

ASSEMBLY, No. 2570

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED FEBRUARY 1, 2018

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Permits persons at racetracks, off-track wagering facilities, and casino simulcasting facilities to place instant racing wagers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT permitting persons at racetracks, off-track wagering
2 facilities, and casino simulcasting facilities to place instant
3 racing wagers, and supplementing chapter 5 of Title 5 of the
4 Revised Statutes and P.L.1992, c.19 (C.5:12-191 et seq.).

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

8
9 1. For the purposes of Article IV, Section VII, paragraph 2,
10 subparagraphs E. and F. of the New Jersey Constitution, live or
11 simulcast running and harness horse races shall include previously-
12 recorded live horse races on which wagers are placed during an
13 instant racing event authorized under this act, P.L. ,
14 c. (C.) (pending before the Legislature as this bill). For the
15 purposes of this act, “instant racing event” means a previously-
16 recorded live running or harness horse race, which does not identify
17 the actual race, on which pari-mutuel wagers are placed by a person
18 using an electronic wagering terminal located at a racetrack, off-
19 track wagering facility, or casino simulcasting facility in this State.

20
21 2. a. Notwithstanding the provisions of any other law or rule
22 or regulation to the contrary, it shall be lawful for the New Jersey
23 Racing Commission to authorize a permit holder that is licensed to
24 conduct a horse race meeting in this State or an off-track wagering
25 licensee to accept, under regulation of the commission, wagers on
26 instant racing events, as defined in section 1 of P.L. , c. (C.)
27 (pending before the Legislature as this bill), with wagers placed
28 through electronic wagering terminals located at a licensed
29 racetrack facility or off-track wagering facility by persons who are
30 physically present at those racetracks or facilities.

31 b. To effectuate the provisions of this section, the commission
32 shall promulgate rules and regulations necessary to:

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

35 (2) authorize the permit holder to enter into contracts with
36 vendors, operators, and other entities, as may be necessary, for the
37 establishment and operation of the electronic wagering terminals;

38 (3) ensure that proper payments are made to winning bettors,
39 and that remaining amounts are properly distributed among the
40 permit holder or licensee, applicable partner entities, and horse
41 racing and breeding industry stakeholders in accordance with
42 subsection c. of this section;

43 (4) ensure that necessary safeguards are in place to guarantee
44 the security and integrity of the electronic wagering terminals and
45 of the wagering conducted thereon and to prevent minors from
46 wagering; and

47 (5) regulate any other aspects of the electronic wagering
48 operation the commission deems appropriate.

1 c. (1) As used in this subsection, "takeout" means that portion
2 of a wager which is deducted from or not included in the parimutuel
3 pool, and which is distributed other than to persons placing wagers.
4 The takeout rate for instant racing shall be not more than 20%, and
5 shall be 20% in the absence of an agreement prescribing a lesser
6 takeout percentage. The amount resulting from the takeout rate for
7 instant racing conducted at an off-track wagering facility or at a
8 racetrack shall be distributed 16% to purses; 1% to breeder awards;
9 15% to race technology fees; 3% to simulcasting fees; and 65% to
10 the permit holder, who shall be responsible for operating expenses,
11 marketing, and awards not to exceed 25% of win. Notwithstanding
12 the provisions of this subsection to the contrary, a portion of the
13 amounts dedicated for purses to the Standardbred Breeders' and
14 Owners' Association of New Jersey or to a standardbred permit
15 holder, and to the New Jersey Thoroughbred Horsemen's
16 Association or to a thoroughbred permit holder, may be expended
17 for other purposes that benefit the racing and breeding industries in
18 this State, pursuant to an agreement between the respective permit
19 holder and association, and subject to reporting in the annual
20 financial reports required to be submitted to the commission. The
21 provisions of this subsection shall not be construed as to abrogate
22 any contractual agreement among permit holders in this State
23 providing for instant racing revenue sharing.

24 (2) Subject to rules and regulations of the commission, a
25 racetrack or off-track wagering facility may commingle instant
26 racing wagers into interstate common pools for instant racing.

