which the commission shall deem proper and
 64 necessary and which shall be subject to the regulation and control of
 65 said commission.

66 (4) Distribute as purse money and for programs designed to aid
 67 the horsemen and the Standardbred Breeders' and Owners' Asso-
 68 ciation of New Jersey **【6.55%】** ****【6.95%】**** ****7.15%**** of such
 69 total contributions. Expenditures for programs designed to aid the
 70 horsemen and the Standardbred Breeders' and Owners' Association
 71 of New Jersey shall not exceed 3.2% of the sum available for distri-
 72 bution as purse money. The formula for distribution of the purse
 73 money as either overnight purses or special stakes shall be deter-
 74 mined by an agreement between the Standardbred Breeders' and
 75 Owners' Association of New Jersey and the tracks. Notwithstand-
 76 ing the foregoing, for pools where the patron is required to select
 77 two or more horses, the permitholder shall distribute as purse
 78 money **【7.05%】** ****【7.45%】**** ****7.65%**** of the total contributions
 79 and for pools where the patron is required to select three or more
 80 horses, the permitholder shall distribute as purse money **【8.55%】**
 81 ****【8.95%】**** ****9.15%**** of the total contributions. Notwithstanding
 82 the foregoing, for pools where a patron is required to select three
 83 or more horses, each permitholder shall retain out of the **【8.55%】**
 84 ****【8.95%】**** ****9.15%**** to be distributed as purse money, a sum
 85 deemed necessary by the racing commission, for use by the commis-
 86 sion to finance a prerace blood testing program, and such other
 86A testing programs which the commission shall deem proper and
 86B necessary and which shall be subject to the regulation and control
 86C of said commission.

87 b. In the case of running races:

88 (1) Where the amount derived from the parimutuel handle does
 89 not exceed \$1 million per day based on such contributions accumu-
 90 lated and averaged during the calendar year, the permitholder
 91 shall:

92 (a) Pay to the commission 30% of 1% of so much of the total
 93 contributions to all parimutuel pools conducted or made during
 94 such calendar year; but notwithstanding the foregoing, for pools
 95 where the patron is required to select three or more horses, the
 96 permitholder shall pay to the commission 1.30% of the total
 97 contributions.

98 Payment on account of such sums to be paid to the commission
 99 shall be made every seventh day of any and every race meeting in
 100 the amount then due as determined in the manner provided above,
 101 and shall be accompanied by a report under oath showing the total
 102 of all such contributions, together with such other information as
 103 the commission may require. Except as otherwise provided by law,
 104 no admission or amusement tax, excise tax, license or horse racing
 105 fee of any kind shall be assessed or collected from any permitholder

106 by the State of New Jersey, or by any county or municipality, or
 107 by any other body having power to assess or collect license fees or
 108 taxes.

109 (b) Hold and set aside in an account designated as a special trust
 110 account 23% of 1% of such total contributions to be used and dis-
 111 tributed as hereinafter provided and as provided in section 5 of
 112 P. L. 1967, c. 40, for the following purposes and no other:

113 (i) 18% of 1% thereof for contributions and awards de-
 114 signed to improve and promote the thoroughbred breeding
 115 industry in New Jersey through payments of awards to owners
 116 and breeders of registered New Jersey bred horses which earn
 117 portions of purses in open events on New Jersey tracks, and
 118 to owners of stallions posted on the official stallion rosters of
 119 the Thoroughbred Breeders' Association of New Jersey which
 120 sire such registered New Jersey bred money winners;

121 (ii) 5% of 1% thereof for State horse breeding and devel-
 122 opment programs, research, fairs, horse shows, youth activi-
 123 ties, promotion and administration.

124 (c) Retain **8.57%** **9.73%** of such total contributions for
 125 his own uses and purposes. For pools where the patron is required
 126 to select two horses, the permitholder shall retain **9.66%**
 127 **10.80%** of the total contributions and for pools where the
 128 patron is required to select three or more horses, the permitholder
 129 shall retain **12.12%** **13.21%** of the total contributions.

