

[Third Reprint]

**SENATE, No. 490**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

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**Co-Sponsored by:**

**Senators Beck, Gordon and Assemblyman Giblin**

**SYNOPSIS**

Permits Internet wagering at Atlantic City casinos under certain circumstances.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Regulatory Oversight and Gaming Committee on December 9, 2010, with amendments.

**(Sponsorship Updated As Of: 1/11/2011)**

1 AN ACT permitting Internet wagering at Atlantic City casinos under  
2 certain circumstances and amending and supplementing the  
3 "Casino Control Act", P.L.1977, c.110 (C.5:12-1 et seq.).  
4

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

8 1. Section 5 of P.L.1977, c.110 (C.5:12-5) is amended to read  
9 as follows:

10 5. "Authorized Game" or "Authorized Gambling Game"--  
11 **[Roulette]** Poker, roulette, baccarat, blackjack, craps, big six  
12 wheel, slot machines, minibaccarat, red dog, pai gow, and sic bo;  
13 any variations or composites of such games, provided that such  
14 variations or composites, and any above listed game or variation or  
15 composite of such game to be offered through Internet wagering,  
16 are found by the commission suitable for use after an appropriate  
17 test or experimental period under such terms and conditions as the  
18 commission may deem appropriate; and any other game which is  
19 determined by the commission to be compatible with the public  
20 interest and to be suitable for casino use after such appropriate test  
21 or experimental period as the commission may deem appropriate.  
22 "Authorized game" or "authorized gambling game" includes gaming  
23 tournaments in which players compete against one another in one or  
24 more of the games authorized herein or by the commission or in  
25 approved variations or composites thereof if the tournaments are  
26 authorized by the commission.

27 (cf: P.L.1993, c.292, s.1)  
28

29 2. Section 6 of P.L.1977, c.110 (C.5:12-6) is amended to read  
30 as follows:

31 6. "Casino" or "casino room" or "licensed casino" -- One or  
32 more locations or rooms in a casino hotel facility that have been  
33 approved by the commission for the conduct of casino gaming in  
34 accordance with the provisions of this act, including any part of the  
35 facility where Internet wagering is conducted. "Casino" or "casino  
36 room" or "licensed casino" shall not include any casino  
37 simulcasting facility authorized pursuant to the "Casino  
38 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et seq.).

39 (cf: P.L.1996, c.84, s.1)  
40

41 3. (New section) "Internet wagering" means the placing of  
42 wagers with a casino licensee at a casino located in Atlantic City  
43 using a computer network of both federal and non-federal

**EXPLANATION** – Matter enclosed in bold-faced brackets **[ thus ]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SSG committee amendments adopted June 3, 2010.

<sup>2</sup>Senate SBA committee amendments adopted November 15, 2010.

<sup>3</sup>Assembly ARG committee amendments adopted December 9, 2010.

1 interoperable packet switched data networks through which the  
2 casino licensee may offer authorized games to residents of this State  
3 <sup>3</sup>[<sup>2</sup>, or to persons located outside of the United States,<sup>2</sup>]<sup>3</sup> who have  
4 established a wagering account with the casino licensee.  
5

6 4. (New section) "Internet wagering gross revenue" means the  
7 total of all sums actually received by a casino licensee from Internet  
8 wagering operations, less only the total of all sums actually paid out  
9 as winnings to patrons; provided, however, that the cash equivalent  
10 value of any merchandise or thing of value included in a jackpot or  
11 payout shall not be included in the total of all sums paid out as  
12 winnings to players for purposes of determining Internet wagering  
13 gross revenue.  
14

15 5. Section 3 of P.L.1987, c.353 (C.5:12-43.1) is amended to  
16 read as follows:

17 3. "Restricted Casino Areas"--The cashier's cage, the soft count  
18 room, the hard count room, the slot cage booths and runway areas,  
19 the interior of table game pits, the surveillance room and catwalk  
20 areas, the slot machine repair room, any room or area related to  
21 Internet wagering operations and any other area specifically  
22 designated by the commission as restricted in a licensee's operation  
23 certificate.  
24

(cf: P.L.1987, c.353, s.3)  
25

26 6. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to  
27 read as follows:

28 100. a. This act shall not be construed to permit any gaming  
29 except the conduct of authorized games in a casino room or through  
30 Internet wagering in accordance with this act and the regulations  
31 promulgated hereunder and in a simulcasting facility to the extent  
32 provided by the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-  
33 191 et al.). Notwithstanding the foregoing, if the commission  
34 approves the game of keno as an authorized game pursuant to  
35 section 5 of P.L.1977, c.110 (C.5:12-5), as amended, keno tickets  
36 may be sold or redeemed in accordance with commission  
37 regulations at any location in a casino hotel approved by the  
38 commission for such activity.

39 b. Gaming equipment shall not be possessed, maintained or  
40 exhibited by any person on the premises of a casino hotel except in  
41 a casino room, in the simulcasting facility, or in restricted casino  
42 areas used for the inspection, repair or storage of such equipment  
43 and specifically designated for that purpose by the casino licensee  
44 with the approval of the commission. Gaming equipment which  
45 supports the conduct of gaming in a casino or simulcasting facility  
46 or through Internet wagering but does not permit or require patron  
47 access, such as computers, or gaming software or other gaming  
48 equipment used to conduct Internet wagering, may be possessed and

1 maintained by a casino licensee in restricted casino areas  
2 specifically designated for that purpose by the casino licensee with  
3 the approval of the commission. No gaming equipment shall be  
4 possessed, maintained, exhibited, brought into or removed from a  
5 casino room or simulcasting facility by any person unless such  
6 equipment is necessary to the conduct of an authorized game, has  
7 permanently affixed, imprinted, impressed or engraved thereon an  
8 identification number or symbol authorized by the commission, is  
9 under the exclusive control of a casino licensee or his employees,  
10 and is brought into or removed from the casino room or  
11 simulcasting facility following 24-hour prior notice given to an  
12 authorized agent of the commission.

13 Notwithstanding any other provision of this section, computer  
14 equipment used by the slot system operator of a multi-casino  
15 progressive slot system to link and communicate with the slot  
16 machines of two or more casino licensees for the purpose of  
17 calculating and displaying the amount of a progressive jackpot,  
18 monitoring the operation of the system, and any other purpose that  
19 the commission deems necessary and appropriate to the operation or  
20 maintenance of the multi-casino progressive slot machine system  
21 may, with the prior approval of the commission, be possessed,  
22 maintained and operated by the slot system operator either in a  
23 restricted area on the premises of a casino hotel or in a secure  
24 facility inaccessible to the public and specifically designed for that  
25 purpose off the premises of a casino hotel but within the territorial  
26 limits of Atlantic County, New Jersey.

