

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO **SENATE, No. 2992**

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 10, 2018

The Senate Budget and Appropriations Committee reports favorably and with amendments, Senate Bill No. 2992.

This bill, as amended, provides that there will be appropriated out of the General Fund of the State, in the current fiscal year 2019 and in each of the four fiscal years thereafter, \$20 million annually to the New Jersey Racing Commission to be used for horse racing purse subsidies.

These amounts will be allocated by the New Jersey Racing Commission equally between the thoroughbred industry and the standardbred industry. Of the funds allocated to the thoroughbred industry, 100 percent will be allocated to Monmouth Park overnight purses. Of the funds allocated to the standardbred industry, 60 percent will be allocated to Meadowlands overnight purses; 16 percent to Freehold overnight purses; 12 percent to the New Jersey Sire Stakes purses; 6 percent to purse bonuses for New Jersey sired horses; and 6 percent for breeders awards purses.

For fiscal year 2019, the bill also specifically appropriates \$20 million out of the General Fund to the New Jersey Racing Commission, to be used for these horse racing purse subsidies in the current fiscal year.

Finally, the bill also provides that the recipient of any funds appropriated pursuant to the bill, as a condition of receiving any such funds in the next fiscal year thereafter, will file an annual report with the New Jersey Racing Commission that documents the purposes for which those funds were used and the amounts allocated for those purposes.

COMMITTEE AMENDMENTS:

This committee amendment provides that net revenues actually received by a horse racing permit holder at a horse racetrack from any sports wagering operation, less sums paid out for operating expenses and as winnings, will be allocated to each racetrack for disbursement to the thoroughbred and standardbred horsemen's associations pursuant to the terms of a written agreement between each racetrack and association.

FISCAL IMPACT:

The bill appropriates \$20 million from the State General Fund to the New Jersey Racing Commission in FY 2019 and an additional \$20 million annually in each of the subsequent four fiscal years thereafter. Thus, the aggregate impact of this bill is a \$100 million expenditure increase to the State General Fund over a period of five fiscal years.