DIVISION OF MARKETING AND DEVELOPMENT

New Jersey Standardbred Development Fund Program

Proposed New Rules: N.J.A.C. 2:32A

Authorized By: New Jersey Sire Stakes Board of Trustees, Michael Gulotta, Chair.
Calendar Reference: See Summary below for explanation of exception to calendar requirement.
Proposal Number: PRN 2022-063.

Submit written comments by July 15, 2022, to:
pr-markets@ag.nj.gov
or
Lynn Mathews, New Jersey Sire Stakes Program
Department of Agriculture, Division of Markets
PO Box 330
Trenton, NJ 08625-0330
(609) 913-6514

The agency proposal follows:

Summary

Pursuant to N.J.S.A. 52:14B-5.1, N.J.A.C. 2:32A, the New Jersey Standardbred Development Program, expired on February 18, 2022. However, the Sire Stakes Board of Trustees (Board) has reviewed these rules and has found them to be necessary, reasonable, and proper for the purpose for which they were promulgated, with the following proposed amendments from the expired rules proposed herein as new rules.

Pursuant to N.J.S.A. 5:5-91.1 and 5:5-91, N.J.A.C. 2:32A establishes the conditions for the operation of and participation in the New Jersey Standardbred Development Fund Program (Program). By law, the Program is administered by the Sire Stakes Program Board of Trustees, and it is allocated funds from those monies that accrue to the Sire Stakes Program. The Sire Stakes Program is funded by a small percentage of the pari-mutuel handle (wagering) at the two commercial harness tracks (the Meadowlands and Freehold Raceway), by payments made by standardbred owners, by legislative appropriation, and by raceway contributions.

The Program was established in 2013, to encourage the breeding of standardbred horses, the trotters, and pacers familiar to harness-racing fans. Because the Program offers substantial purses for winning standardbreds foaled to a mare who stands at a New Jersey breeding farm for at least 150 consecutive calendar days, including the date of foaling, and includes foals who are the product of a non-New Jersey-based or domiciled sire and a mare that is registered with the United States Trotting Association, as well as all horses eligible to race under the Sire Stakes Program, the Program has provided standardbred owners with an incentive to locate their horses in New Jersey. As a result, the Program has been instrumental in maintaining more than 100,000 acres of scenic open space around the State, Standardbreds remain the largest segment of New Jersey’s horse population.

The expired rules proposed herein as new rules are necessary for the continued operation of the Standardbred Development Fund Program. The proposed amendments to the expired rules proposed herein as new rules are expected to increase participation in the program by decreasing various fees and by allowing horses to regain eligibility for their two-year-old year, notwithstanding a late payment of the first sustaining payment.

The New Jersey Sire Stakes Board of Trustees (Board) solicits suggestions for proposed amendments from various groups of horsemen who participate in the Program. The Board considers the various suggestions, including concerns of their own and suggestions by staff, and adopts amendments, when necessary. The expired rules proposed herein as new rules establish conditions for participation and is necessary for the continued operation of the Standardbred Development Fund Program. The Program conditions are widely distributed among the participants and are reproduced in several industry publications. The conditions relate to the rules of residency for mares, nomination of mares to the Standardbred Development Program, nomination of yearlings, sustaining payments, and the racing of New Jersey-sired and New Jersey-bred horses at New Jersey tracks. The expired rules proposed herein as new rules have provided definitive guidelines for the operation of the Sire Stakes Program for many decades and have operated well during that period.

Subchapter 1, General Provisions, covers the general provisions of the Standardbred Development Fund.

Subchapter 2, New Jersey Standardbred Development Fund Conditions, establishes the conditions for the operation of and participation in the Program.

N.J.A.C. 2:32A-2.1, Adoption of by-laws, provides the bylaws for the Sire Stakes Board of Trustees to administer the Standardbred Development Fund Program, including procedures regarding horse-eligibility, administration, funds, disbursements, and track-eligibility conditions.

N.J.A.C. 2:32A-2.2, Qualifying standards, provides specific eligibility standards for foals.