27 Notwithstanding the foregoing, a person may, with the prior  
28 approval of the commission and under such terms and conditions as  
29 may be required by the commission, possess, maintain or exhibit  
30 gaming equipment in any other area of the casino hotel, provided  
31 that such equipment is used for nongaming purposes.

32 c. Each casino hotel shall contain a count room and such other  
33 secure facilities as may be required by the commission for the  
34 counting and storage of cash, coins, tokens, checks, plaques,  
35 gaming vouchers, coupons, and other devices or items of value used  
36 in wagering and approved by the commission that are received in  
37 the conduct of gaming and for the inspection, counting and storage  
38 of dice, cards, chips and other representatives of value. All drop  
39 boxes and other devices in which the foregoing items are deposited  
40 at the gaming tables or in slot machines, and all areas wherein such  
41 boxes and devices are kept while in use, shall be equipped with two  
42 locking devices, one key to which shall be under the exclusive  
43 control of the commission and the other under the exclusive control  
44 of the casino licensee, and said drop boxes and other devices shall  
45 not be brought into or removed from a casino room or simulcasting  
46 facility, or locked or unlocked, except at such times, in such places,  
47 and according to such procedures as the commission may require.  
48 In the event that a state of emergency is declared due to the failure

1 to enact a general appropriation law by the deadline prescribed by  
2 Article VIII, Section II, paragraph 2 of the New Jersey Constitution,  
3 the commission, in accordance with section 4 of P.L.2008, c.23  
4 (C.5:12-211), may, at its discretion, and as may be necessary to  
5 ensure the continuity of casino operations and the collection and  
6 counting of gross revenue, give temporary custody of its key to a  
7 certified public accountant approved by the commission, who shall  
8 act in the capacity of the commission with respect to the use,  
9 control and security of the key in accordance with internal controls  
10 approved by the commission in accordance with section 5 of  
11 P.L.2008, c.23 (C.5:12-212).

12 d. All chips used in gaming shall be of such size and uniform  
13 color by denomination as the commission shall require by  
14 regulation.

15 e. All gaming shall be conducted according to rules  
16 promulgated by the commission. All wagers and pay-offs of  
17 winning wagers shall be made according to rules promulgated by  
18 the commission, which shall establish such limitations as may be  
19 necessary to assure the vitality of casino operations and fair odds to  
20 patrons. Each slot machine shall have a minimum payout of 83%.

21 f. Each casino licensee shall make available in printed form to  
22 any patron upon request the complete text of the rules of the  
23 commission regarding games and the conduct of gaming, pay-offs  
24 of winning wagers, an approximation of the odds of winning for  
25 each wager, and such other advice to the player as the commission  
26 shall require. Each casino licensee shall prominently post within a  
27 casino room and simulcasting facility, as appropriate, according to  
28 regulations of the commission such information about gaming rules,  
29 pay-offs of winning wagers, the odds of winning for each wager,  
30 and such other advice to the player as the commission shall require.

31 g. Each gaming table shall be equipped with a sign indicating  
32 the permissible minimum and maximum wagers pertaining thereto.  
33 Each game offered through Internet wagering shall display online  
34 the permissible minimum and maximum wagers pertaining thereto.  
35 It shall be unlawful for a casino licensee to require any wager to be  
36 greater than the stated minimum or less than the stated maximum;  
37 provided, however, that any wager actually made by a patron and  
38 not rejected by a casino licensee prior to the commencement of play  
39 shall be treated as a valid wager.

40 h. (1) Except as herein provided, no slot machine shall be used  
41 to conduct gaming unless it is identical in all electrical, mechanical  
42 and other aspects to a model thereof which has been specifically  
43 tested by the division and licensed for use by the commission. At  
44 the request of the commission, the division shall also test any other  
45 gaming device, gaming equipment, gaming-related device or gross-  
46 revenue related device, such as a slot management system,  
47 electronic transfer credit system or gaming voucher system. In its

1 discretion and for the purpose of expediting the approval process,  
2 the division may utilize the services of a private testing laboratory  
3 that has obtained a plenary license as a casino service industry  
4 enterprise pursuant to subsection a. of section 92 of P.L.1977, c.110  
5 (C.5:12-92) to perform the testing, and may also utilize applicable  
6 data from any such private testing laboratory or from a  
7 governmental agency of a state other than New Jersey authorized to  
8 regulate slot machines and other gaming devices, gaming  
9 equipment, gaming-related devices and gross-revenue related  
10 devices used in casino gaming, if the private testing laboratory or  
11 governmental agency uses a testing methodology substantially  
12 similar to the methodology utilized by the division.  
13 Notwithstanding the provisions of this paragraph, the division shall  
14 in all instances use the data provided by the private testing  
15 laboratory or governmental agency to conduct its own independent  
16 evaluation, and shall form its own independent conclusions  
17 regarding any submitted device.

18 (2) The division shall, within 60 days of its receipt of a  
19 complete application for the testing of a slot machine or other  
20 gaming equipment model, recommend the approval or rejection of  
21 the slot machine or other gaming equipment model to the  
22 commission. In its report to the commission regarding its  
23 recommendation, the division shall specify whether and to what  
24 extent any data from a private testing laboratory or governmental  
25 agency of a state other than New Jersey was used in reaching its  
26 conclusions and recommendation. If the division is unable to  
27 complete the testing of a slot machine or other gaming equipment  
28 model within this 60-day period, the division may recommend that  
29 the commission conditionally approve the slot machine or other  
30 gaming equipment model for test use by a casino licensee provided  
31 that the division represents that the use of the slot machine or other  
32 gaming equipment model will not have a direct and materially  
33 adverse impact on the integrity of gaming or the control of gross  
34 revenue. The division shall give priority to the testing of slot  
35 machines or other gaming equipment which a casino licensee has  
36 certified it will use in its casino in this State.

37 (3) The commission shall, by regulation, establish such  
38 technical standards for licensure of slot machines, including  
39 mechanical and electrical reliability, security against tampering, the  
40 comprehensibility of wagering, and noise and light levels, as it may  
41 deem necessary to protect the player from fraud or deception and to  
42 insure the integrity of gaming. The denominations of such machines  
43 shall be set by the licensee; the licensee shall simultaneously notify  
44 the commission of the settings.

