

**Plan of Operation (By-Laws)
of
New Jersey Horse Racing Injury Compensation Board
Revised January 21, 2025**

**ARTICLE I
PURPOSE OF THE BOARD**

SECTION 1. The Board shall secure workers' compensation insurance coverage for horse racing industry employees.

SECTION 2. The Board shall assess and collect sufficient funds to pay the costs of the insurance or self-insurance coverage required by this act and by the workers' compensation laws of this state and to pay any additional costs necessary to carry out its other duties. The Board shall ascertain the total funding necessary, establish the sums that are to be paid and establish by regulation the method of assessing and collecting these monies. Assessments shall include, but shall not be limited to, deductions from gross overnight purses paid to owners, so long as such deductions do not exceed 3% of such purses, and additional assessments may be collected from horse owners as needed. Track owners shall not be assessed for such costs.

SECTION 3. Assessment for workers' compensation insurance coverage pursuant to this act shall be calculated and allocated separately for the thoroughbred and standardbred industries, based on their respective loss experience, and any assessments pursuant to Section 2 of this section shall be allocated accordingly. No public funds, other than the monies collected pursuant to Section 2 of this section, shall be used for the purpose of self-insurance or for paying the costs of workers' compensation insurance or workers' compensation benefits pursuant to this act.

ARTICLE II
OFFICES

SECTION 1. The principal office of the Board shall be at New Jersey Racing Commission, 140 East Front Street, Trenton, New Jersey 08625-0088, or at such other place as the Board may from time to time designate.

ARTICLE III
MEMBERS

SECTION 1. The Board shall consist of six members as follows: The Commissioner of Insurance, or designee; the Attorney General, or designee; one member of the New Jersey Racing Commission elected by the members of the Commission, or designee; and three members of the horse racing industry appointed by the Governor, one of whom shall represent the thoroughbred industry, one of who shall represent the standardbred industry and one of whom shall represent the racetrack owners. In making these appointments, the Governor shall take into consideration the recommendations of the thoroughbred and standardbred industries and the racetrack owners, respectively.

SECTION 2. Members shall serve for an indefinite term but may be removed with or without cause by the appointing authority. Any vacancies shall be filled in a timely manner by the appointing authority.

SECTION 3. Members of the Board shall serve without compensation but may be reimbursed for their expenses out of the administrative funds of the Board.

ARTICLE IV
MEETINGS OF THE BOARD

SECTION 1. Meetings. The Board shall meet as needed for the timely transaction of business, including on an emergency basis where appropriate or if necessary.

SECTION 2. Special Meeting. Special meetings of the Board members may be called by the Chairman.

SECTION 3. Place of Special Meeting. The Board may designate any place within the state of New Jersey, as the place of the special meeting. If no designation is made or if a special meeting be otherwise called, the place of the meeting shall be the principal office of the Board, but if all the members shall meet at a time and place and consent to the holding of a meeting, such meeting shall be valid without notice, and at such meeting any official action may be taken.

SECTION 4. Notice of Meeting. Meetings shall be held by written, telegraphic or facsimile notice stating the place, day and hour of any Board meeting duly served upon or given, sent or mailed to each member not less than three nor more than thirty days before the date of such meeting, by or at the direction of the Chairman.

SECTION 5. Quorum. At all meetings of the Board, a simple majority of members shall constitute a quorum.

SECTION 6. Action by the Board. At any meeting of the Board at which a quorum is present, the affirmative vote of a majority of the members present at the time of the vote shall be the act of the Board.

Participation of one or more members by conference telephone allowing all persons participating in the meeting to hear each other at the same time shall constitute presence at a meeting.

ARTICLE V
OFFICERS OF THE BOARD

SECTION 1. Election Term of Office and Removal. The officers of the Board shall be elected annually for a one-year term and shall continue in office until his or her successor shall have been elected or until his or her death, resignation, or removal.

SECTION 2. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board or in the absence of the Chairman, the Treasurer shall preside and in the absence of both, an acting chairman shall be chosen by the members present. He or she shall keep the Board fully informed and shall be subject to the directions of the Board, and he or she shall have, and exercise general management and direction of the business and affairs of the Board as may be assigned to him or her by the Board.

SECTION 3. Treasurer. A Treasurer may be elected by the Board. The Treasurer shall have charge of and be responsible for all funds, securities, receipts, and disbursements of the Board, and shall deposit, or cause to be deposited, in the name of the Board, all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board; he or she may endorse for collection on behalf of the Board, checks, notes and other obligations; he or she may sign receipts and vouchers for payments made to the Board; singly or jointly with another person as the Board may authorize, he or she may sign checks of the Board and pay out and dispose of the proceeds under the direction of the Board; he or she shall render to the Chairman of the Board, whenever requested but at least annually, an accounting of the financial status of the Board; and in general, shall

perform all the duties incident to the office of a treasurer and such other duties as from time to time may be assigned to him or her by the Chairman.

SECTION 4. Controller. The Board may appoint an individual to serve as controller, who shall be responsible for and have active control of all matters pertaining to the accounts of the Board. This individual may be a staff person of the New Jersey Racing Commission or other state agency who would not be additionally compensated or an individual or firm could be employed for compensation by the Board from without state government. He or she shall have the care, custody and supervision of the books of account of the Board, their arrangement and classification and shall supervise the accounting and auditing practices of the Board. He or she shall, upon request, render an account of the financial condition of the Board. He or she shall perform such other duties as may be assigned to him or her by the Board or as may be delegated to him or her by the Chairman.

