

ASSEMBLY, No. 3911

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 7, 2018

Sponsored by:

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

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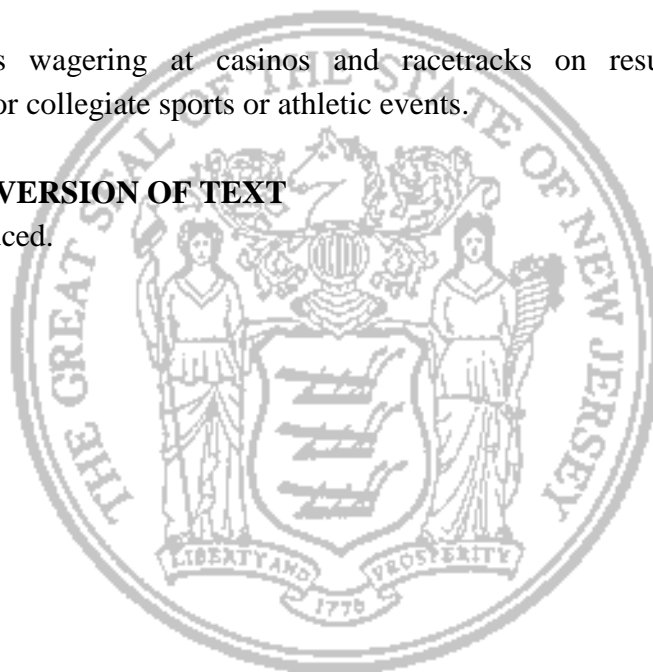
**Assemblywoman Murphy, Assemblymen Holley, Dancer, Land, DeAngelo,
Andrzejczak and Thomson**

SYNOPSIS

Authorizes wagering at casinos and racetracks on results of certain professional or collegiate sports or athletic events.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/25/2018)

A3911 HOUGHTALING, BURZICHELLI

2

1 AN ACT concerning wagering at casinos and racetracks on the results
2 of certain professional or collegiate sports or athletic events,
3 supplementing Title 5 of the Revised Statutes, and amending
4 P.L.1977, c.110 and P.L.1992, c.19 and repealing various sections
5 of the statutory law.

6

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

9

10 1. (New section) As used in sections 2 through 19 of
11 P.L. , c. (C.) (pending before the Legislature as this bill):

12 “casino” means a licensed casino or gambling house located in
13 Atlantic City at which casino gambling is conducted pursuant to the
14 provisions of P.L.1977, c.110 (C.5:12-1 et seq.);

15 “commission” means the Casino Control Commission
16 established pursuant to section 50 of P.L.1977, c.110 (C.5:12-50);

17 “collegiate sport or athletic event” means a sport or athletic event
18 offered or sponsored by or played in connection with a public or
19 private institution that offers educational services beyond the
20 secondary level;

21 “division” means the Division of Gaming Enforcement
22 established pursuant to section 55 of P.L.1977, c.110 (C.5:12-55);

23 “former racetrack” means the site where horse race meetings
24 with parimutuel wagering were conducted, in at least three
25 consecutive years after 1970 and before 2015, under a license
26 issued by the New Jersey Racing Commission pursuant to P.L.1940,
27 c.17 (C.5:5-22 et seq.) or by a predecessor agency pursuant to then-
28 applicable law;

29 “online sports pool” means a sports wagering operation in which
30 wagers on sports events are made through computers or mobile or
31 interactive devices and accepted in Atlantic City through an online
32 gaming system which is operating pursuant to a sports wagering
33 permit issued by the division or are accepted through an online
34 gaming system that is located within the physical location of a
35 racetrack that has been issued a sports wagering permit by the
36 division;

37 “operator” means a casino or a racetrack permitholder which has
38 elected to operate a sports pool, either independently or jointly; and
39 any entity with whom a sports wagering permitholder contracts to
40 operate a sports pool or online sports pool on its behalf;

41 “prohibited sports event” means any single collegiate sport or
42 athletic event that takes place in New Jersey or a single sport or
43 athletic event in which any New Jersey college team participates
44 regardless of where the event takes place. A “prohibited sports
45 event” does not include the other games of a collegiate sport or

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.

1 athletic tournament in which a New Jersey college team
2 participates, nor does it include any games of a collegiate
3 tournament that occurs outside New Jersey even though some of the
4 individual games or events are held in New Jersey. A prohibited
5 sports event includes all high school sports events but does not
6 include international sports events in which persons under age 18
7 make up a minority of the participants.

