

ASSEMBLY, No. 5230

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JANUARY 11, 2021

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Waives minimum number of required horse races at racetracks due to certain emergencies to avoid loss of account wagering and off-track wagering licenses, and casino simulcasting approval.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the minimum number of required horse racing
2 dates at racetracks and amending various parts of the statutory
3 law.

4

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

7

8 1. Section 4 of P.L.2001, c.199 (C.5:5-130) is amended to read
9 as follows:

10 4. a. The commission is authorized to issue a license to the
11 authority to permit off-track wagering at a specified facility, upon
12 application of the authority and in accordance with the provisions of
13 this act. A license issued pursuant to this act shall be valid for a
14 period of one year. The commission shall issue a license pursuant to
15 this subsection only if the permit holder at Monmouth Park and the
16 thoroughbred and standardbred permit holders at Meadowlands
17 Racetrack schedule at least the minimum number of race dates
18 required in section 30 of this act, P.L.2001, c.199 (C.5:5-156),
19 except that the minimum number of race dates required shall be
20 subject to a waiver pursuant to subsection e. of that section, and it is
21 satisfied that the authority has entered into a participation
22 agreement with each and every other person, partnership,
23 association, corporation, or authority or the successor in interest to
24 such person, partnership, association, corporation or authority that:

25 (1) held a valid permit to hold or conduct a race horse meeting
26 within this State in the calendar year 2000;

27 (2) has complied with the terms of such permit; and

28 (3) is in good standing with the commission and the State of
29 New Jersey.

30 An off-track wagering license may not be transferred or assigned
31 to a successor in interest without the approval of the commission
32 and the Attorney General, which approval may not be unreasonably
33 withheld.

34 b. (1) As part of the license application process, any
35 participation agreement entered into for the purposes of subsection
36 a. of this section, or any modification to the agreement made
37 thereafter, shall be reviewed by the commission and the Attorney
38 General to determine whether the agreement meets the requirements
39 of this act and shall be subject to the approval of the commission
40 and the Attorney General. Notwithstanding any other law, rule, or
41 regulation to the contrary, a permit holder subject to a participation
42 agreement entered into prior to the effective date of P.L.2011, c.26
43 shall have made progress since the signing of that agreement toward
44 establishing the permit holder's share of the 15 off-track wagering
45 facilities authorized pursuant to section 10 of P.L.2001, c.199

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 (C.5:5-136), provided that any facility that has not received a
2 license under section 7 of P.L.2001, c.199 (C.5:5-133) on the
3 effective date of this act, P.L.2011, c.205 shall be subject to a cash
4 deposit, a bond, or an irrevocable letter of credit to be posted or
5 deposited by the permit holder in the amount of \$1 million for each
6 facility in the permit holder's share that remains to be licensed,
7 which deposit shall be paid to the commission within 180 days of
8 the effective date of this act, P.L.2011, c.205. A permit holder
9 making a deposit or posting a bond, or irrevocable letter of credit,
10 in connection with one or more of the off-track wagering facilities
11 in the permit holder's share that remain to be established shall
12 obtain the license and make substantial progress in the
13 commission's judgment pursuant to the progress benchmarks issued
14 by the commission and the New Jersey Economic Development
15 Authority under subsection e. of this section toward establishing the
16 off-track wagering facility or facilities within one year of making
17 the deposit, or posting the bond, or irrevocable letter of credit, and
18 if so the deposit, bond, or irrevocable letter of credit shall be
19 returned to the permit holder at the end of the one-year period, or
20 the amount deposited or posted shall be forfeited and distributed by
21 the commission to the representative horsemen's organization in this
22 State for use in establishing an off-track wagering facility or
23 facilities under paragraph (2) of this subsection. Any facility that
24 has not been licensed on the effective date of this act, P.L.2011,
25 c.205, and for which a deposit, bond, or irrevocable letter of credit
26 is not made or posted, and any facility for which a deposit, bond, or
27 irrevocable letter of credit is made or posted which has not been
28 licensed and made progress toward establishment within one year of
29 making such deposit or posting the bond, or irrevocable letter of
30 credit, shall no longer be considered as part of the permit holder's
31 share, and shall be available to be established by a horsemen's
32 organization in this State as provided by paragraph (2) of this
33 subsection. However, if the commission finds that a permit holder
34 is making progress toward obtaining an off-track wagering license
35 and establishing an off-track wagering facility according to
36 specified benchmarks developed by the commission, the
37 commission may allow a permit holder to retain its share of the off-
38 track wagering facilities to be established, provided the permit
39 holder continues to make progress on an annual basis. For the
40 purposes of this section, a permit holder shall be deemed to have
41 made progress toward establishing its share of off-track wagering
42 facilities, and shall not be subject to a cash deposit or be required to
43 post a bond or irrevocable letter of credit as set forth in this section,
44 if it has entered into an agreement, in connection with good faith
45 negotiations over the sale or lease of a racetrack under the permit
46 holder's control, to transfer allocated off-track wagering licenses or
47 facilities to an individual or entity that is a bona fide prospective
48 purchaser or lessee, or has demonstrated to the satisfaction of the