45 (4) The commission shall, by regulation, determine the  
46 permissible number and density of slot machines in a licensed  
47 casino so as to:

- 1 (a) promote optimum security for casino operations;  
2 (b) avoid deception or frequent distraction to players at gaming  
3 tables;  
4 (c) promote the comfort of patrons;  
5 (d) create and maintain a gracious playing environment in the  
6 casino; and  
7 (e) encourage and preserve competition in casino operations by  
8 assuring that a variety of gaming opportunities is offered to the  
9 public.

10 Any such regulation promulgated by the commission which  
11 determines the permissible number and density of slot machines in a  
12 licensed casino shall provide that all casino floor space and all  
13 space within a casino licensee's casino simulcasting facility shall be  
14 included in any calculation of the permissible number and density  
15 of slot machines in a licensed casino.

16 (5) All equipment used by a licensee to conduct Internet  
17 wagering, including but not limited to computers, servers,  
18 monitoring rooms, and hubs, shall be located, with the prior  
19 approval of the commission, either in a restricted area on the  
20 premises of the casino hotel or in a secure facility inaccessible to  
21 the public and specifically designed for that purpose off the  
22 premises of a casino hotel but within the territorial limits of Atlantic  
23 '[County] City', New Jersey. All Internet wagers shall be deemed  
24 to be placed when received in Atlantic City by the licensee. Any  
25 intermediate routing of electronic data in connection with a wager  
26 shall not affect the fact that the wager is placed in Atlantic City.

27 No software, computer or other gaming equipment shall be used  
28 to conduct Internet wagering unless it has been specifically tested  
29 by the division and approved by the commission. The division  
30 may, in its discretion, and for the purpose of expediting the  
31 approval process, refer testing to any testing laboratory with a  
32 plenary license as a casino service industry 'enterprise' pursuant to  
33 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92). The  
34 division shall give priority to the testing of software, computers or  
35 other gaming equipment which a casino licensee has certified it will  
36 use to conduct Internet wagering in this State. The commission  
37 shall, by regulation, establish such technical standards for approval  
38 of software, computers and other gaming equipment used to  
39 conduct Internet wagering, including mechanical, electrical or  
40 program reliability, security against tampering, the  
41 comprehensibility of wagering, and noise and light levels, as it may  
42 deem necessary to protect the player from fraud or deception and to  
43 insure the integrity of gaming. When appropriate, the licensee shall  
44 set the denominations of Internet games and shall simultaneously  
45 notify the commission of the settings.

- 46 i. (Deleted by amendment, P.L.1991, c.182).  
47 j. (Deleted by amendment, P.L.1991, c.182).

1 k. It shall be unlawful for any person to exchange or redeem  
2 chips for anything whatsoever, except for currency, negotiable  
3 personal checks, negotiable counter checks, other chips, coupons or  
4 complimentary vouchers distributed by the casino licensee, or, if  
5 authorized by regulation of the commission, a valid charge to a  
6 credit or debit card account. A casino licensee shall, upon the  
7 request of any person, redeem that licensee's gaming chips  
8 surrendered by that person in any amount over \$100 with a check  
9 drawn upon the licensee's account at any banking institution in this  
10 State and made payable to that person.

11 l. It shall be unlawful for any casino licensee or its agents or  
12 employees to employ, contract with, or use any skill or barker to  
13 induce any person to enter a casino or simulcasting facility or play  
14 at any game or for any purpose whatsoever.

15 m. It shall be unlawful for a dealer in any authorized game in  
16 which cards are dealt to deal cards by hand or other than from a  
17 device specifically designed for that purpose, unless otherwise  
18 permitted by the rules of the commission.

19 n. It shall be unlawful for any casino key employee or any  
20 person who is required to hold a casino key employee license as a  
21 condition of employment or qualification to wager in any casino or  
22 simulcasting facility in this State, or any casino employee, other  
23 than a junket representative, bartender, waiter, waitress, or other  
24 casino employee who, in the judgment of the commission, is not  
25 directly involved with the conduct of gaming operations, to wager  
26 in a casino or simulcasting facility in the casino hotel in which the  
27 employee is employed or in any other casino or simulcasting  
28 facility in this State which is owned or operated by the same casino  
29 licensee. Any casino employee, other than a junket representative,  
30 bartender, waiter, waitress, or other casino employee who, in the  
31 judgment of the commission, is not directly involved with the  
32 conduct of gaming operations, must wait at least 30 days following  
33 the date that the employee either leaves employment with a casino  
34 licensee or is terminated from employment with a casino licensee  
35 before the employee may gamble in a casino or simulcasting facility  
36 in the casino hotel in which the employee was formerly employed  
37 or in any other casino or simulcasting facility in this State which is  
38 owned or operated by the same casino licensee.

39 o. (1) It shall be unlawful for any casino key employee or  
40 boxman, floorman, or any other casino employee who shall serve in  
41 a supervisory position to solicit or accept, and for any other casino  
42 employee to solicit, any tip or gratuity from any player or patron at  
43 the casino hotel or simulcasting facility where he is employed.

44 (2) A dealer may accept tips or gratuities from a patron at the  
45 table at which such dealer is conducting play, subject to the  
46 provisions of this subsection. All such tips or gratuities shall be  
47 immediately deposited in a lockbox reserved for that purpose,  
48 unless the tip or gratuity is authorized by a patron utilizing an



1 automated wagering system approved by the commission. All tips  
2 or gratuities shall be accounted for, and placed in a pool for  
3 distribution pro rata among the dealers, with the distribution based  
4 upon the number of hours each dealer has worked, except that the  
5 commission may permit a separate pool to be established for dealers  
6 in the game of poker, or may permit tips or gratuities to be retained  
7 by individual dealers in the game of poker.

8 (3) Notwithstanding the provisions of paragraph (1) of this  
9 subsection, a casino licensee may require that a percentage of the  
10 prize pool offered to participants pursuant to an authorized poker  
11 tournament be withheld for distribution to the tournament dealers as  
12 tips or gratuities in accordance with procedures approved by the  
13 commission.

