

**SENATE, No. 2886**

**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

INTRODUCED JANUARY 9, 2017

**Sponsored by:**

**Senator RICHARD J. CODEY**

**District 27 (Essex and Morris)**

**Senator CHRISTOPHER "KIP" BATEMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Co-Sponsored by:**

**Senator Oroho**

**SYNOPSIS**

Permits persons at horse racetracks and off-track wagering facilities to place wagers on previously-recorded live horse races.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT permitting persons at horse racetracks and off-track  
2 wagering facilities to place wagers on previously-recorded live  
3 horse races, and supplementing chapter 5 of Title 5 of the  
4 Revised Statutes.

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

8  
9 1. a. As used in this section:

10 “previously-recorded live race” means a previously-recorded live  
11 running or harness horse race which does not identify the actual  
12 race on which pari-mutuel wagers are placed by a person using an  
13 electronic pari-mutuel wagering terminal located at a racetrack or  
14 off-track wagering facility in this State.

15 b. Notwithstanding the provisions of any other law or rule or  
16 regulation to the contrary, it shall be lawful for the New Jersey  
17 Racing Commission to authorize a permit holder that is licensed to  
18 conduct a horse race meeting in this State or an off-track wagering  
19 licensee to accept, under regulation of the commission, wagers on  
20 previously-recorded live races, with wagers placed through either  
21 electronic pari-mutuel wagering terminals located at a licensed  
22 racetrack facility or an off-track wagering facility by persons who  
23 are physically present at those racetracks or facilities.

24 c. To effectuate the provisions of this section, the commission  
25 shall, pursuant to the provisions of the “Administrative Procedures  
26 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate rules and  
27 regulations necessary to:

28 (1) evaluate the type of equipment that may be used in  
29 wagering, subject to approval by the commission;

30 (2) authorize the permit holder to enter into contracts with  
31 vendors, operators, and other entities, as may be necessary, for the  
32 establishment and operation of the electronic pari-mutuel wagering  
33 terminals;

34 (3) ensure that proper payments are made to the winning bettors  
35 who shall share the gross amount wagered minus the applicable  
36 commission, and that remaining amounts are properly distributed  
37 among the permit holder or licensee, applicable partner entities, and  
38 horse racing and breeding industry stakeholders in accordance with  
39 subsection d. of this section;

40 (4) ensure that necessary safeguards are in place to guarantee  
41 the security and integrity of the electronic pari-wagering terminals  
42 and of the pari-mutuel wagering conducted thereon and to prevent  
43 minors from wagering;

44 (5) ensure that the information provided on the previously-live  
45 race is true and accurate as of the day of the race and does not  
46 provide any information that might help patrons identify the actual  
47 race, including the date of the race, the race course, the names of  
48 the horses, riders, drivers, or trainers;

1 (6) ensure that the live pool wagering “types” offered are  
2 identical with those offered in the previously-recorded live race;

3 (7) ensure that the system allows for pari-mutuel wagering on a  
4 horse race displayed as a video or audio recording, but does not  
5 authorize wagering on any animation, computer simulation or other  
6 artificial representation of horse racing; and

7 (8) regulate any other aspects of the electronic pari-mutuel  
8 wagering operation the commission deems appropriate.

9 d. As used in this subsection, "takeout" means that portion of a  
10 wager which is deducted from or not included in the pari-mutuel  
11 pool, and which is distributed other than to persons placing wagers.

12 The takeout rate for a previously-recorded live race shall be not  
13 more than 20 percent, and shall be 20 percent in the absence of an  
14 agreement prescribing a lesser takeout percentage.

15 The amount resulting from the takeout rate for previously-  
16 recorded live race wagering conducted at a racetrack or at an off-  
17 track wagering facility shall be distributed as follows: 15 percent to  
18 purses; 1 percent to breeder awards and 4 percent to Sire Stakes or  
19 State-bred awards; 15 percent to race technology fees; 3 percent to  
20 simulcasting and video usage fees; and 62 percent to the permit  
21 holder.

