

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3203
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JUNE 28, 2024

SUMMARY

Synopsis: Extends annual horse racing purse subsidies through State fiscal year 2029.

Type of Impact: Five-Year State expenditure increase to the General Fund.

Agencies Affected: Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2025 to FY 2029</u>
State Expenditure Increase	\$20 million per year

- The Office of Legislative Services (OLS) estimates that the provisions of this bill will increase State expenditures \$100 million over five years, or \$20 million annually in fiscal years 2025 through 2029.

BILL DESCRIPTION

This bill provides \$20 million annually to the New Jersey Racing Commission to be used for horse racing purse subsidies through State fiscal year 2029.

Current law requires these subsidies to be appropriated only until State fiscal year 2023. The Fiscal Year 2024 Appropriations Act provided \$20 million for purse subsidies. This bill therefore requires the appropriation of funds for the purse subsidies in the following five fiscal years, through fiscal year 2029.

Under current law, 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.

As a condition of receiving continued purse subsidies, the recipients of the funds must report to the Legislature, the Governor, and the New Jersey Racing Commission on the uses of funds appropriated in the preceding year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the provisions of this bill will increase State expenditures \$100 million over five years, or \$20 million annually in fiscal years 2025 through 2029.

In 2019, the Governor committed to provide \$100 million over five years to support horse racing in New Jersey pursuant to P.L.2019, c.36. Over the past six years, \$120 million has been allocated to these subsidies.

New Jersey Racing Commission Horse Racing Purse Subsidies FY 2019 to FY 2024

FISCAL YEAR	ANNUAL APPROPRIATION*
FY 2019	\$20 million Supplemental Appropriation
FY 2020	\$20 million
FY 2021	\$20 million
FY 2022	\$15 million
FY 2023	\$25 million
FY 2024	\$20 million
TOTAL	\$120 million

* Sources: Annual Appropriations Acts and Governor's budget documents.

This bill provides \$20 million annually to the New Jersey Racing Commission to be used for horse racing purse subsidies through State fiscal year 2029.

Proposed

New Jersey Racing Commission Horse Racing Purse Subsidies FY 2025 to FY 2029

FISCAL YEAR	ANNUAL APPROPRIATION*
FY 2025	\$20 million proposed
FY 2026	\$20 million proposed
FY 2027	\$20 million proposed
FY 2028	\$20 million proposed
FY 2029	\$20 million proposed
TOTAL	\$100 million

*Proposed in Senate Bill No. 3203.

The OLS notes that the FY 2025 Governor's Budget includes \$15 million for horse racing purse subsidies in FY 2025. The OLS estimates the \$20 million proposed in Senate Bill, No. 3203 for FY 2025 would be in lieu of the \$15 million proposed in the FY 2025 Governor's Budget, not in addition to it.

If this bill is enacted, by fiscal year 2029 the State will have dedicated \$220 million in total to the horse racing industry for horse racing purse subsidies over an 11-year period.

Section: Law and Public Safety

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).