

**SENATE, No. 3455**

**STATE OF NEW JERSEY**

**221st LEGISLATURE**

INTRODUCED JUNE 17, 2024

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**SYNOPSIS**

Provides for automatic renewal of off-track wagering licenses; modifies certain operating requirements for simulcasting facilities; reduces minimum number of annual thoroughbred races from 50 to 25.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/24/2024)**

1 AN ACT concerning horse racing in this State and off-track  
2 wagering licenses and facility operations, and amending  
3 P.L.2001, c.199 and P.L.2006, c.19.

4

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

7

8 1. Section 1 of P.L.2006, c.19 (C.5:5-22.2) is amended to read  
9 as follows:

10 1. Notwithstanding the provisions of any other law to the  
11 contrary, the New Jersey Racing Commission, in effectuating its  
12 responsibilities under P.L.1940, c.17 (C.5:5-22 et seq.), the  
13 "Simulcasting Racing Act," P.L.1985, c.269 (C.5:5-110 et seq.), the  
14 "Off-Track and Account Wagering Act," P.L.2001, c.199 (C.5:5-  
15 127 et seq.), and the "Casino Simulcasting Act," P.L.1992, c.19  
16 (C.5:12-191 et seq.), and under such circumstances and for such  
17 races as the commission shall deem appropriate, shall:

18 a. at the request of a permitholder, allow a permitholder to  
19 offer a future wager consisting of wagering on prospective entrants  
20 for specific races, with wagering conducted in advance, one or more  
21 parimutuel pools formed and closed on dates prior to the date of the  
22 race, and all wagers considered final and no refunds paid even if,  
23 for any reason, an entrant fails to participate in the race;

24 b. provide that the minimum wager amount that may be placed  
25 on a horse race may be \$0.10 or greater;

26 c. provide that, after **[three years]** one year following the date  
27 of purchase, unclaimed cash vouchers shall be paid 50% to the  
28 permitholder at the location where purchased and 50% to the purse  
29 account at the location where purchased, provided that if the  
30 permitholder conducts both harness and thoroughbred races the  
31 purse amount shall be divided equally between the harness and  
32 thoroughbred purse accounts;

33 d. at the request of a permitholder or the operator of a casino  
34 simulcasting facility, allow the permitholder or the operator of a  
35 casino simulcasting facility, whenever the permitholder or casino  
36 simulcasting facility is open to the public for wagering, to accept a  
37 wager in advance of a race or races at an in-State or out-of-State  
38 sending track under a simulcast agreement without receiving a  
39 simulcast transmission thereof or displaying live video of all races  
40 from an in-State or out-of-State sending track thereof **[when:** (1)  
41 the race is to be conducted between the hours of 11:00 PM and  
42 11:00 AM local New Jersey time, or at such other times as the  
43 commission shall permit due to extenuating circumstances; or (2) at  
44 other times, as the commission shall permit, when a racetrack, off-  
45 track wagering facility, or casino simulcasting facility is

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

**Matter underlined thus is new matter.**

1 temporarily closed due to the hosting of an event at that facility that  
2 warrants the closure of that facility for a period not to exceed 24  
3 hours, provided that a simulcast transmission of that race is  
4 received and displayed under a simulcast transmission agreement at  
5 any other racetrack, off-track wagering facility, or casino  
6 simulcasting facility in this State**】**; and

7 e. allow a permitholder to pay an amount due a winning  
8 ticketholder, notwithstanding that the ticketholder is unable to  
9 produce the actual ticket, if the permitholder is able to verify  
10 independently through electronic or other means approved by the  
11 commission that the ticketholder purchased the ticket.

12 (cf: P.L.2011, c.48, s.1)

13

14 2. Section 3 of P.L.2001, c.199 (C.5:5-129) is amended to read  
15 as follows:

16 3. As used in this act:

17 "Account holder" means a resident of this State over age 18 who  
18 establishes an account pursuant to this act through which account  
19 wagers are placed.

20 "Account wagering" means a form of parimutuel wagering in  
21 which an account holder may deposit money in an account with the  
22 account wagering licensee and then use the account balance to pay  
23 for parimutuel wagers by the account holder.

24 "Account wagering licensee" means the New Jersey Sports and  
25 Exposition Authority or its assignee, provided that the commission  
26 has granted its approval for the authority to establish an account  
27 wagering system as provided for in this act.

28 "Account wagering system" means the system through which  
29 account wagers are processed by the account wagering licensee  
30 pursuant to this act.

31 **【**"Applicant" means the New Jersey Sports and Exposition  
32 Authority or another entity that submits an application to the  
33 commission for a license to establish and conduct an off-track  
34 wagering facility pursuant to this act.**】**

35 "Authority" means the New Jersey Sports and Exposition  
36 Authority created by section 4 of P.L.1971, c.137 (C.5:10-4).

37 "Backstretch Benevolency" means the Backstretch Benevolency  
38 Programs Fund established pursuant to section 1 of P.L.1993, c.15  
39 (C.5:5-44.8).

