

CHAPTER 199

AN ACT concerning horse racing, supplementing chapter 5 of Title 5 of the Revised Statutes and amending various parts of the statutory law and making an appropriation.

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

C.5:5-127 Short title.

1. Sections 1-35 of this act shall be known and may be cited as the “Off-Track and Account Wagering Act.”

C.5:5-128 Findings, declarations relative to horse racing and off-track wagering.

2. The Legislature finds and declares that:

a. The horse racing industry is economically important to this State, and the general welfare of the people of the State will be promoted by the advancement of horse racing and related projects and facilities in the State.

b. It is the intent of the Legislature, by authorizing off-track wagering and account wagering in this State, to promote the economic future of the horse racing industry in this State, to foster the potential for increased commerce, employment and recreational opportunities in this State and to preserve the State’s open spaces.

c. It is the further intent of the Legislature that facilities offering off-track wagering opportunities to the public also offer other amenities such as quality dining and handicapping facilities.

d. The Legislature has determined that the New Jersey Racing Commission is best suited to oversee, license and regulate off-track wagering and account wagering in the State, and that the New Jersey Sports and Exposition Authority, by virtue of its operation of parimutuel wagering facilities and other entertainment-related projects in this State, is particularly well-suited to coordinate with other parties to promote the uniformity and success of off-track wagering throughout the State and to ensure the fiscal soundness and technical reliability of an account wagering system, pursuant to the terms of this act.

e. In establishing off-track wagering facilities, the authority will not be performing an essential government function but rather an essentially private business function. Numerous municipalities, residents and businesses will be impacted by the establishment of off-track wagering facilities throughout the State. A municipality may oppose the placement of an off-track wagering facility within its boundaries at the discretion of the authority and the commission. A municipality may want an off-track wagering facility sited within its boundaries, but only if the municipality receives an appropriate level of property tax for municipal services. Therefore, fundamental fairness dictates that any municipality be empowered to refuse the siting of a facility within its boundaries. Fundamental fairness also dictates that an off-track wagering facility, even if owned and not leased by the authority, be subject to local property tax requirements.

f. By regulation of the Division of Alcoholic Beverage Control, there exist special licenses that permit the sale of alcoholic beverages on public property. These special licenses, typically available to the authority, are inexpensive and circumvent the traditional method for obtaining a license to sell alcoholic beverages. Because the establishment of off-track wagering facilities is, in reality, essentially a private business function and not an essential government function, the authority is not permitted to receive a special license. Under this act, only a private holder of a Class C plenary retail consumption license is permitted to provide alcoholic beverages at an off-track wagering facility.

C.5:5-129 Definitions relative to horse racing and off-track wagering.

3. As used in this act:

“Account holder” means a resident of this State over age 18 who establishes an account pursuant to this act through which account wagers are placed.

“Account wagering” means a form of parimutuel wagering in which an account holder may deposit money in an account with the account wagering licensee and then use the account balance to pay for parimutuel wagers by the account holder.

“Account wagering licensee” means the New Jersey Sports and Exposition Authority, provided that the commission has granted its approval for the authority to establish an account

wagering system as provided for in this act.

“Account wagering system” means the system through which account wagers are processed by the account wagering licensee pursuant to this act.

“Authority” means the New Jersey Sports and Exposition Authority created by section 4 of P.L.1971, c.137 (C.5:10-4).

“Backstretch Benevolency” means the Backstretch Benevolency Programs Fund established pursuant to section 1 of P.L.1993, c.15 (C.5:5-44.8).

“Breeders and Stallions” means the distribution from the special trust account created pursuant to section 46 a. (2) of P.L.1940, c.17 (C.5:5-66) for the purposes of subparagraph (c) of that citation.

“Breeding and Development” means the New Jersey Horse Breeding and Development Account established pursuant to section 5 of P.L.1967, c.40 (C.5:5-88).

“Commission” means the New Jersey Racing Commission created by section 1 of P.L.1940, c.17 (C.5:5-22).

“Executive Director” means the Executive Director of the commission.

“Health and Welfare” means moneys distributed to the Standardbred Breeders' and Owners' Association for the administration of a health benefits program pursuant to section 46 a. (5) of P.L.1940, c.17 (C.5:5-66).

“In-State host track” means a racetrack within this State which is operated by a permit holder which conducts a horse race upon which account wagers are placed pursuant to this act.

“In-State sending track” means a racetrack within this State which is operated by a permit holder and is equipped to conduct off-track simulcasting.

“In-State track” means an in-State host track or an in-State sending track.

“Interstate common pool” means the parimutuel pool established within this State or in another state or foreign nation within which is combined parimutuel pools of one or more receiving tracks located in one or more states or foreign nations upon a race at an out-of-State sending track or out-of-State host track for the purpose of establishing payoff prices in the various jurisdictions.

“Jockey's Health and Welfare” means a health and welfare trust established by the organization certified by the New Jersey Racing Commission as representing a majority of the active licensed thoroughbred jockeys in New Jersey for the purpose of providing health and welfare benefits to active, disabled and retired New Jersey jockeys and their dependents based upon reasonable criteria by that organization.

“New Jersey Racing Industry Special Fund” means the fund established pursuant to section 27 of this act.

“New Jersey Thoroughbred Horseman's Association” means the association representing the majority of New Jersey thoroughbred owners and trainers responsible for receiving and distributing funds for programs designed to aid thoroughbred horsemen.

“Off-track simulcasting” means the simultaneous audio or visual transmission of horse races conducted at in-State and out-of-State racetracks to off-track wagering facilities and parimutuel wagering at those off-track wagering facilities on the results of those races.

“Off-track wagering” means parimutuel wagering at an off-track wagering facility as authorized under this act.

“Off-track wagering facility” means a licensed facility, other than a racetrack, at which parimutuel wagering is conducted pursuant to this act.

“Off-track wagering licensee” means the New Jersey Sports and Exposition Authority, provided that the commission has granted its approval for the authority to conduct an off-track wagering facility as provided for in this act.

“Out-of-State host track” means a racetrack in a jurisdiction other than the State of New Jersey, the operator of which is lawfully permitted to conduct a horse race meeting and which conducts horse races upon which account wagers may be placed pursuant to this act.

“Out-of-State sending track” means a racetrack in a jurisdiction other than the State of New Jersey which is equipped to conduct off-track simulcasting and the operator of which is lawfully permitted to conduct a horse race meeting and to provide simulcast horse races to off-track wagering facilities in this State.

"Out-of-State track" means an out-of-State host track or an out-of-State sending track.

"Outstanding parimutuel ticket" means a winning parimutuel ticket which is not claimed within six months of sale.

"Parimutuel" means any system whereby wagers with respect to the outcome of a horse race are placed with, or in, a wagering pool conducted by an authorized person, and in which the participants are wagering with each other and not against the person conducting the wagering pool.

"Participation agreement" means the written contract that provides for the establishment or implementation of either (a) an off-track wagering facility or facilities or (b) an account wagering system. Each such contract shall set forth the manner in which the off-track wagering facility or facilities or the account wagering system shall be managed, operated and capitalized, as well as how expenses and revenues shall be allocated and distributed by and among the authority and the other eligible participants.

"Permit holder" means the holder of an annual permit to conduct a horse race meeting issued by the commission.

"Racetrack" means the physical facility where a permit holder conducts a horse race meeting with parimutuel wagering.

"Racing costs" means the prospective and actual costs for all licensing, investigation, operation, regulation, supervision and enforcement activities and functions performed by the commission.

"Simulcast horse races" means horse races conducted at an in-State sending track or an out-of-State sending track, as the case may be, and transmitted simultaneously by picture to a receiving track or an off-track wagering facility.

"Sire Stakes" means the Sire Stakes Program established pursuant to section 1 of P.L.1971, c.85 (C.5:5-91).

"Standardbred Drivers' Health and Welfare" means a health and welfare trust established by the Standardbred Breeders' and Owners' Association of New Jersey for the purpose of providing health and welfare benefits to active, disabled and retired New Jersey standardbred drivers and their dependents based upon reasonable criteria by that organization.

"Takeout" means that portion of a wager which is deducted from or not included in the parimutuel pool, and which is distributed other than to persons placing wagers.