22 e. An excise tax shall be imposed on all tracks and off-track  
23 wagering facilities conducting pari-mutuel wagering on previously-  
24 recorded live races under the jurisdiction of the commission at a  
25 rate of 1.5 percent of all money wagered on previously-recorded  
26 live races at the track during the State fiscal year. Money shall be  
27 deducted from the tax paid as follows:

28 (1) an amount equal to 1.2 percent of all money wagered on  
29 previously-recorded live races shall be deposited into the General  
30 Fund and dedicated specifically to the Department of the Treasury  
31 to be used to pay the State’s required annual contribution to the  
32 State-administered retirement systems;

33 (2) an amount equal to 0.1 percent of all money wagered on  
34 previously-recorded live races shall be distributed to the New  
35 Jersey Racing Commission for operations and administration;

36 (3) an amount equal to 0.05 percent of all monies wagered on  
37 previously live races shall be deposited in a dedicated  
38 nonlapsing trust and revolving fund to support the Equine Science  
39 Center at Rutgers University;

40 (4) an amount equal to 0.05 percent of all monies wagered on  
41 previously-recorded live races shall be deposited in a special trust  
42 account for the construction, expansion, or renovation of facilities  
43 or the purchase of equipment for equine programs at public  
44 institutions of higher education; and

45 (5) an amount equal to 0.1 percent of all money wagered on  
46 previously-recorded live races shall be distributed to the New  
47 Jersey Racing Commission to support equine drug testing on live  
48 horse races.

1 The excise tax imposed herein shall not apply to pari-mutuel  
2 wagering on live or simulcast horse races.

3 f. Notwithstanding the provisions of subsection d of this section  
4 to the contrary, a portion of the amount resulting from the take-out  
5 rate that is dedicated for purses to the Standardbred Breeders' and  
6 Owners' Association of New Jersey or to a standardbred permit  
7 holder, and to the New Jersey Thoroughbred Horsemen's  
8 Association or to a thoroughbred permit holder, may be expended  
9 for other purposes that benefit the racing and breeding industries in  
10 this State, pursuant to an agreement between the respective permit  
11 holder and association, and subject to reporting in the annual  
12 financial reports required to be submitted to the commission. The  
13 provisions of this subsection shall not be construed as to abrogate  
14 any contractual agreement among permit holders in this State  
15 providing for previously-live race wagering revenue sharing.

16 g. Subject to rules and regulations of the commission, a racetrack  
17 or off-track wagering facility may commingle previously-recorded  
18 live race wagers into interstate common pools for previously-  
19 recorded live race wagering.

20 h. The provisions of this section shall be construed as severable  
21 and if any part of this section is held unconstitutional, or for any  
22 other reason invalid, any remaining parts thereof shall not be  
23 affected thereby.

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25 2. This act shall take effect immediately.

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STATEMENT

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30 This bill would permit wagering at racetracks and off track  
31 wagering facilities in this State on previously-recorded live running  
32 or harness horse races that do not identify the actual race. Pari-  
33 mutuel wagers of the same pool type would be placed using an  
34 electronic pari-mutuel wagering.

35 The bill provides that the "takeout" or that portion of a wager  
36 which is deducted from or not included in the parimutuel pool, and  
37 which is distributed other than to persons placing wagers, will not  
38 be more than 20 percent, and will be 20 percent in the absence of an  
39 agreement prescribing a lesser takeout percentage. The takeout rate  
40 amount for previously-recorded live wagering conducted at an off-  
41 track wagering facility or at a racetrack will be distributed as  
42 follows: 15 percent to purses; 1 percent to breeder awards and 4  
43 percent to Sire Stakes or State-bred awards; 15 percent to race  
44 technology fees; 3 percent to simulcasting fees; and 62 percent to  
45 the permit holder, who shall be responsible for operating expenses,  
46 marketing, and awards. Under the bill, previously-recorded live  
47 race wagers may be commingled into interstate common pools for  
48 previously-recorded live race wagering.

1       The bill also imposes a tax at a rate of 1.5 percent of money  
2 wagered on previously-recorded live races during the State fiscal  
3 year. A portion of these revenues will be dedicated to pay for  
4 public employee retirement benefits, New Jersey Racing  
5 Commission expenses, support of the Equine Science at Rutgers  
6 University, equine programs at public institutions of higher  
7 education, and equine drug testing.

8       The bill further provides that a portion of the amounts dedicated  
9 for purses to the Standardbred Breeders' and Owners' Association  
10 of New Jersey or to a standardbred permit holder, and to the New  
11 Jersey Thoroughbred Horsemen's Association or to a thoroughbred  
12 permit holder, may be expended for other purposes that benefit the  
13 racing and breeding industries in this State, pursuant to an  
14 agreement between the respective permit holder and association,  
15 and subject to reporting in the annual financial reports required to  
16 be submitted to the commission. The distributions established in the  
17 bill would not be construed as to abrogate any contractual  
18 agreement among permit holders in this State providing for  
19 previously-recorded live racing revenue sharing.

20       Under the bill, the New Jersey Racing Commission would  
21 promulgate rules and regulations necessary to implement the bill's  
22 provisions.