

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2992

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 28, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 2992 (1R), with committee amendments.

As amended, this bill provides that there will be appropriated out of the General Fund of the State, in the current fiscal year 2019 and in each of the four fiscal years thereafter, \$20 million annually to the New Jersey Racing Commission to be used for horse racing purse subsidies.

These amounts will be allocated by the New Jersey Racing Commission equally between the thoroughbred industry and the standardbred industry. Of the funds allocated to the thoroughbred industry, 100 percent will be allocated to Monmouth Park overnight purses. Of the funds allocated to the standardbred industry, 60 percent will be allocated to Meadowlands overnight purses; 16 percent to Freehold overnight purses; 12 percent to the New Jersey Sire Stakes purses; 6 percent to purse bonuses for New Jersey sired horses; and 6 percent for breeders awards purses.

For fiscal year 2019, the bill also specifically appropriates \$20 million out of the General Fund to the New Jersey Racing Commission, to be used for these horse racing purse subsidies in the current fiscal year.

Finally, the bill also provides that the recipient of any funds appropriated pursuant to the bill, as a condition of receiving any such funds in the next fiscal year thereafter, will file an annual report with the New Jersey Racing Commission that documents the purposes for which those funds were used and the amounts allocated for those purposes.

As amended, this bill is identical to Assembly Bill No. 4810 (1R), as amended and reported by committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1) provide that each annual report will be filed with the Governor and the Legislature, as well as with the Racing Commission and will include a comparison for each fiscal year

during which funds are received with each of the five years immediately preceding the first year in which funds are received;

2) provide that the Legislature may choose not to appropriate the amounts provided by the bill if it determines, based on a review of the reports filed, that receipt of these funds has not substantially improved the racing industry in New Jersey; and

3) provide that the Legislature shall first pass a concurrent resolution stating that the reports have been reviewed and are satisfactory to the Legislature if it does appropriate the amounts

FISCAL IMPACT:

The bill appropriates \$20 million from the State General Fund to the New Jersey Racing Commission in FY 2019 and potentially an additional \$20 million annually in each of the subsequent four fiscal years thereafter. Thus, the potential aggregate impact of this bill is a \$100 million expenditure increase to the State General Fund over a period of five fiscal years.