

## CHAPTER 50

AN ACT concerning standardbred horse racing and amending various parts of the statutory law.

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

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

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

30. a. The permit holder at Monmouth Park and the thoroughbred permit holder at Meadowlands Racetrack together shall schedule (1) no fewer than 120 thoroughbred race dates in the aggregate in each of calendar years 2004 through 2007; (2) no fewer than 141 thoroughbred race dates in the aggregate in each of calendar years 2008 through 2016, except that in calendar year 2010 the permit holder at Monmouth Park and the thoroughbred permit holder at Meadowlands Racetrack may schedule no fewer than 71 race dates in the aggregate and all to take place at Monmouth Park; and (3) beginning in calendar year 2017 and in each calendar year thereafter, no fewer than 141 thoroughbred race dates in the aggregate, provided that in calendar year 2017 and in each calendar year thereafter 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 (3), in no calendar year shall the permit holders schedule, in the aggregate, fewer than 120 thoroughbred race dates.

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

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

d. Notwithstanding subsection a. of this section, the permit holder at Monmouth Park and the thoroughbred permit holder at Meadowlands Racetrack may schedule 120 thoroughbred race dates in the aggregate in each calendar year from 2004 through 2007 only if the thoroughbred permit holder at Meadowlands Racetrack or the permit holder at Monmouth Park guarantee in each calendar year from 2004 through 2007 at least \$4,200,000 in thoroughbred stakes at Meadowlands Racetrack and Monmouth Park, and guarantee the average daily overnight purses for thoroughbred race meetings at the following levels: (1) at least \$300,000 at Meadowlands Racetrack in each calendar year from 2004 through 2007; (2) for the traditional meet at Monmouth Park, at least \$320,000 in calendar year 2004, at least \$325,000 in calendar year 2005, at least \$330,000 in calendar year 2006 and at least \$335,000 in calendar year 2007; and (3) for the 18-day supplemental meet at Monmouth Park, at least \$300,000 in each calendar year from 2004 through 2006. In any calendar year from 2004 through 2007 in which the permit holder at the Meadowlands Racetrack or the permit holder at Monmouth Park, as appropriate, fails to guarantee the required minimum for thoroughbred stakes or the required minimum in average in daily overnight purses pursuant

to this subsection, the permit holder at Monmouth Park and the thoroughbred permit holder at Meadowlands Racetrack together shall schedule no fewer than 141 thoroughbred race dates in the aggregate in that calendar year.

2. Section 27 of P.L.2001, c.199 (C.5:5-153) is amended to read as follows:

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 Horseman's 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 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.

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

C.5:10-7 Application for permit.

7. a. The authority or a lessee of the authority is hereby authorized, licensed and empowered to apply to the Racing Commission for a permit or permits to hold and conduct, at any of the projects set forth in paragraphs (1) and (5) of subsection a. of section 6 of P.L.1971, c.137 (C.5:10-6), horse race meetings for stake, purse or reward, and to provide a place or places on the race meeting grounds or enclosure for wagering by patrons on the results of such horse races by the parimutuel system, and to receive charges and collect all revenues, receipts and other sums from the operation thereof and, in the case of the authority, the ownership thereof.

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

c. Application for said permit or permits shall be on such forms and shall include such accompanying data as the Racing Commission shall prescribe for other applicants. The Racing Commission shall proceed to review and act on any such application within 30 days after its filing and the Racing Commission is authorized in its sole discretion to determine whether a permit shall be granted to the authority or a lessee of the authority. If, after such review, the Racing Commission acts favorably on such application, a permit shall be granted to the authority or a lessee of the authority without any further approval and shall remain in force and effect so long as any bonds or notes of the authority remain outstanding, the provisions of any other law to the contrary notwithstanding. In granting a permit to the authority or a lessee of the authority to conduct a horse race meeting, the Racing Commission shall not be subject to any limitation as to the number of tracks authorized for the conduct of horse race meetings pursuant to any provision of P.L.1940, c.17 (C.5:5-22 et seq.). Said permit shall set forth the dates to be allotted to the authority for its initial horse race meetings. Thereafter application for dates for horse race meetings by the authority or a lessee of the authority and the allotment thereof by the Racing Commission, including the renewal of the same dates theretofore allotted, shall be governed by the applicable provisions of P.L.1940, c.17 (C.5:5-22 et seq.). Notwithstanding the provisions of any other law to the contrary, the Racing Commission shall allot annually to the authority or a lessee of the authority for the Meadowlands Complex, in the case of harness racing, not less than 100 racing days, and in the case of running racing, not less than 56 racing days, if and to the extent that application is made therefor.

