

ASSEMBLY, No. 2889

STATE OF NEW JERSEY

INTRODUCED MAY 1, 1997

By Assemblymen LeFEVRE and BLEE

1 AN ACT concerning casino simulcasting and the Atlantic City
2 Racetrack and amending P.L.1992, c.19.

3

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

6

7 1. Section 5 of P.L.1992, c.19 (C.5:12-195) is amended to read as
8 follows:

9 5. A permit holder which wishes to conduct casino simulcasting
10 shall request the approval of the New Jersey Racing Commission in its
11 annual application for horse race meeting dates filed with that
12 commission pursuant to section 23 of P.L.1940, c.17 (C.5:5-43), or,
13 if applying between the submittal of annual applications, through such
14 supplemental application as that commission shall deem appropriate.
15 **[The] Except in the case of Atlantic City Racetrack, the** New Jersey
16 Racing Commission shall not approve the request of any permit holder
17 to conduct casino simulcasting unless the permit holder will conduct
18 a number of live racing programs during the period for which the
19 permit is issued which is equal to the following:

20 a. in the case of harness races, each permit holder shall conduct at
21 least 75% of the average number of live racing programs conducted by
22 that permit holder during calendar years 1990 and 1991; and

23 b. in the case of running races, Monmouth Racetrack shall conduct
24 at least the same number of live racing programs conducted in 1991,
25 Garden State Racetrack shall conduct at least 60% of the live racing
26 programs conducted by that permit holder in calendar year 1990, and
27 each of the other permit holders conducting running races shall
28 conduct at least 75% of the live racing programs conducted by that
29 permit holder in calendar year 1990.

30 For the purpose of satisfying the requirements of this section for the
31 conduct of live racing programs, any live racing program or part
32 thereof which is cancelled because of weather or another act of God
33 shall be deemed to have been conducted, subject to the approval of the

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

Matter underlined thus is new matter.

1 New Jersey Racing Commission.

2 (cf: P.L.1992, c.19, s.5)

3

4 2. Section 13 of P.L.1992, c.19 (C.5:12-203) is amended to read
5 as follows:

6 13. Sums wagered at a casino on races being transmitted to that
7 casino from an out-of-State sending track shall be subject to the
8 takeout rate determined pursuant to section 12 of this act, and the
9 sums resulting from that takeout rate as applied to the parimutuel pool
10 generated at the casino shall be distributed as follows, subject to the
11 provisions of section 16 of this act:

12 a. .50% of the parimutuel pool generated at the casino shall be paid
13 to the New Jersey Racing Commission for deposit in the Casino
14 Simulcasting Fund established pursuant to section 18 of this act;

15 b. 3%, or if applicable 6%, of the parimutuel pool generated at the
16 casino shall be paid to the casino to be used for payment to the
17 out-of-State sending track for the transmission of the race, as provided
18 in section 11 of this act;

19 c. [in calendar years 1993, 1994, and 1995,] 2% of the parimutuel
20 pool generated at the casino shall be paid to the New Jersey Racing
21 Commission for payment to the Atlantic City Racetrack until a total of
22 \$100,000,000 in parimutuel pools has been generated in wagering on
23 simulcast races at all casinos in each [of those] calendar [years] year,
24 except that if casino simulcasting in Atlantic City begins after January
25 1, 1993 and before January 1, 1994, 2% of the parimutuel pool
26 generated at the casino shall be paid to the commission for payment to
27 the Atlantic City Racetrack until that portion of \$100,000,000
28 determined by the following formula has been generated in wagering
29 at casinos on simulcast races in 1993: $A = C$

30

.....

31

B D

32

33 here: A = 365 minus (a) the number of racing days in 1993, other than
34 live racing days, prior to the commencement of casino simulcasting in
35 Atlantic City that the Atlantic City Racetrack conducts simulcasting
36 under the provisions of the "Simulcasting Racing Act," P.L.1985,
37 c.269 (C.5:5-110 et seq.) or the provisions of section 37 of P.L.1992,
38 c.19 (C.5:5-125), and (b) the number of live racing days conducted by
39 the Atlantic City Racetrack in 1993;

40 B = 365 (the number of calendar days in 1993);

41 C = the amount of the parimutuel pool generated in wagering on
42 simulcast races in 1993 of which 2% is to be paid to the New Jersey
43 Racing Commission for payment to the Atlantic City Racetrack;

44 D = \$100,000,000];

45 d. of the amount remaining after the deduction of the amounts
46 under subsections a., b., and c. from the amount of the takeout rate,

