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)

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

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

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

b. [Monies] On or before April 1, 2012 and on or before April 1 of each year thereafter, monies\(^1\) deposited into the fund by the director pursuant to section 2 of P.L. _, c. (pending before the Legislature as this bill), together with any interest thereon, shall be awarded by the commission, \([\text{at such times},]\) in such amounts \([\text{[.,]}]\) and to such persons as the commission may determine, for purposes of providing enhanced incentives for the breeding and development of thoroughbred and standardbred racehorses in this State \(^1\); provided however, that if the sum of monies deposited into the fund by the director pursuant to section 2 of P.L. _, c. (pending before the Legislature as this bill) in 2013, 2014, or 2015 exceeds 115 percent of the sum of monies deposited into the fund by the director in 2012, the commission shall allocate 10 percent of the sum for deposit into the New Jersey Horse Breeding and Development Account established pursuant to section 5 of P.L.1967, c.40 (C.5:5-88); provided further, that if the sum of monies deposited into the fund by the director pursuant to section 2 of P.L. _, c. (pending before the Legislature as this bill) in 2016 or in any year thereafter exceeds 115 percent of the sum of monies deposited into the fund by the director in 2012, the commission shall allocate 20 percent of the sum for deposit into the account\(^1\).

c. (1) The executive director shall make and file an annual report to the commission concerning the fund. The report shall, at a minimum, include information specifying: (a) the date and amount of each deposit made into the fund, (b) the amount of any interest derived from monies deposited into the fund, (c) the date and amount of each award \([\text{or allocation}]\) made from the fund by the commission, and (d) the name and address of each person awarded monies from the fund by the commission; and shall provide a description of how monies awarded from the fund by the commission are used to provide enhanced incentives for the

EXPLANATION – Matter enclosed in bold-faced brackets \([\text{thus}]\) in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined \([\text{thus}]\) is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
\(^1\)Assembly ARG committee amendments adopted December 09, 2010.
breeding and development of thoroughbred and standardbred racehorses in this State.

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

d. For purposes of this section:

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


3. “Director” means the Director of the Division of Taxation in the Department of the Treasury.

4. “Executive director” means the person appointed executive director of racing by the commission pursuant to section 4 of P.L.1940, c.17 (C.5:5-25).

5. “Fund” means the New Jersey Standardbred and Thoroughbred Racehorse Incentive Fund established pursuant to subsection a. of this section.

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

b. For purposes of determining the amount required to be deposited into the fund pursuant to subsection a. of this section, the director, in consultation with the Executive Director of the New Jersey Racing Commission, shall determine and specify the tangible personal property and services deemed to be made or rendered directly and exclusively in connection with the breeding, raising, training, boarding, showing, or racing of a horse, pony, mule, donkey, or hinny, and shall submit annually a report containing a list of that property and those services to the Governor.
and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature on or before October 1 of each year.

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

d. For purposes of this section:

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

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

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

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

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