130 (d) Distribute as purse money and for programs designed to
 131 aid the horsemen and the New Jersey Horsemen's Benevolent and
 132 Protective Association **7.16%** **6.00%** of such contribu-
 133 tions. Notwithstanding the foregoing, for pools where the patron is
 134 required to select two horses, the permitholder shall distribute as
 135 purse money **8.07%** **6.93%** of such contributions and for
 136 pools where the patron is required to select three or more horses,
 137 the permitholder shall distribute as purse money **10.11%**
 138 **9.02%** of the total contributions. Expenditures for programs
 139 designed to aid the horsemen and the New Jersey Horsemen's
 140 Bencvolent and Protective Association shall not exceed 2.5% of the
 141 sum available for distribution as purse money from all parimutuel
 142 pools. The formula for distribution of the purse money as either
 143 overnight purses or special stakes shall be determined by an agree-
 144 ment between the New Jersey Horsemen's Benevolent and Pro-
 144A tective Association and the permitholder.

145 (e) (i) 50% of 1% of all pools shall be deducted and set aside in
 146 a special trust account for the establishment and support by the
 147 commission of the thoroughbred breeding industry in New Jersey;

148 to improve purses for closed races; to provide awards for owners
 149 and breeders of registered New Jersey bred horses who earn por-
 150 tions of purses in closed races at New Jersey race tracks and to
 151 owners of stallions posted on the official stallion rosters of the Thor-
 152 oughbred Breeders' Association of New Jersey which sire such
 153 New Jersey bred money earners and awards to the New Jersey
 154 Thoroughbred Breeders' Association for programs beneficial to
 155 thoroughbred breeding in this State. The New Jersey thoroughbred
 156 award program shall be administered and disbursed by the com-
 157 mission while the thoroughbred open breeder awards shall be ad-
 158 ministered and disbursed by the New Jersey Department of Agri-
 159 culture. The special trust account to be established pursuant to
 160 this paragraph shall be separate and apart from the special trust
 161 account established and maintained pursuant to subparagraph (b)
 162 of this paragraph.

163 (ii) 12% of 1% shall be deducted and set aside in a special trust
 164 account for the purpose of stabilizing the Thoroughbred Breeding
 165 Award Program. These funds shall be used by the New Jersey
 166 Racing Commission to supplement both the opened and closed
 167 award program. When necessary, the Racing Commission shall
 168 forward a portion of the funds to the Department of Agriculture
 169 for distribution to New Jersey bred horses that successfully com-
 170 pete in open races. Any sums not used shall revert to the State
 171 General Treasury.

172 (f) 12% of 1% shall be deposited in a separate special trust
 173 account for use by the commission in keeping thoroughbred tracks
 174 and stable facilities open during periods of time when they are not
 175 normally in operation when to do so would serve the public interest.

176 (g) Notwithstanding the foregoing, for pools where a patron is
 177 required to select three or more horses, 50% of 1% of the total
 178 contributions shall be held and set aside in the special trust account
 179 referred to in subparagraph (e) (i) of this paragraph.

180 (2) Where the amount derived from the parimutuel handle ex-
 181 ceeds \$1 million per day based on such contributions accumulated
 182 and averaged during the calendar year, the permitholder shall:

183 (a) Pay to the commission ****[3.30%]**** ****3.22%**** of so much of
 184 the total contributions to all parimutuel pools conducted or made
 185 during such calendar year; but, notwithstanding the foregoing, for
 186 pools where the patron is required to select three or more horses,
 187 the permitholder shall pay to the commission ****[4.30%]****
 187A ****4.22%**** of the total contributions.

188 Payment on account of such sums to be paid to the commission
 189 shall be made every seventh day of any and every race meeting in

190 the amount then due as determined in the manner provided above,
 191 and shall be accompanied by a report under oath showing the total
 192 of all such contributions, together with such other information as
 193 the commission may require. Except as otherwise provided by law,
 194 no admission or amusement tax, excise tax, license or horse racing
 195 fee of any kind shall be assessed or collected from any permitholder
 196 by the State of New Jersey, or by any county or municipality, or
 197 by any other body having power to assess or collect license fees or
 198 taxes.

199 (b) Hold and set aside in an account designated as a special trust
 200 account 23% of 1% of such total contributions to be used and dis-
 201 tributed as hereinafter provided and as provided in section 5 of
 202 P. L. 1967, c. 40, for the following purposes and no other :

203 (i) 18% of 1% thereof for contributions and awards de-
 204 signed to improve and promote the thoroughbred breeding in-
 205 dustry in New Jersey through payments of awards to owners
 206 and breeders of registered New Jersey bred horses which
 207 earned portions of purses in open events on New Jersey tracks,
 208 and to owners of stallions posted on the official stallion rosters
 209 of the Thoroughbred Breeders' Association of New Jersey
 210 which sire such registered New Jersey bred money winners ;

211 (ii) 5% of 1% thereof for State horse breeding and devel-
 212 opment programs, research, fairs, horse shows, youth activi-
 213 ties, promotion and administration.