40 "Breeders and Stallions" means the distribution from the special  
41 trust account created pursuant to section 46 a. (2) of P.L.1940, c.17  
42 (C.5:5-66) for the purposes of subparagraph (c) of that citation.

43 "Breeding and Development" means the New Jersey Horse  
44 Breeding and Development Account established pursuant to section  
45 5 of P.L.1967, c.40 (C.5:5-88).

46 "Commission" means the New Jersey Racing Commission  
47 created by section 1 of P.L.1940, c.17 (C.5:5-22).

1 "Executive Director" means the Executive Director of the  
2 commission.

3 "Health and Welfare" means moneys distributed to the  
4 Standardbred Breeders' and Owners' Association for the  
5 administration of a health benefits program pursuant to section 46 a.  
6 (5) of P.L.1940, c.17 (C.5:5-66).

7 "In-State host track" means a racetrack within this State which is  
8 operated by a permit holder which conducts a horse race upon  
9 which account wagers are placed pursuant to this act.

10 "In-State sending track" means a racetrack within this State  
11 which is operated by a permit holder and is equipped to conduct  
12 off-track simulcasting.

13 "In-State track" means an in-State host track or an in-State  
14 sending track.

15 "Interstate common pool" means the parimutuel pool established  
16 within this State or in another state or foreign nation within which  
17 is combined parimutuel pools of one or more receiving tracks  
18 located in one or more states or foreign nations upon a race at an  
19 out-of-State sending track or out-of-State host track for the purpose  
20 of establishing payoff prices in the various jurisdictions.

21 "Jockey's Health and Welfare" means a health and welfare trust  
22 established by the organization certified by the New Jersey Racing  
23 Commission as representing a majority of the active licensed  
24 thoroughbred jockeys in New Jersey for the purpose of providing  
25 health and welfare benefits to active, disabled and retired New  
26 Jersey jockeys and their dependents based upon reasonable criteria  
27 by that organization.

28 "New Jersey Racing Industry Special Fund" means the fund  
29 established pursuant to section 27 of this act.

30 "New Jersey Thoroughbred Horsemen's Association" means the  
31 association representing the majority of New Jersey thoroughbred  
32 owners and trainers responsible for receiving and distributing funds  
33 for programs designed to aid thoroughbred horsemen.

34 "Off-track simulcasting" means the simultaneous audio or visual  
35 transmission of horse races conducted at in-State and out-of-State  
36 racetracks to off-track wagering facilities and parimutuel wagering  
37 at those off-track wagering facilities on the results of those races.

38 "Off-track wagering" means parimutuel wagering at an off-track  
39 wagering facility as authorized under this act.

40 "Off-track wagering facility" means a licensed facility, other  
41 than a racetrack, at which parimutuel wagering is conducted  
42 pursuant to this act.

43 "Off-track wagering licensee" means the New Jersey Sports and  
44 Exposition Authority or its assignee, **[or another entity to which]**  
45 provided that the commission has granted its approval to conduct an  
46 off-track wagering facility as provided for in this act.

47 "Out-of-State host track" means a racetrack in a jurisdiction  
48 other than the State of New Jersey, the operator of which is lawfully

1 permitted to conduct a horse race meeting and which conducts horse  
2 races upon which account wagers may be placed pursuant to this  
3 act.

4 "Out-of-State sending track" means a racetrack in a jurisdiction  
5 other than the State of New Jersey which is equipped to conduct  
6 off-track simulcasting and the operator of which is lawfully  
7 permitted to conduct a horse race meeting and to provide simulcast  
8 horse races to off-track wagering facilities in this State.

9 "Out-of-State track" means an out-of-State host track or an out-  
10 of-State sending track.

11 "Outstanding parimutuel ticket" means a winning parimutuel  
12 ticket which is not claimed within 12 months of sale.

13 "Parimutuel" means any system whereby wagers with respect to  
14 the outcome of a horse race are placed with, or in, a wagering pool  
15 conducted by an authorized person, and in which the participants  
16 are wagering with each other and not against the person conducting  
17 the wagering pool.

18 "Participation agreement" means the written contract entered into  
19 prior to the effective date of P.L.2011, c.26, that provides for the  
20 establishment or implementation of either (a) an off-track wagering  
21 facility or facilities or (b) an account wagering system. Each such  
22 contract shall set forth the manner in which the off-track wagering  
23 facility or facilities or the account wagering system shall be  
24 managed, operated and capitalized, as well as how expenses and  
25 revenues shall be allocated and distributed by and among the  
26 authority and the other eligible participants **【subject to the**  
27 **agreement】**.

28 "Permit holder" means the holder of an annual permit to conduct  
29 a horse race meeting issued by the commission.

30 "Racetrack" means the physical facility where a permit holder  
31 conducts a horse race meeting with parimutuel wagering.

32 "Racing costs" means the prospective and actual costs for all  
33 licensing, investigation, operation, regulation, supervision and  
34 enforcement activities and functions performed by the commission.