1 Commission that the execution of such an agreement is imminent
2 based upon the portions of such an agreement agreed upon in
3 principle by the parties as evidenced by a memorandum of
4 understanding or similar accord, or has demonstrated to the
5 satisfaction of the commission that negotiations concerning such an
6 agreement have been unsuccessful and the permit holder has plans
7 for soliciting new sources of interest or entering into new
8 negotiations that, in the judgment of the commission, have a
9 reasonable likelihood of resulting in a successful conclusion.

10 (2) The commission is authorized to issue a license or licenses
11 to any horsemen's organization in this State, for the establishment
12 of one or more of the remaining off-track wagering facilities in
13 partnership with other horsemen's organizations in this State, the
14 authority, or private investors, in accordance with all applicable
15 provisions of the "Off-Track and Account Wagering Act,"
16 P.L.2001, c.199 (C.5:5-127 et seq.). Notwithstanding any provision
17 of this paragraph to the contrary, a representative standardbred
18 horsemen's organization shall have the right to establish the off-
19 track wagering facilities not established by the permit holder at
20 Freehold Raceway as provided under paragraph (1) of this
21 subsection, and to receive any deposit, bond, or irrevocable letter of
22 credit forfeited by that permit holder for the establishment of one or
23 more of those off-track wagering facilities, except that if a
24 representative standardbred horsemen's organization does not make
25 application therefor, or fails to make progress in establishing the
26 facility or facilities as provided herein, any amounts received shall
27 be returned as provided in this paragraph and the facility or
28 facilities shall be available to be established in accordance with
29 subsection c. of this section. A horsemen's organization shall make
30 progress on an annual basis in establishing an off-track wagering
31 facility from the date the organization is eligible to apply for an
32 initial license pursuant to this subsection, provided that any facility
33 that has not received a license under section 7 of P.L.2001, c.199
34 (C.5:5-133) within a reasonable timeframe from the date the
35 horsemen's organization became eligible to apply for its initial
36 license shall no longer be considered eligible to be established by a
37 horsemen's organization under this paragraph, and shall be available
38 to be established by a well-suited entity pursuant to subsection c. of
39 this section. When a horsemen's organization under this paragraph
40 has received the sum of \$1 million as provided under paragraph (1)
41 of this subsection, the horsemen's organization shall have one year
42 from the date the funds are allocated to it by the commission to
43 obtain a license and make substantial progress in establishing the
44 off-track wagering facility or facilities, provided that, if the
45 horsemen's organization fails to make progress within that year, in
46 the commission's judgment pursuant to the progress benchmarks
47 issued by the commission and the New Jersey Economic
48 Development Authority under subsection e. of this section, the

1 horsemen's organization shall be liable to return to the commission
2 the funds allocated to it in their entirety at the end of the one-year
3 period, and the commission shall return such funds to the permit
4 holder originally making the deposit, or posting the bond or
5 irrevocable letter of credit, to be used for capital improvements at
6 the permit holder's racetrack.