"Thoroughbred Breeders and Stallions" means the special trust account created pursuant to section 46 b.(1)(e) of P.L.1940, c.17 (C.5:5-66).

C.5:5-130 Issuance of license to authority to permit off-track wagering.

4. a. The commission is authorized to issue a license to the authority to permit off-track wagering at a specified facility, upon application of the authority and in accordance with the provisions of this act. A license issued pursuant to this act shall be valid for a period of one year. The commission shall issue a license only if the authority schedules at least the minimum number of race dates required in Section 30 of this act and it is satisfied that the authority has entered into a participation agreement with each and every other person, partnership, association, corporation, or authority or the successor in interest to such person, partnership, association, corporation or authority that:

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

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

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

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

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

C.5:5-131 Filing fee, certification by authority; standards.

5. a. At the time of filing an application for an off-track wagering license, the authority shall submit to the commission a non-refundable filing fee in an amount established by regulation by the commission, and a certification in a form prescribed by the commission which specifies, but is not limited to, the following information:

(1) a plan depicting the proposed facility and improvements thereon, including information about the size, seating capacity, parking and services to be provided at the facility;

(2) the location of the proposed facility, and relevant demographic or other information concerning the municipality and surrounding area where the proposed facility is to be located;

(3) the number of permanent and part-time jobs expected to be created at the proposed facility, and gross revenues expected to be generated by the facility;

(4) the fire evacuation plan for the proposed facility;

(5) the type of food and beverages available; and

(6) such other information as the commission may require.

b. A separate application and certification shall be filed for each off-track wagering facility that the authority proposes to establish.

c. The commission shall establish by regulation procedures and conditions for renewal of licenses issued under this act.

d. The commission shall by regulation establish the maximum hours of operation of off-track wagering facilities.

e. Notwithstanding R.S.33:1-42, alcoholic beverages may be offered for on-premise consumption at an off-track wagering facility only if provided by a Class C plenary retail consumption licensee, by an agreement or contract with the authority, pursuant to the provisions of R.S.33:1-1 et seq. in accordance with such procedures as established by statute and by regulation of the Division of Alcoholic Beverage Control. The authority shall not hold a license to provide alcoholic beverages at an off-track wagering facility.

f. Persons under the age of 18 years shall not be permitted in any off-track wagering facility, except in dining areas if accompanied by a parent or guardian.

g. The commission shall by regulation establish minimum standards for off-track wagering facilities, including, but not limited to, standards for size, seating capacity, parking and services to be provided.

h. The authority, in lieu of obtaining municipal zoning and planning approvals that may otherwise be required in connection with the off-track wagering facility, shall submit a written notice of its intention to site an off-track wagering facility to the governing body of the municipality within which the facility would be sited. The notice shall identify the proposed site of the facility by street address, if any, or by reference to lot and block numbers as shown on the current tax duplicate in the municipal tax assessor's offices. Within 45 days of its receipt of the authority's notice of intention, the municipal governing body may disapprove of the proposed site of an off-track wagering facility by adopting a resolution which shall be valid and binding upon the authority and the commission upon delivery of a duly certified copy of the resolution to the authority and the commission. Whenever a municipality determines to consider a resolution disapproving a proposed off-track wagering facility, the authority shall be given an opportunity to offer a public presentation of the proposed facility prior to consideration of the resolution. A resolution disapproving a proposed off-track wagering facility shall state the reasons for disapproval.

In the event the governing body shall not adopt such a resolution, the authority may seek a license for an off-track wagering facility in that municipality and the commission may grant the authority the license provided that:

(1) the proposed off-track wagering facility site is not in an area zoned residential;

(2) the authority has submitted its plans to the municipal planning board, and complied with the provisions of section 22 of P.L.1975, c.291 (C.40:55D-31); and

(3) the authority has made reasonable efforts to address the reasonable concerns expressed by the municipal planning board.

C.5:5-132 Public hearing.

6. Within 14 days of receipt of a completed application, certification and applicable fees, the executive director shall determine whether the same is in due form and meets the requirements of law in all respects, and upon being satisfied thereof, the commission, within 45 days of receipt of a completed application, certification and applicable fees, shall hold a public hearing in the municipality in which the proposed off-track wagering facility is to be located. The costs of the public hearing shall be paid by the authority. The executive director shall cause a display advertisement, approximately 11 inches by 8 inches in size, to be published at least once in a daily newspaper, and at least once in a weekly newspaper, published, or circulated if none is published, in the county where the municipality is located at least 15 days before the date of the public hearing and to be published again in that daily newspaper on the third day preceding the public hearing and in the latest edition of that weekly newspaper that will be in circulation on the third day preceding the public hearing. The advertisement shall contain sufficient information to apprise the public as to the purpose of the hearing, the time and place thereof, and the nature of the license applied for. The advertisement shall be prepared and placed by the executive director, but shall be paid for by the authority.

C.5:5-133 Final determination on license application.

7. a. No sooner than 30 days nor later than 60 days following the public hearing, the commission shall make a final determination on the license application. The commission shall approve the application if it determines that the plan for the proposed facility includes appropriate standards of quality for the premises and services it will provide and that the authority has demonstrated by clear and convincing evidence that establishment of the proposed off-track wagering facility will not be inimical to the interests of the public and the horse racing industry in this State. The commission shall submit its determination to the Attorney General for review and approval. The determination of the commission shall be deemed approved by the Attorney General if not affirmatively approved or disapproved by the Attorney General within 14 days of the date of submission. The decision of the Attorney General shall be deemed a final decision. Upon approval by the Attorney General, the commission shall issue to the authority an off-track wagering license specifying the location, the periods of time during a calendar year and the hours of operation during which off-track wagering is permitted at the facility, and prescribing any other conditions or terms the commission deems appropriate.

b. With the approval of the commission, the off-track wagering licensee may enter into a contract or agreement with a person or entity to conduct or operate an off-track wagering facility for the licensee and to act as the agent of the licensee in all off-track wagering matters approved by the commission.

C.5:5-134 Powers of commission relative to off-track wagering.

8. a. The commission shall have full power to prescribe rules, regulations and conditions under which all off-track wagering licenses are issued and renewed in the State, including requiring an annual audit of the off-track wagering licensee's books and records pertaining to off-track wagering, and to revoke, suspend or refuse to renew a license if in the opinion of the commission the revocation of, suspension of or refusal to renew such license is in the public interest; provided, however, that such rules, regulations and conditions shall be uniform in their application.

b. The commission shall have no right or power to determine who shall be officers, directors or employees of any off-track wagering facility, or the salaries thereof; provided, however, that the commission may compel the discharge of any official or employee of the licensee at the off-track wagering facility who: (1) fails or refuses for any reason to comply with the rules or regulations of the commission; (2) fails or refuses for any reason to comply with any of the provisions of this act; (3) fails to establish by clear and convincing evidence in the opinion of the commission good character, honesty, competency and integrity; or (4) has been convicted of a crime involving fraud, dishonesty or moral turpitude.

C.5:5-135 Right to control patrons.

9. Nothing in this act shall be deemed to abrogate the common law right or any other right

established by law to exclude or eject permanently from any off-track wagering facility any person who disrupts the operations of its premises, threatens the security of its premises or its occupants, or is disorderly or intoxicated.

C.5:5-136 Limit on number of facilities.

10. a. The total number of off-track wagering facilities licensed in this State pursuant to this act shall not exceed 15.

b. The commission shall issue no more than eight off-track wagering licenses within the first two years of the effective date of this act.

C.5:5-137 Simulcasting permitted.

11. It shall be lawful for the off-track wagering licensee to conduct off-track simulcasting at the off-track wagering facility with all in-State sending tracks and with any out-of-State sending track in accordance with the provisions of this act and applicable regulations which the commission may promulgate.

C.5:5-138 Transmission of races from in-State sending tracks.

12. An in-State sending track may transmit to licensed off-track wagering facilities all or some of the live races conducted at the racetrack. The off-track wagering licensee, as a condition of continued operation of the off-track wagering facility, shall receive all live races which are offered and transmitted by in-State sending tracks.

C.5:5-139 Issuance of license to establish account wagering system.

