



State of New Jersey

OFFICE OF THE GOVERNOR

PO Box 001

TRENTON, NJ 08625-0001

CHRIS CHRISTIE
Governor

July 1, 2011

Frank Zanzuccki, Executive Director
New Jersey Racing Commission
PO Box 088
Trenton, New Jersey 08625

RE: Minutes of the New Jersey Racing Commission
Meeting of June 29, 2011

Dear Director Zanzuccki:

I have reviewed the Minutes of the June 29, 2011 meeting of the New Jersey Racing Commission ("NJRC"). In accordance with the authorization contained in N.J.S.A. 5:5-22.1, I hereby return the Minutes with a veto of the action approved at the June 29, 2011 Board meeting with respect to the Consideration of Monies Identified in P.L. 2011, c. 18, for the Support of the New Jersey Horse Racing Industry Through the Augmentation of Purses.

The NJRC's decision to allocate \$15,000,000 in state subsidies for the support of the New Jersey horse racing industry contradicts and jeopardizes my stated goal of creating a self-sustaining course for the horse racing industry, which culminated in the recent agreements with private individuals to shift track operations at both the Meadowlands Racetrack and Monmouth Park from the State to the private sector. These carefully negotiated agreements offer substantial hope for a racing industry that has been dominated by financial distress, and eliminate the need for purse subsidies of any kind. These efforts to create a self-sustaining course for the horse racing industry have been undertaken with the understanding that no such purse subsidies would be made available.

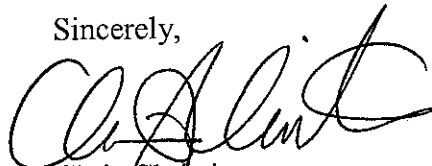
Additionally, the manner in which the Commissioners distributed the \$15,000,000 in state subsidies defies reason and logic. The Commissioners' haphazard allocations of purse monies are not supported by any evidence in the record. Specifically, part of the allocation involves awarding state subsidies to groups that did not request money. For example, the

Commissioners allocated \$7,500,000 in state subsidies to the New Jersey Sports and Exposition Authority ("NJSEA") for purses at Meadowlands Racetrack, ignoring the NJSEA's explicit request to the NJRC that no money be allocated. The Commissioners also disregarded the requests from two other industry groups, the Standardbred Breeders & Owners Association of New Jersey and the New Jersey Thoroughbred Horsemen's Association, that no monies be allocated for purse enhancement. Where money was requested by groups, the Commissioners allocated a much greater amount than requested. For example, the Commissioners allocated \$5,000,000 in state subsidies to be divided evenly between the Atlantic City Race Course ("ACRC") and Freehold Raceway ("Freehold"), despite the fact that ACRC requested only \$800,000 and Freehold requested only \$1,875,000. In so doing, the Commissioners grossly over-subsidized all of these entities. As such, the actions of the Commissioners of the NJRC appear to constitute an abdication of their responsibilities as Commissioners to protect the best interests of the State of New Jersey and its citizens.

We have an obligation to the New Jersey horse racing industry and our citizens to restructure the industry so it can be competitive and financially self-sustaining in the long run. The sooner that initiative is underway, which requires the elimination of state subsidies for horse racing, the better chance it has to succeed.

For these reasons, I am compelled to veto the action which allocated money for the support of the New Jersey horse racing industry through the augmentation of purses. I hereby reserve my right to veto any other actions taken on June 29, 2011 during the pendency of the veto period.

Sincerely,



Chris Christie
Governor

c. Dennis Drazin, Chairman
Deborah L. Gramiccioni, Director, Governor's Authorities Unit