8 “racetrack” means the physical facility where a racetrack
9 permit holder conducts a horse race meeting with parimutuel
10 wagering under a license issued by the racing commission pursuant
11 to P.L.1940, c.17 (C.5:5-22 et seq.), and includes any former
12 racetrack;

13 “racetrack permit holder” means a holder of a permit to hold or
14 conduct horse race meetings issued by the racing commission
15 pursuant to section 27 of P.L.1940, c.17 (C.5:5-47) that conducts
16 live horse racing pursuant to the provisions of P.L.1940, c.17
17 (C.5:5-22 et seq.), or a former racetrack that meets the
18 qualifications set forth in paragraph (2) of subsection a. of section 3
19 of P.L. , c. (C.) (pending before the Legislature as this bill);

20 “racing commission” means the New Jersey Racing Commission
21 established by section 1 of P.L.1940, c.17 (C.5:5-22);

22 “sports event” means any sport, athletic contest, or athletic event,
23 including electronic sports, but does not include a prohibited sports
24 event;

25 “sports pool” means the business of accepting wagers on any
26 sports event by any system or method of wagering; and

27 “sports wagering lounge” means an area located in a casino or
28 racetrack in which a sports pool is operated.

29

30 2. (New section) a. (1) In addition to casino games permitted
31 pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.), a
32 casino which holds a sports wagering permit issued by the division
33 pursuant to section 3 of P.L. , c. (C.) (pending before the
34 Legislature as this bill) may operate a sports pool in accordance
35 with the provisions of P.L. , c. (C.) (pending before the
36 Legislature as this bill) and applicable regulations promulgated
37 pursuant thereto. A casino may authorize a casino service industry
38 enterprise licensed by the division pursuant to section 92 of
39 P.L.1977, c.110 (C.5:12-92), or an applicant for such license, to
40 operate a sports pool on its behalf provided the terms of the
41 agreement are approved by the division.

42 (2) A casino which holds a sports wagering permit may conduct
43 an online sports pool or may authorize an Internet gaming operator
44 or other entity licensed as a casino service industry enterprise
45 pursuant to section 92 of P.L.1977, c.110 (C.5:12-92), or an
46 applicant for such license, to operate an online sports pool on its
47 behalf provided the terms of the agreement are approved by the
48 division.

1 b. (1) Notwithstanding any other law or regulation, in addition
2 to the conduct of parimutuel wagering on horse races under
3 regulation by the racing commission pursuant to chapter 5 of Title 5
4 of the Revised Statutes, a racetrack permitholder which holds a
5 sports wagering permit issued by the division pursuant to section 3
6 of P.L. , c. (C.) (pending before the Legislature as this bill)
7 may operate a sports pool in accordance with the provisions of
8 P.L. , c. (C.) (pending before the Legislature as this bill) and
9 applicable regulations promulgated pursuant to this act. A racetrack
10 permitholder may authorize a casino service industry enterprise
11 licensed by the division pursuant to section 92 of P.L.1977, c.110
12 (C.5:12-92), or an applicant for such license, to operate a sports
13 pool on its behalf provided the terms of the agreement are approved
14 by the division and the racing commission.

15 (2) A racetrack permitholder which holds a sports wagering
16 permit issued by the division pursuant to section 3 of
17 P.L. , c. (C.) (pending before the Legislature as this bill) may
18 conduct an online sports pool or may authorize an Internet gaming
19 operator or other entity licensed as a casino service industry
20 enterprise pursuant to section 92 of P.L. 1977, c. 110 (C.5:12-92),
21 or an applicant for such license, to operate an online sports pool on
22 its behalf provided the terms of the agreement are approved by the
23 division and the racing commission. A racetrack permitholder that
24 operates an online sports pool may not offer any other game or type
25 of wagering online other than a sports pool or wagering on horse
26 races, except that the racetrack permitholder may do so pursuant to
27 an agreement approved by the division with a casino that holds an
28 Internet gaming permit that allows such additional online wagering.

