

**LAW AND PUBLIC SAFETY**

**NEW JERSEY RACING COMMISSION**

**Harness Racing**

**Expiration of Mutuel Tickets**

**Proposed Amendment N.J.A.C. 13:71-27.58**

Authorized By: New Jersey Racing Commission, Frank Zanzuccki, Executive Director

Authority: N.J.S.A. 5:5-30

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2006\_\_\_\_\_

Submit written comments by \_\_\_\_\_ to:

Gregory Copsetta, Assistant Director  
New Jersey Racing Commission  
P.O. Box 088, 140 East Front Street  
Trenton, New Jersey 08625-0088

The agency proposal follows:

**Summary**

The New Jersey Racing Commission (Racing Commission) is interested in obtaining public comment regarding the proposed amendment to N.J.A.C. 13:71-27.58. The proposed amendment would provide that unclaimed vouchers issued on or after May 26, 2006, would expire after three years and one day. A "voucher" is a ticket issued by: a pari-mutuel cashier in exchange for cash or coupons; a voucher machine which is a mechanical, electrical or other device connected to a totalisator which, upon the insertion of cash, automatically issues a

voucher of equal value; or a self-service pari-mutuel machine as a payout on a winning wager or as the balance returnable after a wager has been placed. A self-service pari-mutuel machine may also function as a voucher machine. The proposed rule amendment is being made to conform to a recent change in law which, among other things, provides that vouchers shall expire after 3 years. See N.J.S.A. 5:5-22.2. Previously, vouchers did not expire. While not reflected in the proposed rule amendment, the new statute further provides that the proceeds from the expired vouchers would be paid 50 percent to the purse account and 50 percent to the permitholder at the location where purchased, provided that if the permitholder conducts both harness and thoroughbred races the purse amount shall be divided equally between the harness and thoroughbred purse accounts.

Additionally, a technical language change is being made to the existing rule in changing “of” to “on” for clarity.

This proposed amendment will result in inconsistency between the expiration of vouchers at New Jersey racetracks and Atlantic City casino simulcast facilities, where vouchers presently and shall continue not to expire.

The Racing Commission is providing a 60 day comment period for the proposal. Therefore, this notice is excepted from the rulemaking calendar requirement in accordance with N.J.A.C. 1:30-3.3(2)5.

### **Social Impact**

The Racing Commission believes that many horse race patrons who do not redeem a voucher within three years never do so, resulting in an administrative or accounting issue to the permitholders. To the extent that the proposed amendment will encourage racetrack patrons to redeem outstanding vouchers within three years of their issuance, the Racing Commission

believes that the social impact will be positive.

### **Economic Impact**

The proposed rule amendment will likely have a positive economic impact on the permitholders and the horsemen who race in New Jersey. The positive economic impact will be realized by the permitholders which will receive 50 percent of the amount of expired vouchers. A positive economic impact will also be realized by the horsemen participating in New Jersey in the form of higher purses, as the result of 50 percent of the appropriate expired vouchers being allocated to purse accounts at the racetracks, which would allow the horsemen to race for higher purses.

As noted above, since the expiration of a voucher will result in a loss of the associated funds to the permitholders patron to whom it was issued, a negative economic impact to that patron would arise.

### **Federal Standard Impact**

A Federal standard's analysis is not required because the rules of racing are dictated by State statute N.J.S.A. 5:5-22 et seq and are not subject to any federal requirements or standards.

### **Jobs Impact**

The proposed new rule will not result in the generation or loss of jobs.

### **Agriculture Industry Impact**

The proposed new rule will have no impact on the agriculture industry in the State.

### **Regulatory Flexibility Statement**

A regulatory flexibility analysis is not required because the proposed new rule imposes no reporting, record keeping or compliance requirements on small businesses as defined in Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The New Jersey permitholders affected by the

amendment are not small businesses, as each employs more than 100 people full-time.

### **Smart Growth Impact Statement**

The proposed amendment will have no impact on the achievement of smart growth or the implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

13:71-27.58 Expiration of Mutuel Tickets

**(a)** All mutuel tickets shall expire six months and one day from the day of issuance (that is, tickets purchased on January 1 will expire at the close of business [of] **on** July 1).

**(b)** **Vouchers issued on or after May 26, 2006, where issued at a permitholder's racetrack premises, shall expire three years and one day from the date of issue (for example, a voucher issued on July 1, 2006 will expire at the close of business on July 1, 2009).**