214 (c) Retain 6.81% of such total contributions for his own uses and
 215 purposes. For pools where the patron is required to select two
 216 horses, the permitholder shall retain 7.88% of the total contribu-
 217 tions and for pools where the patron is required to select three or
 218 more horses, the permitholder shall retain 10.29% of the total
 219 contributions.

220 (d) Distribute as purse money and for programs designed to aid
 221 the horsemen and the New Jersey Horsemen's Benevolent and
 222 Protective Association 5.92% of such contributions. Notwithstand-
 223 ing the foregoing, for pools where the patron is required to select
 224 two horses, the permitholder shall distribute as purse money 6.85%
 225 of such contributions and for pools where the patron is required to
 226 select three or more horses, the permitholder shall distribute as
 227 purse money 8.94% of the total contributions. Expenditures for
 228 programs designed to aid the horsemen and the New Jersey Horse-
 229 men's Benevolent and Protective Association shall not exceed
 230 2.5% of the sum available for distribution as purse money from all
 231 parimutuel pools. The formula for distribution of the purse money
 232 as either overnight purses or special stakes shall be determined by

233 an agreement between the New Jersey Horsemen's Benevolent and
234 Protective Association and the permitholder.

235 (e) (i) 50% of 1% of all pools shall be deducted and set aside in a
236 special trust account for the establishment and support by the com-
237 mission of the thoroughbred breeding industry in New Jersey; to
238 improve purses for closed races; to provide awards for owners and
239 breeders of registered New Jersey bred horses who earn portions
240 of purses in closed races at New Jersey race tracks and to owners
241 of stallions posted on the official stallion rosters of the Thorough-
242 bred Breeders' Association of New Jersey which sire such New
243 Jersey bred money earners and awards to New Jersey thorough-
244 bred breeders associations for programs beneficial to thoroughbred
245 breeding in this State. The New Jersey thoroughbred award pro-
246 gram shall be administered and disbursed by the commission while
247 the thoroughbred open breeder awards shall be administered and
248 disbursed by the New Jersey Department of Agriculture. The spe-
249 cial trust account to be established pursuant to this paragraph shall
250 be separate and apart from the special trust account established
251 and maintained pursuant to subparagraph (b) of this paragraph.

252 (ii) ~~12%~~ 20% of 1% shall be deducted and set aside in
253 a special trust account for the purpose of stabilizing the Thorough-
254 bred Breeding Award Program. These funds shall be used by the
255 New Jersey Racing Commission to supplement both the opened and
256 closed award program. When necessary, the Racing Commission
257 shall forward a portion of the funds to the Department of Agricul-
258 ture for distribution to New Jersey bred horses that successfully
259 compete in open races. Any sums not used shall revert to the State
260 General Treasury.

261 (f) 12% of 1% shall be deposited in a separate special trust
262 account for use by the New Jersey Racing Commission in keeping
263 thoroughbred tracks and stable facilities open during periods of
264 time when they are not normally in operation when to do so would
265 serve the public interest.

266 (g) Notwithstanding the foregoing, for pools where a patron is
267 required to select three or more horses, 50% of 1% of the total
268 contributions shall be held and set aside in the special trust account
269 referred to in subparagraph (e) (i) of this paragraph.

270 Notwithstanding any other provision of this section, every har-
271 ness permitholder engaged in the business of conducting harness
272 race meetings shall retain from the funds designated in subsection
273 a. (1) of this section an additional 20% of 1% of the total contribu-
274 tions to all parimutuel pools for his own uses and purposes, in addi-
275 tion to those sums herein mentioned in subsection a. (3) of this

276 section, during the period of November 1 to March 31, referred to as
 277 winter racing days. Any running race permitholder operating
 278 pursuant to subsection b. (2) of this section shall retain from the
 279 funds designated in subsection b. (2) (a) an additional 1% of the
 280 total contributions to all parimutuel pools for his own uses and
 281 purposes, in addition to those sums herein mentioned in subsection
 282 b. (2) (c), for any winter racing days as herein defined**; and
 283 commencing June 1, 1982, shall retain from the funds designated in
 284 subsection b. (2) (a) an additional 1% of the total contributions
 285 during the months of June, July and August to all parimutuel pools
 286 for his own uses and purposes, in addition to those sums herein
 287 mentioned in subsection b. (2) (c), when a harness race meeting,
 288 other than one conducted by the New Jersey Sports and Exposition
 289 Authority, is operating concurrently.**