ARTICLE VI **CONTRACTS, CHECKS, BANK ACCOUNTS AND INVESTMENTS**

SECTION 1. Checks, Notes and Contracts. The Board is authorized to select the banks or depositories it deems proper and legal for the funds of the Board. The Board shall determine who shall be authorized from time to time on the Board's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments.

SECTION 2. Investments. The funds of the Board may be retained in whole or in part in cash or be invested and reinvested from time to time in such funds as approved by the State Investment Council for the investment or surplus monies of the state.

SECTION 3. Financial Management. The Board is authorized in the absence of a Controller or Treasurer to delegate to a third party the responsibilities thereof.

ARTICLE VII
INDEMNIFICATION

SECTION 1. Indemnification. To the fullest extent permitted by law now or hereafter the Board members shall be indemnified and shall have the power by action of the Board to indemnify any employee or agent other than member with respect to any threatened, pending or completed action, suit or proceeding (including actions by or in right of the Board to procure a judgement in its favor) arising out of, or in connection with any actual or alleged act or omission of the status of such indemnified person in his or her capacity as a Board member, employee or agent of the Board or in his or her capacity as a Board member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, if requested to serve in such capacity by the Board, against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonable incurred, unless the person's actions or failure to act that gave rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness. Expenses incurred by any member in defending a civil or criminal action, suit or proceeding shall be paid by the Board in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such member to repay such amount if it shall ultimately be determined that such member is not entitled to be indemnified by the Board. Expenses incurred by any employee or agent other than a member in defending a civil or criminal action, suit or proceeding may be paid by the Board in advance of the final disposition of such action, suit or proceeding upon approval of the Board and receipt of any undertaking by or on behalf of such employee or agent to repay such amount if it shall ultimately be determined that such employee or agent is not entitled to be indemnified by the Board,

SECTION 2. Implementation. The Board shall act promptly and in good faith whenever any action on their part is required by statute to implement any such indemnification. The Board may purchase and maintain insurance, or the Board will petition the State Treasurer and Attorney General for liability coverage under the “New Jersey Tort Claims Act” *N.J.S.A. 59:1-1 et seq.*, for themselves and their public employees from the fund established under *N.J.S.A. 58:12-1*. If the petition is successful, coverage would be subjected to the limitations established by the “New Jersey Tort Claims Act.”

ARTICLE VIII
FISCAL YEAR

SECTION 1. Fiscal Year. The fiscal year of the Board shall be the calendar year unless another period shall be determined by the Board.

ARTICLE IX
AMENDMENTS

SECTION 1. Amendments. The Plan of Operation (By-laws) and addendum thereto may be amended by the affirmative vote of four members of the Board at any regular meeting or at any special meeting of the Board if notice of the proposed amendment shall have been contained in the notice of the meeting.

PLAN OF OPERATION (BY-LAWS)
OF
NEW JERSEY HORSE RACING INJURY COMPENSATION BOARD

ADDENDUM NO. 1
REVISED JANUARY 21, 2025

Board Members

Sara Ben-David - NJRC Representative

Alred Ochsner – Standardbred Industry Representative

Michael Musto – Thoroughbred Industry Representative

Vacant – Racetrack Representative

Samuel Sackey – NJ Department of Banking and Insurance Representative

Michael Pushko – Office of the Attorney General Representative

Officers

Chairman – Sara Ben-David

Treasurer – Vacant

Bank Accounts

State of New Jersey Cash Account in name of NJHRICB (checking, savings)

State of New Jersey Cash Account in name of NJHRICB-TB (checking, savings)

State of New Jersey Cash Account in name of NJHRICB-SB (checking, savings)

Authorized Expenses of the Board

Maximum annual expenses for:

Preparation of financial report - \$3,000

Attorney fees - \$5,000

Miscellaneous administrative costs - \$1,000

Board Members' expense reimbursement - \$2,400 (each \$50 per meeting)

Statement No. 1

Empower New Jersey Racing Commission on behalf of the Board to amend or promulgate a New Jersey Racing Commission rule to permit attachment of gross overnight purses for purposes of payment of premiums to the Board for master Workers' Compensation Insurance Policy.

Statement No. 2

The Board may utilize the expertise of the New Jersey Division of Purchase and Property to effect the bidding process for the eventual awarding of the contract for the master Workers' Compensation Insurance Policy.

Statement No. 3

The Board shall cause to be awarded the master insurance policy contract to the lowest responsive and responsible bidder as defined by the New Jersey Division of Purchase and Property.

Statement No. 4

The Board shall have the power to enter into contracts with other persons, entities or public bodies for any professional, administrative or other services, including legal counsel if approved by the Attorney General, as may be necessary to carry out the duties of the Board and the purses of R.S. 34:15-129 *et seq.*

Statement No. 5

The Board shall have the power to assess, collect and disburse all money due or payable to or by the Board, or authorize such collection and disbursement.

Statement No. 6

The Board shall have the power to invest monies held in trust under any fund in investments which are approved by the State Investment Council for the investment of surplus monies of the state.

Statement No. 7

The Board shall have the power to approve assessments, surplus, limits of coverage, limits of excess or reinsurance, coverage documents and other financial and operating policies of the Board.

Statement No. 8

The Board shall have the power to promulgate rules and regulations, pursuant to the "Administrative Procedure Act," P.L. 1968, c. 410 (C.52:14B-1 *et seq.*), necessary to effectuate R.S. 34:15-129 *et seq.*

Statement No. 9

The Board shall have the power to take all actions necessary to carry out the provisions of R.S. 34:15-129 *et seq.*