35 "Simulcast horse races" means horse races conducted at an in-  
36 State sending track or an out-of-State sending track, as the case may  
37 be, and transmitted simultaneously by picture to a receiving track or  
38 an off-track wagering facility.

39 "Sire Stakes" means the Sire Stakes Program established  
40 pursuant to section 1 of P.L.1971, c.85 (C.5:5-91).

41 "Standardbred Drivers' Health and Welfare" means a health and  
42 welfare trust established by the Standardbred Breeders' and Owners'  
43 Association of New Jersey for the purpose of providing health and  
44 welfare benefits to active, disabled and retired New Jersey  
45 standardbred drivers and their dependents based upon reasonable  
46 criteria by that organization.

1 "Takeout" means that portion of a wager which is deducted from  
2 or not included in the parimutuel pool, and which is distributed  
3 other than to persons placing wagers.

4 "Thoroughbred Breeders and Stallions" means the special trust  
5 account created pursuant to section 46 b.(1)(e) of P.L.1940, c.17  
6 (C.5:5-66).  
7 (cf: P.L.2021, c.89, s.3)

8  
9 3. Section 4 of P.L.2001, c.199 (C.5:5-130) is amended to read  
10 as follows:

11 4. a. The commission is authorized to issue a license to the  
12 authority to permit off-track wagering at a specified facility, upon  
13 application of the authority and in accordance with the provisions of  
14 this act. A license issued pursuant to this act shall be valid for a  
15 period of time to be determined by the commission, but for not less  
16 than one year. Any such license that is valid on, or issued after, the  
17 effective date of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (pending before the Legislature  
18 as this bill), shall renew automatically upon filing of the necessary  
19 renewal forms with the commission, and payment of any renewal  
20 fees required by the commission.

21 The commission shall issue a license pursuant to this subsection  
22 only if the permit holder at Monmouth Park and the thoroughbred  
23 and standardbred permit holders at Meadowlands Racetrack  
24 schedule at least the minimum number of race dates required in  
25 section 30 of this act, P.L.2001, c.199 (C.5:5-156), and it is  
26 satisfied that the authority has entered into a participation  
27 agreement with each and every other person, partnership,  
28 association, corporation, or authority or the successor in interest to  
29 such person, partnership, association, corporation or authority that:

- 30 (1) held a valid permit to hold or conduct a race horse meeting  
31 within this State in the calendar year 2000;  
32 (2) has complied with the terms of such permit; and  
33 (3) is in good standing with the commission and the State of  
34 New Jersey.

35 An off-track wagering license may not be transferred or assigned  
36 to a successor in interest without the approval of the commission  
37 and the Attorney General, which approval may not be unreasonably  
38 withheld.

39 b. **[(1) As part of the license application process, any]** Any  
40 participation agreement entered into for the purposes of subsection  
41 a. of this section, or any modification to the agreement made  
42 thereafter, shall be reviewed by the commission and the Attorney  
43 General to determine whether the agreement meets the requirements  
44 of this act and shall be subject to the approval of the commission  
45 and the Attorney General. [Notwithstanding any other law, rule, or  
46 regulation to the contrary, a permit holder subject to a participation  
47 agreement entered into prior to the effective date of P.L.2011, c.26  
48 shall have made progress since the signing of that agreement toward

1 establishing the permit holder's share of the 15 off-track wagering  
2 facilities authorized pursuant to section 10 of P.L.2001, c.199  
3 (C.5:5-136), provided that any facility that has not received a  
4 license under section 7 of P.L.2001, c.199 (C.5:5-133) on the  
5 effective date of this act, P.L.2011, c.205 shall be subject to a cash  
6 deposit, a bond, or an irrevocable letter of credit to be posted or  
7 deposited by the permit holder in the amount of \$1 million for each  
8 facility in the permit holder's share that remains to be licensed,  
9 which deposit shall be paid to the commission within 180 days of  
10 the effective date of this act, P.L.2011, c.205. A permit holder  
11 making a deposit or posting a bond, or irrevocable letter of credit,  
12 in connection with one or more of the off-track wagering facilities  
13 in the permit holder's share that remain to be established shall  
14 obtain the license and make substantial progress in the  
15 commission's judgment pursuant to the progress benchmarks issued  
16 by the commission and the New Jersey Economic Development  
17 Authority under subsection e. of this section toward establishing the  
18 off-track wagering facility or facilities within one year of making  
19 the deposit, or posting the bond, or irrevocable letter of credit, and  
20 if so the deposit, bond, or irrevocable letter of credit shall be  
21 returned to the permit holder at the end of the one-year period, or  
22 the amount deposited or posted shall be forfeited and distributed by  
23 the commission to the representative horsemen's organization in this  
24 State for use in establishing an off-track wagering facility or  
25 facilities under paragraph (2) of this subsection. Any facility that  
26 has not been licensed on the effective date of this act, P.L.2011,  
27 c.205, and for which a deposit, bond, or irrevocable letter of credit  
28 is not made or posted, and any facility for which a deposit, bond, or  
29 irrevocable letter of credit is made or posted which has not been  
30 licensed and made progress toward establishment within one year of  
31 making such deposit or posting the bond, or irrevocable letter of  
32 credit, shall no longer be considered as part of the permit holder's  
33 share, and shall be available to be established by a horsemen's  
34 organization in this State as provided by paragraph (2) of this  
35 subsection. However, if the commission finds that a permit holder  
36 is making progress toward obtaining an off-track wagering license  
37 and establishing an off-track wagering facility according to  
38 specified benchmarks developed by the commission, the  
39 commission may allow a permit holder to retain its share of the off-  
40 track wagering facilities to be established, provided the permit  
41 holder continues to make progress on an annual basis. For the  
42 purposes of this section, a permit holder shall be deemed to have  
43 made progress toward establishing its share of off-track wagering  
44 facilities, and shall not be subject to a cash deposit or be required to  
45 post a bond or irrevocable letter of credit as set forth in this section,  
46 if it has entered into an agreement, in connection with good faith  
47 negotiations over the sale or lease of a racetrack under the permit  
48 holder's control, to transfer allocated off-track wagering licenses or

