

LAW AND PUBLIC SAFETY

NEW JERSEY RACING COMMISSION

Harness Racing

Daily Double

Daily Doubles on a Single Race Day

Proposed Amendment: N.J.A.C. 13:71-27.47

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 2003 - 325

Submit written comments by October 3, 2003 to:

Michael Vukcevich, Deputy 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. 13:71-27.47, Daily Double. The proposed amendment would eliminate subsection (a) in N.J.A.C. 13:71-27.47. Subsection (a) now reads, "No more than two daily doubles shall be permitted during any single race day. All other forms of this type of wagering are prohibited." As a result of this proposed amendment, the remaining paragraphs letter

designations to the regulation would be revised. This amendment is being proposed due to a notice of petition for rulemaking from the New Jersey Sports and Exposition Authority (see 35 N.J.R. 279 (a)) and the notice of action in that petition (see 35 N.J.R. 897 (a)).

As noted in N.J.A.C. 13:71-27.47(e), a daily double wager requires the purchaser to pick or select the winners of each of the two races specified for the daily double. By eliminating subsection (a) to N.J.A.C. 13:71-27.47, the racetracks could decide to schedule one or several daily double wagers on any single race day, and a daily double wager could therefore be offered in connection with every race. In the case where a daily double wager is offered in three or more consecutive races, the second leg of the first daily double would act as the first leg of the next daily double, known as “roll over” daily double, and so forth.

As the Racing Commission has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

If the proposed amendment is promulgated, it will expand and diversify the wagering opportunities for patrons to participate in the horse racing industry by allowing permitholder to decide when and how many daily doubles to offer per race card instead of being restricted to two. Currently, neighboring jurisdictions offer multiple daily double wagering, which in turn means the horse patrons in New Jersey are denied an added wagering opportunity. It is anticipated the implementation of the amendment will increase the amount bet on horse racing, and will provide a more

diverse and exciting wagering environment for horse race patrons. Historically, multi-leg race payoffs are higher than single horse bets. The proposed amendment will expand the recreational wagering opportunities and add an additional level of excitement and added profit opportunity to patrons who find the daily doubles an attractive bet because of the higher payoffs associated with it. The social impact is positive as the patron has additional wagering opportunities, increase profit margins, increased involvement with the racing industry, and a more exciting wagering environment which is currently being enjoyed by patrons in neighboring jurisdictions.

Economic Impact

The proposed amendment will likely have a positive economic impact on the permit holders who offer daily double wagering because the proposed amendment is consistent with the business interests of the permitted tracks. As a daily double wager is a two horse bet, racetracks offering such wagers receive a greater profit than where wagering is on a single horse bet. This is because the percentage of profit takeout from the wagering of multiple horse bet is higher.

There may be costs associated with the implementation of the expanded wagering opportunities inherent to the proposed amendment, including advertising costs, but these should be minimal. In any event, any such costs would likely be offset as a result of the increased profit generated.

Additionally, bettors will have an opportunity to win larger profits more frequently due to the additional daily double pools offered and subsequent higher payoffs associated with the daily double because the odds of winning such are greater than with single horse wagers.

Federal Standards Statement

A Federal standards analysis is not required because the rules of racing are dictated by state statute, N.J.S.A. 5:5-22 et seq., and the proposed amendment is not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendment will likely have no impact on the work force in the State. No jobs will be gained or lost due to the proposed amendment.

Agriculture Industry Impact

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

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed amendment imposes no reporting, recordkeeping or compliance requirements on small businesses as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The track associations affected by the amendment are not small businesses, as each employs more than 100 people full-time.

Smart Growth Impact

The proposed amendment to N.J.A.C. 13:71-27.47 is not anticipated to have an impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan as defined under Executive Order No. 4 (2002).

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

13:71-27.47 Daily double

[(a) No more than two daily doubles shall be permitted during any single race day. All other forms of this type of wagering are prohibited.]

Recodify existing (b) - (e) as (a) - (d) (No change in text.)

[(f)] (e) If the purchaser of a daily double ticket fails to pick the winner of the first half of the daily double, his contract is void, unless circumstances occur as described in [(m), (n), (o) and (p)] (l), (m), (n), and (o) below. If these conditions do not apply, then irrespective of what happens to the horse selected in the second half of the daily double, there is no refund because the patron has failed to fulfill the first half of the contract which is to pick the winner of the first half of the daily double.

Recodify existing (g) and (h) as (f) and (g) above.

[(i)] (h) After off-time, there shall be no refund in either of the above cases, provided for in [(g) and (h)] (f) and (g) above.

[(j)] (i) For the purpose of figuring the daily double, when horses are locked in the gate they shall be considered as having been excused by the stewards; and [(g) and (h)] (f) and (g) above shall be enforced.

Recodify existing (k) - (q) as (j) - (p) (No change in text.)

Frank Zanzuccki, Executive Director