13. a. The commission is authorized to issue a license to the authority to establish an account wagering system in accordance with the provisions of this act. A license issued pursuant to this act shall be valid for a term of one year. The commission shall issue a license only if the authority schedules at least the minimum number of race dates required in section 30 of this act and it is satisfied that the authority has entered into a participation agreement with each and every person, partnership, association, corporation or authority or the successor in interest to such person, partnership, association, corporation or authority that:

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

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

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

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

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

c. At the time of filing an application for licensure under this section, the authority shall submit to the commission a non-refundable filing fee in an amount established by regulation by the commission, and a certification in a form prescribed by the commission which specifies, but is not limited to, information about the operation of the account wagering system and the authority's participation therein.

C.5:5-140 Public hearing.

14. a. Within 14 days of receipt of a completed application, certification and applicable fees, the executive director shall determine whether the same is in due form and meets the requirements of law in all respects, and upon being satisfied thereof, the executive director, within 45 days of receipt of a completed application, certification and applicable fees, shall hold a public hearing, the costs of which shall be paid by the applicant.

b. No sooner than 30 days nor later than 60 days following the public hearing, the commission shall make a final determination on the application. The commission shall approve the application if it determines that the authority has demonstrated by clear and convincing evidence that wagers placed through the proposed account wagering system will be accurately processed and that there will be sufficient safeguards to maintain the integrity of the horse racing industry in this State. The commission's determination shall be submitted to the Attorney General for review and approval. The determination of the commission shall be deemed approved by the Attorney General if not affirmatively approved or disapproved by the Attorney General within 14 days of the date of submission. The decision of the Attorney General shall be deemed a final decision. Upon approval by the Attorney General, the commission shall issue to the authority a license to participate in the account wagering system.

c. With the approval of the commission, an account wagering licensee may enter into a contract or agreement with a person or entity to conduct or operate an account wagering system or facility for the licensee and to act as the agent of the licensee in all account wagering matters approved by the commission.

C.5:5-141 Powers of commission relative to account wagering.

15. a. The commission shall have full power to prescribe rules, regulations and conditions under which all account wagering licenses are issued or renewed in this State, including requiring an annual audit of the account wagering licensee's books and records pertaining to account wagering, and to revoke, suspend or refuse to renew a license if in the opinion of the commission the revocation of, suspension of or refusal to renew such license is in the public interest; provided, however, that such rules, regulations and conditions shall be uniform in their application.

b. The commission shall have no right or power to determine who shall be officers, directors or employees of any account wagering licensee, or the salaries thereof; provided, however, that the commission may compel the discharge of any official or employee of the licensee or the account wagering system who: (1) fails or refuses for any reason to comply with the rules or regulations of the commission; (2) fails or refuses for any reason to comply with any of the provisions of this act; (3) fails to establish by clear and convincing evidence in the opinion of the commission good character, honesty, competency and integrity; or (4) has been convicted of a crime involving fraud, dishonesty or moral turpitude.

C.5:5-142 Requirements for account wagering.

16. a. A person shall not place an account wager from within this State except in accordance with this act through the account wagering licensee, and no entity, other than the account wagering licensee, shall accept an account wager from a person within this State. A person may not place an account wager unless the person has established an account with the account wagering licensee. To establish a wagering account, a person shall be a New Jersey resident at least 18 years of age.

b. The account shall be in the name of a natural person and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership or other organization or entity.

c. An account may be established by a person completing an application form approved by the commission and submitting it together with a certification, or other proof, of age and residency. The form shall include the address of the principal residence of the prospective account holder and a statement that a false statement made in regard to an application may subject the applicant to prosecution.

d. The prospective account holder shall submit the completed application to the account wagering licensee, to any account wagering participating permit holder or to a licensed off-track wagering facility or such other person or entity as may be approved by the commission. The account wagering licensee may accept or reject an application after receipt and review of the application and certification, or other proof, of age and residency for compliance with this act.

e. Any prospective account holder who provides false or misleading information on the application is subject to rejection of the application or cancellation of the account by the account wagering licensee without notice.

f. The account wagering licensee shall have the right to suspend or close any wagering account at its discretion.

g. Any person not in good standing with the commission shall not be entitled to maintain a wagering account.

h. The address provided by the applicant in the application shall be deemed the proper address for the purposes of mailing checks, account withdrawals, notices and other materials.

i. A wagering account shall not be assignable or otherwise transferable.

j. Except as otherwise provided in this act or in regulations which the commission may adopt hereunder, all account wagers shall be final and no wager shall be canceled by the account holder at any time after the wager has been accepted by the account wagering licensee.

k. For the purposes of this act and notwithstanding any other law to the contrary, all messages or orders to place account wagers received by the licensee on behalf of a participating permit holder shall be deemed made to a place within this State.

l. All persons accepting account wagers on behalf of the account wagering licensee shall do so at a location within this State.

m. The account wagering licensee may at any time declare the system closed for receiving any wagers on any race or closed for all wagering.

C.5:5-143 Credits to a wagering account.

17. a. Credits to a wagering account shall be made as follows:

(1) The account holder's deposits to the wagering account shall be submitted by the account holder to the account wagering licensee and shall be in the form of one of the following:

(a) cash given to the account wagering licensee;

(b) check, money order, negotiable order of withdrawal, or wire or electronic transfer, payable and remitted to the account wagering licensee; or

(c) charges made to an account holder's debit or credit card upon the account holder's direct and personal instruction, which instruction may be given by telephone communication or other electronic means to the account wagering licensee or its agent by the account holder if the use of the card has been approved by the account wagering licensee.

(2) Credit for winnings from wagers placed with funds in a wagering account and credit for account wagers on horses that are scratched shall be posted to the account by the account wagering licensee.

(3) The account wagering licensee shall have the right to refuse for any reason all or part of any wager or deposit to the account.

(4) Funds deposited in the account shall not bear interest to the account holder.

b. Debits to a wagering account shall be made as follows:

(1) Upon receipt by the account wagering licensee of an account wager properly placed pursuant to section 18 of this act, the account wagering licensee shall debit the account holder's wagering account in the amount of the wager.

(2) The account wagering licensee may authorize a withdrawal from a wagering account when the account holder submits to the licensee, the licensee's agent, a participating permit holder, a licensed off-track wagering facility or such other entity as may be approved by the commission the following:

(i) proper identification;

(ii) the correct personal identification number; and

(iii) a properly completed and executed withdrawal slip on a form approved by the commission.

Upon receipt of a properly completed and executed withdrawal form, and if there are sufficient funds in the account to cover the withdrawal, the licensee shall send, within three business days of receipt, a check to the holder at the address specified in the application for the wagering account. The check shall be made payable only to the holder of the wagering account and in the amount of the requested withdrawal.

C.5:5-144 Acceptance of account wagers.

18. The account wagering licensee may accept account wagers only from residents of New

Jersey and only as follows:

- a. The account wager shall be placed directly with the account wagering licensee by the holder of the wagering account.
- b. The account holder placing the account wager shall provide the licensee with the correct personal identification number of the holder of the wagering account.
- c. A licensee may not accept an account wager, or series of wagers, in an amount in excess of funds on deposit in the wagering account of the holder placing the wager. Funds on deposit include amounts credited under section 17 of this act and in the account at the time the wager is placed.
- d. Only the holder of a wagering account shall place an account wager. Unless otherwise approved by the commission, no person, corporation or other entity shall directly or indirectly act as an intermediary, transmitter or agent in the placing of wagers for a holder of a wagering account; provided, however, that the use of credit or debit cards specifically approved by the licensee or the use of checks, money orders or negotiable orders of withdrawal or the use of telephonic, computer or electronic means by the account holder to place such wagers shall not be prohibited.
- e. The account holder may place a wager in person, by direct telephone call or by communication through other electronic media.

C.5:5-145 Distribution of inactive, dormant accounts.

19. All amounts remaining in wagering accounts inactive or dormant for such period and under such conditions as established by regulation shall be paid 50% to the account wagering licensee and 50% to the New Jersey Racing Industry Special Fund.

C.5:5-146 Inclusion of amounts wagered in parimutuel pool.

20. Sums wagered at the off-track wagering facility on the result of a simulcast horse race at an in-State sending track, or through the account wagering system on a race conducted at an in-State host track, shall be included in the appropriate parimutuel pool generated at the in-State track and shall be distributed pursuant to section 21 of this act. Payments to persons holding winning tickets at an off-track wagering facility or through the account wagering system, shall be made according to the same odds as those generated at the in-State track.