1 facilities to an individual or entity that is a bona fide prospective  
2 purchaser or lessee, or has demonstrated to the satisfaction of the  
3 Commission that the execution of such an agreement is imminent  
4 based upon the portions of such an agreement agreed upon in  
5 principle by the parties as evidenced by a memorandum of  
6 understanding or similar accord, or has demonstrated to the  
7 satisfaction of the commission that negotiations concerning such an  
8 agreement have been unsuccessful and the permit holder has plans  
9 for soliciting new sources of interest or entering into new  
10 negotiations that, in the judgment of the commission, have a  
11 reasonable likelihood of resulting in a successful conclusion.

12 (2) The commission is authorized to issue a license or licenses  
13 to any horsemen's organization in this State, for the establishment  
14 of one or more of the remaining off-track wagering facilities in  
15 partnership with other horsemen's organizations in this State, the  
16 authority, or private investors, in accordance with all applicable  
17 provisions of the "Off-Track and Account Wagering Act,"  
18 P.L.2001, c.199 (C.5:5-127 et seq.). Notwithstanding any provision  
19 of this paragraph to the contrary, a representative standardbred  
20 horsemen's organization shall have the right to establish the off-  
21 track wagering facilities not established by the permit holder at  
22 Freehold Raceway as provided under paragraph (1) of this  
23 subsection, and to receive any deposit, bond, or irrevocable letter of  
24 credit forfeited by that permit holder for the establishment of one or  
25 more of those off-track wagering facilities, except that if a  
26 representative standardbred horsemen's organization does not make  
27 application therefor, or fails to make progress in establishing the  
28 facility or facilities as provided herein, any amounts received shall  
29 be returned as provided in this paragraph and the facility or  
30 facilities shall be available to be established in accordance with  
31 subsection c. of this section. A horsemen's organization shall make  
32 progress on an annual basis in establishing an off-track wagering  
33 facility from the date the organization is eligible to apply for an  
34 initial license pursuant to this subsection, provided that any facility  
35 that has not received a license under section 7 of P.L.2001, c.199  
36 (C.5:5-133) within a reasonable timeframe from the date the  
37 horsemen's organization became eligible to apply for its initial  
38 license shall no longer be considered eligible to be established by a  
39 horsemen's organization under this paragraph, and shall be available  
40 to be established by a well-suited entity pursuant to subsection c. of  
41 this section. When a horsemen's organization under this paragraph  
42 has received the sum of \$1 million as provided under paragraph (1)  
43 of this subsection, the horsemen's organization shall have one year  
44 from the date the funds are allocated to it by the commission to  
45 obtain a license and make substantial progress in establishing the  
46 off-track wagering facility or facilities, provided that, if the  
47 horsemen's organization fails to make progress within that year, in  
48 the commission's judgment pursuant to the progress benchmarks

1 issued by the commission and the New Jersey Economic  
2 Development Authority under subsection e. of this section, the  
3 horsemen's organization shall be liable to return to the commission  
4 the funds allocated to it in their entirety at the end of the one-year  
5 period, and the commission shall return such funds to the permit  
6 holder originally making the deposit, or posting the bond or  
7 irrevocable letter of credit, to be used for capital improvements at  
8 the permit holder's racetrack.】

