

[First Reprint]

**SENATE, No. 2992**

---

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

---

INTRODUCED SEPTEMBER 24, 2018

**Sponsored by:**

**Senator VIN GOPAL**

**District 11 (Monmouth)**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Co-Sponsored by:**

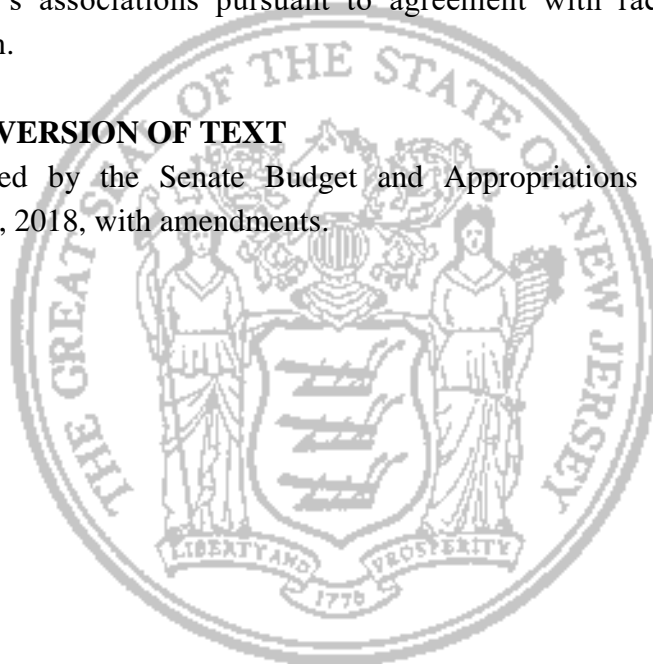
**Senators Codey, Cruz-Perez and Thompson**

**SYNOPSIS**

Provides for horse racing purse subsidies and that portion of sums received by the horse racing permit holder from sports wagering will be paid to horsemen's associations pursuant to agreement with racetrack; makes appropriation.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on December 10, 2018, with amendments.



**(Sponsorship Updated As Of: 1/16/2019)**

1 AN ACT concerning horse racing purse subsidies <sup>1</sup>**[and]** <sup>1</sup>  
 2 supplementing P.L.1940, c.17 (C.5:5-22 et seq.), <sup>1</sup>amending  
 3 P.L.2018, c. 33,<sup>1</sup> and making an appropriation.  
 4

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

8 1. There shall be appropriated out of the General Fund of the  
 9 State in the current fiscal year 2019 and in each of the four fiscal  
 10 years thereafter \$20,000,000 annually to the New Jersey Racing  
 11 Commission to be used for horse racing purse subsidies. These  
 12 amounts shall be allocated by the New Jersey Racing Commission  
 13 equally between the thoroughbred industry and the standardbred  
 14 industry. Of the funds allocated to the thoroughbred industry, 100  
 15 percent shall be allocated to Monmouth Park overnight purses. Of  
 16 the funds allocated to the standardbred industry, 60 percent shall be  
 17 allocated to Meadowlands overnight purses; 16 percent to Freehold  
 18 overnight purses; 12 percent to the New Jersey Sire Stakes purses; 6  
 19 percent to purse bonuses for New Jersey sired horses; and 6 percent  
 20 for breeders awards purses.  
 21

22 2. There is appropriated out of the General Fund of the State  
 23 for the 2019 Fiscal Year \$20,000,000 to the New Jersey Racing  
 24 Commission to be used for horse racing purse subsidies in the  
 25 manner provided by section 1 of this act, P.L. , c. (C. )  
 26 (pending before the Legislature as this bill).  
 27

28 <sup>1</sup>3. Section 7 of P.L.2018, c.33 (C.5:12A-16) is amended to  
 29 read as follows:

30 7. The sums received by the casino from sports wagering or  
 31 from a joint sports wagering operation, less only the total of all  
 32 sums actually paid out as winnings to patrons, shall not be taxed as  
 33 gross revenue as specified under section 24 of P.L.1977, c.110  
 34 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that  
 35 sums received from Internet wagering on sports events, less only  
 36 the total of all sums actually paid out as winnings to patrons, shall  
 37 be subject to a 13 percent tax, which shall be paid to the Casino  
 38 Revenue Fund, and to an additional tax of 1.25 percent which shall  
 39 be remitted by the State Treasurer to the Casino Reinvestment  
 40 Development Authority for marketing and promotion of the City of  
 41 Atlantic City, provided, however, that the cash equivalent value of  
 42 any merchandise or thing of value included in a jackpot or payout  
 43 shall not be included in the total of all sums paid out as winnings to  
 44 patrons for purposes of determining revenue under this paragraph.

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted December 10, 2018.

1     The net revenues actually received by the horse racing permit  
2 holder from any sports wagering operation at the Meadowlands  
3 Racetrack, including Internet wagering on sports events, either  
4 jointly established with a casino or established independently or  
5 with non-casino partners, less the total of all sums actually paid out  
6 for any operating expenses and as winnings to patrons, shall be paid  
7 by the Meadowlands Racetrack to the Standardbred Breeders and  
8 Owners' Association of New Jersey and the New Jersey  
9 Thoroughbred Horsemen's Association pursuant to the terms of a  
10 written agreement between the Meadowlands Racetrack and each  
11 association. A written agreement shall be in effect for as long as a  
12 sports wagering operation is conducted at the Meadowlands  
13 Racetrack.