C.5:5-147 Distribution of sums in parimutuel pool.

21. Sums wagered at an off-track wagering facility on races being transmitted to that off-track wagering facility from an in-State sending track and sums wagered through the account wagering system on a race conducted at an in-State host track shall be deposited in the parimutuel pool generated at the in-State track for those races and shall be distributed in accordance with the provisions of section 44 of P.L.1940, c.17 (C.5:5-64) or section 1 of P.L.1984, c.236 (C.5:5-64.1), as appropriate. Such sums wagered at an off-track wagering facility or through the account wagering system which remain undistributed pursuant to those sections shall be distributed as follows, except that moneys resulting from breakage on amounts wagered at the off-track wagering facility or through the account wagering system and from outstanding parimutuel ticket moneys issued at the off-track wagering facility or through the account wagering system shall be distributed as provided by subsection g of this section.

- a. 6% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be paid to the in-State track for overnight purses. In the event that (1) any racetrack at which a horse race meeting was conducted in calendar year 2000 ceases to operate as a racetrack prior to calendar year 2003 and (2) an off-track wagering facility is operated on that former racetrack site, 6.15% of the parimutuel pool generated at that off-track wagering facility shall be paid to the in-State sending track for overnight purses.

- b. 0.6% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be set aside as follows:

- (1) in the case of harness races conducted by an in-State track, in the special trust account established pursuant to or specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201 (C.5:5-98), or section

7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided in section 46a.(2)(a),(b) and (c) of P.L.1940, c.17 (C.5:5-66), sections 2b.(1), (2) and (3) of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b) and (c) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii) and (iii) of P.L.1971, c.137 (C.5:10-7); and

(2) in the case of running races conducted by an in-State track, in the special trust account established pursuant to or specified in section 46b.(1)(e) or (2)(e) of P.L.1940, c.17 (C.5:5-66), section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as provided therein, as appropriate.

c. 0.02% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be paid to Breeding and Development.

d. 0.02% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be paid to Backstretch Benevolency.

e. 0.06% of the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be set aside as follows: (1) in the case of harness races, to Health and Welfare; and (2) in the case of running races, to Thoroughbred Breeders and Stallions.

f. The remainder of the parimutuel pool after deduction of the amounts under subsections a. through f. of this section shall be paid to the off-track wagering licensee or the account wagering licensee, as appropriate on a pro rata basis, as determined by the commission based upon the volume of wagering handled by each licensee.

g. All breakage moneys and outstanding parimutuel ticket moneys resulting from wagering at the off-track wagering facility or through the account wagering system on races conducted by an in-State track shall be paid to the commission for racing costs in accordance with section 26 of this act. If in any calendar year the total amount of breakage moneys and outstanding parimutuel ticket moneys referred to herein exceeds amounts required to pay racing costs as provided in section 26 of this act, such remaining funds shall be allocated as follows: 50% to the off-track wagering licensee or the account wagering licensee, as appropriate and 50% to the New Jersey Racing Industry Special Fund.

C.5:5-148 Receipt of simulcasts transmitted from out-of-State tracks.

22. a. The off-track wagering licensee may, in accordance with the provisions of this act and any applicable regulations of the commission and with the approval of the commission, also receive at the facility simulcast horse races conducted at out-of-State sending tracks; provided, however, that the off-track wagering licensee may receive simulcast horse races from only those out-of-State sending tracks that have been approved by the commission, which approval may not be unreasonably withheld.

b. An account wagering licensee may, with the approval of the commission, also accept account wagers on horse races conducted at out-of-State host tracks; provided, however, that the account wagering licensee may receive wagers on out-of-State horse races from only those out-of-State host tracks that have been approved by the commission, which approval may not be unreasonably withheld.

C.5:5-149 Payments to sending track.

23. a. The off-track wagering licensee receiving a simulcast horse race from an out-of-State sending track shall pay to the out-of-State sending track for the transmission such amount, if any, as may be agreed upon by the off-track wagering licensee and the out-of-State sending track.

b. The account wagering licensee accepting account wagers on a horse race conducted at an out-of-State host track shall pay to the out-of-State host track such amount, if any, as provided for in the agreement, if any, between the account wagering licensee and the out-of-State host track.

C.5:5-150 Conditions for participation of out-of-State sending tracks.

24. a. Except as provided in subsection b. of this section, the commission shall not permit an out-of-State sending track or an out-of-State host track to participate in off-track simulcasting or qualify as an out-of-State host track, respectively, unless the parimutuel pools respecting the

off-track wagering facility or the account wagering system shall be combined with comparable parimutuel pools at the out-of-State track. The types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and the percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders shall be determined in accordance with the law or policy applicable to the out-of-State track.

b. With the prior approval of the commission and the concurrence of the out-of-State track, an off-track wagering licensee or the account wagering licensee, and receiving tracks or entities in other states other than the state in which the out-of-State track is located may form an interstate common pool. With respect to such interstate common pools, the commission may approve types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and a percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders which are different from those which would otherwise be applied in this State but which are consistent for all parties to the interstate common pool.

C.5:5-151 Takeout rate, distribution.

25. Sums wagered at an off-track wagering facility on races being transmitted to that off-track wagering facility from an out-of-State sending track and sums wagered through the account wagering system on races conducted by an out-of-State host track shall be subject to the takeout rate determined pursuant to section 24 of this act and the sums resulting from that takeout rate as applied to the parimutuel pool generated at the off-track wagering facility or through the account wagering system shall be distributed as follows, except money resulting from breakage on amounts wagered at the off-track wagering facility or through the account wagering system and from outstanding parimutuel ticket moneys issued at the off-track wagering facility shall be distributed as provided by subsection c. of this section.

a. The amount, if any, as agreed by the off-track wagering licensee or account wagering licensee and the out-of-State track pursuant to section 23 of this act shall be paid to the out-of-State track.

b. Of the amount remaining after the deduction of the amount under subsection a. of this section from the amount of the takeout rate, 40% shall be paid to the New Jersey Racing Industry Special Fund and 60% shall be paid to the off-track wagering licensee or the account wagering licensee, as appropriate.

c. Breakage moneys and outstanding parimutuel ticket moneys resulting from wagering at the off-track wagering facility or through the account wagering system on races conducted by the out-of-State track shall be distributed as follows: \$150,000 annually to Jockey's Health and Welfare, \$150,000 annually to Standardbred Drivers' Health and Welfare, and all remaining moneys to the commission for racing costs in accordance with section 26 of this act. If in any calendar year the total amount of breakage moneys and outstanding parimutuel ticket moneys referred to herein exceed the \$300,000 to be paid to Jockey's Health and Welfare and Standardbred Drivers' Health and Welfare, and the amounts required to pay racing costs as provided in section 26 of this act, such remaining funds shall be allocated as follows: 50% to the off-track wagering licensee or account wagering licensee, as appropriate and 50% to the New Jersey Racing Industry Special Fund.

C.5:5-152 Annual certification of racing costs.

26. a. The State Treasurer shall certify racing costs on an annual basis. These racing costs shall be the basis for payment and reimbursement to the commission from the following sources, in the following order:

(1) license and permit fees received by the commission;

(2) breakage moneys and outstanding parimutuel ticket moneys as provided in sections 21 and 25 of this act, and the outstanding parimutuel ticket moneys as provided in section 44 of P.L.1940, c.17 (C.5:5-64), section 1 of P.L.1984, c.236 (C.5:5-64.1) and section 7 of P.L.1971, c.137 (C.5:10-7).

b. If, in any year, amounts received by the commission from the sources specified in subsection a. of this section are not sufficient to reimburse the commission for racing costs, there

shall be an assessment against permit holders or successors in interest to permit holders, if applicable, to reimburse the commission for its costs for which funds are not otherwise appropriated to the commission by law. Such assessment shall be approved by the State Treasurer. The commission shall establish, by regulation, an assessment formula which apportions such costs to each permit holder or successor in interest, if applicable.

c. Subject to the approval of the State Treasurer, the commission may adjust the annual assessment when necessary to cover expenditures not anticipated at the time of the assessment.

d. The funds derived from the sources specified in this section shall be held in a non-lapsing dedicated account, for use in accordance with the provisions of this section.