7 c. With respect to any licenses that remain to be issued under
8 paragraph (2) of subsection b. of this section, the commission is
9 also authorized to issue a license to a well-suited entity to permit
10 off-track wagering at a specified facility, upon application of the
11 entity and in accordance with the provisions of this act and the
12 provisions of section 14 of P.L.1940, c.17 (C.5:5-34). A license
13 issued pursuant to this act shall be valid for a period of one year
14 and, if the licensed entity is not a permit holder in this State, the
15 license shall be contingent upon the licensee showing simulcast
16 New Jersey races and allowing wagering thereon at the off-track
17 wagering facility, subject to the rules and regulations of the
18 commission, and shall be issued only if the permit holders schedule
19 at least the minimum number of race dates required in section 30 of
20 P.L.2001, c.199 (C.5:5-156), except that the minimum number of
21 race dates required shall be subject to a waiver pursuant to
22 subsection e. of that section. In assessing the qualifications of an
23 entity to establish and conduct an off-track wagering facility, the
24 commission shall apply substantially similar standards and criteria
25 to those applied to the authority, its assignees, and other permit
26 holders and licensees in the State. These standards and criteria
27 shall enable the commission to determine by clear and convincing
28 evidence in the opinion of the commission that the person or
29 persons applying for licensure on behalf of the entity are well-suited
30 to receive licensure, and shall include, but may not be limited to:

31 (1) proof of financial resources sufficient to enable the entity to
32 establish and conduct a quality off-track wagering facility or
33 facilities with appropriately staffed and managed operations;

34 (2) evidence of good character, honesty, competency and
35 integrity;

36 (3) the absence of a conviction for a crime involving fraud,
37 dishonesty or moral turpitude; and

38 (4) any additional standards and criteria the commission may
39 establish by rule or regulation in accordance with this act.

40 d. (1) The commission, in consultation with the State
41 Treasurer, shall develop a process by which the commission will
42 accept bids for each off-track wagering license to be awarded under
43 this act, P.L.2001, c.199. An off-track wagering licensee and an
44 entity interested in establishing an off-track wagering facility and
45 being licensed as an off-track wagering licensee shall be eligible to
46 submit a bid. The bidding process shall include procedures for the
47 establishment of a minimum bid threshold, for the selection of a
48 successful bidder and, when the successful bidder is not yet

1 licensed as an off-track wagering licensee, for the awarding of a bid
2 to that successful bidder subject to its eligibility to be licensed as an
3 off-track wagering licensee in compliance with the provisions of
4 this act, P.L.2001, c.199. As part of the bidding process, and in
5 addition to submitting a monetary bid, a bidder shall submit to the
6 commission a conceptual plan of the off-track wagering facility the
7 bidder intends to establish, which shall include, but may not be
8 limited to, a description of the proposed facility and the amenities it
9 would offer, and its proposed or intended location. In selecting a
10 successful bidder, the commission shall consider and balance the
11 following: (a) the monetary value of the bid in comparison to other
12 bids submitted; (b) the level of quality of the proposed facility and
13 amenities in striving to be a first-rate experience for the customer
14 that includes the provision of first-class dining facilities; (c) the
15 potential of the proposed facility and amenities to generate greater
16 interest in the horse racing industry and the sport of horse racing in
17 the State; and (d) the proximity of the bidder's proposed or intended
18 location for the off-track wagering facility and its impact on other
19 planned or existing off-track wagering facilities and racetracks in
20 the State. For the purposes of this act, P.L.2001, c.199, a successful
21 bid shall be conditional upon the successful bidder's compliance
22 with all the provisions of this act, P.L.2001, c.199, and the
23 applicable rules and regulations promulgated by the commission.

24 (2) The commission shall consider the amount of a successful
25 bid pursuant to paragraph (1) of this subsection as a license fee in
26 connection with the issuance of an initial license to an off-track
27 wagering facility licensee. The initial license fee need not be
28 uniform for all off-track wagering facility licenses, and may vary
29 depending on the results of the bidding process for each license.
30 The proceeds generated by the initial license fee shall be distributed
31 as follows: 50% to the New Jersey Thoroughbred Horsemen's
32 Association for programs designed to aid the horsemen, and 50% to
33 the Standardbred Breeders' and Owners' Association of New Jersey
34 for programs designed to aid the horsemen.