N.J.A.C. 2:32A-2.3, Fund policy, provides for purse allocation, amount, and fees.

N.J.A.C. 2:32A-2.4, Transfer of race, provides authority for race changes, as, and if, necessary.

N.J.A.C. 2:32A-2.5, Yearling nominations, provides for yearling registration and fees.

N.J.A.C. 2:32A-2.6, Sustaining fees, provides fee amounts and schedule.

N.J.A.C. 2:32A-2.7, Payment dates, provides the sustaining payments schedule.

N.J.A.C. 2:32A-2.8, Eligibility, provides two- and three-year-old eligibility requirements.

N.J.A.C. 2:32A-2.9, Dishonored checks, provides for payment and eligibility consequences.

N.J.A.C. 2:32A-2.10, No cash or partial payments, provides allowable payments for nominating, sustaining, and entry fees.

N.J.A.C. 2:32A-2.11, Refunds, provides requirements for refund requests.

N.J.A.C. 2:32A-2.12, Time of declaration, disallows late entries and sets the required time.

N.J.A.C. 2:32A-2.13, Name change notification, requires notice of name and/or gait change and time of notice.

N.J.A.C. 2:32A-2.14, Entry fee deadlines, provides time of payment and limits refund.

N.J.A.C. 2:32A-2.15, Entry fees, provides entry fee amounts.


N.J.A.C. 2:32A-2.17, Qualifying standards, requires starters to meet track standards and be eligible at time of entry.

N.J.A.C. 2:32A-2.18, Splitting races, allows Board adoption of a division racing method.

N.J.A.C. 2:32A-2.19, Number of starters, gives judges discretion in first tier.

N.J.A.C. 2:32A-2.20, Splitting and carrying over divisions, addresses purse share.

N.J.A.C. 2:32A-2.21, Final races, provides schedule and points awards process.

N.J.A.C. 2:32A-2.22, Broadcasting revenues, provides assignment to the Board for purses.

N.J.A.C. 2:32A-2.23 through 2.28, address appeals rights, nature of proceedings, costs, and handling of appeals from decisions of supervising race secretary and/or actions or inactions of the Board.

N.J.A.C. 2:32A-2.29, Payments, correspondence, and inquiries, provides details regarding those topics.

Proposed amendments to the expired rules proposed herein as new rules

A summary of the proposed amendments to the expired rules proposed herein as new rules follows.

Proposed amendments at N.J.A.C. 2:32A-1.1 include updated contact information for the New Jersey Department of Agriculture and to provide directions to find the current (2021) USTA Rule Book online through the USTA website.

Proposed amendments at N.J.A.C. 2:32A-2.2 change the date by which a qualifying mare must be registered with the New Jersey Standardbred
Development Fund Program from January 31 to December 31 of the year of foaling in order for the offspring to be eligible to the Standardbred Development Fund Program. The other proposed amendments at N.J.A.C. 2:32A-2.2 also clarify that, where a foal is the product of the mating of a Standardbred mare with a resident New Jersey Sire Stakes stallion meeting the requirements at N.J.A.C. 2:32-2.3, the mare does not need to be registered with the New Jersey Standardbred Development Fund Program nor does a registration fee need to be paid for said mares.

The proposed amendment at N.J.A.C. 2:32A-2.5 decreases a supplemental nomination late fee from $750.00 to $700.00. Proposed amendments at N.J.A.C. 2:32A-2.6 decrease the Standardbred Development Fund Program sustaining fees for two-year-olds and for three-year-olds from $300.00 for the first sustaining fee and $500.00 for the second sustaining fee, to $100.00 for the first sustaining fee and $150.00 for the second sustaining fee. Proposed amendments at N.J.A.C. 2:32A-2.8 permit a two-year-old’s owner who makes the nomination payment but fails to make the first sustaining payment to regain eligibility for his or her horse in its two-year-old year upon payment of a $1,000 penalty, in addition to the amount of the first sustaining payment, within 30 days of the original due date of that first sustaining payment. Existing language to the effect that the horse will not be eligible to compete in the Program as a two-year-old under such circumstances is proposed to be deleted.