29 c. Upon approval of the division and the racing commission, a
30 casino and a racetrack permitholder in this State which each hold a
31 sports wagering permit issued by the division pursuant to section 3
32 of P.L. , c. (C.) (pending before the Legislature as this bill)
33 may enter into an agreement to jointly operate a sports pool at the
34 racetrack, in accordance with the provisions of P.L. , c. (C.)
35 (pending before the Legislature as this bill) and applicable
36 regulations promulgated thereto.

37 d. In addition to the duties specified in section 76 of P.L.1977,
38 c.110 (C.5:12-76), the division shall hear and decide promptly and
39 in reasonable order all applications for a sports wagering permit,
40 shall have the general responsibility for the implementation of
41 P.L. , c. (C.) (pending before the Legislature as this bill), and
42 shall have all other duties specified under the law with regard to the
43 operation of a sports pool.

44
45 3. (New section) a. Upon application and submission of the
46 required fees established by section 9 of P.L. , c. (C.)
47 (pending before the Legislature as this bill) and provided that the
48 requirements of subsection a. of section 5 of P.L. , c. (C.)

1 (pending before the Legislature as this bill) are met, the division
2 shall issue a sports wagering permit, valid for a period of one year,
3 to a licensed casino with a valid operation certificate, a racetrack
4 permitholder, or an Internet gaming affiliate of a licensed casino or
5 racetrack which is licensed pursuant to paragraph (5) of subsection
6 b. of section 82 of P.L.1977, c.110 (C.5:12-82).

7 (1) No sports pool or online sports pool shall be offered or made
8 available for wagering to the public by any entity other than a sports
9 wagering permitholder or a casino service industry enterprise
10 licensed by the division pursuant to section 92 of P.L.1977, c.110
11 (C.5:12-92), or an applicant for such license, operating such pool on
12 behalf of a sports wagering permitholder, nor shall any such
13 gaming, except for test purposes, be conducted by a casino licensee
14 with a valid operation certificate, a racetrack permitholder or an
15 Internet gaming affiliate thereof that is licensed pursuant to
16 paragraph (5) of subsection b. of section 82 of P.L.1977, c.110
17 (C.5:12-82) prior to the issuance of a sports wagering permit.

18 (2) For purposes of this section, a former racetrack may qualify
19 for a sports wagering permit under this section if it establishes to
20 the satisfaction of the racing commission that it will commence the
21 conduct of live horse racing under the regulation of the racing
22 commission at the former racetrack site no later than July 1, 2020
23 for no less than 50 racing days, and meets all other requirements of
24 this section.

25 b. A sports pool may not be operated at any location other than
26 a sports wagering lounge located at a casino or racetrack, and may
27 be operated at such location only if the sports wagering lounge
28 conforms to all requirements concerning square footage, design,
29 equipment, security measures and related matters which the division
30 shall by regulation prescribe. Nothing in this subsection shall
31 prevent a casino sports wagering permitholder from situating a
32 sports wagering lounge in a casino simulcasting facility.

33 (1) The space required for the establishment of a sports wagering
34 lounge located at a casino shall not reduce the space authorized for
35 casino gaming activities as specified in section 83 of P.L.1977,
36 c.110 (C.5:12-83), except that any slot machines located in a sports
37 wagering lounge located at a casino shall count against a casino's
38 floor space.

39 (2) Any authorized game, as defined in section 5 of P.L.1977,
40 c.110 (C.5:12-5), may be conducted in a sports wagering lounge
41 located at a casino, subject to the rules and regulations of the
42 division.

43 c. A casino or racetrack permitholder that has been issued a
44 sports wagering permit may, in addition to having a sports wagering
45 lounge, conduct wagering on authorized sports events through one
46 or more kiosks or self-service wagering stations located within its
47 facility. Such self-service wagering stations located at a casino may
48 offer any game authorized under rules established by the division.

1 Such self-service wagering stations located at a racetrack may offer
2 wagering only on authorized sports events and horse races.

3 d. An online sports pool shall not be conducted except in
4 accordance with the provisions of P.L. 2013, c.27 (C.5:12-95.17 et
5 al.) and the rules established by the division, except that a racetrack
6 permitholder that holds a sports wagering permit may not conduct
7 any wagering activity other than wagering on authorized sports
8 events or horse races.

