

September 12, 2024

SENATE BILL NO. 3455
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 3455 (First Reprint) with my recommendations for reconsideration.

This bill would require the automatic, unconditional renewal of an off-track wagering license upon a licensee's submission of the appropriate forms and relevant fees to the New Jersey Racing Commission ("NJRC"). The bill also removes other provisions of law which address the circumstances that permit the NJRC's denial of a license renewal, in effect eliminating the NJRC's authority to deny or place conditions on the renewal of an off-track wagering license for noncompliance with the NJRC's rules. Additionally, the bill eliminates provisions in current law establishing an order of priority for entities eligible to receive forfeited off-track wagering licenses, as well as a requirement that certain horse racing permit holders make progress toward establishing their shares of the 15 off-track wagering facilities authorized by the "Off-track and Account Wagering Act," N.J.S.A. 5:5-127 et seq.

New Jersey's horse racing industry is a key economic engine, supporting thousands of jobs and attracting tourists and fans from around the world. While I appreciate the sponsors' desire to eliminate red tape and streamline the renewal process for off-track wagering, I am concerned that this bill unnecessarily erodes the authority of the NJRC and undermines its ability to properly regulate the safety and integrity of the horse racing industry. In effect, this bill would make the only requirement for the renewal of an off-track wagering license the filing of a form and the payment of a fee. The NJRC's existing authority to place conditions on a license renewal is an indispensable tool used by

the NJRC in fulfilling its duty to maintain the integrity of and promote public confidence in the horse racing industry. Conditional renewals also promote efficiency as they ensure that minor issues discovered during an investigation need not warrant the immediate revocation or suspension of a license. The ability of the NJRC to resolve lesser issues through the imposition of conditions or by pending of an application for renewal until such issues are resolved allows for a more economical regulatory scheme and strikes an appropriate balance between the interests of the industry and the responsibilities of the industry's regulator.

In order to facilitate a more effective and resilient regulatory scheme for off-track wagering facilities, I am proposing minor amendments to the bill that will preserve the NJRC's authority to withhold renewals and impose licensing conditions when appropriate. In addition, I am proposing changes to the bill that would revise a provision of current law that requires the permit holders at Monmouth Park and Meadowlands Racetrack to enter into participation agreements with organizations that held a valid permit to conduct race horse meetings in 2000, as some of those organizations are no longer in operation.

Therefore, I herewith return Senate Bill No. 3455 (First Reprint) and recommend that it be amended as follows:

<u>Page 6, Section 2, Line 16:</u>	Delete "Any" and insert "The commission shall renew any"
<u>Page 6, Section 2, Line 18:</u>	Delete "shall renew automatically"
<u>Page 6, Section 2, Line 20:</u>	After "commission" insert ", provided the commission determines that the qualifications set forth in this subsection and any applicable regulations promulgated by the commission have been satisfied"

Page 6, Section 2, Line 31: After "2000" insert "or holds a current, valid permit to hold or conduct a race horse meeting within this State"

Page 12, Section 3, Line 3: After "procedures" insert ", conditions,"

Page 12, Section 3, Lines 9-12: Delete in their entirety

Page 14, Section 3, Line 24: Delete "or" and insert ","

Page 14, Section 3, Line 24: After "suspend" insert ", or refuse to renew"

Page 14, Section 4, Lines 40-47: Delete in their entirety

Page 15, Section 4, Lines 1-16: Delete in their entirety

Page 15, Section 5, Line 42: Delete "5." and insert "4."

[seal]

Respectfully,
/s/ Philip D. Murphy
Governor

Attest:

/s/ Parimal Garg
Chief Counsel to the Governor