C.5:5-153 "New Jersey Racing Industry Special Fund."

27. The commission shall establish and administer a separate fund to be known as the "New Jersey Racing Industry Special Fund" into which shall be deposited the sums dedicated to the fund by sections 19, 21 and 25 of this act. Money deposited in this special fund shall be disbursed monthly by the commission and used as follows:

a. 92% shall be distributed as follows:

(1) in the case of money deposited into the special fund from the off-track wagering facility located on the former site of the Atlantic City Race Course, or, if no off-track wagering facility exists on that former site, the off-track wagering facility located closest to that former site, 100% to permit holders conducting thoroughbred racing;

(2) except as provided in paragraph (1), 65% to permit holders conducting thoroughbred racing and 35% to permit holders conducting harness racing;

Of the allocations made pursuant to this subsection to permit holders conducting thoroughbred racing, specific distributions shall be made to the overnight thoroughbred purse account of each permit holder and for programs designed to aid the thoroughbred horsemen and the New Jersey Thoroughbred Horseman's Association. Expenditures for programs designed to aid the thoroughbred horsemen and the New Jersey Thoroughbred Association shall not exceed 2.9% of such allocations. Distribution among thoroughbred permit holders shall be based on the following formula: total overnight thoroughbred purse distribution for each permit holder in the prior calendar year divided by the total overnight thoroughbred purse distribution of all permit holders in the prior calendar year.

Of the allocations made pursuant to this subsection to permit holders conducting standardbred racing, specific distributions shall be made to the overnight standardbred purse account of each permit holder and for programs designed to aid the standardbred horsemen and the Standardbred Breeders' and Owners' Association of New Jersey. Expenditures for programs designed to aid the standardbred horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 3.5% of such allocations. Distribution among standardbred permit holders shall be based on the following formula: total overnight standardbred purse distribution for each permit holder in the prior calendar year divided by the total overnight standardbred purse distribution of all permit holders in the prior calendar year.

b. 8% shall be distributed as follows:

(1) in the case of money deposited into the special fund from the off-track wagering facility located on the former site of the Atlantic City Race Course, or, if no off-track wagering facility exists on that former site, the off-track wagering facility located closest to that former site, 100% to thoroughbred funds; and

(2) except as provided in paragraph (1), 65% to thoroughbred funds and 35% to harness funds.

Of the amounts distributed to thoroughbred funds pursuant to this subsection, the following distributions shall apply: 94% to Thoroughbred Breeders and Stallions; 3% to Backstretch Benevolency; and 3% to Breeding and Development.

Of the amount distributed to harness funds pursuant to this subsection, the following distributions shall apply: 75% to Sire Stakes; 8% to Breeders and Stallions; 3.5% to Backstretch Benevolency; 10% to Health and Welfare; and 3.5% to Breeding and Development.

C.5:5-154 Licensing, registration of persons conducting wagering-related activities.

28. All persons engaged in conducting wagering-related activities at an off-track facility or through an account wagering system, whether employed directly by the licensee or by a person or entity conducting or operating the off-track wagering facility or account wagering system to an agreement with the licensee, shall be licensed or registered in accordance with such regulations as may be promulgated by the commission hereunder. All other employees at the off-track wagering facility or of account wagering system shall be licensed or registered in accordance with regulations of the commission. The commission shall have full power to prescribe rules, regulations and conditions under which all such licenses are issued, or registrations made, in this State and to revoke or refuse to issue a license, or revoke or refuse to accept a registration, if in the opinion of the commission the revocation or refusal is in the public interest, provided, however, that such rules, regulations and conditions shall be uniform in their application, and further provided that no fee shall be in excess of \$50 for each license so granted or registration accepted.

C.5:5-155 One-time right of first refusal offers of employment.

29. a. A person employed by a permit holder in the admissions department or parimutuel clerk department of a racetrack operated by a permit holder, or employed at the racetrack by a food and beverage vendor contracting with the permit holder to provide food and beverages at the racetrack, shall be given a one-time right of first refusal offer of employment, as each off-track wagering facility opens, for the then available positions of similar employment in that off-track wagering facility, including any similar employment with the off-track wagering licensee or with any vendor contracting with the licensee to provide food and beverages at the off-track wagering facility, or as each account wagering licensee implements account wagering, for the then available positions of similar employment with any account wagering licensee.

b. In the event that an off-track wagering facility is sited and begins operations at the location or in the proximity of a former racetrack, a person who, at the time of the closing of the former racetrack, worked as an employee of the permit holder in the admissions department or parimutuel clerk department of the former racetrack operated by the permit holder, or who, at the time of the closing of the former racetrack, worked at the racetrack as an employee of a food and beverage vendor contracting with the permit holder to provide food and beverages at the former racetrack, shall be given a one-time right of first refusal offer of similar employment at the off-track wagering facility. In the event that there are not a sufficient number of employment opportunities for each of the former employees who seek a position pursuant to the provisions of this subsection, then each such former employee, for a period of four years thereafter, shall have the right of first refusal set forth in the provisions of subsection a. of this section. Employment opportunities that remain after each former employee has been given an offer of similar employment shall be made available to other persons in accordance with the provisions of subsection a. of this section.

c. An employee of the permit holder or vendor contracting with the permit holder who is given preference for employment pursuant to subsections a. and b. of this section and accepts the employment shall not suffer, at the time that the change in employment occurs, any reduction in seniority, pay, or employer contribution to pension and health benefits, and shall receive a substantially equivalent level of benefits.

C.5:5-156 Scheduling of race dates, minimum required.

30. a. The permit holder at Monmouth Park and the thoroughbred permit holder at the Meadowlands together shall schedule(1)no fewer than 141 thoroughbred race dates in the aggregate in each of calendar years 2002, 2003 and 2004;and(2)no fewer than 141 thoroughbred race dates in the aggregate in each calendar year thereafter, provided that the permit holders may schedule fewer than 141 thoroughbred race dates in the aggregate if the commission determines, upon application by the permit holders, that scheduling fewer dates in that calendar year is in the best interest of the racing industry and the State. In making its determination, the commission shall consider all factors, including, but not limited to, handle, number of starters, interstate competition, and export marketability. Notwithstanding the foregoing, in no calendar year shall the permit holders schedule, in the aggregate, fewer than 120 thoroughbred race dates;

b. the standardbred permit holder at the Meadowlands shall schedule annually no fewer than

151 standardbred race dates; and

c. the permit holders at Freehold Raceway shall schedule annually no fewer than 192 standardbred race dates.

C.5:5-22.1 Delivery, certification of commission minutes to Governor; approval.

31. A true copy of the minutes of every meeting of the commission shall be forthwith delivered by and under the certification of, the executive director thereof to the Governor. No action taken at such meeting of the commission shall have force and effect until the earlier of 10 days, exclusive of Saturdays, Sundays and public holidays, after such copy of the minutes shall have been so delivered, or the approval thereof by the Governor. If, in the 10-day period, the Governor returns such copy of the minutes with veto of any action taken by the commission or any member thereof at such meeting, such action shall be null and void and of no effect. The Governor may approve all or part of the action taken at such meeting, prior to the expiration of the 10-day period. This section shall not apply to enforcement actions for violations of regulations promulgated by the commission.

C.5:5-157 Severability.

32. The provisions of this act shall be deemed to be severable, and if any phrase, clause, sentence or provision of this act is declared to be unconstitutional or the applicability thereof to any person is held invalid, the remainder of this act shall not thereby be deemed to be unconstitutional or invalid.

C.5:5-158 Rules, regulations.

33. The commission shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act.

C.5:5-159 Annual assessment to fund certain programs for compulsive gambling.

34. In addition to any other funds provided by law for prevention, education and treatment programs for compulsive gamblers, beginning on July 1, 2003, there shall be an annual assessment against permit holders or successors in interest to permit holders, if applicable, of a total sum of \$200,000 in the aggregate which shall be paid into the General Fund for appropriation by the Legislature to the Department of Health and Senior Services for prevention and education and treatment programs for compulsive gambling that meet the criteria developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided by the Council on Compulsive Gambling of New Jersey. Such funds shall be used to address compulsive gambling issues related to off-track wagering facilities and account wagering. The New Jersey Racing Commission shall, by regulation, establish a formula which apportions the assessment to each permit holder or successor in interest, if applicable.