9 (1) It shall be an express condition of operating an online sports
10 pool by or on behalf of a casino licensee pursuant to an agreement
11 with a casino licensee that the online sports pool shall be branded in
12 a manner to emphasize the identity of the casino licensee and that
13 online sports bettors shall be provided with promotional credits,
14 incentives, bonuses, complimentary, or similar benefits designed
15 to induce online sports bettors to appear in person at the premises of
16 the casino licensee's casino hotel in Atlantic City, New Jersey. The
17 division shall establish by rule standards governing the provision of
18 these measures.

19 (2) It shall be an express condition of operating an online sports
20 pool by or on behalf of a racetrack permitholder pursuant to an
21 agreement with the racetrack permitholder that the online sports
22 pool shall be branded in a manner to emphasize the identity of the
23 racetrack and that online sports bettors shall be provided with
24 promotional credits, incentives, bonuses, complimentary, or
25 similar benefits designed to induce online sports bettors to appear in
26 person at the premises of the racetrack. The division, in
27 consultation with the racing commission, shall establish by rule
28 standards governing the provision of these measures.

29 e. No casino or racetrack permitholder shall be permitted to
30 operate or accept wagers via an online sports pool unless a sports
31 wagering lounge is established and has commenced operation in its
32 facility; provided, however, that a sports wagering permitholder
33 may petition the division to commence operation of an online sports
34 pool during the pendency of construction of a sports wagering
35 lounge in its facility. The division shall by regulation establish a
36 maximum period during which an online sports pool may operate
37 prior to the commencement of operation of a sports wagering
38 lounge at the sports wagering permitholder's facility.

39 f. The operator of a sports pool or online sports pool shall
40 establish or display the odds at which wagers may be placed on
41 sports events. A sports pool and online sports pool shall be
42 managed by a sports pool manager who shall be licensed as a casino
43 key employee. In creating wagers which will be offered to the
44 public, a sports pool manager may receive advice and
45 recommendations from any source or entity and may take into
46 consideration information regarding odds and wagers placed on
47 sports events in other jurisdictions. No sports pool operator or
48 online sports pool operator may receive recommendations offered

1 by an entity as to wagers to accept and odds to be offered for such
2 wagers unless the entity is licensed or registered pursuant to section
3 92 of P.L. 1977, c.110 (C.5:12-92), as required by the rules of the
4 division, provided that this requirement shall not apply with respect
5 to such services when provided to the general public or such
6 recommendations when made available in connection with general
7 news reporting. No sports pool operator or online sports pool
8 operator may receive data regarding sports wagering directly or
9 indirectly from an entity which enables the operator to determine if
10 a wager is won or lost unless the entity providing such data is
11 licensed or registered pursuant to section 92 of P.L.1977, c.110
12 (C.5:12-92), as determined by the rules of the division.

13 g. An operator may accept wagers on sports events only from:
14 persons physically present in the sports wagering lounge; through
15 self-service wagering machines located in its facility as authorized
16 by the division; or through an online sports pool.

17 h. A person placing a wager at a sports pool, through a self-
18 service wagering device, or through an online sports pool shall be at
19 least 21 years of age. Any person under age 21 who wagers at a
20 sports pool, through a self-service wagering device, or through an
21 online sports pool shall be subject to the provisions of section 119
22 of P.L.1977, c. 110 (C.5:12-119).

23 i. An operator shall not admit into the sports wagering lounge,
24 or accept wagers from, any person whose name appears on the
25 exclusion list maintained by the division pursuant to section 71 of
26 P.L.1977, c.110 (C.5:12-71) or, to the extent consistent with the
27 scope of the self-exclusion requested by the person with respect to
28 either a casino, racetrack or both, any person whose name appears
29 on the self-exclusion list maintained by the division pursuant to
30 sections 1 and 2 of P.L.2001, c.39 (C.5:12-71.2 et seq.), or on any
31 voluntary exclusion list maintained by the racing commission
32 pursuant to section 1 of P.L.2002, c.89 (C.5:5-65.1), and
33 information from such lists shall be made available to sports
34 wagering lounge operators for this purpose. The provisions of
35 sections 1 and 2 of P.L.2002, c.89 (C.5:5-65.1 et seq.), shall also
36 apply to the conduct of sports wagering through a sports pool or
37 online sports pool under P.L. , c. (C.)(pending before the
38 Legislature as this bill) operated by or on behalf of a racetrack
39 permitholder. The division shall establish by rule appropriate
40 prohibitions to exclude such additional persons from wagering at a
41 sports pool or through an online sports pool whose participation
42 may undermine the integrity of the wagering or the sports event or
43 for other good case, including but not limited to athletic contest
44 participants and persons with access to certain types of exclusive
45 information.