14     The net revenues actually received by the horse racing permit  
15 holder from any sports wagering operation at the Monmouth Park  
16 Racetrack, including Internet wagering on sports events, either  
17 jointly established with a casino or established independently or  
18 with non-casino partners, less the total of all sums actually paid out  
19 for any operating expenses and as winnings to patrons, shall be paid  
20 by Monmouth Park Racetrack to the New Jersey Thoroughbred  
21 Horsemen's Association pursuant to the terms of a written  
22 agreement between Monmouth Park Racetrack and that association.  
23 A written agreement shall be in effect for as long as a sports  
24 wagering operation is conducted at Monmouth Park Racetrack.

25     The net revenues actually received by the horse racing permit  
26 holder from any sports wagering operation at the Freehold  
27 Raceway, including Internet wagering on sports events, either  
28 jointly established with a casino or established independently or  
29 with non-casino partners, less the total of all sums actually paid out  
30 for any operating expenses and as winnings to patrons, shall be paid  
31 by Freehold Raceway to the Standardbred Breeders and Owners'  
32 Association of New Jersey pursuant to the terms of a written  
33 agreement between Freehold Raceway and that association. A  
34 written agreement shall be in effect for as long as a sports wagering  
35 operation is conducted at Freehold Raceway.

36     The sums actually received by the horse racing permit holder  
37 from any sports wagering operation, either jointly established with a  
38 casino or established independently or with non-casino partners,  
39 less only the total of all sums actually paid out as winnings to  
40 patrons, shall be subject to an 8.5 percent tax, except that sums  
41 received from Internet wagering on sports events, less only the total  
42 of all sums actually paid out as winnings to patrons, shall be subject  
43 to a 13 percent tax, to be collected by the division and paid to the  
44 State General Fund and to an additional tax of 1.25 percent on  
45 amounts actually received from a sports wagering operation, less  
46 only the total of all sums actually paid out as winnings to patrons,  
47 to be paid, except as provided below with respect to amounts  
48 generated by the Meadowlands racetrack, to the Department of the

1 Treasury for distribution, upon application by a municipality or  
2 county, to the municipality in which the majority of the racetrack is  
3 located and to the county in which the racetrack is located or to an  
4 economic development authority of that municipality and county  
5 with those amounts used for economic development purposes,  
6 which shall include, but not be limited to, improvements to:  
7 transportation and infrastructure, tourism, public safety, and  
8 properties located on or near the racetrack, provided, however, that  
9 the cash equivalent value of any merchandise or thing of value  
10 included in a jackpot or payout shall not be included in the total of  
11 all sums paid out as winnings to patrons for purposes of  
12 determining revenue under this paragraph. The Department of the  
13 Treasury shall establish an account for each eligible municipality  
14 and county and shall ensure that the amounts generated from the  
15 racetrack shall only be distributed to the municipality in which the  
16 majority of the racetrack is located and county in which the  
17 racetrack is located with 0.75 percent paid to the municipality and  
18 0.5 percent paid to the county, except that amounts generated from  
19 the Meadowlands racetrack shall be paid into the intermunicipal  
20 account, established pursuant to section 53 of P.L.2015, c.19  
21 (C.5:10A-53), and used to pay Meadowlands adjustment payments  
22 to municipalities in the Meadowlands district.

23 A percentage of the fee paid for a license to operate a sports pool  
24 shall be deposited into the State General Fund for appropriation by  
25 the Legislature to the Department of Health to provide funds for  
26 evidence-based prevention, education, and treatment programs for  
27 compulsive gambling that meet the criteria developed pursuant to  
28 section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided  
29 by the Council on Compulsive Gambling of New Jersey, and  
30 including the development and implementation of programs that  
31 identify and assist problem gamblers. The percentage shall be  
32 determined by the division.<sup>1</sup>  
33 (cf: P.L.2018, c.130, s.1)  
34

35 <sup>1</sup>**[3.] 4. (New section)**<sup>1</sup> The recipient of any funds  
36 appropriated <sup>1</sup>or allocated<sup>1</sup> pursuant to this act, <sup>1</sup>P.L. , c. (C. )  
37 (pending before the Legislature as this bill),<sup>1</sup> as a condition of  
38 receiving any such funds in the <sup>1</sup>**[next]** subsequent<sup>1</sup> fiscal year  
39 thereafter, shall file an annual report with the New Jersey Racing  
40 Commission that documents the purposes for which those funds  
41 were used and the amounts allocated for those purposes. Each  
42 annual report shall include, but not be limited to, the following  
43 information: impact on the handle/total amount bet; impact on the  
44 total number of horses in the races; impact on the number of New  
45 Jersey bred horses in the races; impact on the number of New Jersey  
46 bred horses winning races; number of brood mares in New Jersey;

1 number of New Jersey bred foals born; and any impact on the New  
2 Jersey Sire Stakes program.

3

4 <sup>1</sup>**[4.]** 5.<sup>1</sup> This act shall take effect immediately.