

CHAPTER 9

AN ACT concerning certain payments by casinos to out-of-State racetracks and amending P.L.1992, c.19.

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

1. Section 11 of P.L.1992, c.19 (C.5:12-201) is amended to read as follows:

C.5:12-201 Payment to out-of-State sending track.

11. a. Except as provided in subsection b. of this section, a casino which receives a simulcast horse race from an out-of-State sending track shall not pay the out-of-State sending track for the transmission an amount equal to more than 6% of the parimutuel pool on each race.

b. Subject to the approval of the New Jersey Racing Commission and with respect to no more than 28 races per casino per calendar year, plus the number of races run annually at the Breeders' Cup World Championships, a casino may pay an out-of-State sending track an amount equal to not more than 9% of the parimutuel pool for the transmission of a race.

2. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to read as follows:

C.5:12-203 Wagers subject to takeout rate.

13. Sums wagered at a casino on races being transmitted to that casino from an out-of-State sending track shall be subject to the takeout rate determined pursuant to section 12 of this act, and the sums resulting from that takeout rate as applied to the parimutuel pool generated at the casino shall be distributed as follows, subject to the provisions of section 16 of this act:

a. .50% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission for deposit in the Casino Simulcasting Fund established pursuant to section 18 of this act;

b. the actual amount paid by the casino for the transmission of the race, which shall be not more than 6%, or if applicable not more than 9%, of the parimutuel pool generated at the casino shall be paid to the casino to be used for payment to the out-of-State sending track for the transmission of the race, as provided in section 11 of this act;

c. in calendar years 1993, 1994, and 1995, 2% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission for payment to the Atlantic City Racetrack until a total of \$100,000,000 in parimutuel pools has been generated in wagering on simulcast races at all casinos in each of those calendar years, except that if casino simulcasting in Atlantic City begins after January 1, 1993 and before January 1, 1994, 2% of the parimutuel pool generated at the casino shall be paid to the commission for payment to the Atlantic City Racetrack until that portion of \$100,000,000 determined by the following formula has been generated in wagering at casinos on simulcast races in 1993:

$$A/B = C/D$$

here: A = 365 minus (a) the number of racing days in 1993, other than live racing days, prior to the commencement of casino simulcasting in Atlantic City that the Atlantic City Racetrack conducts simulcasting under the provisions of the "Simulcasting Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions of section 37 of P.L.1992, c.19 (C.5:5-125), and (b) the number of live racing days conducted by the Atlantic City Racetrack in 1993;

B = 365 (the number of calendar days in 1993);

C = the amount of the parimutuel pool generated in wagering on simulcast races in 1993 of which 2% is to be paid to the New Jersey Racing Commission for payment to the Atlantic City Racetrack;

D = \$100,000,000;

d. of the amount remaining after the deduction of the amounts under subsections a., b., and c. from the amount of the takeout rate, 55% shall be paid to the casino;

e. .50% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission and shall be deposited by that commission as follows:

(1) 50% 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), section 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), as appropriate; and

(2) 50% in the special trust account established pursuant to or specified in section 46b.(1)(e) and (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;

f. .03% of the parimutuel pool generated at the casino shall be paid to the New Jersey Racing Commission and set aside in the special trust account for horse breeding and development for distribution and use as provided in section 5 of P.L.1967, c.40 (C.5:5-88); and

g. the amount remaining after the deduction of the amounts under subsections a., b., c., d., e., and f. from the amount of the takeout rate shall be distributed as follows:

(1) 43% of that remaining amount shall be paid to the New Jersey Racing Commission and shall be distributed by that commission, on the basis of the following formula, among the New Jersey racetracks for their own use:

$$A/B = C/D$$

here: A = the gross parimutuel pool generated at each racetrack during the preceding calendar year, including the parimutuel pool on simulcast races;

B = the gross parimutuel pool generated at racetracks Statewide during the preceding calendar year, including the parimutuel pool on simulcast races;

C = the amount to be paid to each racetrack from the moneys available for distribution pursuant to this paragraph;

D = the total amount of moneys available for distribution pursuant to this paragraph;

(2) 43% of that remaining amount shall be paid to the New Jersey Racing Commission and, subject to the provisions of section 14 of this act, shall be distributed by that commission, in the following year and on the basis of the following formula, among the New Jersey racetracks for payment as purse money and for programs designed to aid horsemen and horsemen's organizations as provided in section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races:

$$A/B = C/D$$

here: A = the total amount distributed by each racetrack pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of

P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, or section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races, during the preceding calendar year, plus any additional amounts paid out by each racetrack for overnight purses during the preceding calendar year from the permit holder's share of the parimutuel pool;

B = the total amount distributed by racetracks Statewide pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, and pursuant to section 46b.(1)(d) and 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races, during the preceding calendar year, plus any additional amounts paid out by racetracks for overnight purses during the preceding calendar year from the permit holders' share of the parimutuel pool;

C = the amount to be paid to each racetrack from the moneys available for distribution pursuant to this paragraph;

D = the total amount of moneys available for distribution pursuant to this paragraph; and

(3) 14% of that remaining amount shall be paid to the New Jersey Racing Commission for deposit in the Casino Simulcasting Special Fund established pursuant to section 15 of this act.

In addition, all breakage moneys and outstanding parimutuel ticket moneys resulting from the wagering at the casino shall be paid to the New Jersey Racing Commission and deposited in the Casino Simulcasting Special Fund.

If a racetrack conducts both harness races and running races, the moneys the racetrack receives for payment pursuant to paragraph (2) of subsection g. above shall be distributed on the basis of the following formula:

$$A/B = C/D$$

here: A = the total amount distributed by the racetrack pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, in the case of harness races, plus any additional amounts paid out by the racetrack for overnight purses for harness races during the preceding calendar year from the permit holder's share of the parimutuel pool, or pursuant to section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, in the case of running races, plus any additional amounts paid out by the racetrack for overnight purses for running races during the preceding calendar year from the permit holder's share of the parimutuel pool, as the case may be;

B = the total amount distributed by the racetrack pursuant to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, and pursuant to section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, plus any additional amounts paid out by the racetrack for overnight purses for both harness and running races during the preceding calendar year from the permit holder's share of the parimutuel pool;

C = the amount to be paid by the racetrack for overnight purse money and for programs designed to aid horsemen and horsemen's organizations as provided in section 46a.(4) of

P.L.2012, CHAPTER 9

4

P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races, and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races;

D = the total amount of moneys available to the racetrack for distribution as overnight purse money and for programs designed to aid horsemen and horsemen's organizations pursuant to this paragraph.

3. This act shall take effect immediately.

Approved May 2, 2012.