35 e. The commission shall, in consultation with the New Jersey
36 Economic Development Authority, develop progress benchmarks,
37 within three months of the effective date of P.L.2011, c.26, for each
38 off-track wagering licensee to follow for the timely and expeditious
39 establishment of each off-track wagering facility. Such benchmarks
40 shall provide that a permit holder shall be deemed to have made
41 progress toward establishing its share of off-track wagering
42 facilities if it has entered into an agreement, in connection with
43 good faith negotiations over the sale or lease of a racetrack under
44 the permit holder's control, to transfer allocated off-track wagering
45 licenses or facilities to an individual or entity that is a bona fide
46 prospective purchaser or lessee, or has demonstrated to the
47 satisfaction of the Commission that the execution of such an
48 agreement is imminent based upon the portions of such an

1 agreement agreed upon in principle by the parties as evidenced by a
2 memorandum of understanding or similar accord, or has
3 demonstrated to the satisfaction of the commission that negotiations
4 concerning such an agreement have been unsuccessful and the
5 permit holder has plans for soliciting new sources of interest or
6 entering into new negotiations that, in the judgment of the
7 commission, have a reasonable likelihood of resulting in a
8 successful conclusion. The failure of a licensee to meet the
9 benchmarks shall constitute a basis for the denial by the
10 commission of the renewal of the off-track wagering license, except
11 that the licensee shall have the right to appeal the commission's
12 decision.

13 (cf: P.L.2011, c.205, s.1)

14

15 2. Section 13 of P.L.2001, c.199 (C.5:5-139) is amended to
16 read as follows:

17 13. a. The commission is authorized to issue a license to the
18 authority to establish an account wagering system in accordance
19 with the provisions of this act, P.L.2001, c.199 (C.5:5-127 et seq.).
20 A license issued pursuant to this act shall be valid for a term of one
21 year. The commission shall issue a license only if the permit holder
22 at Monmouth Park and the thoroughbred permit holder at
23 Meadowlands Racetrack schedule at least the minimum number of
24 race dates required in section 30 of this act, P.L.2001, c.199 (C.5:5-
25 156), except that the minimum number of race dates required shall
26 be subject to a waiver pursuant to subsection e. of that section, and
27 it is satisfied that the authority has entered into a participation
28 agreement with each and every person, partnership, association,
29 corporation or authority or the successor in interest to such person,
30 partnership, association, corporation or authority that:

31 (1) held a valid permit to hold or conduct a race horse meeting
32 within this State in the calendar year 2000 consisting of at least 40
33 live race dates in the aggregate at the permit holder's racetrack;

34 (2) has complied with the terms of such permit; and

35 (3) is in good standing with the commission and the State of
36 New Jersey.

37 An account wagering license may not be transferred or assigned
38 to a successor in interest without the approval of the commission
39 and the Attorney General, which approval may not be unreasonably
40 withheld.

41 b. As part of the license application process, any participation
42 agreement, or any modification to the agreement made thereafter,
43 entered into for the purposes of this section shall be reviewed by the
44 commission and the Attorney General to determine whether the
45 agreement meets the requirements of this act and shall be subject to
46 the approval of the commission and the Attorney General.

47 c. At the time of filing an application for licensure under this
48 section, the authority shall submit to the commission a non-

1 refundable filing fee in an amount established by regulation by the
2 commission, and a certification in a form prescribed by the
3 commission which specifies, but is not limited to, information about
4 the operation of the account wagering system and the authority's
5 participation therein.

6 (cf: P.L.2004, c.116, s.8)

7
8 3. Section 30 of P.L.2001, c.199 (C.5:5-156) is amended to
9 read as follows:

10 30. a. The permit holder at Monmouth Park and the
11 thoroughbred permit holder at Meadowlands Racetrack together
12 shall schedule annually no fewer than 141 thoroughbred race dates,
13 except that the thoroughbred permit holder may decrease the annual
14 number of scheduled thoroughbred race dates to no fewer than 50
15 thoroughbred race dates upon written consent from the New Jersey
16 Thoroughbred Horsemen's Association.

17 b. The standardbred permit holder at Meadowlands Racetrack
18 shall schedule annually no fewer than 151 standardbred race dates,
19 except that the standardbred permit holder may decrease the annual
20 number of scheduled standardbred race dates to no fewer than 75
21 standardbred race dates upon written consent from the Standardbred
22 Breeders' and Owners' Association of New Jersey.