Proposed amendments at N.J.A.C. 2:32A-2.15 decrease entry fees for Standardbred Development Fund Division races from $500.00 to $200.00, decrease the entry fees for Standardbred Development Fund Finals from $1,000 to $500.00, but provide that the Finals fee will be waived if entry fees are paid for both first and second legs. Furthermore, because the purse for all Sire Stakes races, including Standardbred Development Fund races, is set by the Sire Stakes Board of Trustees, proposed amendments at N.J.A.C. 2:32A-2.15 also remove the provision that entry fees will be added to the purse. Proposed amendments at N.J.A.C. 2:32A-2.21, consistent with the proposed amendments at N.J.A.C. 2:32A-2.15, decrease the Finals fee from $1,000 to $500.00, subject to the waiver at N.J.A.C. 2:32A-2.15 if entry fees of $200.00 are paid for the first and second legs. The proposed amendments at N.J.A.C. 2:32A-2.21 also make technical changes for clarity and accuracy.

The proposed amendment at N.J.A.C. 2:32A-2.29 updates the telephone number that may be used for Program inquiries.

Social Impact

The expired rules proposed herein as new rules with amendments governs the Standardbred Development Fund Program and is primarily limited to the participants in the Sire Stakes Program. Currently, there are approximately 1,500 participants. While the social effects of the Standardbred Development Fund rules have had a limited impact on the general public during their existence, the social impact of the expired rules proposed as new rules will be beneficial to the public, insofar as they aid in the Program’s ability to assist in preserving New Jersey’s open space and farmland. Encouraging horse owners to participate in the Standardbred Development Fund Program, which involves horses resulting from the mating of a stallion residing inside or outside of New Jersey with a mare that is domiciled in New Jersey for at least 150 consecutive days, including the date of foaling, results in an increase in the number of horses participating in the two programs, thus allowing New Jersey to maintain a competitive edge with the programs from other jurisdictions. An increase in the number of horses that are eligible for the Program will also result in a greater dollar amount to be distributed to the Program’s participants.

Federal Standards Statement

Executive Order No. 27 (1994) and P.L. 1995, c. 65, require State agencies that adopt, readopt, or amend State rules that exceed any Federal standards or requirements to include in the rulemaking document a comparison with Federal law. A Federal standards analysis is not required because the regulation of the Standardbred Development Fund Program is dictated by the N.J.S.A. 5:5-91 and 5:5-91.1 and is not subject to any Federal requirements or standards.

Jobs Impact

The Board does not anticipate that the expired rules proposed herein as new rules with amendments will result in the generation or loss of jobs in the State.

Agriculture Industry Impact

The Standardbred Development Fund Program, through its conditions, has had a positive impact on the agricultural community in New Jersey. The largest breed of horses in New Jersey is the standardbred, numbering over 10,000. The Program greatly contributes to open space and farmland preservation as it has attracted to the State a large standardbred population, which is highly dependent on the Sire Stakes and the Standardbred Development Fund Programs. It is anticipated that the expired rules proposed herein as new rules with amendments will have a positive impact on the agriculture industry in New Jersey for the reasons set forth in the Summary, Social, and Economic Impact statements above.

Regulatory Flexibility Analysis

Many of the participants in the New Jersey Standardbred Development Fund and the Sire Stakes Programs are small businesses as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Therefore, a regulatory flexibility analysis is required. The purpose of the Standardbred Development Fund and the Sire Stakes Programs is to provide competition for New Jersey-sired and New Jersey-bred standardbred horses that is sufficiently demanding to improve the breed, sufficiently open to encourage maximum participation, and provide economic incentives of sufficient magnitude to make participation worthwhile. The number of small businesses that participate in the Program has remained relatively stable each year. The Sire Stakes Board of Trustees believes that the Program is beneficial to such businesses.