C.5:5-160 Supplementation, enhancement of purses at authority owned tracks.

35. In order to retain the competitive position of the standardbred and thoroughbred racing programs at the authority owned racetracks during the period in which the off-track wagering and account wagering systems are developed, the authority, as it deems appropriate, may supplement or enhance purses at its racetracks; provided, however, that any such supplements shall be decreased as the off-track wagering and account wagering systems are developed.

36. On or before July 1, 2002, the commission shall submit to the Governor and the Legislature a report indicating the feasibility of establishing a permanent training facility or other means to permit winter stabling for the New Jersey racing industry and \$95,000 is appropriated from the General Fund to the commission for that purpose.

37. Section 37 of P.L.1992, c.19 (C.5:5-125) is amended to read as follows:

C.5:5-125 Race track may receive simulcast transmissions from out-of-State track; interstate common pools, formation.

37. a. (1) Notwithstanding any other law to the contrary, the New Jersey Racing Commission,

upon application by a receiving track, as defined in section 2 of P.L.1985, c.269 (C.5:5-111), and in accordance with applicable federal law, may permit the track to receive, in addition to the horse races authorized by section 10 of P.L.1985, c.269 (C.5:5-119), simulcast transmissions of the racing program, in full or in part, from any out-of-State sending track, as defined in section 2 of P.L.1985, c.269 (C.5:5-111), during any time period, provided that the receiving track agrees to receive all simulcast horse races which any in-State sending track wishes to transmit to it during that same time period, and provided further that, except as provided in subsection b. of this section, the parimutuel pools at the receiving track shall be combined with comparable parimutuel pools at the out-of-State sending track. No limit shall be placed on the number of racing programs the track may receive from out-of-State sending tracks except as otherwise provided herein.

(2) Whenever an out-of-State sending track participates in simulcasting pursuant to paragraph (1) of this subsection and the parimutuel pools are combined at the out-of-State sending track, the types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and the percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders shall be determined in accordance with the law or policy applicable to the out-of-State sending track. However, moneys resulting from breakage on amounts wagered at the receiving track and from outstanding parimutuel tickets issued at the receiving track in all instances shall be distributed as provided by section 38 of this act.

b. With the prior approval of the New Jersey Racing Commission and the concurrence of the out-of-State sending track, a receiving track and receiving tracks or entities in other states other than the state in which the sending track is located may form an interstate common pool, as defined in section 2 of P.L.1985, c.269 (C.5:5-111). With respect to such interstate common pools, the Racing Commission may approve types of wagering, takeout, distribution of winnings, rules of racing, method of calculating breakage, and a percentage of deposits remaining undistributed from a parimutuel pool after payment is made to winning ticket holders which are different from those which would otherwise be applied in this State but which are consistent for all parties to the interstate common pool. However, moneys resulting from breakage on amounts wagered at the receiving track and from outstanding parimutuel tickets issued at the receiving track in all instances shall be distributed as provided in section 38 of this act.

c. (Deleted by amendment, P.L.2001, c.199).

38. Section 6 of P.L.1971, c.137 (C.5:10-6) is amended to read as follows:

C.5:10-6 Authority projects.

6. a. The authority, pursuant to the provisions of P.L.1971, c.137 (C.5:10-1 et seq.), is hereby authorized and empowered, either alone or in conjunction with others, and provided that, in the case of an arrangement with respect to any of the projects set forth in this section which shall be in conjunction with others, the authority shall have sufficient right and power to carry out the public purposes set forth in P.L.1971, c.137 (C.5:10-1 et seq.):

(1) To establish, develop, construct, operate, acquire, own, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project to be located in the Hackensack meadowlands upon a site not to exceed 750 acres and upon a site or sites outside of that acreage, but either immediately contiguous thereto or immediately across any public road which borders that acreage, consisting of one or more stadiums, coliseums, arenas, pavilions, stands, field houses, playing fields, recreation centers, courts, gymnasiums, clubhouses, a racetrack for the holding of horse race meetings, and other buildings, structures, facilities, properties and appurtenances related to, incidental to, necessary for, or complementary to a complex suitable for the holding of athletic contests or other sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, including, but not limited to, driveways, roads, approaches, parking areas, parks, recreation areas, lodging facilities, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings, and all other structures and appurtenant facilities, related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof.

(2) To establish, develop, construct, acquire, lease or own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project, at a site within the State of New Jersey, consisting of a baseball stadium and other buildings, structures, facilities, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to a complex suitable for the holding of professional baseball games and other athletic contests or sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof.

(3) To establish, develop, construct, acquire, lease or own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects located within the State of New Jersey, but outside of the meadowlands complex, consisting of aquariums and the buildings, structures, facilities, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to those aquariums, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and facilities, and equipment, furnishings and all other structures and appurtenant facilities related to, incidental to, necessary for, or complementary to the purposes of that project or any facility thereof. To provide for a project authorized under this paragraph:

(a) (Deleted by amendment, P.L.1988, c.172.)

(b) The authority is authorized to enter into agreements with the State Treasurer providing for the acquisition and construction of an aquarium by the authority, including the land necessary for the aquarium, and the costs thereof, ownership of the aquarium and its land which shall be conveyed to the State upon completion, and the operation by the authority of the aquarium pursuant to a lease or other agreement with the State containing such terms and conditions as the State Treasurer may establish prior to the acquisition and construction by the authority of the aquarium and the disbursements of funds therefor. The State Treasurer is authorized to enter into a lease or other agreement to effectuate the provisions of this subparagraph.

(4) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, a project consisting of an exposition or entertainment center or hotel or office complex, including any buildings, structures, properties and appurtenances related thereto, incidental thereto, necessary therefor, or complementary thereto, such project to include driveways, roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems, and equipment, furnishings and all other structures and appurtenances related to, incidental to, necessary for, or complementary to, the purposes of that project. A project authorized under this paragraph may be located within, immediately contiguous to, or immediately across any public road which borders the site of any other project of the authority, except the site of a racetrack authorized by paragraph (5) of this subsection and acquired by the authority prior to 1986.

(5) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects consisting of (a) racetrack facilities located within the State of New Jersey, but outside of the meadowlands complex, (b) their contiguous properties, and (c) their auxiliary facilities, including, without limitation, pavilions, stands, field houses, clubhouses, training tracks for horses, racetracks for the holding of horse race meetings, fairgrounds, other exposition facilities, and other buildings, structures, facilities, properties and appurtenances related to, incidental to, necessary for, or complementary to a complex suitable for the holding of horse race meetings, other sporting events, or trade shows, exhibitions, spectacles, public meetings, entertainment events or other expositions, including, but not limited to, driveways, roads, approaches, parking areas, parks, recreation areas, lodging facilities, vending facilities, restaurants, transportation structures, systems and facilities, equipment, furnishings, and all other structures and appurtenant facilities related to, incidental to, necessary

for, or complementary to the purposes of any of those projects or any facility thereof.

Notwithstanding any law to the contrary, the acquisition of any existing racetrack facility in and licensed by the State of New Jersey shall be permitted on the condition that payments equivalent to all municipal, school board and county taxes due to each entity shall be paid by the authority to the extent and in accordance with the same payment schedule as taxes would have been paid each year, as though the racetrack facility remained in private ownership. In the event the authority conveys lands or other parts of the racetrack facility to others, the authority shall receive a reduction of such payments commensurate with the amount required to be paid by the subsequent owner of the lands and improvements disposed of by the authority. In addition, the authority shall be responsible for paying all existing local franchise fees, license and parking tax fees in effect at the time of the acquisition.

(6) To establish, develop, acquire, own, operate, manage, promote and otherwise effectuate, in whole or in part, either directly or indirectly through lessees, licensees or agents, projects consisting of events, expositions, teams, team franchises or membership in professional sports leagues.