23 c. The permit holders at Freehold Raceway shall schedule
24 annually no fewer than 192 standardbred race dates, except that the
25 permit holders may decrease the annual number of scheduled race
26 dates to no fewer than 75 standardbred race dates upon written
27 consent from the Standardbred Breeders' and Owners' Association
28 of New Jersey.

29 d. (Deleted by amendment, P.L.2017, c.172)

30 e. Notwithstanding the provisions of subsections a. through c.
31 of this section, or any other law, rule, or regulation to the contrary,
32 the minimum number of race dates required to be scheduled by each
33 thoroughbred and standardbred permit holder at each respective
34 racetrack shall be waived whenever the Governor has declared a
35 public health emergency pursuant to the "Emergency Health Powers
36 Act," P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency,
37 pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.), or both, if the
38 emergency declaration has prevented the conduct of live racing at
39 the racetrack.

40 (cf: P.L.2017, c.172, s.1)

41
42 4. Section 7 of P.L.1971, c.137 (C.5:10-7) is amended to read
43 as follows:

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

1 stake, purse or reward, and to provide a place or places on the race
2 meeting grounds or enclosure for wagering by patrons on the results
3 of such horse races by the parimutuel system, and to receive
4 charges and collect all revenues, receipts and other sums from the
5 operation thereof and, in the case of the authority, the ownership
6 thereof.

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

14 c. Application for said permit or permits shall be on such forms
15 and shall include such accompanying data as the Racing
16 Commission shall prescribe for other applicants. The Racing
17 Commission shall proceed to review and act on any such
18 application within 30 days after its filing and the Racing
19 Commission is authorized in its sole discretion to determine
20 whether a permit shall be granted to the authority or a lessee of the
21 authority. If, after such review, the Racing Commission acts
22 favorably on such application, a permit shall be granted to the
23 authority or a lessee of the authority without any further approval
24 and shall remain in force and effect so long as any bonds or notes of
25 the authority remain outstanding, the provisions of any other law to
26 the contrary notwithstanding. In granting a permit to the authority
27 or a lessee of the authority to conduct a horse race meeting, the
28 Racing Commission shall not be subject to any limitation as to the
29 number of tracks authorized for the conduct of horse race meetings
30 pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said
31 permit shall set forth the dates to be allotted to the authority for its
32 initial horse race meetings. Thereafter application for dates for
33 horse race meetings by the authority or a lessee of the authority and
34 the allotment thereof by the Racing Commission, including the
35 renewal of the same dates theretofore allotted, shall be governed by
36 the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.).
37 Notwithstanding the provisions of any other law to the contrary, the
38 Racing Commission shall allot annually to the authority or a lessee
39 of the authority for the Meadowlands Complex, in the case of
40 harness racing, not less than the number of racing days allotted
41 pursuant to subsection b. of section 30 of P.L.2001, c.199 (C.5:5-
42 156), and in the case of running racing, not less than 56 racing days,
43 if and to the extent that application is made therefor, except that the
44 minimum number of race dates shall be subject to a waiver pursuant
45 to subsection e. of section 30 of P.L.2001, c.199 (C.5:5-156).

46 d. No hearing, referendum or other election or proceeding, and
47 no payment, surety or cash bond or other deposit, shall be required

1 for the authority or a lessee of the authority to hold or conduct the
2 horse race meetings with parimutuel wagering herein authorized.

3 e. The authority or a lessee of the authority shall determine the
4 amount of the admission fee for the races and all matters relating to
5 the collection thereof.

6 f. Distribution of sums deposited in parimutuel pools to
7 winners thereof shall be in accordance with the provisions of
8 section 44 of P.L.1940, c.17 (C.5:5-64) pertaining thereto. The
9 authority or a lessee of the authority shall make disposition of the
10 deposits remaining undistributed as follows:

11 (1) In the case of harness races:

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

16 (i) 42 1/2% thereof to increase purses and grant awards for
17 starting horses, as provided or as may be provided by rules of the
18 New Jersey Racing Commission, with payment to be made in the
19 same manner as payment of other purses and awards, unless
20 otherwise provided by a contractual agreement authorized under
21 section 11 of P.L.2013, c.266 (C.5:5-188);