1 65% shall be paid to the casino during the first 18 months after the
 2 effective date of this act; 60% shall be paid to the casino during the
 3 next succeeding 12 months after that 18-month period; 55% shall be
 4 paid to the casino during the next succeeding 12 months after that
 5 12-month period; and 50% shall be paid to the casino commencing
 6 with the 43rd month after the effective date; except that if, at any time
 7 during the 42-month period following the effective date, wagering on
 8 sports events is authorized by law and a casino commences such
 9 wagering, 50% shall be paid to the casino upon the commencement of
 10 such wagering by that casino;

11 e. .50% of the parimutuel pool generated at the casino shall be paid
 12 to the New Jersey Racing Commission and shall be deposited by that
 13 commission as follows:

14 (1) 50% in the special trust account established pursuant to or
 15 specified in section 46a.(2) of P.L.1940, c.17 (C.5:5-66), section 2b.
 16 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1) of P.L.1982, c.201
 17 (C.5:5-98), or section 7f.(1)(a) of P.L.1971, c.137 (C.5:10-7), as
 18 appropriate, for use and distribution as provided in section 46a.(2)(a),
 19 (b), and (c) of P.L.1940, c.17 (C.5:5-66), section 2b.(1), (2), and (3)
 20 of P.L.1984, c.236 (C.5:5-66.1), section 5a.(1)(a), (b), and (c) of
 21 P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(a)(i), (ii), and (iii) of
 22 P.L.1971, c.137 (C.5:10-7), as appropriate; and

23 (2) 50% in the special trust account established pursuant to or
 24 specified in section 46b.(1)(e) and (2)(e) of P.L.1940, c.17 (C.5:5-66),
 25 section 5b.(3) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(c) of
 26 P.L.1971, c.137 (C.5:10-7), as appropriate, for use and distribution as
 27 provided therein;

28 f. .03% of the parimutuel pool generated at the casino shall be paid
 29 to the New Jersey Racing Commission and set aside in the special trust
 30 account for horse breeding and development for distribution and use
 31 as provided in section 5 of P.L.1967, c.40 (C.5:5-88); and

32 g. the amount remaining after the deduction of the amounts under
 33 subsections a., b., c., d., e., and f. from the amount of the takeout rate
 34 shall be distributed as follows:

35 (1) 43% of that remaining amount shall be paid to the New Jersey
 36 Racing Commission and shall be distributed by that commission, on the
 37 basis of the following formula, among the New Jersey racetracks for
 38 their own use:

$$39 \qquad \qquad \qquad A = C$$

$$40 \qquad \qquad \qquad \dots\dots\dots$$

$$41 \qquad \qquad \qquad B \ D$$

42
 43 here: A = the gross parimutuel pool generated at each racetrack
 44 during the preceding calendar year, including the parimutuel pool on
 45 simulcast races;

46 B = the gross parimutuel pool generated at racetracks Statewide

1 during the preceding calendar year, including the parimutuel pool on
2 simulcast races;

3 C = the amount to be paid to each racetrack from the moneys
4 available for distribution pursuant to this paragraph;

5 D = the total amount of moneys available for distribution pursuant
6 to this paragraph;

7 (2) 43% of that remaining amount shall be paid to the New Jersey
8 Racing Commission and, subject to the provisions of section 14 of this
9 act, shall be distributed by that commission, in the following year and
10 on the basis of the following formula, among the New Jersey
11 racetracks for payment as purse money and for programs designed to
12 aid horsemen and horsemen's organizations as provided in section
13 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984, c.236
14 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or section
15 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness races,
16 and section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66),
17 section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section 7f.(2)(b) of
18 P.L.1971, c.137 (C.5:10-7), in the case of running races:

19
$$A = C$$

20

21
$$B D$$

22
23 here: A = the total amount distributed by each racetrack pursuant to
24 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984,
25 c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or
26 section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the case of harness
27 races, or section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17
28 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section
29 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), in the case of running races,
30 during the preceding calendar year, plus any additional amounts paid
31 out by each racetrack for overnight purses during the preceding
32 calendar year from the permit holder's share of the parimutuel pool;

33 B = the total amount distributed by racetracks Statewide pursuant
34 to section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of
35 P.L.1984, c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201
36 (C.5:5-98), and section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), in the
37 case of harness races, and pursuant to section 46b.(1)(d) and
38 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
39 c.201 (C.5:5-98), and section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7),
40 in the case of running races, during the preceding calendar year, plus
41 any additional amounts paid out by racetracks for overnight purses
42 during the preceding calendar year from the permit holders' share of
43 the parimutuel pool;

44 C = the amount to be paid to each racetrack from the moneys
45 available for distribution pursuant to this paragraph;

46 D = the total amount of moneys available for distribution pursuant

1 to this paragraph; and

2 (3) 14% of that remaining amount shall be paid to the New Jersey
3 Racing Commission for deposit in the Casino Simulcasting Special
4 Fund established pursuant to section 15 of this act.

