

**ASSEMBLY, No. 626**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman RALPH R. CAPUTO**

**District 28 (Essex)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman NICHOLAS CHIARAVALLOTI**

**District 31 (Hudson)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



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:*

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

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

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

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26 2. This act shall take effect immediately.

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#### STATEMENT

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

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

1 race wagers may be commingled into interstate common pools for  
2 previously-recorded live race wagering.

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

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

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