46 j. The server or other equipment which is used by a racetrack
47 permitholder to accept wagers at a sports pool or online sports pool
48 shall be located in a racetrack which holds or conducts live horse

1 racing pursuant to the provisions of P.L.1940, c.17 (C.5:5-22 et
2 seq.) or in any location in Atlantic City which conforms to the
3 requirements of section 20 of P.L.2013, c.27 (C.5:12-95.22) and
4 any additional requirements which the division may impose by
5 regulation. The server or other equipment used by a casino to
6 accept wagers at a sports pool or online sports pool shall conform to
7 the requirements of section 20 of P.L.2013, c.27 (C.5:12-95.22) and
8 any additional requirements which the division may impose by
9 regulation.

10

11 4. (New section) a. All persons employed at a sports wagering
12 lounge who are directly involved in wagering-related activities such
13 as issuing wagering tickets, regardless of whether they are
14 employed by a casino, racetrack, or casino service industry entity
15 authorized to operate a sports pool, shall be licensed as a casino key
16 employee or registered as a casino employee, as determined by the
17 division, pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et
18 seq.). All other employees working in a sports wagering lounge may
19 be required to be registered, if appropriate, in accordance with
20 regulations of the division.

21 b. Each operator of a sports pool or online sports pool shall
22 designate one or more casino key employees who shall be
23 responsible for the operation of the sports pool or online sports
24 pool. At least one such casino key employee shall be on the
25 premises whenever sports wagering is conducted.

26 c. Persons who are employed by an entity that makes
27 recommendations in setting odds or that monitors sports wagering
28 activity for the purpose of recalculating odds may be required to be
29 registered as casino employees or licensed as casino key employees
30 as determined by the rules of the division.

31

32 5. (New section) a. Except as otherwise provided by law, the
33 division shall have the authority to regulate sports pools and online
34 sports pools under P.L. , c. (C.) (pending before the
35 Legislature as this bill), to the same extent that the division
36 regulates other casino games. No casino or racetrack permit holder
37 shall be authorized to operate a sports pool or online sports pool
38 unless it has produced information, documentation, and assurances
39 concerning its financial background and resources, including cash
40 reserves, that are sufficient to demonstrate that it has the financial
41 stability, integrity, and responsibility to operate a sports pool or
42 online sports pool. The division shall promulgate regulations
43 necessary to carry out the provisions of P.L. , c. (C.) (pending
44 before the Legislature as this bill), including, but not limited to,
45 regulations governing the:

46 a. amount of cash reserves to be maintained by operators to
47 cover winning wagers;

- 1 b. acceptance of wagers on a series of sports events, including
2 the manner in which sports pool and online sports pool accounts are
3 created and funded by patrons;
- 4 c. maximum wagers which may be accepted by an operator
5 from any one patron on any one sports event;
- 6 d. type of wagering tickets or electronic receipts which may be
7 used;
- 8 e. method of issuing tickets or recording of electronic receipts;
- 9 f. method of accounting to be used by operators;
- 10 g. types of records which shall be kept;
- 11 h. use of credit and checks by patrons;
- 12 i. type of system for wagering;
- 13 j. protections for a person placing a wager; and
- 14 k. display of the words, "If you or someone you know has a
15 gambling problem and wants help, call 1-800 GAMBLER," or some
16 comparable language approved by the division, which language
17 shall include the words "gambling problem" and "call 1-800
18 GAMBLER," on all print, billboard, sign, online, or broadcast
19 advertisements of a sports pool or online sports pool and in every
20 sports wagering lounge.
- 21 b. Notwithstanding any other provision of P.L. c. (C.)
22 (pending before the Legislature as this bill) or of the Administrative
23 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the
24 contrary, during the 90-day period following the effective date of
25 this act, the division may, after notice provided in accordance with
26 this subsection, summarily adopt, amend, or repeal any order, rule,
27 or regulation for a period not to exceed 270 days for the purpose of
28 ensuring the expeditious and effective implementation of sports
29 wagering at casinos or racetracks in accordance with this act Any
30 summary rulemaking authorized by this subsection shall be subject
31 to such terms and conditions as the division may deem appropriate.
32 Such rules shall be effective when published by the division on its
33 website. Notice of any emergency rulemaking action taken by the
34 division pursuant to this subsection shall be published in the New
35 Jersey Register, and provided to the newspapers designated by the
36 division pursuant to subsection d. of section 3 of P.L.1975, c.231
37 (C.10:4-8), not later than 30 days subsequent to the implementation
38 of the emergency rules. The text of any emergency rule adopted by
39 the division pursuant to this section shall be available in each
40 racetrack, casino, sports wagering lounge, and simulcasting facility
41 implementing the provisions of emergency rulemaking.
- 42
- 43 6. (New section) Each operator of a sports pool shall adopt
44 comprehensive house rules governing sports wagering transactions
45 with its patrons, which house rules shall be consistent with the rules
46 of the division and shall, at a minimum, specify the amounts to be
47 paid on winning wagers, the effect of schedule changes, and the
48 process for resolving patron disputes. The house rules, together