1 **2. Section 4 of P. L. 1981, c. 118 is amended to read as follows:

2 4. Notwithstanding any other provisions of section 46 of P. L.
 3 1940, c. 17 (C. 5:5-66), any permitholder conducting running race
 4 meetings prior to June 1, ~~1981~~ 1982 shall be considered as
 5 operating a special race meeting at which distribution of all pari-
 6 mutuel pools shall be as follows:

7 a. Pay to the commission ~~38%~~ 30% of 1% of so much of the
 8 total contributions to all parimutuel pools conducted or made during
 9 such calendar year; but, notwithstanding the foregoing, for pools
 10 where the patron is required to select three or more horses, the
 11 permitholder shall pay to the commission ~~1.38%~~ 1.30% of the
 12 total contributions.

13 Payment on account of such sums to be paid to the commission
 14 shall be made every seventh day of any and every race meeting in
 15 the amount then due as determined in the manner provided above,
 16 and shall be accompanied by a report under oath showing the total
 17 of all such contributions, together with such other information as
 18 the commission may require. Except as otherwise provided by law,
 19 no admission or amusement tax, excise tax, license or horse racing
 20 fee of any kind shall be assessed or collected from any permitholder
 21 by the State of New Jersey, or by any county or municipality, or by
 22 an other body having power to assess or collect license fees or taxes.

23 b. Hold and set aside in an account designated as a special trust
 24 account 23% of 1% of such total contributions to be used and
 25 distributed as hereinafter provided in section 5 and as provided in
 26 section 2 of this act for the following purposes and no other:

27 (1) 18% of 1% thereof for contributions and awards designed to
 28 improve and promote the thoroughbred breeding industry in New
 29 Jersey through payments of awards to owners and breeders of

30 registered New Jersey bred horses which earned portions of purses
31 in open events on New Jersey tracks, and to owners of stallions
32 posted on the official stallion rosters of the Thoroughbred Breeders'
33 Association of New Jersey which sire such registered New Jersey
34 bred money winners;

35 (2) 5% of 1% thereof for State horse breeding and development
36 programs, research, fairs, horse shows, youth activities, promotion
37 and administration.

38 c. Retain 9.73% of such total contributions for his own uses and
39 purposes. For pools where the patron is required to select two
40 horses, the permitholder shall retain 10.80% of the total contribu-
41 tions and for pools where the patron is required to select three or
42 more horses, the permitholder shall retain 13.21% of the total
43 contributions.

44 d. Distribute as purse money and for programs designed to aid
45 the horsemen and the New Jersey Horsemen's Benevolent and
46 Protective Association 5.92% of such contributions. Notwithstand-
47 ing the foregoing, for pools where the patron is required to select
48 two horses, the permitholder shall distribute as purse money
49 6.85% of such contributions and for pools where the patron is
50 required to select three or more horses, the permitholder shall
51 distribute as purse money 8.94% of the total contributions. Expen-
52 ditures for programs designed to aid the horsemen and the New
53 Jersey Horsemen's Benevolent and Protective Association shall
54 not exceed 2.5% of the sum available for distribution as purse
55 money from all parimutuel pools. The formula for distribution of
56 the purse money as either overnight purses or special stakes shall
57 be determined by an agreement between the New Jersey Horsemen's
58 Benevolent and Protective Association and the permitholder.

59 e. (1) 50% of 1% of all pools shall be deducted and set aside in a
60 special trust account for the establishment and support by the
61 commission of the thoroughbred breeding industry in New Jersey;
62 to improve purses for closed races; to provide awards for owners
63 and breeders of registered New Jersey bred horses who earn por-
64 tions of purses in closed races at New Jersey race tracks and **[and]**
65 to owners of stallions posted on the official stallion rosters of the
66 Thoroughbred Breeders' Association of New Jersey which sire
67 such New Jersey bred money earners and awards to New Jersey
68 thoroughbred breeders associations for programs beneficial to
69 thoroughbred breeding in this State. The New Jersey thoroughbred
70 award program shall be administered and disbursed by the com-
71 mission while the thoroughbred open breeder awards shall be
72 administered and disbursed by the New Jersey Department of

73 Agriculture. The special trust account to be established pursuant
74 to this paragraph shall be separate and apart from the special trust
75 account established and maintained pursuant to subsection b. of
76 this section.