The requirements imposed pursuant to the expired rules proposed herein as new rules with amendments are as described in the Summary above. The expired rules proposed herein as new rules include language that assures that all participants in the Standardbred Development Fund and the Sire Stakes Programs are fairly and equitably treated regardless of the size of their business. Costs that may result from the expired rules proposed herein as new rules with amendments are discussed in the Economic Impact above. Therefore, the expired rules proposed herein as new rules with amendments are not considered such a burden to the participating small businesses as to require a separate standard based on business size. Further, in the interest of competitive fairness and to maintain the integrity of the Program, no differing standards based on business size are offered. The expired rules proposed herein as new rules with amendments do not require any additional reporting or recordkeeping, nor do they require participating businesses to incur any additional expenses for any professional services or capital expenditures in order to comply.

Housing Affordability Impact Analysis

The expired rules proposed herein as new rules with amendments will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme unlikely that the expired rules proposed herein
as new rules would evoke a change in the average costs associated with housing because the rules provide for establishment, eligibility, and administration of a horse breeding and racing program within New Jersey.

**Smart Growth Development Impact Analysis**

The expired rules proposed herein as new rules with amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the expired rules proposed herein as new rules with amendments would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey, because the rules provide for establishment, eligibility, and administration of a horse breeding and racing program within New Jersey.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The Board has evaluated the expired rules proposed herein as new rules with amendments and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning juveniles and adults in the State. Accordingly, no further analysis is required.

**Full text of the expired rules proposed herein as new rules may be found in the New Jersey Administrative Code at N.J.A.C. 2:32A.**

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

**SUBCHAPTER 1. STANDARDBRED DEVELOPMENT FUND PROGRAM**

2:32A-1.1 General provisions

The Sire Stakes Program Board of Trustees, on behalf of the Standardbred Development Fund Program, hereby adopts and incorporates by reference, as amended and supplemented, the [2014 United States Trotting Association’s Racing Guide for Stakes and Futurities.] 2021 U.S. Trotting Rule Book. Copies of the most current regulations may be procured online at [http://www.ustrotting.com/pdf/USTARuleBook.pdf] and are available for inspection by contacting the Division of Marketing and Development[. New Jersey Department of Agriculture, Health-Agriculture Building, John Fitch Plaza, Trenton, New Jersey,] at the New Jersey Development Fund, 200 Riverview Plaza, Trenton, New Jersey. The Division’s contact information can be found at: https://www.nj.gov/agriculture/divisions/md/about/contacts.html.

**SUBCHAPTER 2. NEW JERSEY STANDARDBRED DEVELOPMENT FUND CONDITIONS**

2:32A-2.2 Qualifying standards

(a) In order to be eligible for nomination to the New Jersey Standardbred Development Fund Program, a foal must be the product of the mating of:

1. A Standardbred mare with a resident New Jersey Sire Stakes stallion meeting the requirements of at N.J.A.C. 2:32-2.3; or
2. A Standardbred mare with any Standardbred stallion that is generally recognized Standardbred breed provided the mare resides in the State of New Jersey for a period of at least 150 days including the date of foaling. Said mare must be registered with the New Jersey Standardbred Development Fund Program, nor does a registration fee need to be paid for said mares; or

2:32A-2.5 Yearling nominations

(a) All yearlings to be nominated to the Standardbred Development Fund Program must be registered with the United States Trotting Association or any Standardbred registry recognized by the United States Trotting Association and must hold a certificate of registration dated on or before the time of nomination.

1.-4. (No change.)

5. Supplemental nominations may be made to the New Jersey Standardbred Development Fund. Parties delinquent in paying on or before the May 15 yearling nomination fee date are given until September 15 of the yearling year to fulfill the aforementioned conditions of nomination and pay the nomination fee along with an additional late fee of $500.00. For nominations received after September 15, but on or before February 15 of the two-year-old year, the cost will be $750.00 in addition to the original nomination fee.

2:32A-2.6 Sustaining fees

The sustaining fee schedule to the Standardbred Development Fund Program will be as follows:

<table>
<thead>
<tr>
<th>Age</th>
<th>First Sustaining Fee</th>
<th>Second Sustaining Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two and three</td>
<td>$300.00</td>
<td>$500.00</td>
</tr>
</tbody>
</table>

The Board of Trustees of the New Jersey Sire Stakes Program may, at any time, in its sole discretion, reduce the amount of these fees as conditions warrant.