1 with any other information the division deems appropriate, shall be
2 conspicuously displayed in the sports wagering lounge and included
3 in the terms and conditions of the online sports pool, and copies
4 shall be made readily available to patrons.

5
6 7. (New section) Whenever a casino licensee and a racetrack
7 permitholder enter into an agreement to jointly establish a sports
8 wagering lounge or online sports pool, and to operate and conduct
9 sports wagering under P.L. , c. (C.) (pending before the
10 Legislature as this bill), the agreement shall specify the distribution
11 of revenues from the joint sports wagering operation among the
12 parties to the agreement. The sums received by the casino from the
13 joint sports wagering pool shall be considered sports pool gross
14 revenue as specified under section 12 of P.L. , c. (C.)
15 (pending before the Legislature in this bill). The sums received by
16 the casino from the joint online sports pool shall be considered
17 Internet sports pool gross revenue as specified under section 13 of
18 P.L. , c. (C.) (pending before the Legislature in this bill).

19
20 8. (New section) The sums actually received by the racetrack
21 permitholder from any sports wagering operation, including the
22 racetrack permitholder's share of a sports pool operated jointly with
23 a casino, less only the total of all sums actually paid out as
24 winnings to patrons, shall be subject to an 8% tax to be collected by
25 the division and paid into the State General Fund. The sums
26 actually received by the racetrack permitholder from any online
27 sports pool, including an online sports pool operated jointly with a
28 casino, shall be subject to a 12.5% tax to be collected by the
29 division and paid into the State General Fund. The total sports pool
30 gross revenue and online sports pool gross revenue shall be
31 calculated, and the tax set forth in this section imposed, prior to the
32 distribution of any proceeds to a casino service industry enterprise
33 operating a sports pool or online sports pool on behalf of a racetrack
34 permitholder. The revenues and taxes shall be certified and
35 collected by the division.

36
37 9. (New section) a. The division shall, by regulation, establish
38 annual fees for the issuance or renewal of sports wagering permits.
39 The issuance fee shall be based upon the cost of investigation and
40 consideration of the license application and shall be not less than
41 \$500,000. The renewal fee shall be based upon the cost of
42 maintaining enforcement, control and regulation of sports pool
43 wagering operations and shall be not less than \$250,000.

44 b. The Attorney General shall certify to the division actual and
45 prospective costs of the investigative and enforcement functions of
46 the division, which costs shall be the basis, together with the
47 operating expenses of the division, for the establishment of annual
48 permit issuance and renewal fees.

1 c. A nonrefundable deposit of at least \$100,000 shall be
2 required to be posted with each application for a sports pool permit
3 and shall be applied to the initial permit fee if the application is
4 approved.

5 d. In addition to the permit issuance and renewal fees, a sports
6 wagering permitholder shall pay annually to the division \$500,000
7 to be deposited into the State General Fund for appropriation by the
8 Legislature to the Department of Human Services, \$250,000 of
9 which shall be allocated to the Council on Compulsive Gambling of
10 New Jersey and \$250,000 of which shall be used for compulsive
11 gambling treatment programs in the State.

12
13 10. (New section) a. The Attorney General shall implement
14 appropriate measures to assure the integrity of sports pool and
15 online sports pool wagering and the conduct of sports events upon
16 which such wagering is conducted, which may include designating
17 a law enforcement entity in the Department of Law and Public
18 Safety with primary responsibility for conducting or assisting the
19 division in conducting investigations into abnormal betting activity,
20 match fixing or other conduct with the potential to corrupt a
21 wagering outcome of a sports event or events.