77 (2) ~~12%~~ 20% of 1% shall be deducted and set aside in a special
78 trust account for the purpose of stabilizing the Thoroughbred
79 Breeding Award Program. These funds shall be used by the New
80 Jersey Racing Commission to supplement both the opened and
81 closed award program. When necessary, the Racing Commission
82 shall forward a portion of the funds to the Department of Agricul-
83 ture for distribution to New Jersey bred horses that successfully
84 compete in open races. Any sums not used shall revert to the State
85 General Treasury.

86 f. 12% of 1% shall be deposited in a separate special trust
87 account for use by the New Jersey Racing Commission in keeping
88 thoroughbred tracks and stable facilities open during periods of
89 time when they are not normally in operation when to do so would
90 serve the public interest.

91 g. Notwithstanding the foregoing, for pools where a patron is
92 required to select three or more horses, 50% of 1% of the total
93 contributions shall be held and set aside in the special trust account
94 referred to in subsection e. of this section.

1 3. Section 1 of P. L. 1981, c. 154 is amended to read as follows:

2 1. Notwithstanding the provisions of section 44 of P. L. 1940,
3 c. 17 (C. 5:5-64), every permitholder engaged in the business of
4 conducting running race meetings where the amount derived from
5 the parimutuel handle does not exceed \$1 million per day based on
6 such contributions accumulated and averaged during the calendar
7 year ~~1981~~ 1982 shall retain the breaks during its ~~1981~~ 1982
8 meeting for use in supplementing the purses distributed by the
9 permitholder up to a maximum average daily purse distribution of
10 \$65,000.00; *and every permitholder engaged in conducting running*
11 *race meetings wherein the amount derived from the parimutuel*
12 *handle exceeds \$1 million per day accumulated and averaged during*
13 *calendar year 1982 shall retain the breaks during its 1982 meeting*
14 *for use in supplementing the purses distributed by the permitholder*
15 *up to a maximum average daily purse distribution of \$85,000.00.*

16 Any funds not used for such purse supplements shall be paid
17 to the commission for the use of the State at the conclusion of the
18 permitholder's ~~1981~~ 1982 meeting.**

1 **~~2.~~ **4.** This act shall take effect immediately *and shall*
2 *be retroactive to May 1, 1981*.*

ASSEMBLY STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS
AFFAIRS COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3505

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 1981

This bill provides (1) an increase of .8% of the share of the pari-mutuel handle going to private harness tracks that operate during the summer months (thus raising the present rates from 6% to 6.8% on regular wagering, from 6.5% to 7.3% on exactas, and from 8% to 8.8% on trifectas); and (2) an increase of .4% for purses at *all* private harness tracks (thus raising the present rates from 6.55% to 6.95% on regular wagering, from 7.05% to 7.45% on exactas, and from 8.55% to 8.95% on trifectas).

The purposes of this bill are to help private harness tracks meet higher operating expenses and to provide greater purses to the horsemen.

The committee amended the bill to make it retroactive to May 1, 1981.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

December 17, 1981

ASSEMBLY BILL NO. 3505 (OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 3505 (OCR) with my recommendations.

This bill would amend the distribution and disposition of the parimutuel pool at privately operated harness race meetings. Specifically, it would permit Freehold Raceway and Atlantic City Raceway, during its meeting at Freehold, to increase retroactively the share of the parimutuel pool it may retain by .8 of 1 percent at the expense of the share that would otherwise go to the State. In addition, this bill would provide that an additional .4 of 1 percent of the State's share be set aside for higher purses at Freehold Raceway.

This legislation had been sought by the Freehold Raceway in the face of a \$1,000,000 projected loss for the track's operation in 1981. The track's management requested an additional 1.5 percent of the "takeout" or portion of the pool not returned to successful bettors. The .8 of 1 percent figure in this bill was chosen as a cautious response to the track's anticipated deficit. It now appears that the management's estimates were correct and greater financial relief will be necessary to keep Freehold Raceway financially stable.

Freehold Raceway's problems cannot be considered separately, however, but must be looked at in conjunction with those of the private thoroughbred race tracks which hold their meetings during the same time of the year, Monmouth Park and Atlantic City Racetrack. They, too, have had serious financial difficulties in recent years and resolution of these interconnected problems must be comprehensive not piecemeal.