14 p. Any slot system operator that offers an annuity jackpot shall  
15 secure the payment of such jackpot by establishing an annuity  
16 jackpot guarantee in accordance with the requirements of P.L.1977,  
17 c.110 (C.5:12-1 et seq.), and the rules of the commission.  
18 (cf: P.L.2009, c.36, s.16)

19

20 7. Section 109 of P.L.1977, c.110 (C.5:12-109) is amended to  
21 read as follows:

22 109. Notwithstanding any provisions of this article, the  
23 commission may issue an emergency order for the suspension,  
24 limitation or conditioning of any operation certificate or any  
25 license, other than a casino license, or any registration, or any  
26 permit to conduct Internet wagering, or may issue an emergency  
27 order requiring the licensed casino to keep an individual from the  
28 premises of such licensed casino or from using or maintaining an  
29 Internet wagering account, or not to pay such individual any  
30 remuneration for services or any profits, income or accruals on his  
31 investment in such casino, in the following manner:

32 a. An emergency order shall be issued only when the  
33 commission finds that:

34 (1) There has been charged a violation of any of the criminal  
35 laws of this State by a licensee or registrant, or

36 (2) Such action is necessary to prevent a violation of any such  
37 provision, or

38 (3) Such action is necessary immediately for the preservation of  
39 the public peace, health, safety, morals, good order and general  
40 welfare or to preserve the public policies declared by this act.

41 b. An emergency order shall set forth the grounds upon which  
42 it is issued, including the statement of facts constituting the alleged  
43 emergency necessitating such action.

44 c. The emergency order shall be effective immediately upon  
45 issuance and service upon the licensee, registrant, or resident agent  
46 of the licensee. The emergency order may suspend, limit, condition  
47 or take other action in relation to the approval of one or more  
48 individuals who were required to be approved in any operation,

1 without necessarily affecting any other individuals or the licensed  
2 casino establishment. The emergency order shall remain effective  
3 until further order of the commission or final disposition of the  
4 case.

5 d. Within 5 days after issuance of an emergency order, the  
6 commission shall cause a complaint to be filed and served upon the  
7 person or entity involved in accordance with the provisions of this  
8 act.

9 e. Thereafter, the person or entity against whom the emergency  
10 order has been issued and served shall be entitled to a hearing  
11 before the commission in accordance with the provisions of this act.  
12 (cf: P.L.1981, c.503, s.18)

13

14 8. Section 1 of P.L.1999, c.352 (C.5:12-129.1) is amended to  
15 read as follows:

16 1. The holder of any license issued under P.L.1977, c.110  
17 (C.5:12-1 et seq.), or any person acting on behalf thereof, shall file  
18 a report of any suspicious transaction with the Director of the  
19 Division of Gaming Enforcement. For the purposes of P.L.1999,  
20 c.352 (C.5:12-129.1 et al.), "suspicious transaction" means the  
21 acceptance of cash ~~[or]~~ the redeeming of chips or markers or  
22 other cash equivalents, or a payment to establish credits in an  
23 Internet wagering account involving or aggregating \$5,000 if the  
24 licensee or person knows or suspects that the transaction:

25 a. involves funds derived from illegal activities or is intended  
26 or conducted in order to conceal or disguise funds or assets derived  
27 from illegal activities;

28 b. is part of a plan to violate or evade any law or regulation or  
29 to avoid any transaction reporting requirement under the law or  
30 regulations of this State or the United States, including a plan to  
31 structure a series of transactions to avoid any transaction reporting  
32 requirement under the laws or regulations of this State or the United  
33 States; or

34 c. has no business or other apparent lawful purpose or is not  
35 the sort of transaction in which a person would normally be  
36 expected to engage and the licensee or person knows of no  
37 reasonable explanation for the transaction after examining the  
38 available facts, including the background and possible purpose of  
39 the transaction.

40 (cf: P.L.1999, c.352, s.1)

41

42 9. (New section) There is hereby imposed an annual tax on  
43 Internet wagering gross revenues in the amount of <sup>2</sup>[20%] <sup>3</sup>[15%<sup>2</sup>]  
44 <sup>3</sup>8% of such gross revenues which shall be paid into the casino  
45 revenue fund. The 8% tax on casino gross revenues shall not apply  
46 to Internet wagering gross revenues. The investment alternative tax  
47 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall

1 apply to Internet wagering gross revenues, except that the  
2 investment alternative tax on these revenues shall be <sup>3</sup>[5%] 30%<sup>3</sup>  
3 and the investment alternative shall be <sup>3</sup>[2.5%] 15%<sup>3</sup>, with the  
4 proceeds thereof used as provided in that section, and except that  
5 the <sup>2</sup>[Legislature, by law, shall annually appropriate] <sup>3</sup>[the]<sup>3</sup>  
6 Casino Reinvestment Development Authority may allocate<sup>2</sup> a  
7 percentage of the amount of <sup>2</sup>that<sup>2</sup> tax generated by Internet  
8 wagering to the New Jersey Racing Commission to be used for the  
9 benefit of the horse racing industry, including but not limited to the  
10 augmentation of purses <sup>3</sup>; provided that the allocation to the New  
11 Jersey Racing Commission for the benefit of the horse racing  
12 industry shall cease one State fiscal year after wagering on sports  
13 events is implemented in this State. Following one State fiscal year  
14 after wagering on sports events is implemented in this State, or five  
15 State fiscal years after the provisions of P.L. , c. (pending before  
16 the Legislature as this bill) are implemented, whichever occurs  
17 sooner, the investment alternative tax on Internet wagering gross  
18 revenues imposed pursuant to this section shall be 10% and the  
19 investment alternative shall be 5%<sup>3</sup>.

20

21 10. (New section) The Casino Control Commission may  
22 establish a Division of Internet Wagering to which it may delegate  
23 authority for the administration of Internet wagering conducted by  
24 casino licensees. The division shall be responsible for  
25 recommending regulations concerning Internet wagering for  
26 consideration and possible adoption by the commission. Nothing  
27 contained in this section shall be construed as affecting the  
28 authority of the Division of Gaming Enforcement with respect to all  
29 casino gaming activities, including Internet wagering. The  
30 commission and the division shall adopt regulations for the  
31 implementation and conduct of Internet wagering that are consistent  
32 with regulations governing casino gambling generally.

33

34 11. (New section) Internet wagering in this State shall be  
35 subject to the provisions of, and preempted and superseded by, any  
36 applicable federal law.

37 Internet wagering in this State shall be deemed to take place  
38 where a casino's server is located in Atlantic City regardless of the  
39 player's physical location within this State <sup>3</sup>[or outside of the  
40 United States<sup>2</sup>]<sup>3</sup>.