(7) To establish, develop, construct, acquire, own, operate, manage, promote, maintain, repair, reconstruct, restore, improve and otherwise effectuate, either directly or indirectly through lessees, licensees or agents, projects consisting of facilities, at a site or sites within the State of New Jersey and either within or without the meadowlands complex, that are related to, incidental to, necessary for, or complementary to the accomplishment or purpose of any project of the authority authorized by this section, including any buildings, structures, properties and appurtenances related thereto, incidental thereto, necessary therefor, or complementary thereto, such projects to include driveways, roads, approaches, parking areas, parks, recreation areas, off-track and account wagering systems and facilities or any interest therein, vending facilities, restaurants, transportation structures, systems, and equipment, furnishings and all other structures and appurtenances related to, incidental to, necessary for, or complementary to the purposes of those projects.

(8) To establish, develop, acquire, construct, reconstruct, improve and otherwise effectuate for transfer to, and for use and operation by, Rutgers, the State University, either directly or indirectly through lessees, licensees or agents, facilities located or to be located on property owned, leased, or otherwise used by Rutgers, the State University, consisting of an upgraded and expanded football stadium and a new track and field, soccer and lacrosse facility and the buildings, structures, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to the football stadium and track and field, soccer and lacrosse facility, such facilities to include driveways, access roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and equipment, furnishings and all other structures and appurtenances related or incidental to, necessary for, or complementary to the purposes of those facilities; provided however that construction shall not begin on the expansion of the seating capacity of Rutgers Stadium until the Commissioner of Transportation certifies that all funding necessary to complete the Route 18 project in Piscataway Township has been appropriated and construction has begun on the Route 18 project in Piscataway Township under the Department of Transportation's capital program.

(9) To acquire by purchase, lease or otherwise, and to develop, construct, operate, own, lease, manage, repair, reconstruct, restore, improve, enlarge or otherwise effectuate, either directly or through lessees, licensees or agents, a convention center project in the city of Atlantic City, Atlantic County, consisting of the existing convention hall and a new convention hall or center, and associated parking areas and railroad terminal facilities and including the leasing of adjacent land for hotel facilities. In connection therewith, the authority is authorized to:

(a) Assume existing leasehold or other contractual obligations pertaining to any such facilities or properties or to make provision for the payment or retirement of any debts and obligations of the governmental entity operating any such convention hall or center or of any bonds or other obligations payable from and secured by a lien on or pledge of the luxury tax revenues;

(b) Make loans or payments in aid of construction with respect to infrastructure and site development for properties located in the area between the sites of the existing convention hall and a new convention center or located contiguous to or across any public road which borders the area;

(c) Convert the existing convention hall or any facilities, structures or properties thereof, or any part thereof, not disposed of by the authority, to any sports, exposition, exhibition, or entertainment use or to use as a forum for public events or meetings, or to any other use which the authority shall determine to be consistent with its operation of the Atlantic City convention center project.

(10) To provide a feasibility study for the use and development of the existing convention center in the city of Asbury Park, county of Monmouth and to provide a feasibility study for the construction, use and development of a convention center or recreational facility in any other municipality.

(11) To provide funding to public or private institutions of higher education in the State to establish, develop, acquire, construct, reconstruct or improve facilities located or to be located on property owned, leased, or otherwise used by an institution, consisting of sports facilities and the buildings, structures, properties and appurtenances related thereto, or incidental to, necessary for, or complementary to those sports facilities, such facilities to include driveways, access roads, approaches, parking areas, parks, recreation areas, vending facilities, restaurants, transportation structures, systems and equipment, furnishings and all other structures and appurtenances related or incidental to, necessary for, or complementary to the purposes of those facilities.

(12) To acquire by purchase, lease, or otherwise, including all right, title and interest of the Greater Wildwood Tourism Improvement Development Authority in any property, and to develop, construct, operate, own, lease, manage, repair, reconstruct, restore, improve, enlarge or otherwise effectuate, either directly or through lessees, licensees or agents, a convention center facility in the City of Wildwood, Cape May County, consisting of and including any existing and acquired buildings, structures, properties and appurtenances and including restaurants, retail businesses, access roads, approaches, parking areas, transportation structures and systems, recreation areas, equipment, furnishings, vending facilities, and all other structures and appurtenances incidental to, necessary for, or complementary to the purpose of such Wildwood convention center facility. In connection therewith, the authority is expressly authorized to:

(a) assume any existing mortgages, leaseholds or other contractual obligations or encumbrances with respect to the site of the Wildwood convention center facility and any other existing and acquired buildings, structures, properties, and appurtenances;

(b) enter into agreements with a local public body or bodies providing for any necessary financial support or other assistance for the operation and maintenance of such Wildwood convention center facility from taxes or other sources of the local public body or bodies as shall be made available for such purposes;

(c) to the extent permitted by law and by the terms of the bonds or notes issued to finance the Wildwood convention center facility, transfer its ownership interest or other rights with respect to the convention center facility to another State authority or agency;

(d) upon payment of all outstanding bonds and notes issued therefore, transfer its ownership interest and other rights with respect thereto to such other public body as shall be authorized to own and operate such a facility; and

(e) convert any existing convention hall or any facilities, structures or properties thereof, or any part thereof, not disposed of by the authority, to any use which the authority shall determine to be consistent with the operation of the Wildwood convention center facility.

b. The authority, pursuant to the provisions of P.L.1971, c.137 (C.5:10-1 et seq.), is authorized (1) to make, as part of any of the projects, capital contributions to others for transportation and other facilities, and accommodations for the public's use of any of those projects, (2) to lease any part of any of those project sites not occupied or to be occupied by the facilities of any of those projects, for purposes determined by the authority to be consistent with or related to the purposes of those projects, including, but not limited to, hotels and other accommodations for transients and other facilities related to or incidental to any of those projects, and (3) to sell or dispose of any real or personal property, including, but not limited to, such portion of the site of any of those projects not occupied or to be occupied by the facilities of any of those projects, at not less than the fair market value of the property, except in the case of sale or disposition to the State, any political subdivision of the State or any agency

or instrumentality of the State or any political subdivision of the State.

c. Revenues, moneys or other funds, if any, derived from the operation or ownership of the meadowlands complex, including the conduct of horse race meetings, shall be applied, in accordance with the resolution or resolutions authorizing or relating to the issuance of bonds or notes of the authority, to the following purposes and in the following order:

(1) The costs of operation and maintenance of the meadowlands complex and reserves therefor;

(2) Principal, sinking fund installments and redemption premiums of and interest on any bonds or notes of the authority payable from such revenues, moneys or other funds and issued for the purposes of the meadowlands complex or for the purposes of refunding the same, including reserves and payments with respect to credit agreements therefor;

(3) The costs of any major or extraordinary repairs, renewals or replacements with respect to the meadowlands complex or incidental improvements thereto, not paid pursuant to paragraph (1) above, including reserves therefor;

(4) Payments required to be made pursuant to section 18b.;

(5) Payments authorized to be made pursuant to section 18c.;

(6) Except to the extent payments with respect to bonds or notes are provided with priority in accordance with paragraph (2) of this subsection, payments required to be made in accordance with the resolution authorizing or relating to the issuance of bonds or notes of the authority, for the purposes of any project authorized by this act, including payments and reserves with respect to any bonds or notes of the authority with respect to the meadowlands complex which are not provided with priority in accordance with paragraph (2) of this subsection;

(7) Payments required to be made to repay any obligation incurred by the authority to the State;

(8) The balance remaining after application in accordance with the above shall be deposited in the General State Fund, provided that (a) there shall be appropriated for authorized State purposes from the amount so deposited that amount which shall be calculated by the State Treasurer to be the debt service savings realized with respect to the refinancing of the initial project as defined in section 1 of P.L.1973, c.286 (C.5:10-14.1) at the meadowlands complex, by the issuance of bonds of the authority guaranteed by the State, and (b) after such appropriation, 40% of any balance remaining from the amounts so deposited shall be appropriated to the Meadowlands Commission for any of its purposes authorized by P.L.1968, c.404, and any amendments or supplements thereto.

d. Revenues, moneys or other funds, if any, derived from the operation or ownership of any project other than the meadowlands complex, the Atlantic City convention center project, or the Wildwood convention center facility and other than a baseball stadium project or an office complex project located on the site of a baseball stadium shall be applied for such purposes, in such manner and subject to such conditions as shall be provided in the resolution authorizing or relating to the issuance of bonds or notes of the authority for the purposes of such project, and the balance, if any, remaining after such application may be applied, to the extent not contrary to or inconsistent with the resolution, in the following order (1) to the purposes of the meadowlands complex, unless otherwise agreed upon by the State Treasurer and the authority, (2) to the purposes of any other project of the authority; and, the balance remaining, if any, shall be deposited in the General Fund.

