

ASSEMBLY, No. 4285

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED NOVEMBER 21, 2011

Sponsored by:

Assemblyman JOHN J. BURZICHELLI
District 3 (Salem, Cumberland and Gloucester)
Assemblyman RALPH R. CAPUTO
District 28 (Essex)
Assemblywoman CONNIE WAGNER
District 38 (Bergen)

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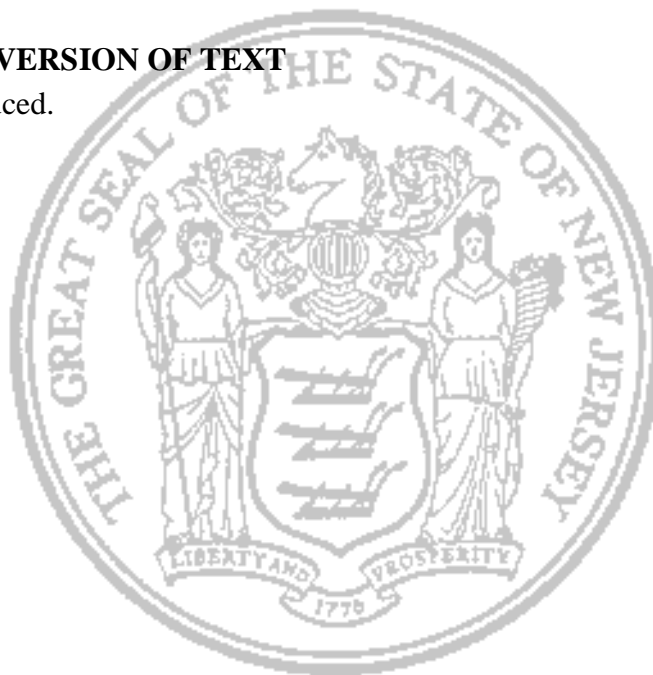
Assemblyman O'Scanlon, Assemblywoman Handlin, Assemblymen
Diegnan and Dancer

SYNOPSIS

Directs New Jersey Racing Commission to implement pilot program for taverns, restaurants, and similar establishments to provide electronic terminals for wagering on horse races under issued license.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/6/2012)

1 AN ACT concerning the placement of horse racing wagers at certain
2 locations and supplementing the "Off-Track and Account
3 Wagering Act," P.L.2001, c.199 (C.5:5-127 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Notwithstanding the provisions of the "Off-Track and
9 Account Wagering Act," P.L.2001, c.199 (C.5:5-127 et seq.), or any
10 other law, rule, or regulation to the contrary, the New Jersey Racing
11 Commission shall implement a pilot program to license a limited
12 number of eligible taverns, restaurants, and similar venues where
13 food, alcoholic beverages, or both, are served to the public for on-
14 premises consumption, to provide patrons with the ability to place
15 wagers on horse races through electronic wagering terminals,
16 subject to regulation and control by the commission and as further
17 provided by this act, P.L. , c. (C.) (pending before the
18 Legislature as this bill).

19 a. In lieu of a maximum of four off-track wagering facility
20 licenses that remain to be utilized or implemented by the New
21 Jersey Sports and Exposition Authority or any lessee of the
22 authority under the "Off-Track and Account Wagering Act,"
23 P.L.2001, c.199 (C.5:5-127 et seq.), as amended and supplemented,
24 the commission shall issue a limited number of licenses to qualified
25 taverns, restaurants, and similar venues, for the establishment at
26 such venues of one or more electronic wagering terminals to enable
27 patrons to place wagers on in-State and out-of-State horse races,
28 which wagers shall be placed by eligible patrons who are physically
29 present at those locations. Each license issued under this pilot
30 program shall be temporary, subject to review and renewal on an
31 annual basis, and shall expire within three years of issuance of each
32 initial license.

33 b. The pilot program authorized pursuant to this act shall be
34 implemented only in the northern part of the State, in Bergen,
35 Hudson, Essex, Passaic, Union, Morris, Somerset, Hunterdon,
36 Warren, Sussex, and northern Middlesex and Ocean counties. The
37 commission shall develop an application form and process, solicit
38 completed applications from taverns, restaurants, and similar
39 venues located within the aforementioned geographic region, and
40 evaluate each applicant's eligibility using specified criteria which
41 shall include, but not be limited to:

42 (1) proof of financial resources sufficient to enable the applicant
43 to establish and conduct the electronic wagering terminals with
44 appropriately staffed and managed operations;

45 (2) evidence of good character, honesty, competency and
46 integrity;

47 (3) the absence of a conviction for a crime involving fraud,
48 dishonesty or moral turpitude; and

1 (4) any additional standards and criteria the commission may
2 establish by rule or regulation.

3 In evaluating an application for a license, the commission shall
4 ensure that each selected applicant has met all required eligibility
5 criteria. In awarding the license, the commission shall also consider
6 the proximity of the applicant's venue to planned or existing
7 racetracks, off-track wagering facilities, and simulcasting facilities
8 in this State. If, in the opinion of the commission, the issuance of a
9 license for the establishment of electronic wagering terminals at the
10 applicant's venue would be inimical to the interests of a planned or
11 established racetrack, off-track wagering facility, or simulcasting
12 facility, the commission shall deny the license even when the
13 applicant has otherwise met all eligibility criteria.