41

42 12. (New section) a. No Internet wagering shall be opened to  
43 the public, and no gaming, except for test purposes, may be  
44 conducted therein, until a casino licensee with a valid operation  
45 certificate receives from the commission a permit to conduct  
46 Internet wagering. Such permit, valid for one year, shall be issued  
47 by the commission upon a finding that the Internet wagering

1 complies in all respects with the requirements of this act,  
2 P.L. , c. (pending before the Legislature as this bill) and  
3 regulations promulgated hereunder, that the casino licensee has  
4 implemented necessary management controls and security  
5 precautions for the efficient operation of Internet wagering, that  
6 casino personnel having duties relating to Internet wagering are  
7 licensed for the performance of their respective responsibilities, and  
8 that the licensee is prepared in all respects to receive and entertain  
9 the public.

10 b. The permit shall include an itemized list by category and  
11 number of the authorized games offered through Internet wagering.

12 c. A casino licensee shall, in accordance with regulations  
13 promulgated by the commission, file any changes in the number of  
14 authorized games featured through Internet wagering with the  
15 commission and the division.

16 d. It shall be an express condition of the continued operation of  
17 Internet wagering that a casino licensee shall maintain all books,  
18 records, and documents pertaining to the licensee's Internet  
19 wagering operations in a manner and location within this State  
20 approved by the commission. All such books, records and  
21 documents shall be immediately available for inspection during all  
22 hours of operation in accordance with the rules of the commission  
23 and shall be maintained for such period of time as the commission  
24 shall require.

25 e. Subject to the power of the commission to deny, revoke, or  
26 suspend permits, any Internet wagering permit in force shall be  
27 renewed by the commission for one year upon proper application  
28 for renewal, completion of a review of Internet wagering  
29 operations for compliance with this act, a review of all required  
30 controls and payment of permit fees and taxes as required by law  
31 and the regulations of the commission. Upon renewal of an Internet  
32 wagering permit the commission shall issue an appropriate renewal  
33 certificate or validating device or sticker which shall be attached to  
34 the Internet wagering permit.

35 f. Notwithstanding subsections a. and e. of this section, an  
36 Internet wagering permit shall remain in force only if the casino  
37 licensee that holds the permit also holds a valid operation  
38 certificate.

39  
40 13. (New section) a. The entire Internet wagering operation,  
41 including facilities, equipment and personnel, shall be located  
42 within a restricted area on the premises of the casino hotel or in a  
43 secure facility inaccessible to the public and specifically designed  
44 for that purpose off the premises of a casino hotel but within the  
45 territorial limits of Atlantic '【County】 City', New Jersey.

46 b. Facilities used to conduct and support Internet wagering  
47 shall:

- 1 (1) be arranged in a manner promoting optimum security for  
2 Internet wagering;
- 3 (2) include a closed circuit visual monitoring system according  
4 to specifications approved by the commission, with access on the  
5 licensed premises to the system or its signal provided to the  
6 commission or the division;
- 7 (3) not be designed in any way that might interfere with the  
8 ability of the commission or the division to supervise Internet  
9 wagering operations; and
- 10 (4) comply in all respects with regulations of the commission  
11 pertaining thereto.

12

13 14. (New section) a. Notwithstanding section 99 of P.L.1977,  
14 c.110 (C.5:12-99), each casino licensee who holds or has applied  
15 for a permit to conduct Internet wagering shall submit to the  
16 commission a description of its system of internal procedures and  
17 administrative and accounting controls for Internet wagering,  
18 including provisions that provide for real time monitoring of all  
19 games, and a description of any changes thereof. Such submission  
20 shall be made at least 30 days before such operations are to  
21 commence or at least 30 days before any change in those  
22 procedures or controls is to take effect, unless otherwise directed by  
23 the commission. Notwithstanding the foregoing, the internal  
24 controls described in paragraph (3) of this subsection may be  
25 implemented by a casino licensee upon the filing of such internal  
26 controls with the commission. Each internal procedure or control  
27 submission shall contain both narrative and diagrammatic  
28 representations of the internal control system to be utilized with  
29 regard to Internet wagering, including, but not limited to:

- 30 (1) accounting controls, including the standardization of forms  
31 and definition of terms to be utilized in the wagering operations;
- 32 (2) procedures, forms, and, where appropriate, formulas  
33 covering the calculation of hold percentages; revenue drop; expense  
34 and overhead schedules; complimentary services; and cash  
35 equivalent transactions;
- 36 (3) job descriptions and the system of personnel and chain-of-  
37 command, establishing a diversity of responsibility among  
38 employees engaged in Internet wagering operations and identifying  
39 primary and secondary supervisory positions for areas of  
40 responsibility; salary structure; and personnel practices;
- 41 (4) procedures for the establishment of wagering accounts,  
42 including a procedure for authenticating the age of the applicant for  
43 a wagering account;
- 44 (5) procedures for the termination of a wagering account by the  
45 account holder and the return of any remaining funds in the  
46 wagering account to the account holder;
- 47 (6) procedures for the termination of a dormant account;
- 48 (7) procedures for the logging in and authentication of a

- 1 wagering account holder in order to enable the holder to commence
- 2 Internet wagering, and the logging off of the holder of the wagering
- 3 account when the account holder has finished gaming, including a
- 4 procedure to automatically log off the holder after a specified
- 5 period of inactivity;
- 6 (8) procedures for the crediting and debiting of wagering
- 7 accounts;
- 8 (9) procedures for the cashing of checks to establish credit in a
- 9 wagering account; the receipt and security of cash to establish credit
- 10 in a wagering account, whether such cash is received by wire
- 11 transfer, advance on a credit card or debit card or by other
- 12 electronic means approved by the commission; and receipt of other
- 13 electronic negotiable instruments approved by the commission to
- 14 establish credit in a wagering account;
- 15 (10) procedures for the withdrawal of funds from a wagering
- 16 account by the account holder;
- 17 (11) the redemption of chips, tokens or other cash equivalents
- 18 used in gaming and the pay-off of jackpots;
- 19 (12) the recording of transactions pertaining to Internet
- 20 wagering;
- 21 (13) procedures for the security of information and funds in a
- 22 wagering account;
- 23 (14) procedures for the transfer of funds from wagering accounts
- 24 to the counting process;
- 25 (15) procedures and security for the counting and recordation of
- 26 revenue;
- 27 (16) procedures for the security of Internet wagering facilities
- 28 within a restricted area on the premises of the casino hotel or in a
- 29 secure facility inaccessible to the public and specifically designed
- 30 for that purpose off the premises of a casino hotel but within the
- 31 territorial limits of Atlantic <sup>1</sup>【County】 City<sup>1</sup>, New Jersey;
- 32 (17) procedures and security standards for the handling and
- 33 storage of software, computers and other electronic equipment used
- 34 to conduct Internet wagering;
- 35 (18) procedures and security standards to protect software,
- 36 computers and other gaming equipment used to conduct Internet
- 37 wagering from tampering by casino employees or any other person,
- 38 from a location inside or outside of the casino hotel facility;
- 39 (19) procedures for responding to tampering with software,
- 40 computers and other gaming equipment used to conduct Internet
- 41 wagering or any gaming-related equipment or hardware used in
- 42 support of gaming, including partial or complete suspension of
- 43 Internet wagering operations or the suspension of any or all
- 44 wagering accounts when warranted; and
- 45 (20) procedures to assist problem and compulsive gamblers.
- 46 b. Each casino licensee shall also submit a description of its
- 47 system of internal procedures and administrative and accounting
- 48 controls for non-gaming operations regarding the website on which