I believe it is important to encourage the continuation of both thoroughbred and standardbred racing and breeding in this State. The revenues which the State realizes from its share of the wagering pools is negligible compared to the value that horse breeding and racing have for

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

-2-

the retention of green, yet productive, open spaces and the promotion of tourism.

Accordingly, I am recommending amendments to this bill which would (1) increase Freehold Raceway's share of the parimutuel pool by 1.2 percent rather than .8 of 1 percent, (2) increase the portion reserved for purses from .4 of 1 percent to .6 of 1 percent, (3) increase Monmouth Park's share prospectively by 1 percent during those periods when both it and Freehold are operating simultaneously, (4) permit the Monmouth Park Racing Association to use the "breakage" in the parimutuel pool (that portion left over when payoffs are rounded off to the nearest dime for every two dollar bet) to supplement overnight purses to a level of \$85,000 per day, (5) increase the portion of the takeout at Monmouth Park for the thoroughbred breeder program from .12 to .20 of 1 percent, (6) increase Atlantic City Racing Association's share by slightly more than 1 percent at the expense of the portion of the pool set aside for purses but (7) allow Atlantic City Racing Association to use breakage to maintain a daily purse level at \$65,000:

Page 1, Title, Line 1: Delete "harness" and insert "horse"

Page 1, Title, Line 3: After "c.17" insert ", P.L. 1981, c.118, and P.L. 1981, c.154"

Page 1, Section 1, Line 9: Delete "2.10" and insert "1.50"

Page 1, Section 1, Line 14: Delete "3.10" and insert "2.50"

Page 1, Section 1, Line 16: Delete "6.10" and insert "5.50"

Page 2, Section 1, Line 52: Delete "6.80" and insert "7.20"

Page 2, Section 1, Line 55: Delete "7.30" and insert "7.70"

Page 2, Section 1, Line 57: Delete "8.80" and insert "9.20"

Page 2, Section 1, Line 58: Delete "8.80" and insert "9.20"

Page 2, Section 1, Line 66: Delete "6.95" and insert "7.15"

Page 3, Section 1, Line 75: Delete "7.45" and insert "7.65"

Page 3, Section 1, Line 78: Delete "8.95" and insert "9.15"

Page 3, Section 1, Line 81: Delete "8.95" and insert "9.15"

Page 4, Section 1, Line 124: Delete "8.57" and insert "9.73"

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

-3-

Page 4, Section 1, Line 126: Delete "9.66" and insert "10.80"

Page 4, Section 1, Line 128: Delete "12.12" and insert "13.21"

Page 4, Section 1, Line 132: Delete "7.16" and insert "6.00"

Page 4, Section 1, Line 134: Delete "8.07" and insert "6.93"

Page 4, Section 1, Line 137: Delete "10.11" and insert "9.02"

Page 5, Section 1, Line 183: Delete "3.30" and insert "3.22"

Page 5, Section 1, Line 187: Delete "4.30" and insert "4.22"

Page 7, Section 1, Line 252: Delete "12" and insert "20"

Page 7, Section 1, Line 282: After "defined" insert "; and commencing June 1, 1982, shall retain from the funds designated in subsection b.2(a) an additional 1% of the total contributions during the months of June, July and August to all parimutuel pools for his own uses and purposes, in addition to those sums herein mentioned in subsection b.(2)(c), when a harness race meeting, other than one conducted by the New Jersey Sports and Exposition Authority, is operating concurrently."

Page 7, Section 1, After Line 282: Insert "2. Section 4 of P.L. 1981, c.118 is amended to read as follows: 4. Notwithstanding any other provisions of section 46 of P.L. 1940, c.17 (C.5:5-66), any permitholder conducting running race meetings prior to June 1, [1981] 1982 shall be considered as operating a special race meeting at which distribution of all parimutuel pools shall be as follows:

a. Pay to the commission [~~38%~~] 30% of 1% of so much of the total contributions to all parimutuel pools conducted or made during such calendar year; but, notwithstanding the foregoing, for pools where the patron is required to select three or more horses, the permitholder shall pay to the commission [~~1.38%~~] 1.30% of the total contributions.