5 In addition, all breakage moneys and outstanding parimutuel ticket
6 moneys resulting from the wagering at the casino shall be paid to the
7 New Jersey Racing Commission and deposited in the Casino
8 Simulcasting Special Fund.

9 If a racetrack conducts both harness races and running races, the
10 moneys the racetrack receives for payment pursuant to paragraph (2)
11 of subsection g. above shall be distributed on the basis of the following
12 formula:

$$\begin{array}{r}
 13 \qquad \qquad \qquad A = C \\
 14 \qquad \qquad \qquad \dots\dots\dots \\
 15 \qquad \qquad \qquad B \quad D
 \end{array}$$

16
17 here: A = the total amount distributed by the racetrack pursuant to
18 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984,
19 c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or
20 section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, in the
21 case of harness races, plus any additional amounts paid out by the
22 racetrack for overnight purses for harness races during the preceding
23 calendar year from the permit holder's share of the parimutuel pool, or
24 pursuant to section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17
25 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section
26 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, in the case of
27 running races, plus any additional amounts paid out by the racetrack
28 for overnight purses for running races during the preceding calendar
29 year from the permit holder's share of the parimutuel pool, as the case
30 may be;

31 B = the total amount distributed by the racetrack pursuant to
32 section 46a.(4) of P.L.1940, c.17 (C.5:5-66), section 2d. of P.L.1984,
33 c.236 (C.5:5-66.1), section 5a.(2) of P.L.1982, c.201 (C.5:5-98), or
34 section 7f.(1)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, and
35 pursuant to section 46b.(1)(d) or 46b.(2)(d) of P.L.1940, c.17
36 (C.5:5-66), section 5b.(2) of P.L.1982, c.201 (C.5:5-98), or section
37 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7), as appropriate, plus any
38 additional amounts paid out by the racetrack for overnight purses for
39 both harness and running races during the preceding calendar year
40 from the permit holder's share of the parimutuel pool;

41 C = the amount to be paid by the racetrack for overnight purse
42 money and for programs designed to aid horsemen and horsemen's
43 organizations as provided in section 46a.(4) of P.L.1940, c.17
44 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2)
45 of P.L.1982, c.201 (C.5:5-98), or section 7f.(1)(b) of P.L.1971, c.137
46 (C.5:10-7), in the case of harness races, and section 46b.(1)(d) or

1 46b.(2)(d) of P.L.1940, c.17 (C.5:5-66), section 5b.(2) of P.L.1982,
2 c.201 (C.5:5-98), or section 7f.(2)(b) of P.L.1971, c.137 (C.5:10-7),
3 in the case of running races;

4 D = the total amount of moneys available to the racetrack for
5 distribution as overnight purse money and for programs designed to
6 aid horsemen and horsemen's organizations pursuant to this paragraph.
7 (cf: P.L.1992, c.199, s.1)

8

9 3. Section 15 of P.L.1992, c.19 (C.5:12-205) is amended to read
10 as follows:

11 15. The New Jersey Racing Commission shall establish and
12 administer a separate fund to be known as the "Casino Simulcasting
13 Special Fund," into which shall be deposited the sums dedicated to the
14 fund by section 13 of this act.

15 Moneys deposited in the special fund shall be annually disbursed in
16 their entirety by the New Jersey Racing Commission and used for the
17 following purposes in the following order of priority:

18 a. Moneys in the special fund shall first be used to pay the
19 difference between the amount paid to the Atlantic City Racetrack
20 pursuant to subsection c. of section 13 of this act and \$2,000,000 in
21 each calendar year [during calendar years 1993, 1994, and 1995,
22 except that if casino simulcasting in Atlantic City begins after January
23 1, 1993 and before January 1, 1994, the amount to be paid for
24 calendar year 1993 shall be the difference between the amount paid
25 pursuant to subsection c. of that section 13 and that portion of
26 \$2,000,000 determined by the following formula:

27
$$A = C$$

28
29
$$B D$$

30

31 here: A = 365 minus (a) the number of racing days in 1993, other than
32 live racing days, prior to the commencement of casino simulcasting in
33 Atlantic City that the Atlantic City Racetrack conducts simulcasting
34 under the provisions of the "Simulcasting Racing Act," P.L.1985,
35 c.269 (C.5:5-110 et seq.) or the provisions of section 37 of P.L.1992,
36 c.19 (C.5:5-125), and (b) the number of live racing days conducted by
37 the Atlantic City Racetrack in 1993;

38 B = 365 (the number of calendar days in 1993);

39 C = the total amount to be paid to the Atlantic City Racetrack;

40 D = \$2,000,000].

41 b. From any amounts remaining after the payments required by
42 subsection a. of this section are made, the New Jersey Racing
43 Commission shall pay to each casino which began to conduct casino
44 simulcasting within six months after the effective date of this act an
45 amount equal to the breakage moneys and outstanding parimutuel
46 ticket moneys resulting from wagering at the casino on simulcast horse

1 races from out-of-State sending tracks during the first five years that
2 the casino conducts casino simulcasting and 50% of these amounts
3 thereafter.