e. Revenues, moneys or other funds, if any, derived from the operation, ownership, or leasing of a baseball stadium project or an office complex project located on the site of a baseball stadium shall be applied for the purposes, in the manner and subject to the conditions as shall be provided in the resolution authorizing or relating to the issuance of bonds or notes of the authority for the purposes of a baseball stadium project or an office complex project located on the site of a baseball stadium, if any, and the balance, if any, remaining after such application shall be applied, to the extent not contrary to or inconsistent with the resolution, to the following purposes and in the following order:

(1) The costs of operation and maintenance of a baseball stadium project and an office complex project located on the site of a baseball stadium and reserves therefor;

(2) Payments made to repay the bonded indebtedness incurred by the authority for the purposes of a baseball stadium project or an office complex project located on the site of a

baseball stadium;

(3) Payments equivalent to an amount required to be made by the State for payments in lieu of taxes pursuant to P.L.1977, c.272 (C.54:4-2.2a et seq.);

(4) The balance remaining after application in accordance with the above shall be deposited in the General Fund.

f. Revenues, moneys or other funds, if any, derived from the operation, ownership or leasing of the Atlantic City convention center project shall be applied to the costs of operating and maintaining the Atlantic City convention center project and to the other purposes set forth in this subsection as shall be provided by resolution of the authority.

Luxury tax revenues paid to the authority by the State Treasurer pursuant to section 14 of P.L.1991, c.375 (C.5:10-14.4) shall be deposited by the authority in a separate fund or account and applied to the following purposes and in the following order:

(1) To pay the principal, sinking fund installments and redemption premiums of and interest on any bonds or notes of the authority, including bonds or notes of the authority issued for the purpose of refunding bonds or notes, issued for purposes of (i) the initial acquisition of the existing properties which will constitute part of the Atlantic City convention center project, if the bonds or notes shall be payable under the terms of the resolution of the authority relating thereto from luxury tax revenues, or (ii) providing improvements, additions or replacements to the Atlantic City convention center project, if the bonds or notes shall be payable under the terms of the resolution of the authority relating thereto from luxury tax revenues; and to pay any amounts due from the authority under any credit agreement entered into by the authority in connection with the bonds or notes.

(2) To pay the costs of operation and maintenance of the Atlantic City convention center project.

(3) To establish and maintain a working capital and maintenance reserve fund for the Atlantic City convention center project in an amount as shall be determined by the authority to be necessary.

(4) To repay to the State those amounts paid by the State with respect to bonds or notes of the authority issued for the purposes of the Atlantic City convention center project.

(5) The balance of any luxury tax revenues not required for any of the foregoing purposes and remaining at the end of any calendar year shall be paid to the State Treasurer for application to purposes in the city of Atlantic City pursuant to section 5 of P.L.1981, c.461 (C.40:48-8.30a).

The authority may pledge the luxury tax revenues paid to it as provided for in section 14 of P.L.1991, c.375 (C.5:10-14.4) as security for the payment of the principal of and interest or premium on its bonds or notes issued for the purposes set forth above in paragraph (1) of this subsection f. in the same manner, to the same extent and with the same effect as the pledge of any of its other revenues, receipts and funds authorized by P.L.1971, c.137 (C.5:10-1 et seq.).

g. Revenues, moneys or other funds, if any, derived from the ownership or operation of the Wildwood convention center facility shall be applied to the costs of operating and maintaining the Wildwood convention center facility and to the other purposes set forth in this subsection as shall be provided by resolution of the authority.

The tourism related tax revenues paid to the authority pursuant to subsection f. of section 14 of P.L.1992, c.165 (C.40:54D-14) shall be deposited by the authority in a separate fund or account and applied to any or all of the following purposes pursuant to an allocation of funds approved by the State Treasurer in writing and in advance of any application of such funds:

(1) to pay amounts due with respect to any obligations transferred to the authority pursuant to section 17 of P.L.1997, c.273 (C.40:54D-25.1) pertaining to the Wildwood convention center facility;

(2) to repay to the State those amounts paid with respect to bonds or notes of the authority issued for the purposes of the Wildwood convention center facility;

(3) to pay the cost of operation and maintenance reserve for the Wildwood convention center facility;

(4) to establish and maintain a working capital and maintenance of the Wildwood convention center facility.

The balance, if any, of any tourism related tax revenues not allocated to any of the purposes set forth in the previous paragraphs and remaining at the end of the calendar year shall be paid

to the State Treasurer for deposit in the General Fund.

39. Section 18 of P.L.1971, c.137 (C.5:10-18) is amended to read as follows:

C.5:10-18 Tax exemption; projects and property of authority; bonds or notes; payments in-lieu-of property taxes.

18. a. All projects and other property of the authority, except an off-track wagering facility or account wagering system facility established pursuant to P.L.2001, c.199, is hereby declared to be public property devoted to an essential public and governmental function and purpose and shall be exempt from all taxes and special assessments of the State or any political subdivision thereof; provided, however, that when any part of the project site not occupied or to be occupied by facilities of the project is leased by the authority to another whose property is not exempt and the leasing of which does not make the real estate taxable, the estate created by the lease and the appurtenances thereto shall be listed as the property of the lessee thereof, or his assignee, and be assessed and taxed as real estate. All bonds or notes issued pursuant to the act are hereby declared to be issued by a body corporate and public of the State and for an essential public and governmental purpose and such bonds and notes, and the interest thereon and the income therefrom, and all funds, revenues, income and other moneys received or to be received by the authority and pledged or available to pay or secure the payment of such bonds or notes, or interest thereon, shall at all times be exempt from taxation except for transfer, inheritance and estate taxes.

b. To the end that there does not occur an undue loss of future tax revenues by reason of the acquisition of real property by the authority for the meadowlands complex the authority annually shall make payments in-lieu-of-taxes to the municipality in which such property is located in an amount computed in each year with respect to each such municipality by multiplying the total amount to be raised by real property taxation in each such year by a fraction, the numerator of which is the amount of real property taxes assessed against the property acquired by the authority in the tax year in which this act becomes effective and the denominator of which is the total amount to be raised by real property taxation in such municipality in the tax year in which this act becomes effective. Such payments shall be made in each year commencing with the first year subsequent to the year in which such real property shall have been converted from a taxable to an exempt status by reason of acquisition thereof by the authority.

c. The authority is further authorized and empowered to enter into any agreement or agreements with the Meadowlands Commission or with any county or municipality located in whole or part within the Hackensack meadowlands whereby the authority will undertake to pay any additional amounts to compensate for any loss of tax revenues by reason of the acquisition of any real property by the authority for the meadowlands complex or to pay amounts to be used by such commission, county or municipality in furtherance of the development of the Hackensack meadowlands, including the meadowlands complex. The commission and every such county and municipality is authorized and empowered to enter into such agreements with the authority and to accept payments which the authority makes thereunder.

d. All payments to municipalities pursuant to subsections b. and c. shall be treated as payments in-lieu-of-property taxes for all purposes of article 9 of P.L.1968, c.404 (C.13:17-60 to 13:17-76).

40. Section 2 of P.L.1993, c.229 (C.26:2-169) is amended to read as follows:

C.26:2-169 Criteria for compulsive gambling programs; grants.

2. The Department of Health and Senior Services shall develop criteria which prevention, education and treatment programs for compulsive gamblers shall meet in order to become eligible for a grant from the funds made available for such programs pursuant to section 145 of P.L.1977, c.110 (C.5:12-145). The department shall also develop a formula for the distribution of available funds which will result in an equitable distribution among the programs which meet the eligibility criteria and apply for grants.

The department shall submit a report to the Senate Budget and Appropriations Committee

and the Assembly Appropriations Committee, or their successors, describing the criteria developed pursuant to this section and detailing the amount of grants distributed and the names of the programs receiving grants. The department shall submit the report annually to both committees.

41. Sections 30-38 and 40 of this act shall take effect immediately and the remaining sections shall take effect on the 180th day after enactment, but the commission shall take such anticipatory administrative action in advance as shall be necessary for the implementation of the act

Approved August 5, 2001.