2:32A-2.8 Eligibility

(a) (No change.)

(b) A [two-year-old that] two-year-old’s owner who makes the nomination payment but fails to make the first sustaining payment may regain [its] his or her horse’s eligibility for its two-year-old and three-year-old seasons by payment of a penalty of $1,000 plus the amount of the first sustaining payment within 30 days of the original due date of the payment. [The horse will not be eligible to compete as a two-year-old in the program to which the payment was missed, but will be able to compete as a three-year-old provided those payments are made in a timely fashion.]

2:32A-2.15 Entry fees

(a) [Entry fees will be added to the basic purse in Standardbred Development Fund races.] Entry fees will be:

1. Two-year-olds: $500.00; and
2. Three-year-olds: $750.00.

(b) Entry fees for Standardbred Development Fund Finals will be $1,000.

(c) (No change.)

2:32A-2.21 Final races

(a) There will be a two- and three-year-old “Final” race in each Standardbred Development Fund division at a licensed facility approved by the New Jersey Racing Commission, as scheduled by the New Jersey Sire Stakes Board of Trustees.

(b) (No change.)

(c) Each Standardbred Development Fund Final will have a $1,000 entry fee, subject to waiver consistent with N.J.A.C. 2:32A-2.15, and is open to the highest New Jersey Standardbred Development Fund point winners in the series that are declared in and can be drawn to a post position in the first tier. Trailers are not permitted to start in any New Jersey Standardbred Development Fund Finals.

(d) (No change.)

(e) In the event of less than five starters, the points shall be awarded in the same fashion as the purse breakdown with less than five starters, as in N.J.A.C. 2:32-2.1 at (d).

(f) (No change.)

2:32A-2.29 Payments, correspondence, and inquiries

(a) (No change.)

(b) All nominating and sustaining payments, correspondence, and inquiries shall be directed to:
The Government Records Council’s (“Council” or “GRC”) rules set forth the process by which denial of access complaints are adjudicated. The Council proposes to readopt the rules with amendments, a new rule, and repeals. Pursuant to N.J.S.A. 52:14B-1.5c, the chapter was scheduled to expire on April 5, 2022. As the Council filed this notice of readoption with the Office of Administrative Law on that date, the expiration date is extended 180 days to October 2, 2022, pursuant to N.J.S.A. 52:14B-5.1(c). A summary of the rules proposed for readoption follows:

Subchapter 1 sets forth the general provisions of the chapter.

N.J.A.C. 5:105-1.1 sets forth the purpose and scope of the new chapter, that is, the implementation of those rules articulating the Council’s duties of the Council.

N.J.A.C. 5:105-1.2 provides for the liberal construction of these rules and repeals. N.J.A.C. 5:105-1.2 is proposed for repeal, as the section is being merged into N.J.A.C. 5:105-1.1.

N.J.A.C. 5:105-1.3 add the definition of “party” (which is also proposed to be added to the existing definition of “party”), add a definition for “intervenor” (which is also proposed to be added to the existing definition of “party”), and add a definition of “supplemental decision,” because the Council does not issue such a decision. The proposed amendments at N.J.A.C. 5:105-1.3 add the definition of “ex parte communication,” change the term “‘complaint’ or ‘OPRA Complaint’” to “‘complaint’ or ‘denial of access complaint,’” revise the definition of “interim order” (to specify that it is an order issued during the pendency of an adjudication), add a definition for “intervenor” (which is also proposed to be added to the existing definition of “party”), add a definition for “administrative order,” add a definition of “new evidence,” and add a definition of “revised interim order” or “revised final decision.” The proposed amendments also delete the definition for “supplemental decision,” because the Council does not issue such a decision.

The proposed amendments at N.J.A.C. 5:105-1.4 update the Council’s general email address to reflect recent changes made by the Office of Information Technology to the State government’s email domain. The old email address is no longer active.

