

[First Reprint]

SENATE, No. 2394

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED NOVEMBER 15, 2010

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen, Essex and Passaic)

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Assemblywoman CONNIE WAGNER

District 38 (Bergen)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

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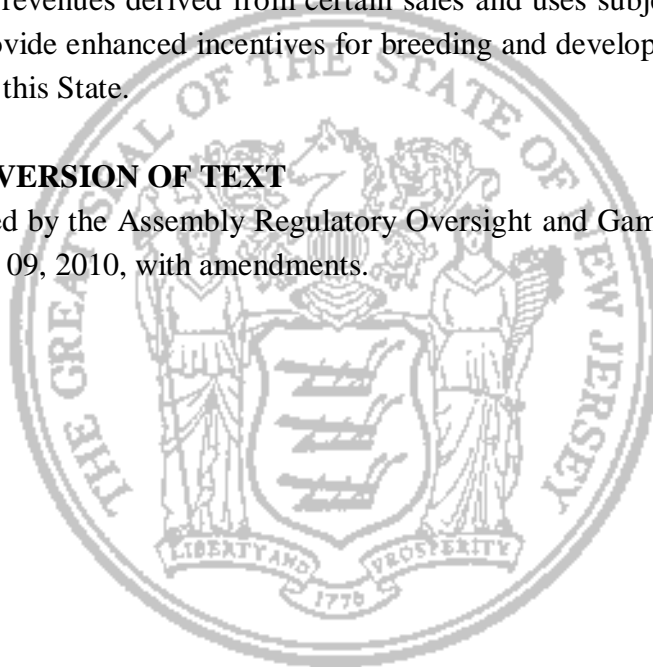
Senators Beck, Gordon and Assemblyman Giblin

SYNOPSIS

Dedicates revenues derived from certain sales and uses subject to sales and use tax to provide enhanced incentives for breeding and development of certain racehorses in this State.

CURRENT VERSION OF TEXT

As reported by the Assembly Regulatory Oversight and Gaming Committee on December 09, 2010, with amendments.



(Sponsorship Updated As Of: 1/11/2011)

1 AN ACT dedicating revenues derived from certain sales and uses
 2 subject to the sales and use tax to provide enhanced incentives
 3 for the breeding and development of certain racehorses in this
 4 State, supplementing chapter 5 of Title 5 of the Revised Statutes
 5 and P.L.1966, c.30 (C.54:32B-1 et seq.).
 6

7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 8 *of New Jersey:*
 9

10 1. a. There is established in the Department of Law and Public
 11 Safety a special non-lapsing fund to be known as the “New Jersey
 12 Standardbred and Thoroughbred Racehorse Incentive Fund,” which
 13 shall be maintained and administered by the commission.

14 b. ¹**[Monies]** On or before April 1, 2012 and on or before April
 15 1 of each year thereafter, monies¹ deposited into the fund by the
 16 director pursuant to section 2 of P.L. , c. (C.) (pending
 17 before the Legislature as this bill), together with any interest
 18 thereon, shall be awarded by the commission, ¹**[at such times,]**¹ in
 19 such amounts ¹**[,]**¹ and to such persons as the commission may
 20 determine, for purposes of providing enhanced incentives for the
 21 breeding and development of thoroughbred and standardbred
 22 racehorses in this State ¹; provided however, that if the sum of
 23 monies deposited into the fund by the director pursuant to section 2
 24 of P.L. , c. (pending before the Legislature as this bill) in 2013,
 25 2014, or 2015 exceeds 115 percent of the sum of monies deposited
 26 into the fund by the director in 2012, the commission shall allocate
 27 10 percent of the sum for deposit into the New Jersey Horse
 28 Breeding and Development Account established pursuant to section
 29 5 of P.L.1967, c.40 (C.5:5-88); provided further, that if the sum of
 30 monies deposited into the fund by the director pursuant to section 2
 31 of P.L. , c. (pending before the Legislature as this bill) in 2016
 32 or in any year thereafter exceeds 115 percent of the sum of monies
 33 deposited into the fund by the director in 2012, the commission
 34 shall allocate 20 percent of the sum for deposit into the account¹.

35 c. (1) The executive director shall make and file an annual
 36 report to the commission concerning the fund. The report shall, at a
 37 minimum, include information specifying: (a) the date and amount
 38 of each deposit made into the fund, (b) the amount of any interest
 39 derived from monies deposited into the fund, (c) the date and
 40 amount of each award ¹or allocation¹ made from the fund by the
 41 commission, and (d) the name and address of each person awarded
 42 monies from the fund by the commission; and shall provide a
 43 description of how monies awarded from the fund by the
 44 commission are used to provide enhanced incentives for the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ARG committee amendments adopted December 09, 2010.