1 Internet wagering is accessed and a description of any changes  
2 thereto no later than five days after those operations commence or  
3 after any change in those procedures or controls takes effect.

4 c. The commission shall review each submission required by  
5 subsection a. and b. hereof, and shall determine whether it conforms  
6 to the requirements of this act, P.L. , c. (C. ) (pending before  
7 the Legislature as this bill), and to the regulations promulgated  
8 thereunder and whether the system submitted provides adequate and  
9 effective controls for Internet wagering operations of the particular  
10 casino hotel submitting it. If the commission finds any  
11 insufficiencies, it shall specify the insufficiencies in writing to the  
12 casino licensee, who shall make appropriate alterations. When the  
13 commission determines a submission to be adequate in all respects,  
14 it shall notify the casino licensee. Except as otherwise provided in  
15 subsection a. of this section, no casino licensee shall commence or  
16 alter Internet wagering operations unless and until such system of  
17 procedures and controls is approved by the commission.

18 d. It shall be lawful for a casino licensee to provide marketing  
19 information by means of the Internet to players engaged in Internet  
20 wagering and to offer those players incentives to visit the licensee's  
21 casino in Atlantic City.

22

23 15. (New section) a. An Internet wagering account shall be in  
24 the name of a natural person and may not be in the name of any  
25 beneficiary, custodian, joint trust, corporation, partnership or other  
26 organization or entity.

27 b. An account may be established by a person submitting an  
28 application form approved by the commission along with proof of  
29 age. The commission shall specify by regulation what types of  
30 proof are sufficient to authenticate age and residency in this State  
31 <sup>3</sup>or outside of the United States<sup>2</sup><sup>3</sup>. The application form shall  
32 include the address of the principal residence of the prospective  
33 account holder, an electronic mail address of the prospective  
34 account holder and a statement that a false statement made in regard  
35 to an application may subject the applicant to prosecution.

36 c. As part of the application process, the casino licensee shall  
37 provide the prospective account holder with a password to access  
38 the wagering account, or shall establish some other mechanism  
39 approved by the commission to authenticate the player as the holder  
40 of a wagering account and allow the holder access to the Internet  
41 wagering account.

42 d. The prospective account holder shall submit the completed  
43 application to the casino licensee. The licensee may accept or reject  
44 an application after receipt and review of the application and proof  
45 of age for compliance with this act, P.L. , c. (C. ) (pending  
46 before the Legislature as this bill).

47 e. Any prospective account holder who provides false or  
48 misleading information on the application is subject to rejection of

- 1 the application or cancellation of the account by the casino licensee.
- 2 f. The licensee shall have the right to suspend or close any  
3 wagering account at its discretion.
- 4 g. Any person on the list established by section 71 of P.L.1977,  
5 c.110 (C.5:12-71) of persons who are to be excluded or ejected  
6 from any licensed casino shall not be entitled to maintain a  
7 wagering account.
- 8 h. Any of the following persons shall not be permitted to  
9 maintain a wagering account:
- 10 (1) the Governor <sup>1</sup>or Lieutenant Governor<sup>1</sup>;
- 11 (2) any State officer or employee or special State officer or  
12 employee;
- 13 (3) any member of the Judiciary;
- 14 (4) any member of the Legislature;
- 15 (5) any officer of Atlantic City; or
- 16 (6) any casino employee, casino key employee or principal  
17 employee of a casino licensee.
- 18 i. The address provided by the applicant in the application  
19 shall be deemed the proper address for the purposes of mailing  
20 checks, account withdrawals, notices and other materials.
- 21 j. A wagering account shall not be assignable or otherwise  
22 transferable.
- 23 k. The casino licensee may at any time declare all or any part  
24 of Internet wagering to be closed for wagering.
- 25
- 26 16. (New section) a. Credits to an Internet wagering account  
27 shall not be made except as provided by this subsection.
- 28 (1) The wagering account holder's deposits to the wagering  
29 account shall be submitted by the account holder to the casino  
30 licensee and shall be in the form of one of the following:
- 31 (a) cash given to the casino licensee;
- 32 (b) check, money order, negotiable order of withdrawal, or wire  
33 or electronic transfer, payable and remitted to the casino licensee;
- 34 (c) charges made to an account holder's debit or credit card  
35 upon the account holder's direct and personal instruction, which  
36 instruction may be given by telephone communication or other  
37 electronic means to the casino licensee by the account holder if the  
38 use of the card has been approved by the casino licensee; or
- 39 (d) any other method approved by the commission.
- 40 (2) When an account holder wins an account wager on a game,  
41 the casino licensee shall pay to the holder Internet chips or tokens  
42 or other cash equivalents in the appropriate amount pursuant to the  
43 rules of that game for that particular type of wager. When the  
44 account holder logs off or cashes out the Internet chips, tokens or  
45 other cash equivalents, the casino licensee shall credit the holder's  
46 wagering account in the amount of Internet chips, tokens or other  
47 cash equivalents cashed in.