The proposed amendments at N.J.A.C. 5:105-1.5 clarify that the Council is not legislatively empowered to give legal advice and make OPRA exemptions pursuant to N.J.S.A. 47:1A-9.a for complaint documents during an adjudication (N.J.S.A. 47:1A-3.a); individual complaint mediation records except for the “Mediation

Summary

The agency proposal follows:

Subchapter 2 establishes the process for filing a complaint with the Council pursuant to the Act.

N.J.A.C. 5:105-2.1 provides the statutory authorization for filing a denial of access complaint with the Council and jurisdictional qualifications for a complaint being adjudicated by the Council.

N.J.A.C. 5:105-2.2 provides that the complainant and custodian are the parties to a complaint.

N.J.A.C. 5:105-2.3 provides the requirements of denial of access complaints, amendments to complaints, and any other submissions for consideration in the adjudicatory process from the complainant.

N.J.A.C. 5:105-2.4 provides the requirements of the statement of information and any other submissions for consideration in the adjudicatory process from the custodian.

N.J.A.C. 5:105-2.5 provides the process for mediation of a complaint.

N.J.A.C. 5:105-2.6 provides the procedures for the Council’s adjudicatory process when no hearing is held.

N.J.A.C. 5:105-2.7 provides the procedures for the Council’s adjudicatory process when a hearing is held.

N.J.A.C. 5:105-2.8 provides the procedures for the Council's in camera inspection of documents.

N.J.A.C. 5:105-2.9 describes the Council's decisions.

N.J.A.C. 5:105-2.10 describes the Council's procedures for reconsideration of its decisions.

N.J.A.C. 5:105-2.11 provides the procedure for appeals from the Council's final decisions to the Appellate Division of the Superior Court of New Jersey.

N.J.A.C. 5:105-2.12 provides the requirements for a party's request for a stay of the Council's decision.

N.J.A.C. 5:105-2.13 provides the procedures for a party's application for prevailing party attorney's fees.

N.J.A.C. 5:105-2.14 provides the procedures for the Council's determination and imposition of a penalty for the knowing and willful violation of the Act.

Subchapter 3 concerns inquiries.

N.J.A.C. 5:105-3.1 describes the information and resources available to the public and public agencies through the inquiry process established by the Council.

Subchapter 4 concerns advisory opinions.

N.J.A.C. 5:105-4.1 provides the Council's discretion to issue advisory opinions.

This rulemaking includes a series of proposed amendments, a new rule, and repeals; while specific substantive amendments are listed below, together with the rationale for each, any technical, non-substantive amendments that are proposed are not discussed in detail. The changes to the existing rules are intended to assist any affected parties in using the rules.

The proposed amendments at N.J.A.C. 5:105-1.1 relocate N.J.A.C. 5:105-1.2 and 1.6 as proposed new N.J.A.C. 5:105-1.1(c) and (d).

N.J.A.C. 5:105-1.2 is proposed for repeal, as the section is being merged into N.J.A.C. 5:105-1.1.

N.J.A.C. 5:105-1.3 add the definition of “ex parte communication,” change the term “‘complaint’ or ‘OPRA Complaint’” to “‘complaint’ or ‘denial of access complaint,’” revise the definition of “interim order” (to specify that it is an order issued during the pendency of an adjudication), add a definition for “intervenor” (which is also proposed to be added to the existing definition of “party”), add a definition for an “administrative order,” add a definition of “new evidence,” and add a definition of “revised interim order” or “revised final decision.” The proposed amendments also delete the definition for “supplemental decision,” because the Council does not issue such a decision.

The proposed amendments at N.J.A.C. 5:105-1.4 update the Council’s general email address to reflect recent changes made by the Office of Information Technology to the State government’s email domain. The old email address is no longer active.

The proposed amendments at N.J.A.C. 5:105-1.5 clarify that the Council is not legislatively empowered to give legal advice and make OPRA exemptions pursuant to N.J.S.A. 47:1A-9.a for complaint documents during an adjudication (N.J.S.A. 47:1A-3.a); individual complaint mediation records except for the “Mediation