9 c. 【With respect to any licenses that remain to be issued under  
10 paragraph (2) of subsection b. of this section, the commission is  
11 also authorized to issue a license to a well-suited entity to permit  
12 off-track wagering at a specified facility, upon application of the  
13 entity and in accordance with the provisions of this act and the  
14 provisions of section 14 of P.L.1940, c.17 (C.5:5-34). A license  
15 issued pursuant to this act shall be valid for a period of one year  
16 and, if the licensed entity is not a permit holder in this State, the  
17 license shall be contingent upon the licensee showing simulcast  
18 New Jersey races and allowing wagering thereon at the off-track  
19 wagering facility, subject to the rules and regulations of the  
20 commission, and shall be issued only if the permit holders schedule  
21 at least the minimum number of race dates required in section 30 of  
22 P.L.2001, c.199 (C.5:5-156). In assessing the qualifications of an  
23 entity to establish and conduct an off-track wagering facility, the  
24 commission shall apply substantially similar standards and criteria  
25 to those applied to the authority, its assignees, and other permit  
26 holders and licensees in the State. These standards and criteria  
27 shall enable the commission to determine by clear and convincing  
28 evidence in the opinion of the commission that the person or  
29 persons applying for licensure on behalf of the entity are well-suited  
30 to receive licensure, and shall include, but may not be limited to:

31 (1) proof of financial resources sufficient to enable the entity to  
32 establish and conduct a quality off-track wagering facility or  
33 facilities with appropriately staffed and managed operations;

34 (2) evidence of good character, honesty, competency and  
35 integrity;

36 (3) the absence of a conviction for a crime involving fraud,  
37 dishonesty or moral turpitude; and

38 (4) any additional standards and criteria the commission may  
39 establish by rule or regulation in accordance with this act.】

40 (Deleted by amendment, P.L. \_\_\_\_\_, c. \_\_\_\_\_) (pending before  
41 the Legislature as this bill).

42 d. 【(1) The commission, in consultation with the State Treasurer,  
43 shall develop a process by which the commission will accept bids  
44 for each off-track wagering license to be awarded under this act,  
45 P.L.2001, c.199. An off-track wagering licensee and an entity  
46 interested in establishing an off-track wagering facility and being  
47 licensed as an off-track wagering licensee shall be eligible to submit  
48 a bid. The bidding process shall include procedures for the

1 establishment of a minimum bid threshold, for the selection of a  
2 successful bidder and, when the successful bidder is not yet  
3 licensed as an off-track wagering licensee, for the awarding of a bid  
4 to that successful bidder subject to its eligibility to be licensed as an  
5 off-track wagering licensee in compliance with the provisions of  
6 this act, P.L.2001, c.199. As part of the bidding process, and in  
7 addition to submitting a monetary bid, a bidder shall submit to the  
8 commission a conceptual plan of the off-track wagering facility the  
9 bidder intends to establish, which shall include, but may not be  
10 limited to, a description of the proposed facility and the amenities it  
11 would offer, and its proposed or intended location. In selecting a  
12 successful bidder, the commission shall consider and balance the  
13 following: (a) the monetary value of the bid in comparison to other  
14 bids submitted; (b) the level of quality of the proposed facility and  
15 amenities in striving to be a first-rate experience for the customer  
16 that includes the provision of first-class dining facilities; (c) the  
17 potential of the proposed facility and amenities to generate greater  
18 interest in the horse racing industry and the sport of horse racing in  
19 the State; and (d) the proximity of the bidder's proposed or intended  
20 location for the off-track wagering facility and its impact on other  
21 planned or existing off-track wagering facilities and racetracks in  
22 the State. For the purposes of this act, P.L.2001, c.199, a successful  
23 bid shall be conditional upon the successful bidder's compliance  
24 with all the provisions of this act, P.L.2001, c.199, and the  
25 applicable rules and regulations promulgated by the commission.

26 (2) The commission shall consider the amount of a successful  
27 bid pursuant to paragraph (1) of this subsection as a license fee in  
28 connection with the issuance of an initial license to an off-track  
29 wagering facility licensee. The initial license fee need not be  
30 uniform for all off-track wagering facility licenses, and may vary  
31 depending on the results of the bidding process for each license.  
32 The proceeds generated by the initial license fee shall be distributed  
33 as follows: 50% to the New Jersey Thoroughbred Horsemen's  
34 Association for programs designed to aid the horsemen, and 50% to  
35 the Standardbred Breeders' and Owners' Association of New Jersey  
36 for programs designed to aid the horsemen.】 (Deleted by  
37 amendment, P.L. \_\_\_\_\_, c. \_\_\_\_\_) (pending before the  
38 Legislature as this bill).

39 e. 【The commission shall, in consultation with the New Jersey  
40 Economic Development Authority, develop progress benchmarks,  
41 within three months of the effective date of P.L.2011, c.26, for each  
42 off-track wagering licensee to follow for the timely and expeditious  
43 establishment of each off-track wagering facility. Such benchmarks  
44 shall provide that a permit holder shall be deemed to have made  
45 progress toward establishing its share of off-track wagering  
46 facilities if it has entered into an agreement, in connection with  
47 good faith negotiations over the sale or lease of a racetrack under  
48 the permit holder's control, to transfer allocated off-track wagering