- 1 (3) The casino licensee shall have the right to credit a wagering  
2 account as part of a promotion scheme.
- 3 (4) The casino licensee shall have the right to refuse, for any  
4 valid reason, all or part of any wager or deposit to the account.
- 5 (5) Funds deposited in the account shall not bear interest to the  
6 account holder.
- 7 b. Debits to an Internet wagering account shall not be made  
8 except as provided by this subsection.
- 9 (1) When an account holder logs onto a wagering account and  
10 exchanges account funds for Internet chips, tokens or other cash  
11 equivalents, the licensee shall debit the holder's account in the  
12 amount of funds exchanged. Upon receipt by a casino licensee of  
13 an account wager or an account purchase order, the casino licensee  
14 shall debit the account holder's Internet chips, tokens or other cash  
15 equivalents in the amount of the wager or purchase.
- 16 (2) A casino licensee may authorize a withdrawal from a  
17 wagering account when the account holder submits to the casino  
18 licensee:
- 19 (a) proper identification;
- 20 (b) the correct authentication information for access to the  
21 account; and
- 22 (c) a properly completed and executed withdrawal on a form  
23 approved by the commission.
- 24 Upon receipt of a properly completed and executed withdrawal  
25 form, and if there are sufficient funds in the account to cover the  
26 withdrawal, the licensee shall send, within three business days of  
27 receipt, a check payable in the amount requested to the holder at the  
28 address specified in the application for the wagering account or  
29 shall transmit payment to the account holder electronically as  
30 approved by the commission by regulation.
- 31
- 32 17. (New section) A casino licensee may accept Internet  
33 account wagers only as follows:
- 34 a. The account wager shall be placed directly with the casino  
35 licensee by the holder of the wagering account.
- 36 b. The account holder placing the account wager shall provide  
37 the casino licensee with the correct authentication information for  
38 access to the wagering account.
- 39 c. A casino licensee may not accept an account wager in an  
40 amount in excess of funds on deposit in the wagering account of the  
41 holder placing the wager. Funds on deposit include amounts  
42 credited under this act, P.L. c. (C. ) (pending before the  
43 Legislature as this bill), and in the account at the time the wager is  
44 placed.
- 45 d. Only the holder of a wagering account shall place an account  
46 wager.

1 18. (New section) All amounts remaining in wagering accounts  
2 inactive or dormant for such period and under such conditions as  
3 established by regulation by the commission shall be paid 50% to  
4 the casino licensee and 50% to the casino control fund. Before  
5 closing a wagering account pursuant to this section, the casino  
6 licensee shall attempt to contact the account holder by mail, phone  
7 and computer.

8  
9 19. (New section) a. The casino licensee shall establish a log in  
10 procedure for a holder of a wagering account to access Internet  
11 wagering. Part of the log in procedure shall be the provision by the  
12 account holder of the appropriate authentication information for  
13 access to the wagering account. The casino licensee shall not allow  
14 an account holder to participate in gaming before logging in and  
15 providing the proper authentication information to access the  
16 holder's wagering account.

17 b. Upon log in, the holder of a wagering account shall have the  
18 option to exchange any amount of funds in the wagering account to  
19 Internet chips, tokens or other cash equivalents, to be used for  
20 Internet casino gaming.

21 c. Upon logging off, the current amount of the holders' Internet  
22 chips, tokens or other cash equivalents shall be credited to the  
23 holder's wagering account.

24  
25 20. (New section) The casino licensee shall provide to a holder  
26 of a wagering account who is logged in to his or her wagering  
27 account access to a display of all of the following information:

28 a. the current amount of money in the holder's account,  
29 including the current amount of the holder's Internet chips, tokens  
30 or other cash equivalents;

31 b. the amount of money the account holder has won or lost on  
32 Internet wagering since the account was established;

33 c. the amount of money the account holder has won or lost on  
34 during the current gaming session, when a gaming session begins at  
35 log on and ends at log off;

36 d. a detailed accounting of all other Internet gaming sessions,  
37 when a session begins at log on and ends at log off, including time  
38 and date of log on and log off and the amount of money won or lost  
39 on gaming and the amount of money spent from the account on  
40 merchandise or services; and

41 e. the complete text of the rules of the commission regarding  
42 games and the conduct of Internet wagering, pay-offs of winning  
43 wagers, an approximation of the odds of winning for each wager,  
44 and such other advice and information to the account holder as the  
45 commission shall require.

46  
47 21. (New section) In order to assist those persons who may  
48 have a gambling problem, a casino licensee shall:

1 a. cause the words "If you or someone you know has a  
2 gambling problem and wants help, call 1-800 GAMBLER," or some  
3 comparable language approved by the commission, which language  
4 shall include the words "gambling problem" and "call 1-800  
5 GAMBLER," to be prominently and continuously displayed to any  
6 person visiting or logged onto Internet wagering;

7 b. provide a mechanism by which a holder of a wagering  
8 account may establish the following controls on wagering activity  
9 through the wagering account:

10 (1) a limit on the amount of money lost within a specified period  
11 of time and the length of time the holder will be unable to  
12 participate in gaming if the holder reaches the established loss limit;

13 (2) a limit on the maximum amount of any single wager on any  
14 game; and

15 (3) a temporary suspension of gaming through the account for  
16 any number of hours or days.

17 The casino licensee shall not send gaming-related mail or  
18 electronic mail to an account holder while gaming through his or  
19 her wagering account is suspended. The casino licensee shall  
20 provide a mechanism by which an account holder may change these  
21 controls, except that while gaming through the wagering account is  
22 suspended, the account holder may not change gaming controls  
23 until the suspension expires, but the holder shall continue to have  
24 access to the account and shall be permitted to withdraw funds from  
25 the account upon proper application therefor; and

26 c. establish a system by which a holder of a wagering account  
27 who sustains continuous losses of a sufficient level according to  
28 standards set by the commission by regulation, will have sent to his  
29 or her postal address and electronic mail address a list detailing all  
30 gaming winnings and losses through the wagering account, contact  
31 information for assistance with identifying a potential gambling  
32 problem and other information about gambling problems and  
33 compulsive gambling deemed appropriate by the commission.

34  
35 22. (New section) a. Except as provided in this section, no  
36 casino licensee or any person licensed under P.L.1977, c.110  
37 (C.5:12-1 et seq.) and no person acting on behalf of, or under any  
38 arrangement with, a casino licensee or other person licensed under  
39 P.L.1977, c.110, shall:

40 (1) cash any check, make any loan, or otherwise provide credit  
41 to any person for the purpose of crediting an Internet wagering  
42 account; or

43 (2) release or discharge any debt, either in whole or in part, or  
44 make any loan which represents any losses incurred by any account  
45 holder in gaming activity through Internet wagering, without  
46 maintaining a written record thereof in accordance with the rules of  
47 the commission.