22 b. The division shall be authorized to cooperate with
23 investigations by sports governing bodies or law enforcement
24 agencies, including providing or facilitating the provision of
25 account level betting information and audio or video files relating to
26 persons placing wagers.

27 c. Sports wagering permitholders and sports pool operators
28 shall immediately report to the division any information relating to:

29 (1) criminal or disciplinary proceedings commenced against a
30 sports pool operator or its employees in connection with the
31 operations of the sports pool;

32 (2) abnormal betting activity or patterns that may indicate a
33 concern with the integrity of a sports event or events;

34 (3) any potential breach of the relevant sport governing body's
35 internal rules and codes of conduct pertaining to sports wagering;

36 (4) any other conduct with the potential to corrupt a wagering
37 outcome of a sports event or events for purposes of financial gain,
38 including match fixing; and

39 (5) suspicious or illegal wagering activities, including use of
40 funds derived from illegal activity, wagers to conceal or launder
41 funds derived from illegal activity, use of agents to place wagers,
42 and use of false identification.

43 The division is authorized to share any information under this
44 section with any law enforcement entity, team, sports governing
45 body, or regulatory agency the division deems appropriate.

46 d. There is hereby imposed on all casinos and racetracks in
47 which a sports pool is operated an annual integrity fee equal to the
48 lesser of \$7.5 million or 2.5% of that portion of gross gaming

1 revenue attributable to wagers on sports events made in a sports
2 wagering lounge, via a self-service wagering kiosk located within
3 the facility of a casino or racetrack, or via a mobile device when
4 wagers made by such device are subject to the tax imposed pursuant
5 to section 144 of P.L.1977, c.110 (C.5:12-144), provided that the
6 integrity fee shall be increased to the lesser of \$7.5 million or 3% of
7 that portion of gross gaming revenue attributable to wagers on
8 sports events if the excise tax imposed on sports wagers pursuant to
9 Title 26 of the United States Code is repealed in its entirety.

10
11 11. a. (New section) There is hereby created and established in
12 the Department of the Treasury a special dedicated, non-lapsing
13 fund to be known as the “Sports Wagering Integrity Fund,” into
14 which shall be deposited all integrity fees imposed pursuant to
15 subsection d. of section 10 of P.L. , c. (C.) (pending before
16 the Legislature as this bill).

17 b. Moneys deposited in the “Sports Wagering Integrity Fund”
18 shall be used by the division and any other law enforcement agency
19 delegated by the Attorney General to recoup the costs and expenses
20 of any investigation regarding the integrity of sports events upon
21 which wagers are placed through a New Jersey sports pool or online
22 sports pool. Eligible expenses shall include, but not be limited to:

23 (1) integrity monitoring expenses;

24 (2) public relations expenses associated with integrity issues;

25 (3) personnel costs associated with the establishment of a sports
26 wagering integrity unit within the division; and

27 (4) any other eligible expenses approved by the Attorney
28 General.

29
30 12. (New section) “Sports Pool Gross Revenue” means the total
31 of all sums actually received by a casino licensee, or a casino
32 service industry enterprise licensed by the division and authorized
33 by the division to operate a sports pool pursuant to an agreement
34 with a casino licensee, from the operation of a sports pool located in
35 a casino facility, including all areas within a casino facility in which
36 mobile gaming is conducted pursuant to section 100 of P.L.1977,
37 c.110 (C:5:12-100), less only the total of all sums actually paid out
38 as winnings to patrons.

39
40 13. (New section) “Online Sports Pool Gross Revenue” means
41 the total of all sums actually received by a casino licensee, or online
42 sports pool operator licensed by the division, from the operation of
43 an online sports pool, less only the total of all sums actually paid
44 out as winnings to patrons.

45
46 14. (New section) “Prohibited person” means any person who is
47 prohibited from wagering at a New Jersey casino licensed by the
48 commission, through an Internet wagering site authorized by the

1 division, at a sports pool authorized by the division or through an
2 online sports pool authorized by the division, including but not
3 limited to persons on the exclusion list or, to the extent consistent
4 with the scope of the self-exclusion requested with respect to either
5 a casino, racetrack or both, the self-exclusion list maintained by the
6 division and the voluntary exclusion list maintained by the New
7 Jersey Racing Commission, persons who fail to meet the age
8 eligibility requirements for wagering, persons who are not
9 physically present in New Jersey and who attempt to wager through
10 the Internet, and persons otherwise deemed prohibited from
11 wagering pursuant to rules established by the division.

