

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

### **SENATE, No. 1348**

with Senate committee amendments

# **STATE OF NEW JERSEY**

DATED: NOVEMBER 18, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1348 (1R) with amendments.

As amended, Senate Bill No. 1348 (1R) provides funding for the remainder of fiscal year 1997 to the New Jersey Racing Commission from the Casino Simulcasting Special Fund and for fiscal year 1998 and thereafter from sums resulting from unclaimed parimutuel tickets that are currently deposited into the General Fund.

The bill appropriates to the commission for its expenses during fiscal year 1997 up to one-half of a portion of Casino Simulcasting Special Fund monies accumulated in calendar year 1996 that remain after certain statutory payments are made. Under current law, money deposited in the Casino Simulcasting Special Fund is allocated in priority order, after certain specified statutory amounts are paid to casinos that conduct casino simulcasting, to: racetracks negatively affected by casino simulcasting; financially distressed racetracks; horsemen's organizations for projects which benefit the racing industry; and all racetracks in this State on an equal basis.

For fiscal year 1998 and thereafter, the bill requires the sums resulting from unclaimed parimutuel tickets that are now deposited into the General Fund to be appropriated annually to the commission for its operating expenses.

It is the intention of the committee that the appropriation made by section 5 of this bill to support the commission for the remainder of fiscal year 1997 shall be a one-time appropriation necessitated by the emergent nature of the financial situation in which the commission finds itself. It is mutually understood at this time by the committee, the commission and the racing industry that the money in the Casino Simulcasting Special Fund will not be diverted again in the future to fund the commission because that would result in a continuing reduction of payments required by current law to racetracks negatively affected by casino simulcasting, financially distressed racetracks, horsemen's organizations for projects that benefit the racing industry and the racetracks in this State. Although the appropriation to the

commission for fiscal year 1997 is “for up to one-half” of a portion of the money accumulated in the Casino Simulcasting Special Fund in calendar 1996, it is the understanding of the committee that the commission will expend only such sums as are essential for the commission’s operations until the end of the fiscal year, which sums may actually be less than one-half of the amount specified.

Finally, the committee deleted by amendment the provision of section 4 of this bill that would have required an annual appropriation of \$300,000 from the sums resulting from unclaimed parimutuel tickets to Rutgers University to fund equine research programs. The committee took this action with the understanding that equine research programs are currently funded from the General Fund through the annual appropriations act and have been for past several fiscal years, and, therefore, dedication by statute of a specific amount from unclaimed parimutuel ticket revenues for that purpose is not necessary in this bill.

#### COMMITTEE AMENDMENTS

The committee amended the bill, with the approval of the sponsor, to change the language in section 5 of the bill so that it makes an actual appropriation of funds, and not just an allocation, to the New Jersey Racing Commission for fiscal year 1997. In addition, the committee deleted the provision in section 4 that would have required the first \$300,000 of sums resulting from certain unclaimed parimutuel tickets to be appropriated to Rutgers University, Agricultural Experiment Station for equine research programs

#### FISCAL IMPACT

The bill appropriates to the Department of Law and Public Safety for the New Jersey Racing Commission for fiscal year 1997 up to one-half of the monies that will accumulate in calendar year 1996 in a certain portion of the Casino Simulcasting Special Fund. According to the commission, approximately \$800,000 is required by the commission for the remainder of the fiscal year to avoid employee layoffs and service reductions; approximately \$2 million will accumulate during calendar year 1996 in the portion of the Casino Simulcasting Special Fund that is affected by this bill. The appropriation is diverted, with the approval of the racing industry, from the portion of the fund that provides payments to racetracks negatively affected by casino simulcasting; financially distressed racetracks; horsemen's organizations for projects which benefit the racing industry; and all racetracks in this State on an equal basis.

For fiscal year 1998 and thereafter, the bill requires the annual appropriation to the commission of the amount of certain sums resulting from unclaimed parimutuel tickets currently deposited into the General Fund. The portion of unclaimed parimutuel tickets affected by this bill accumulates approximately \$1 million annually for General Fund.

The New Jersey Racing Commission received through the annual appropriations act \$2.7 million for FY 1996 and \$1.3 million for FY 1997. According to the commission, 27 investigative and licensing employees have been recently laid off.