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

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

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

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

43 (b) Distribute as purse money and for programs designed to aid
44 the horsemen and the Standardbred Breeders' and Owners'
45 Association of New Jersey 5.1175%, or in the case of races on a
46 charity racing day 5%, of such total contributions. Expenditures for
47 programs designed to aid the horsemen and the Standardbred
48 Breeders' and Owners' Association of New Jersey shall not exceed

1 5% of the sum available for distribution as purse money. The
2 formula for distribution of the purse money as either overnight
3 purses or special stakes shall be determined by an agreement
4 between the Standardbred Breeders' and Owners' Association of
5 New Jersey and the authority or a lessee of the authority.
6 Notwithstanding the foregoing, for pools where the patron is
7 required to select two or more horses, the authority or a lessee of
8 the authority shall distribute as purse money 5.6175%, or in the
9 case of races on a charity racing day 5.5%, of the total contributions
10 and for pools where the patron is required to select three or more
11 horses, the authority or a lessee of the authority shall distribute as
12 purse money 7.1175%, or in the case of races on a charity racing
13 day 7%, of the total contributions. Notwithstanding the foregoing,
14 for pools where a patron is required to select three or more horses,
15 the authority or a lessee of the authority shall retain out of the
16 7.1175% or 7% to be distributed as purse money a sum deemed
17 necessary by the racing commission, for use by the commission to
18 finance a prerace blood testing program, and such other testing
19 programs which the commission shall deem proper and necessary
20 and which shall be subject to the regulation and control of said
21 commission. Notwithstanding the foregoing, the sum available for
22 distribution as purse money under this subsection may be
23 distributed as provided by a contractual agreement authorized under
24 section 11 of P.L.2013, c.266 (C.5:5-188).

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

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

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

36 (2) In the case of running races:

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

42 (b) Distribute as purse money and for programs designed to aid
43 the horsemen and the New Jersey Thoroughbred Horsemen's
44 Association 4.475%, or in the case of races on a charity racing day
45 4.24%, of such total contributions. Expenditures for programs
46 designed to aid the horsemen and the New Jersey Thoroughbred
47 Horsemen's Association shall not exceed 2.9% of the sum available
48 for distribution as purse money. The formula for distribution of the

1 purse money as either overnight purses or special stakes shall be
2 determined by an agreement between the New Jersey Thoroughbred
3 Horsemen's Association and the authority or a lessee of the
4 authority. Notwithstanding the foregoing, for pools where the
5 patron is required to select three or more horses, the authority or a
6 lessee of the authority shall distribute as purse money 7.475%, or in
7 the case of races on a charity racing day 7.24%, of the total
8 contributions. Notwithstanding the foregoing, the sum available for
9 distribution as purse money under this subsection may be
10 distributed as provided by a contractual agreement authorized under
11 section 12 of P.L.2013, c.266 (C.5:5-189).

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

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

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

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

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

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

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

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

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

27 (3) In the case of harness races, 25% of those sums shall be
28 retained by the permitholder to supplement purses for sire stakes
29 races on which there is parimutuel wagering, and 25% shall be
30 retained by the permitholder to supplement overnight purses unless
31 otherwise provided by a contractual agreement authorized under
32 section 11 of P.L.2013, c.266 (C.5:5-188).

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

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

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

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

7 k. Notwithstanding any other provision of law, rule, or
8 regulation to the contrary, if the authority shall enter into an
9 agreement with a private entity to lease a racetrack facility it owns
10 to that entity, it may further agree with that entity to jointly operate
11 the facility during a transitional period. The transitional period
12 shall only last:

13 (1) until the private entity lessee has been fully licensed by the
14 New Jersey Racing Commission and has received all necessary
15 permits to conduct future horse race meetings at the racetrack in the
16 manner and subject to compliance with the standards set forth in
17 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and
18 conditions prescribed by the New Jersey Racing Commission
19 thereunder; or

20 (2) for one year from the date that the lease agreement is signed,
21 whichever is shorter.