14 c. To effectuate the provisions of this act, the commission shall
15 promulgate rules and regulations necessary to:

16 (1) develop a rational basis for determining the number of
17 licenses to be awarded under the program, except that not more than
18 60 licenses shall be awarded to qualified venues;

19 (2) evaluate the types of electronic wagering terminals and
20 equipment that may be used in wagering, and the number of such
21 machines to be established at each licensed venue, subject to
22 approval by the commission;

23 (3) develop geographic proximity and impact criteria to
24 determine whether a proposed location would be inimical to the
25 interest of planned or existing racetracks, off-track wagering
26 facilities, and simulcasting facilities in this State, and which criteria
27 shall be used to deny a license as provided under subsection b. of
28 this section;

29 (4) authorize the licensee to enter into contracts with vendors,
30 operators, and other entities, as the case may be, for the
31 establishment and operation of the approved electronic wagering
32 terminals;

33 (5) ensure that amounts wagered through the electronic wagering
34 terminals are properly distributed to winning bettors, the licensed
35 venue, and others in a manner similar to that provided under section
36 44 of P.L.1940, c.17 (C.5:5-64), section 21 of P.L.2001, c.199
37 (C.5:5-147) for sums wagered on in-State races, and sections 22
38 through 25 of P.L.2001, c.199 (C.5:5-148 through C.5:5-151) for
39 sums wagered on out-of-State races, except that a local impact fee
40 of 1% of each machine's gross revenues shall be paid to the host
41 municipality for general municipal purposes;

42 (6) provide that an amount, to be determined by the commission,
43 of the revenues from electronic wagering terminals shall be
44 distributed for the funding of horse racing purses;

45 (7) ensure that persons under the age of 18 years shall not be
46 permitted within the space in the venue where electronic wagering
47 terminals are placed, and that necessary safeguards are in place to
48 prevent minors from wagering; and

1 (8) regulate any other aspects of the electronic wagering
2 operation the commission deems appropriate.
3 d. Within three years of the issuance of the first license under
4 the pilot program, the commission shall issue a report to the
5 Governor, and to the Legislature as provided under section 2 of
6 P.L.1991, c.164 (C.52:14-19.1), containing an evaluation of the
7 pilot program. The report shall also provide the commission's
8 opinion as to whether the pilot program should be continued and, if
9 so, recommendations for further improvement and implementation.
10 The pilot program shall end upon the expiration of the last license
11 issued under the program unless the Legislature enacts a law to
12 continue the program.

13
14 2. This act shall take effect immediately.
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17 STATEMENT
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19 This bill directs the New Jersey Racing Commission to
20 implement a pilot program to license a limited number of eligible
21 taverns, restaurants, and similar venues where food, alcoholic
22 beverages, or both, are served to the public for on-premises
23 consumption, in the northern part of the State to provide patrons
24 with the ability to place wagers on horse races through electronic
25 wagering terminals, subject to the commission's regulation and
26 control.

27 Under the bill, in lieu of a maximum of four off-track wagering
28 facility licenses that remain to be utilized or implemented by the
29 New Jersey Sports and Exposition Authority or any lessee of the
30 authority under the "Off-Track and Account Wagering Act,"
31 P.L.2001, c.199 (C.5:5-127 et seq.), as amended and supplemented,
32 the commission would issue licenses to qualified taverns,
33 restaurants, and similar venues. The qualified licensees would
34 establish one or more electronic wagering terminals to enable
35 patrons to place wagers at those locations on in-State and out-of-
36 State horse races. Each license issued under the pilot program
37 would be temporary, subject to review and renewal on an annual
38 basis, and would expire within three years of issuance of each initial
39 license.

40 The bill limits the pilot program to eligible venues located in
41 Bergen, Hudson, Essex, Passaic, Union, Morris, Somerset,
42 Hunterdon, Warren, Sussex, and northern Middlesex and Ocean
43 counties. The commission would develop an application form and
44 process, solicit completed applications from taverns, restaurants,
45 and similar venues located within the aforementioned geographic
46 region, and evaluate each applicant's eligibility using specified
47 criteria. The eligibility criteria is standard for wagering operations,
48 which include but are not limited to proofs of financial resources,

1 evidence integrity, the absence of a criminal conviction, and
2 additional standards and criteria the commission may establish by
3 rule or regulation. The commission would deny a license to any
4 venue where the placement of electronic wagering terminals would
5 be inimical to existing racetracks, off-track wagering facilities, and
6 simulcasting facilities. Furthermore, the commission would
7 promulgate rules and regulations to develop criteria for determining
8 the number of licenses to be issued, which could not be more than
9 60 licenses; evaluate the type and number of electronic wagering
10 terminals that may be approved and used at each licensed venue;
11 develop geographic and impact criteria for denying a license when
12 inimical to existing racing venues; authorize contracts between the
13 licensee and machine vendors and operators; ensure that amounts
14 wagered are distributed according to law in a manner similar to
15 distributions at off-track wagering facilities, except that a local
16 impact fee of 1% of each machine's gross revenues would be paid
17 to the host municipality for general municipal purposes; provide for
18 the funding of horse racing purses; prevent underage gambling; and
19 regulate any other aspects of the wagering operation the
20 commission deems necessary.

21 Finally, the bill directs the commission to issue a report to the
22 Governor and to the Legislature within three years of the issuance
23 of the first license under the pilot program. The report would
24 contain an evaluation of the pilot program, provide the
25 commission's opinion as to whether the pilot program should be
26 continued and, if so, recommendations for further improvement and
27 implementation. The pilot program would end upon the expiration
28 of the last license issued under the program unless the Legislature
29 enacts a law to continue the program.