Payment on account of such sums to be paid to the commission shall be made every seventh day of any and every race meeting in the amount then due as determined in the manner provided above, and shall be accompanied by a report under oath showing the total of all such contributions, together with such other information as the commission may require. Except as otherwise provided by law, no admission or amusement tax, excise tax,

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

-4-

license or horse racing fee of any kind shall be assessed or collected from any permitholder by the State of New Jersey, or by any county or municipality, or by any other body having power to assess or collect license fees or taxes.

b. Hold and set aside in an account designated as a special trust account 23% of 1% of such total contributions to be used and distributed as hereinafter provided in section 5 and as provided in section 2 of this act for the following purposes and no other:

(1) 18% of 1% thereof for contributions and awards designed to improve and promote the thoroughbred breeding industry in New Jersey through payments of awards to owners and breeders of registered New Jersey bred horses which earned portions of purses in open events on New Jersey tracks, and to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such registered New Jersey bred money winners:

(2) 5% of 1% thereof for State horse breeding and development programs, research, fairs, horse shows, youth activities, promotion and administration.

c. Retain 9.73% of such total contributions for his own uses and purposes. For pools where the patron is required to select two horses, the permitholder shall retain 10.80% of the total contributions and for pools where the patron is required to select three or more horses, the permitholder shall retain 13.21% of the total contributions.

d. Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association 5.92% of such contributions. Notwithstanding the foregoing, for pools where the patron is required to select two horses, the permitholder shall distribute as purse money 6.85% of such contributions and for pools where the patron is required to select three or more horses, the permitholder shall distribute as purse money 8.94% of the total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Horsemen's Benevolent and Protective Association shall not exceed 2.5% of the sum available for distribution as purse money from all parimutuel pools. The

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

-5-

formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Horsemen's Benevolent and Protective Association and the permitholder.

e. (1) 50% of 1% of all pools shall be deducted and set aside in a special trust account for the establishment and support by the commission of the thoroughbred breeding industry in New Jersey; to improve purses for closed races; to provide awards for owners and breeders of registered New Jersey bred horses who earn portions of purses in closed races at New Jersey race tracks and and (sic) to owners of stallions posted on the official stallion rosters of the Thoroughbred Breeders' Association of New Jersey which sire such New Jersey bred money earners and awards to New Jersey thoroughbred breeders associations for programs beneficial to thoroughbred breeding in this State. The New Jersey thoroughbred award program shall be administered and disbursed by the commission while the thoroughbred open breeder awards shall be administered and disbursed by the New Jersey Department of Agriculture. The special trust account to be established pursuant to this paragraph shall be separate and apart from the special trust account established and maintained pursuant to subsection b. of this section.

(2) [12%] 20% of 1% shall be deducted and set aside in a special trust account for the purpose of stabilizing the Thoroughbred Breeding Award Program. These funds shall be used by the New Jersey Racing Commission to supplement both the opened and closed award program. When necessary, the Racing Commission shall forward a portion of the funds to the Department of Agriculture for distribution to New Jersey bred horses that successfully compete in open races. Any sums not used shall revert to the State General Treasury.

f. 12% of 1% shall be deposited in a separate special trust account for use by the New Jersey Racing Commission in keeping thoroughbred tracks and stable facilities open during periods of time when they are not normally in operation when to do so would serve the public interest.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

-6-

g. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, 50% of 1% of the total contributions shall be held and set aside in the special trust account referred to in subsection e. of this section.

3. Section 1 of P.L. 1981, c.154 is amended to read as follows:

1. Notwithstanding the provisions of section 44 of P.L. 1940, c.17 (C.5:5-64), every permitholder engaged in the business of conducting running race meetings where the amount derived from the parimutuel handle does not exceed \$1 million per day based on such contributions accumulated and averaged during the calendar year [1981] 1982 shall retain the breaks during its [1981] 1982 meeting for use in supplementing the purses distributed by the permitholder up to a maximum average daily purse distribution of \$65,000.00; and every permitholder engaged in conducting running race meetings wherein the amount derived from the parimutuel handle exceeds \$1 million per day accumulated and averaged during calendar year 1982 shall retain the breaks during its 1982 meeting for use in supplementing the purses distributed by the permitholder up to a maximum average daily purse distribution of \$85,000.00.

Any funds not used for such purse supplements shall be paid to the commission for the use of the State at the conclusion of the permitholder's [1981] 1982 meeting."

Page 7, Section 2, Line 1: Delete "2." and insert "4."

Respectfully,

/s/ Brendan Byrne

GOVERNOR

[seal]

Attest:

/s/ Harold L. Hodes

Chief of Staff, Secretary