

SENATE, No. 1994

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1997

By Senator GORMLEY

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

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 shall be deemed to have been conducted, subject to the approval of the
2 New Jersey Racing Commission.
3 (cf: P.L.1992,c.19,s.5)

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

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

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

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

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

31
$$A = C$$

32

33
$$B \ D$$

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

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

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

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

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

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

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

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

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

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

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

$$41 \quad A = C$$

42 \quad \dots\dots\dots

$$43 \quad B \quad D$$

44

45 here: A = the gross parimutuel pool generated at each racetrack
 46 during the preceding calendar year, including the parimutuel pool on

1 simulcast races;

2 B = the gross parimutuel pool generated at racetracks Statewide
3 during the preceding calendar year, including the parimutuel pool on
4 simulcast races;

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

7 D = the total amount of moneys available for distribution pursuant
8 to this paragraph;

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

$$21 \qquad \qquad \qquad A = C$$

$$22 \qquad \qquad \qquad \dots\dots\dots$$

$$23 \qquad \qquad \qquad B \ D$$

24

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

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

46 C = the amount to be paid to each racetrack from the moneys

1 available for distribution pursuant to this paragraph;

2 D = the total amount of moneys available for distribution pursuant
3 to this paragraph; and

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

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

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

$$15 \qquad \qquad \qquad A = C$$

$$16 \qquad \qquad \qquad \dots\dots\dots$$

$$17 \qquad \qquad \qquad B \ D$$

18

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

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

43 C = the amount to be paid by the racetrack for overnight purse
44 money and for programs designed to aid horsemen and horsemen's
45 organizations as provided in section 46a.(4) of P.L.1940, c.17
46 (C.5:5-66), section 2d. of P.L.1984, c.236 (C.5:5-66.1), section 5a.(2)

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

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

10

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

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

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

20 a. Moneys in the special fund shall first be used to pay the
21 difference between the amount paid to the Atlantic City Racetrack
22 pursuant to subsection c. of section 13 of this act and \$2,000,000 in
23 each calendar year [during calendar years 1993, 1994, and 1995,
24 except that if casino simulcasting in Atlantic City begins after January
25 1, 1993 and before January 1, 1994, the amount to be paid for
26 calendar year 1993 shall be the difference between the amount paid
27 pursuant to subsection c. of that section 13 and that portion of
28 \$2,000,000 determined by the following formula:

29
$$A = C$$

30
31
$$B \quad D$$

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 total amount to be paid to the Atlantic City Racetrack;

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

43 b. From any amounts remaining after the payments required by
44 subsection a. of this section are made, the New Jersey Racing
45 Commission shall pay to each casino which began to conduct casino
46 simulcasting within six months after the effective date of this act an

1 amount equal to the breakage moneys and outstanding parimutuel
2 ticket moneys resulting from wagering at the casino on simulcast horse
3 races from out-of-State sending tracks during the first five years that
4 the casino conducts casino simulcasting and 50% of these amounts
5 thereafter.

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

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

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

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

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

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

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

30

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

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

1 meeting is being conducted at Atlantic City Racetrack pursuant to a
2 permit issued by the New Jersey Racing Commission. If the Atlantic
3 City Racetrack becomes ineligible during a calendar year to receive the
4 amount provided by subsection c. of section 13 or subsection a. of
5 section 15 of P.L.1992, c.19 (C.5:12-203 and 5:12-205), the monthly
6 payments shall terminate and the Atlantic City Racetrack shall
7 reimburse the New Jersey Racing Commission for the amount
8 previously received in that calendar year. If the Atlantic City
9 Racetrack is not eligible to receive the amount provided by subsection
10 c. of section 13, that amount shall be distributed on the basis of
11 subsections d. and g. of section 13 of this act].
12 (cf: P.L.1994,c.70,s.1)

13

14 5. This act shall take effect immediately.

15

16

17

STATEMENT

18

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

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

34 The bill also eliminates the requirement that, in order to conduct
35 casino simulcasting, Atlantic City Racetrack must conduct at least
36 75% of the number of live racing programs it conducted in calendar
37 year 1990.

38

39

40

41

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