1 licenses or facilities to an individual or entity that is a bona fide  
2 prospective purchaser or lessee, or has demonstrated to the  
3 satisfaction of the Commission that the execution of such an  
4 agreement is imminent based upon the portions of such an  
5 agreement agreed upon in principle by the parties as evidenced by a  
6 memorandum of understanding or similar accord, or has  
7 demonstrated to the satisfaction of the commission that negotiations  
8 concerning such an agreement have been unsuccessful and the  
9 permit holder has plans for soliciting new sources of interest or  
10 entering into new negotiations that, in the judgment of the  
11 commission, have a reasonable likelihood of resulting in a  
12 successful conclusion. The failure of a licensee to meet the  
13 benchmarks shall constitute a basis for the denial by the  
14 commission of the renewal of the off-track wagering license, except  
15 that the licensee shall have the right to appeal the commission's  
16 decision.】 (Deleted by amendment, P.L. \_\_\_\_\_, c. \_\_\_\_\_) (pending  
17 before the Legislature as this bill).

18 f. Nothing in P.L.2001, c.199 (C.5:5-127 et seq.) shall be  
19 construed to limit the ability of a horsemen's organization to enter  
20 into or enforce a participation agreement or any other partnership  
21 agreement with a horse racing permit holder for the operation of an  
22 off-track wagering facility pursuant to a valid license issued  
23 pursuant to P.L.2001, c.199 (C.5:5-127 et seq.).

24 (cf: P.L.2011, c.205, s.1)

25

26 4. Section 5 of P.L.2001, c.199 (C.5:5-131) is amended to read  
27 as follows:

28 5. a. At the time of filing an application for an off-track  
29 wagering license, the applicant shall submit to the commission a  
30 non-refundable filing fee in an amount established by regulation by  
31 the commission, and a certification in a form prescribed by the  
32 commission which specifies, but is not limited to, the following  
33 information:

34 (1) a plan depicting the proposed facility and improvements  
35 thereon, including information about the size, seating capacity,  
36 parking and services to be provided at the facility;

37 (2) the location of the proposed facility, and relevant  
38 demographic or other information concerning the municipality and  
39 surrounding area where the proposed facility is to be located;

40 (3) the number of permanent and part-time jobs expected to be  
41 created at the proposed facility, and gross revenues expected to be  
42 generated by the facility;

43 (4) the fire evacuation plan for the proposed facility;

44 (5) the type of food and beverages available, which shall include  
45 the provision of first-class dining facilities; and

46 (6) such other information as the commission may require.

47 b. The applicant shall file a separate application and  
48 certification for each proposed off-track wagering facility.

1 c. The commission shall charge each off-track wagering  
2 licensee **[an annual]** a reasonable fee in connection with the  
3 renewal of the off-track wagering license, and shall establish by  
4 regulation procedures and **[conditions]** forms necessary for renewal  
5 of licenses issued under this act. The amount of the **[annual]**  
6 license renewal fee shall be used by the commission to cover  
7 commission expenses associated with implementation of the  
8 provisions of this act, P.L.2001, c.199, and shall reasonably reflect  
9 those costs.

10 d. The commission shall by regulation establish the maximum  
11 hours of operation of off-track wagering facilities.

12 e. (1) Notwithstanding R.S.33:1-42, priority for the service of  
13 alcoholic beverages for on-premise consumption at an off-track  
14 wagering facility shall be given to a Class C plenary retail  
15 consumption licensee, by an agreement or contract with the off-  
16 track wagering licensee, pursuant to the provisions of R.S.33:1-1 et  
17 seq. in accordance with such procedures as established by statute  
18 and by regulation of the Division of Alcoholic Beverage Control.  
19 When a Class C plenary retail consumption license or licensee is  
20 available in the municipality, the authority shall not hold a license  
21 to provide alcoholic beverages at an off-track wagering facility.  
22 However, when a Class C plenary retail consumption licensee or  
23 license is not available in the municipality, the Director of the  
24 Division of Alcoholic Beverage Control shall issue a special  
25 concessionaire permit to the authority for the provision of alcoholic  
26 beverages at the off-track wagering facility and, if the off-track  
27 wagering license is held by an off-track wagering licensee other  
28 than the authority, the director may issue a non-transferable special  
29 license to provide alcoholic beverages at the off-track wagering  
30 facility pursuant to paragraph (2) of this subsection.

31 (2) The Director of the Division of Alcoholic Beverage Control  
32 may issue one special license to an individual, corporation, or other  
33 type of legal entity to serve alcoholic beverages at an off-track  
34 wagering facility located in the municipality where a Class C  
35 plenary retail consumption licensee was not available to provide  
36 alcoholic beverages at the off-track wagering facility pursuant to  
37 paragraph (1) of this subsection. The license shall authorize the  
38 sale of alcoholic beverages for immediate consumption on the  
39 premises of the off-track wagering facility. The director may issue  
40 not more than 15 licenses pursuant to this paragraph. Furthermore,  
41 licenses issued pursuant to this paragraph shall be subject to the  
42 following requirements:

43 (a) No person who would fail to qualify as a licensee under Title  
44 33 of the Revised Statutes shall be permitted to hold an interest in a  
45 special license under the provisions of this paragraph;

