

LAW AND PUBLIC SAFETY

NEW JERSEY RACING COMMISSION

Harness Racing

Superfecta

Carryover Method of Payment

Proposed Amendment: N.J.A.C. 13:71-27.59

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 - 326

Submit written comments by October 3, 2003 to:

**Frank Zanzuccki, Executive 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. 13:71-27.59, Superfecta. The proposed amendment would allow superfecta races, which are contests whereby bettors must select the first four finishes in order, to include a carryover method of payment. The rule amendment is being proposed due to a notice of petition, for rulemaking from Donald R. Codey, Jr., General Manager, Freehold

Raceway (see 34 N.J.R. 3655 (b)) and the notice of action on that petition (see 34 N.J.R. 3995(a)).

As the rule exists now, the superfecta pool is paid in its entirety to bettors selecting the first four finishers, in exact order in a designated superfecta race. If all bettors fail to select all four finishers in a superfecta race correctly, the current rule pays bettors who select the first three finishers correctly. If no tickets are sold selecting the first three finishers correctly, the current rule pays bettors selecting the first two finishers and if no tickets are sold selecting the first two finishers correctly, the current rule pays all superfecta tickets selecting the winning horse. In all these scenarios, the entire superfecta pool is distributed.

The proposed superfecta rule amendment will allow permit holders a choice to conduct superfecta wagering in the above manner, which is currently the method used, or, after Commission approval, use a carryover method of pool distribution. A permitholder must request and receive approval from the Commission for a carryover to be attached to a superfecta race. Each superfecta race must be requested separately to the Commission for carryover status. The Commission will judge each request on what it deems is in the best interest of racing before granting approval for carryover status.

The carryover method requires that bettors must select all four finishers in a superfecta race in order for the entire superfecta pool to be distributed.

If no tickets are sold on the winning combination of the superfecta, then the net pool shall be divided into two separate pools. Eighty percent of the net pool shall be paid into a pool known as the "jackpot," and carried over to the next regularly

scheduled superfecta race. The remaining twenty percent of the net pool shall be paid into a pool known as the superfecta consolation pool, and this pool will be equally divided among those ticket holders who have selected the most winning finishers in exact order.

If tickets are sold on the winning combination of the superfecta, the net pool shall have added to it any carryover monies from previous superfecta races, and shall then be equally divided among those ticket holders.

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

The social impact of the proposed amendment will be positive by allowing permit holders a choice of two methods of pool distribution regarding superfecta events which can be individually based on the clientele attending their venue.

A positive impact gained from this amendment will also be realized by the wagering public by providing a more interesting and alternative superfecta wager.

Economic Impact

The proposed amendment will likely have a positive economic impact on the individual bettors of the superfecta and the permit holders who offer it.

As carryover pools increase in value, more betting interest is evidenced and consequently as bettors have a chance to win bigger money, the permit holders revenues will increase due to the increase in handle into the superfecta pool.

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 imposed 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 will not have an effect on new growth into redevelopment of older urban and suburban areas, protect existing open space, conserve natural resources, increase transportation options and transit availability, reduce automobile traffic and dependency, stabilize property taxes or provide affordable housing. Therefore, the 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]):

13:71-27.59 Superfecta

(a) The superfecta (or other approved name) is a form of pari-mutuel wagering where each bettor selects, in order, the first, second, third and fourth placed horses in the designated superfecta race. The superfecta pool shall be held entirely separate from all other pools, and is not part of a daily double, exacta or other wagering pool. The permitholder may request the approval of the Racing Commission to conduct a superfecta in the carryover method as provided in (l) below. All superfectas not approved for conduct in the carryover method shall be conducted in the non-carryover method as provided in (f) below.

(b) - (e) (No change).

(f) The net non-carryover superfecta pool shall be distributed to winning wagers in the following precedence, based on the official order of finish:

1. As a single price pool to those whose combination finished in correct sequence as the first four different betting interests; but if there are no such wagers, then:

2. As a single pool to those whose combination included, in correct sequence the first three different betting interests; but if there are no such wagers, then:

3. As a single price pool to those whose combination included, in correct sequent, the first two different betting interests; but if there are no such

wagers, then:

4. As a single price pool to those whose combination correctly selected the first place betting interest only; but if there are no such wagers, then:

5. The entire pool of superfecta wagers shall be refunded for that contest.

(g) - (k) (No change.)

(l) The net carryover superfecta pool shall be distributed to winning wagers based on the following and in accordance with the official order of finish:

1. If tickets are sold on the winning combination of the superfecta, the net pool shall have added to it any carryover monies from previous superfecta races, and shall then be equally divided among those ticket holders.

2. If no tickets are sold on the winning combination of the superfecta, then the net pool shall be divided into two separate pools. Eighty percent of the net pool shall be paid into a pool known as the Jackpot, and carried over to the next regularly scheduled superfecta race. The remaining 20 percent of the net pool shall be paid into a pool known as the superfecta consolation pool, and this pool equally divided among those ticket holders who correctly selected the first three finishers in exact order. If no ticket has been sold correctly selecting the first three finishers in exact order, then the superfecta consolation pool shall be paid to the first two finishers in exact order, if no ticket has been sold correctly selecting the first two finishers in exact order, then the superfecta consolation pool shall be paid to those ticket holders who selected the winning horse. In the event no ticket has been sold correctly selecting the winning horse to finish first, then the superfecta gross pool (excluding monies carried

over from previous superfecta races) shall be refunded.

3. If the superfecta gross pool is refunded in accordance with the above-described rules, then all monies carried over, if any, shall be held in escrow until the next regularly scheduled superfecta.

4. If fewer than four horses finish, the payoff shall be made from the superfecta consolation pool only, and shall be made to holders of tickets correctly selecting the actual finishing horses in exact order, ignoring the balance of the selection. In this event, the Jackpot will be carried over to the next regularly scheduled superfecta race.

5. In the event the accumulated Jackpot has not been distributed prior to the final day of the meeting in which the Jackpot was generated, then the accumulated Jackpot and the net pool in the final superfecta race of the meet shall be distributed to closing day holders of superfecta tickets who correctly select the first four official finishers in exact order, or if no ticket is sold as above described, to those who correctly select the first three finishers in exact order, or if no ticket is sold as above described to those who correctly select the first two finishers in exact order, or if no ticket is sold as above described to those who correctly selected the winning horse to finish first. In the event no ticket has been sold correctly selecting the winning horse to finish first, then the gross superfecta pool will be refunded and the Jackpot distributed equally to all closing day superfecta ticket holders.

Frank Zanzuccki, Executive Director