d. No hearing, referendum or other election or proceeding, and no payment, surety or cash bond or other deposit, shall be required for the authority or a lessee of the authority to hold or conduct the horse race meetings with parimutuel wagering herein authorized.

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

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

(1) In the case of harness races:

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

(i) 42 1/2% thereof to increase purses and grant awards for starting horses, as provided or as may be provided by rules of the New Jersey Racing Commission, with payment to be made in the same manner as payment of other purses and awards;

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

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

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

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

(b) Distribute as purse money and for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey 5.1175%, or in the case of races on a charity racing day 5%, of such total contributions. Expenditures for programs designed to aid the horsemen and the Standardbred Breeders' and Owners' Association of New Jersey shall not exceed 5% of the sum available for distribution as purse money. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the Standardbred Breeders' and Owners' Association of New Jersey and the authority or a lessee of the authority. Notwithstanding the foregoing, for pools where the patron is required to select two or more horses, the authority or a lessee of the authority shall distribute as purse money 5.6175%, or in the case of races on a charity racing day 5.5%, of the total contributions and for pools where the patron is required to select three or more horses, the authority or a lessee of the authority shall distribute as purse money 7.1175%, or in the case of races on a charity racing day 7%, of the total contributions. Notwithstanding the foregoing, for pools where a patron is required to select three or more horses, the authority or a lessee of the authority shall retain out of the 7.1175% or 7% to be distributed as purse money a sum deemed necessary by the racing commission, for use by the commission to finance a prerace blood testing program, and such other testing programs which the commission shall deem proper and necessary and which shall be subject to the regulation and control of said commission.

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

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

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

(2) In the case of running races:

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

(b) Distribute as purse money and for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association 4.475%, or in the case of races on a charity racing day 4.24%, of such total contributions. Expenditures for programs designed to aid the horsemen and the New Jersey Thoroughbred Horsemen's Association shall not exceed 2.9% of the sum available for distribution as purse money. The formula for distribution of the purse money as either overnight purses or special stakes shall be determined by an agreement between the New Jersey Thoroughbred Horsemen's Association and the authority or a lessee of the authority. Notwithstanding the foregoing, for pools where the patron is required to select three or more horses, the authority or a lessee of the authority shall distribute as purse money 7.475%, or in the case of races on a charity racing day 7.24%, of the total contributions.

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

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

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

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

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

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

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

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

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

(3) In the case of harness races, 25% of those sums shall be retained by the permitholder to supplement purses for sire stakes races on which there is parimutuel wagering, and 25% shall be retained by the permitholder to supplement overnight purses.

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

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

j. Each employee of the authority or a lessee of the authority engaged in the conducting of horse race meetings shall obtain the appropriate license from the Racing Commission, subject to the same terms and conditions as is required of similar employees of other permitholders. The Racing Commission may suspend any member of the authority upon approval of the Governor and the license of any employee of the authority or a lessee of the authority in connection with the conducting of horse race meetings, pending a hearing by the Racing Commission, for any violation of the New Jersey laws regulating horse racing or any rule or regulation of the commission. Such hearing shall be held and conducted in the manner provided in said laws.

4. This act shall take effect immediately.

Approved April 8, 2011.