1 breeding and development of thoroughbred and standardbred
2 racehorses in this State.

3 (2) The report required to be made and filed in accordance with
4 paragraph (1) of subsection c. of this section shall be transmitted
5 annually by the executive director to the Governor and, pursuant to
6 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature on or
7 before the date the Governor's annual budget message is presented,
8 pursuant to section 11 of P.L.1944, c.112 (C.52:27B-20), to the
9 Legislature **'[in each State fiscal year]'**.

10 d. For purposes of this section:

11 **'"Account" means the New Jersey Horse Breeding and**
12 **Development Account established pursuant to section 5 of**
13 **P.L.1967, c.40 (C.5:5-88).'**¹

14 "Commission" means the New Jersey Racing Commission
15 established pursuant to section 1 of P.L.1940, c.17 (C.5:5-22).

16 "Director" means the Director of the Division of Taxation in the
17 Department of the Treasury.

18 "Executive director" means the person appointed executive
19 director of racing by the commission pursuant to section **'[17] 4'**
20 of P.L.1940, c.17 (C.5:5-25).

21 "Fund" means the New Jersey Standardbred and Thoroughbred
22 Racehorse Incentive Fund established pursuant to subsection a. of
23 this section.

24
25 2. a. Notwithstanding the provisions of any other law to the
26 contrary, **'on or before January 31, 2012 and on or before January**
27 **31 of each year thereafter.'**¹ the director shall deposit **'[annually]'**¹
28 in the New Jersey Standardbred and Thoroughbred Racehorse
29 Incentive Fund established pursuant to section 1 of P.L. ,
30 c. (C.) (pending before the Legislature as this bill), an amount
31 equal to the sales tax and the use tax revenue collected by the
32 director in the prior **'[State fiscal] calendar'**¹ year from the retail
33 sale or use of: (1) any horse, pony, mule, donkey, or hinny; and (2)
34 any tangible personal property or service made or rendered directly
35 and exclusively in connection with the breeding, raising, training,
36 boarding, showing, or racing of a horse, pony, mule, donkey, or
37 hinny, which is subject to the tax imposed by the "Sales and Use
38 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

39 b. For purposes of determining the amount required to be
40 deposited **'[in] into'**¹ the fund pursuant to subsection a. of this
41 section, the director, in consultation with the Executive Director of
42 the New Jersey Racing Commission, shall determine and specify
43 the tangible personal property and services deemed to be made or
44 rendered directly and exclusively in connection with the breeding,
45 raising, training, boarding, showing, or racing of a horse, pony,
46 mule, donkey, or hinny, and shall submit annually a report
47 containing a list of that property and those services to the Governor

1 and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
2 Legislature on or before October 1 of each year.

3 c. For purposes of determining the amount required to be
4 deposited '~~in~~ into' the fund pursuant to subsection a. of this
5 section, the director may, at the director's discretion, estimate the
6 actual amount of sales tax and use tax revenue collected in a prior
7 '~~State fiscal~~ calendar' year from the retail sale or use of any
8 horse, pony, mule, donkey, or hinny and any tangible personal
9 property and services made or rendered directly and exclusively in
10 connection with the breeding, raising, training, boarding, showing,
11 or racing of a horse, pony, mule, donkey, or hinny by utilizing any
12 internal or external indices available to the director at the time the
13 estimate is made; provided however, that any estimate of actual
14 sales tax and use tax revenue collected by the director in a prior
15 '~~State fiscal~~ calendar' year shall be subject to the review and
16 approval by the Director of the Division of Budget and Accounting
17 in the Department of the Treasury and the State Treasurer.

18 d. For purposes of this section:

19 '"Executive Director of the New Jersey Racing Commission"
20 means the person appointed executive director of racing by the New
21 Jersey Racing Commission pursuant to section 4 of P.L.1940, c.17
22 (C.5:5-25).¹

23 "Fund" means the New Jersey Standardbred and Thoroughbred
24 Racehorse Incentive Fund established pursuant to section 1 of
25 P.L. , c. (C.) (pending before the Legislature as this bill).

26 "New Jersey Racing Commission" means the New Jersey Racing
27 Commission established pursuant to section 1 of P.L.1940, c.17
28 (C.5:5-22).

29 "Sales tax and use tax revenue" includes any interest, penalties,
30 and fees imposed by, or assessed pursuant to, the "Sales and Use
31 Tax Act," P.L.1966, c.30, which are due and payable to the director.

32

33 3. This act shall take effect immediately '~~and section 2 shall~~
34 ~~apply to sales and uses on or after July 1, 2011~~'¹.