4 c. From any amounts remaining after the payments required by
5 subsections a. and b. of this section are made, the New Jersey Racing
6 Commission shall pay to each casino which begins to conduct casino
7 simulcasting later than six months after this act's effective date,
8 including casinos established after that date, an amount equal to the
9 breakage moneys and outstanding parimutuel tickets moneys resulting
10 from wagering at the casino on simulcast horse races from
11 out-of-State sending tracks during the first two years that the casino
12 conducts casino simulcasting and 40% of these amounts thereafter.

13 d. From any amounts remaining after the payments required by
14 subsections a., b. and c. of this section are made, the New Jersey
15 Racing Commission shall compensate, in such amounts as that
16 commission deems appropriate, the following entities in the following
17 order of priority:

18 (1) any racetrack in this State which can demonstrate to the
19 satisfaction of that commission that its financial well-being has been
20 negatively affected by casino simulcasting;

21 (2) any racetrack in this State which that commission finds to be
22 financially distressed;

23 (3) any horsemen's organization which will use the money to fund
24 a project which that commission determines will be beneficial to the
25 racing industry; and

26 (4) all racetracks located in this State on an equal basis.

27 (cf: P.L.1992, c.199, s.2)

28

29 4. Section 16 of P.L.1992, c.19 (C.5:12-206) is amended to read
30 as follows:

31 16. Payment to the Atlantic City Racetrack of sums provided by
32 subsection c. of section 13 or subsection a. of section 15 of this act
33 shall be made after the conclusion of each month [in the remainder of
34 calendar year 1994 and in calendar year 1995, except that the first
35 monthly payment to be made shall include all such sums due to the
36 racetrack for the previous months of the relevant calendar year. In
37 order to be eligible to receive the amounts provided by those
38 subsections, the Atlantic City Racetrack shall not receive any simulcast
39 horse race under the provisions of the "Simulcasting Racing Act,"
40 P.L.1985, c.269 (C.5:5-110 et seq.) or the provisions of section 37 of
41 this act during any part of an applicable calendar year, or if casino
42 simulcasting in Atlantic City begins after January 1, 1993 and before
43 January 1, 1994 then during any part of 1993 after the commencement
44 of casino simulcasting in Atlantic City, other than when a horse race
45 meeting is being conducted at Atlantic City Racetrack pursuant to a
46 permit issued by the New Jersey Racing Commission. If the Atlantic

1 City Racetrack becomes ineligible during a calendar year to receive the
2 amount provided by subsection c. of section 13 or subsection a. of
3 section 15 of P.L.1992, c.19 (C.5:12-203 and 5:12-205), the monthly
4 payments shall terminate and the Atlantic City Racetrack shall
5 reimburse the New Jersey Racing Commission for the amount
6 previously received in that calendar year. If the Atlantic City
7 Racetrack is not eligible to receive the amount provided by subsection
8 c. of section 13, that amount shall be distributed on the basis of
9 subsections d. and g. of section 13 of this act].

10 (cf: P.L.1994, c.70, s.1)

11

12 5. This act shall take effect immediately.

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STATEMENT

16

17 The "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et
18 seq.), provided for an annual payment to the Atlantic City Racetrack
19 in calendar years 1993, 1994, and 1995 of \$2 million from sums
20 wagered at casinos on out-of State races simulcast to the casinos.
21 This payment was contingent on the racetrack receiving, and
22 conducting wagering on, simulcast races from in-State or out-of-State
23 tracks only during the periods of live racing at the Atlantic City
24 Racetrack.

25 This bill restores the \$2 million payment to the Atlantic City
26 Racetrack, effective immediately upon enactment of this bill, by
27 deleting the language restricting the payment to calendar years 1993,
28 1994, and 1995. In addition, the bill removes the requirement that
29 receipt of the payment would be contingent on the racetrack receiving,
30 and conducting wagering on, simulcast races only during the periods
31 of live racing at the Atlantic City Racetrack.

32 The bill also eliminates the requirement that, in order to conduct
33 casino simulcasting, Atlantic City Racetrack must conduct at least
34 75% of the number of live racing programs it conducted in calendar
35 year 1990.

36

37

38

39

40 Restores Atlantic City Racetrack's receipt of \$2 million annual
41 payment from certain casino simulcasting revenues; eliminates
42 requirement of minimum number of live races for that track to conduct
43 casino simulcasting.