1       b. Notwithstanding section 101 of P.L.1977, c.110 (C.5:12-  
2 101), no casino licensee or any person licensed under P.L.1977,  
3 c.110 (C.5:12-1 et seq.) and no person acting on behalf of, or under  
4 any arrangement with, a casino licensee or other person licensed  
5 under P.L.1977, c.110, may accept a check, other than a recognized  
6 traveler's check or other cash equivalent from any person for the  
7 purpose of crediting an Internet wagering account unless:

8       (1) the check is made payable to the casino licensee;

9       (2) the check is dated, but not postdated;

10       (3) the check is transmitted to the casino licensee and received  
11 by the licensee in a manner approved by the commission and is  
12 exchanged for credits on the Internet wagering account established  
13 by the drawer of the check; and

14       (4) the regulations concerning check cashing procedures are  
15 observed by the casino licensee and its employees and agents.

16  
17       23. (New section) Any person who offers games into play or  
18 displays such games through Internet wagering without approval of  
19 the commission to do so is guilty of a crime of the fourth degree  
20 and notwithstanding the provisions of N.J.S.2C:43-3, shall be  
21 subject to a fine of not more than \$25,000 and in the case of a  
22 person other than a natural person, to a fine of not more than  
23 \$100,000 and any other appropriate disposition authorized by  
24 subsection b. of N.J.S.2C:43-2.

25  
26       24. (New section) a. Notwithstanding section 46 of P.L.1991,  
27 c.182 (C.5:12-113.1), any person who knowingly tampers with  
28 software, computers or other equipment used to conduct Internet  
29 wagering to alter the odds or the payout of a game or disables the  
30 game from operating according to the rules of the game as  
31 promulgated by the commission is guilty of a crime of the third  
32 degree and notwithstanding the provisions of N.J.S.2C:43-3, shall  
33 be subject to a fine of not more than \$50,000 and in the case of a  
34 person other than a natural person, to a fine of not more than  
35 \$200,000 and any other appropriate disposition authorized by  
36 subsection b. of N.J.S.2C:43-2.

37       b. In addition to the penalties provided in subsection a., an  
38 employee of the casino licensee who violates this section shall have  
39 his or her license revoked and shall be subject to such further  
40 penalty as the commission deems appropriate.

41       c. In addition to the penalties provided in subsection a., a  
42 casino licensee that violates this section shall have its permit to  
43 conduct Internet wagering revoked and shall be subject to such  
44 further penalty as the commission deems appropriate.

45  
46       25. (New section) a. Any person who knowingly offers or  
47 allows to be offered any Internet game that has been tampered with  
48 in a way that affects the odds or the payout of a game or disables

1 the game from operating according to the rules of the game as  
2 promulgated by the commission is guilty of a crime of the third  
3 degree and notwithstanding the provisions of N.J.S.2C:43-3, shall  
4 be subject to a fine of not more than \$50,000 and in the case of a  
5 person other than a natural person, to a fine of not more than  
6 \$200,000 and any other appropriate disposition authorized by  
7 subsection b. of N.J.S.2C:43-2.

8 b. In addition to the penalties provided in subsection a., an  
9 employee of the casino licensee who knowingly violates this section  
10 shall have his or her license suspended for a period not less than 30  
11 days.

12 c. In addition to the penalties provided in subsection a., a  
13 casino licensee that violates this section shall have its permit to  
14 conduct Internet wagering suspended for a period not less than 30  
15 days.

16

17 26. (New section) a. No person under the age of 21 shall be  
18 permitted to maintain an Internet wagering account. Any casino  
19 licensee or employee of a casino licensee who allows a person  
20 under the age of 21 to maintain a wagering account is guilty of a  
21 crime of the fourth degree and subject to the penalties therefor;  
22 except that the establishment of all of the following facts by a  
23 licensee or employee allowing any such underage person to  
24 maintain an account shall constitute a defense to any prosecution  
25 therefor:

26 (1) that the underage person falsely represented during the  
27 application process for an Internet wagering account that he or she  
28 was at least 21 years of age; and

29 (2) that the establishment of the Internet wagering account was  
30 made in good faith, relying upon such representation, and in the  
31 reasonable belief that the underage person was actually 21 years of  
32 age or older.

33 b. In addition to the penalties provided in subsection a. of this  
34 section, an employee of the casino licensee who violates the  
35 provisions of this section more than once shall have his or her  
36 license revoked.

37 c. In addition to the penalties provided in subsection a. of this  
38 section, a casino licensee that violates the provisions of this section  
39 more than once shall have its permit to conduct Internet wagering  
40 revoked.

41

42 27. (New section) a. The commission shall, by regulation,  
43 establish annual fees for the issuance or renewal of Internet  
44 wagering permits. The issuance fee shall be based upon the cost of  
45 investigation and consideration of the license application and shall  
46 be not less than \$200,000. The renewal fee shall be based upon the  
47 cost of maintaining enforcement, control and regulation of Internet  
48 wagering operations and shall be not less than \$100,000.

1       b. The Attorney General shall certify to the commission actual  
2 and prospective costs of the investigative and enforcement  
3 functions of the division, which costs shall be the basis, together  
4 with the operating expenses of the commission, for the  
5 establishment of annual permit issuance and renewal fees.

6       c. A nonrefundable deposit of at least \$100,000 shall be  
7 required to be posted with each application for an Internet wagering  
8 permit and shall be applied to the initial permit fee if the application  
9 is approved.

10       d. In addition to the permit issuance and renewal fees, a casino  
11 licensee with an Internet wagering permit shall pay annually to the  
12 commission \$100,000 to be deposited into the State General Fund  
13 for appropriation by the Legislature to the Department of <sup>2</sup>Health  
14 and Senior Human<sup>2</sup> Services, \$85,000 of which shall be allocated  
15 to the Council on Compulsive Gambling of New Jersey and \$15,000  
16 of which shall be used for compulsive gambling treatment programs  
17 in the State.

18  
19       <sup>1</sup>[28. Notwithstanding the provisions of any other law to the  
20 contrary, the Casino Control Commission and the New Jersey  
21 Racing Commission may, jointly, authorize casino licensees to enter  
22 into agreements with racetrack permitholders for the operation of  
23 terminals at racetracks on which individuals who have registered to  
24 participate in Internet wagering may wager on games conducted at  
25 casinos in Atlantic City. Terminals located at racetracks pursuant  
26 to this section may be identical in appearance to slot machines  
27 located at casinos.]<sup>1</sup>

28  
29       <sup>1</sup>[29.] 28.<sup>1</sup> This act shall take effect immediately.