22 The New Jersey Racing Commission may extend the
23 transitional period for a reasonable time frame beyond one year
24 from the date that the lease agreement is signed, however under no
25 circumstances can the transitional period extend beyond two years
26 from the date that the lease agreement is signed. At the expiration
27 of the transitional period and any extension granted by the New
28 Jersey Racing Commission, the private entity lessee shall be
29 required to have obtained all the necessary permits and licenses in
30 the manner and subject to compliance with the standards set forth in
31 P.L.1940, c.17 (C.5:5-22 et seq.), and the rules, regulations, and
32 conditions prescribed by the New Jersey Racing Commission
33 thereunder. During this transitional period, the private entity
34 lessee shall be permitted to conduct horse race meetings and
35 wagering through its own employees or through the authority's
36 employees, provided that the authority or the private entity lessee
37 holds a permit issued pursuant to section 30 of P.L.1940, c.17
38 (C.5:5-50). During this transitional period, the authority may also
39 assign any portion of the proceeds it receives from the operation of
40 the leased racetrack to the private entity lessee. During the
41 transitional period, the private entity lessee and the authority must
42 remain, at all times, in compliance with P.L.1940, c.17 (C.5:5-22 et
43 seq.), except that the private entity need not obtain a permit
44 pursuant to section 30 of P.L.1940, c.17 (C.5:5-50) if the authority
45 has been granted one by the New Jersey Racing Commission.
46 (cf: P.L.2013, c.266, s.8)

1 5. Section 5 of P.L.1992, c.19 (C.5:12-195) is amended to read
2 as follows:

3 5. A permit holder which wishes to conduct casino
4 simulcasting shall request the approval of the New Jersey Racing
5 Commission in its annual application for horse race meeting dates
6 filed with that commission pursuant to section 23 of P.L.1940, c.17
7 (C.5:5-43), or, if applying between the submittal of annual
8 applications, through such supplemental application as that
9 commission shall deem appropriate. The New Jersey Racing
10 Commission shall not approve the request of any permit holder to
11 conduct casino simulcasting unless the permit holder will conduct a
12 number of live racing programs during the period for which the
13 permit is issued which is equal to the following:

14 a. in the case of harness races, each permit holder shall conduct
15 at least the number of live racing programs required under
16 subsections b. and c. of section 30 of P.L.2001, c.199 (C.5:5-156),
17 except that the minimum number of race dates required shall be
18 subject to a waiver pursuant to subsection e. of section 30 of
19 P.L.2001, c.199 (C.5:5-156); and

20 b. in the case of running races, Monmouth Racetrack and
21 Meadowlands Racetrack shall conduct at least the same number of
22 live racing programs required under subsection a. of section 30 of
23 P.L.2001, c.199 (C.5:5-156), and each of the other permit holders
24 conducting running races shall conduct at least five live racing
25 programs, except that in calendar year 2010 Monmouth Racetrack
26 may conduct at least 71 live racing programs and Meadowlands
27 Racetrack may conduct zero live racing programs, and except that
28 the minimum number of race dates required shall be subject to a
29 waiver pursuant to subsection e. of section 30 of P.L.2001, c.199
30 (C.5:5-156).

31 For the purpose of satisfying the requirements of this section for
32 the conduct of live racing programs, any live racing program or part
33 thereof which is cancelled because of weather or another act of God
34 shall be deemed to have been conducted, subject to the approval of
35 the New Jersey Racing Commission.

36 (cf: P.L.2011, c.96, s.3)

37

38 6. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill waives the number of required horse races at racetracks
44 due to certain emergencies.

45 Currently, each racetrack in the State must conduct a required
46 number of horse races annually. Due to the COVID-19 pandemic
47 and the resulting public health emergency and state of emergency
48 declared by the Governor, the minimum required number of races

1 will not be met for 2020. Under current law, when the minimum
2 number of races required are not met, the licenses related to account
3 wagering and off-track wagering would not be issued. In addition,
4 any request to conduct casino simulcasting would be declined when
5 the minimum number of races required are not met. The loss of
6 these licenses and simulcasting approvals would result in significant
7 revenue loss to the racetrack operators, horsemen's purses, and
8 various funds. To offset this and other potential consequences of
9 not meeting the race requirements, the Governor waived the
10 statutory minimum number of live race dates required through
11 Executive Order No.197 of 2020.

12 To prevent any future consequences, this bill provides for a
13 waiver of the statutory minimum number of live race dates required
14 when the Governor issues a public health emergency, state of
15 emergency, or both. The emergencies would need to impact the
16 conduct of live racing for the waiver to take effect.