46 (b) Licenses shall be subject to the provisions of Title 33 of the  
47 Revised Statutes and rules and regulations promulgated by the

1 director, to the extent those provisions are not inconsistent with the  
2 provisions of this act;

3 (c) No license issued pursuant to this paragraph shall be  
4 transferred to any other premises;

5 (d) Application for the initial issuance and renewal of each  
6 license shall be made to the director on an annual basis. The fee for  
7 the initial issuance of the license shall be the average sale price for  
8 the three most recent sales of plenary retail consumption licenses in  
9 the municipality where the license is being issued during the  
10 preceding five years. If the off-track wagering facility is located  
11 within the boundaries of two or more municipalities, the highest  
12 average sale price of the two or more municipalities shall be used.  
13 If less than three plenary retail consumption licenses have been sold  
14 in the municipality or municipalities, as the case may be, within the  
15 previous five years, the director shall obtain an appraisal, at the  
16 applicant's expense, to determine the appropriate fee for the license.  
17 The appraisal process shall include an examination of previous  
18 transactions in the municipality or municipalities, as the case may  
19 be, and shall reflect what a willing buyer, under no pressure to buy,  
20 would pay a willing seller, under no pressure to sell, for a plenary  
21 retail consumption license in that municipality or municipalities, as  
22 the case may be. One half of the amount of the application fee for  
23 the initial issuance of the license shall be paid upon the issuance of  
24 the license and the other half of that amount shall be paid one year  
25 later. The director shall establish an annual fee for the license  
26 which shall not exceed the fee which may be imposed by a  
27 municipality for a plenary retail consumption license pursuant to  
28 R.S.33:1-12, a portion of which shall be paid by the director to the  
29 New Jersey Racing Commission for the funding of horse breeding  
30 incentive programs;

31 (e) The fee for the initial issuance of the license shall be  
32 distributed in the following manner:

33 (i) Twenty-five percent shall be paid to the municipality where  
34 the off-track wagering facility is located and if the off-track  
35 wagering facility is located within the boundaries of two or more  
36 municipalities, the fee shall be divided equally among those  
37 municipalities;

38 (ii) Twenty-five percent shall be paid to the Director of the  
39 Division of Alcoholic Beverage Control;

40 (iii) Fifty percent shall be paid to the New Jersey Racing  
41 Commission for the funding of horse breeding incentive programs;

42 (f) The individual corporation or entity holding the license shall  
43 not be entitled to sell a license issued pursuant to this paragraph,  
44 and the license shall expire upon the closure of the off-track  
45 wagering facility;

46 (g) The director shall not issue a special concessionaire permit  
47 for any off-track wagering facility or premises which is eligible to

1 obtain a license to serve alcoholic beverages under the provisions of  
2 this paragraph; and

3 (h) Pursuant to the "Administrative Procedure Act," P.L.1968,  
4 c.410 (C.52:14B-1 et seq.), the director shall adopt rules and  
5 regulations to effectuate the purposes of this paragraph.

6 (3) Nothing in this subsection shall be construed to allow the  
7 Director of the Division of Alcoholic Beverage Control to issue a  
8 special concessionaire permit or a special license described in  
9 paragraph (2) of this subsection to the authority pursuant to this act,  
10 P.L.2001, c.199, or to issue a special license to any individual,  
11 corporation, or other type of legal entity to serve alcoholic  
12 beverages in a municipality that prohibits the retail sale of alcoholic  
13 beverages within its boundaries.

14 f. Persons under the age of 18 years shall not be permitted in  
15 any off-track wagering facility, except in dining areas if  
16 accompanied by a parent or guardian.

17 g. The commission shall by regulation establish minimum  
18 standards for off-track wagering facilities **【and timelines for their**  
19 **establishment and completion】**, including, but not limited to,  
20 standards for quality, size, seating capacity, the provision of first-  
21 class dining facilities, and parking and services to be provided **【,**  
22 **as well as expected dates of construction, renovations and opening】**.  
23 The failure of an off-track wagering licensee to meet these  
24 standards shall be sufficient cause for the commission to revoke **【,**  
25 **or** suspend **【or refuse to renew】** a license pursuant to the provisions  
26 of section 8 of P.L.2001, c.199 (C.5:5-134).

27 h. Notwithstanding the provisions of any law, rule, or  
28 regulation to the contrary, an off-track wagering facility shall be a  
29 permitted use in all commercial and industrial districts of a  
30 municipality.

31 i. In evaluating an application for an off-track wagering  
32 license, the commission shall consider the proximity of the  
33 applicant's proposed site to other planned or existing off-track  
34 wagering facilities and to racetracks in this State. If, in the opinion  
35 of the commission, the establishment of the facility at its proposed  
36 location would be inimical to the interests of another planned or  
37 established off-track wagering facility, or to a State racetrack, the  
38 commission shall require the applicant to consider alternative sites  
39 for the proposed facility.