27
28 3. a. Notwithstanding the provisions of any other law or rule
29 or regulation to the contrary, it shall be lawful for the Division of
30 Gaming Enforcement, in consultation with the New Jersey Racing
31 Commission, to authorize a casino licensee, under regulation of the
32 division and the commission, to conduct wagering on instant racing
33 events, as defined in section 1 of P.L. , c. (C.) (pending
34 before the Legislature as this bill), with wagers placed through
35 electronic wagering terminals located at the casino's simulcasting
36 facility by persons who are physically present at that facility.

37 b. To effectuate the provisions of this section, the division and
38 the commission shall promulgate rules and regulations necessary to:

39 (1) evaluate the type of equipment that may be used in wagering
40 subject to approval by the division and the commission;

41 (2) authorize the casino licensee to enter into contracts with
42 vendors, operators, and other entities, as may be necessary, for the
43 establishment and operation of the electronic wagering terminals;

44 (3) ensure that proper payments are made to winning bettors,
45 and that remaining amounts are properly distributed among the
46 casino licensee, applicable partner entities, and horse racing and
47 breeding industry stakeholders in accordance with subsection c. of
48 this section;

1 (4) ensure that necessary safeguards are in place to guarantee
2 the security and integrity of the electronic wagering terminals and
3 of the wagering conducted thereon and to prevent minors from
4 wagering; and

5 (5) regulate any other aspects of the electronic wagering
6 operation the division and commission deem appropriate.

7 c. (1) As used in this subsection, "takeout" means that portion
8 of a wager which is deducted from or not included in the parimutuel
9 pool, and which is distributed other than to persons placing wagers.
10 The takeout rate for instant racing shall be not more than 20%, and
11 shall be 20% in the absence of an agreement prescribing a lesser
12 takeout percentage. The amount resulting from the takeout rate for
13 instant racing conducted at a casino simulcasting facility shall be
14 distributed in accordance with an agreement between the casino
15 licensee and horse racing permit holders in this State, which shall
16 be subject to approval by the division and commission.

17 (2) Subject to rules and regulations of the commission and
18 division, the casino licensee may commingle instant racing wagers
19 into interstate common pools for instant racing.

20
21 4. The provisions of this act, P.L. , c. (C.) (pending
22 before the Legislature as this bill) shall be construed as severable
23 and if any part of this law is held unconstitutional, or for any other
24 reason invalid, any remaining parts thereof shall not be affected
25 thereby.

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27 5. This act shall take effect immediately
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30 STATEMENT

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32 This bill would permit wagering by persons at racetracks, off-
33 track wagering facilities, and casino simulcasting facilities on
34 instant racing events. Under the bill, an "instant racing event" is a
35 previously-recorded live running or harness horse race, which does
36 not identify the actual race, on which pari-mutuel wagers are placed
37 by a person using an electronic wagering terminal located at a
38 racetrack, off-track wagering facility, or casino simulcasting facility
39 in this State.

40 The bill provides that the "takeout" or that portion of a wager
41 which is deducted from or not included in the parimutuel pool, and
42 which is distributed other than to persons placing wagers, will not
43 be more than 20%, and will be 20% in the absence of an agreement
44 prescribing a lesser takeout percentage. The takeout rate amount
45 for instant racing conducted at an off-track wagering facility or at a
46 racetrack will be distributed 16% to purses; 1% to breeder awards;
47 15% to race technology fees; 3% to simulcasting fees; and 65% to
48 the permit holder, who shall be responsible for operating expenses,

1 marketing, and awards not to exceed 25% of win. The takeout rate
2 amount for instant racing conducted at a casino simulcasting facility
3 will be distributed in accordance with an agreement between the
4 casino licensee and horse racing permit holders in this State. Under
5 the bill, instant racing wagers may be commingled into interstate
6 common pools for instant racing.

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

19 Under the bill, the New Jersey Racing Commission and the
20 Division of Gaming Enforcement would promulgate rules and
21 regulations necessary to implement the bill's provisions.