40 (cf: P.L.2011, c.26, s.4)

41

42 5. Section 8 of P.L.2001, c.199 (C.5:5-134) is amended to read  
43 as follows:

44 8. a. The commission shall have full power to prescribe rules,  
45 regulations and conditions under which all off-track wagering  
46 licenses are issued **【and renewed】** in the State, including requiring  
47 an annual audit of the off-track wagering licensee's books and

1 records pertaining to off-track wagering, and to revoke **[,] or**  
2 suspend **[or refuse to renew]** a license if in the opinion of the  
3 commission the revocation **[of,] or** suspension of **[or refusal to**  
4 **renew]** such license is in the public interest; provided, however,  
5 that such rules, regulations and conditions shall be uniform in their  
6 application.

7 b. The commission shall have no right or power to determine  
8 who shall be officers, directors or employees of any off-track  
9 wagering facility, or the salaries thereof; provided, however, that  
10 the commission may compel the discharge of any official or  
11 employee of the licensee at the off-track wagering facility who: (1)  
12 fails or refuses for any reason to comply with the rules or  
13 regulations of the commission; (2) fails or refuses for any reason to  
14 comply with any of the provisions of this act; (3) fails to establish  
15 by clear and convincing evidence in the opinion of the commission  
16 good character, honesty, competency and integrity; or (4) has been  
17 convicted of a crime involving fraud, dishonesty or moral turpitude.  
18 (cf: P.L.2001, c.199, s.8)

19

20 6. Section 30 of P.L.2001, c.199 (C.5:5-156) is amended to  
21 read as follows:

22 30. a. The permit holder at Monmouth Park and the  
23 thoroughbred permit holder at Meadowlands Racetrack together  
24 shall schedule annually no fewer than 141 thoroughbred race dates,  
25 except that the thoroughbred permit holder may decrease the annual  
26 number of scheduled thoroughbred race dates to no fewer than **[50]**  
27 25 thoroughbred race dates upon written consent from the New  
28 Jersey Thoroughbred Horsemen's Association.

29 b. The standardbred permit holder at Meadowlands Racetrack  
30 shall schedule annually no fewer than 151 standardbred race dates,  
31 except that the standardbred permit holder may decrease the annual  
32 number of scheduled standardbred race dates to no fewer than 75  
33 standardbred race dates upon written consent from the Standardbred  
34 Breeders' and Owners' Association of New Jersey.

35 c. The permit holders at Freehold Raceway shall schedule  
36 annually no fewer than 192 standardbred race dates, except that the  
37 permit holders may decrease the annual number of scheduled race  
38 dates to no fewer than 75 standardbred race dates upon written  
39 consent from the Standardbred Breeders' and Owners' Association  
40 of New Jersey.

41 d. (Deleted by amendment, P.L.2017, c.172)  
42 (cf: P.L.2017, c.172, s.1)

43

44 7. This act shall take effect immediately.

STATEMENT

1

2

3 Under current law, off-track wagering licenses are first issued to  
4 horse racing permit holders. Licensees are required to meet certain  
5 New Jersey Racing Commission rules and timelines for the  
6 establishment, construction, and operation of off-track wagering  
7 facilities. Violation of racing commission rules and regulations are  
8 grounds for the commission to revoke, suspend, or deny a renewal  
9 of a license.

10 This bill provides for the automatic renewal, without conditions,  
11 of an off-track wagering license. As long as a licensee files the  
12 appropriate forms and pays all relevant fees to the commission,  
13 their license will continue to be renewed.

14 The bill removes the provisions which allow for the denial of a  
15 license renewal. However, the bill allows the racing commission to  
16 continue to suspend or revoke a license for noncompliance with the  
17 commission's rules.

18 Current law also provides for a preference system for the award  
19 of a license forfeited by a horse racing permit holder, first to a  
20 horsemen's organization and then to any other well-suited entity.  
21 This bill removes these provisions.

22 The bill allows for the racing commission to use its discretion to  
23 establish the timeframe for renewal of license, rather than the fixed  
24 annual renewal under current law.

25 The bill specifies that nothing in the off-track and wagering  
26 account law would limit the ability of horsemen's organizations to  
27 enter into agreements with horse racing permit holders for the  
28 operation of off-track wagering facilities.

29 The bill also removes the limitations on when a simulcasting  
30 facility can accept future wagers on horse races that the facility will  
31 not be receiving a simulcast transmission of, or displaying. The  
32 facility will be allowed to accept wagers on future races any time  
33 the facility is open to the public.

34 The bill reduces the timeframe required for unpaid cash vouchers  
35 to lapse from three years to one year. The cash value of the lapsed  
36 voucher is divided equally between the permitholder at the location  
37 where the voucher was purchased and the purse account at the same  
38 location.

39 Finally, the bill reduces the number of thoroughbred races  
40 required to be held annually at the Meadowlands Racetrack and  
41 Monmouth Park from 50 to 25, with the written consent of the New  
42 Jersey Thoroughbred Horsemen's Association.