12

13 15. (New section) There is hereby imposed an annual tax on
14 online sports pool gross revenues from the operation of a sports
15 pool of 12.5% which shall be paid into the Casino Revenue Fund.
16 The 8% tax on casino gross revenues shall not apply to online
17 sports pool gross revenues. The investment alternative tax
18 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall
19 apply to online sports pool gross revenues, except that the
20 investment alternative tax on these revenues shall be 5% and the
21 investment alternative shall be 2.5%, with the proceeds thereof used
22 as provided in that section.

23

24 16. (New section) Any person who, for the purpose of placing a
25 wager through the Internet while not actually located within New
26 Jersey, knowingly disguises his location or otherwise attempts to
27 prevent or obstruct the ability of the online sports pool or Internet
28 gaming operator to determine his location, is guilty of a crime of
29 the fourth degree. Notwithstanding the provisions of N.J.S.2C:43-
30 3, a person who violates this section shall be subject to a fine of not
31 more than \$25,000 and, in the case of a person other than a natural
32 person, a fine of not more than \$100,000, and any other appropriate
33 disposition authorized by subsection b. of N.J.S.2C:43-2. Each
34 violation of this section shall constitute a separate offense.

35

36 17. (New section) There is hereby imposed an annual tax on
37 sports pool gross revenues from the operation of a sports pool of
38 8% which shall be paid into the Casino Revenue Fund. The 8% tax
39 on casino gross revenues shall not apply to sports pool gross
40 revenues. The investment alternative tax established by section 3 of
41 P.L.1984, c.218 (C.5:12-144.1) shall apply to sports pool gross
42 revenues.

43

44 18. (New section) If a patron does not claim a winning sports
45 pool wager within one year from the time of the event, the
46 obligation of the sports pool operator to pay the winnings shall
47 expire and the funds shall be distributed as follows:

- 1 a. for wagers placed with a sports pool operated by or on
2 behalf of a casino, the casino permitholder shall retain 50 percent
3 and remit the remaining 50 percent to the Casino Revenue Fund;
- 4 b. for wagers placed with a sports pool operated by or on
5 behalf of a racetrack permitholder, the racetrack permitholder shall
6 retain 50 percent and remit the remaining 50 percent to the State
7 General Fund; and
- 8 c. for wagers placed with a sports pool jointly operated by a
9 casino and a racetrack permitholder, the casino and the racetrack
10 permitholder shall retain a total of 50 percent which shall be
11 apportioned among them pursuant to the terms of their operation
12 agreement, and the remaining 50 percent shall be apportioned in the
13 same manner, with the casino percentage being deposited in the
14 Casino Revenue Fund and the racetrack percentage being deposited
15 in the State General Fund.

16
17 19. If any provision of P.L. , c. (C.)(pending before the
18 Legislature as this bill) or its application to any person or
19 circumstance is held invalid, the invalidity shall not affect other
20 provisions or applications of this act which can be given effect
21 without the invalid provision or application, and to this end the
22 provisions of this act are severable.

23
24 20. Section 19 of P.L.2001, c.199 (C.5:5-145) is amended to
25 read as follows:

26 19. All amounts remaining in wagering accounts, including
27 amounts in such accounts related to sports pool and online sports
28 pool wagering, inactive or dormant for such period and under such
29 conditions as established by regulation shall be paid 50% to the
30 account wagering licensee and 50% to the New Jersey Racing
31 Industry Special Fund.

32 (cf: P.L.2001, c.199, s.19)

33
34 21. Section 7 of P.L.1977, c.110 (C.5:12-7) is amended to read
35 as follows:

36 7. "Casino Employee"--Any natural person, not otherwise
37 included in the definition of casino key employee, who is employed
38 by a casino licensee, **[or]** a holding or intermediary company of a
39 casino licensee, a multi-casino slot system operator, an online
40 gaming operation, a sports pool, or an online sports pool, and is
41 involved in the operation of a licensed casino **[or]** , a simulcasting
42 facility, slot system, online gaming system, sports pool, or online
43 sports pool, or performs services or duties in a casino, simulcasting
44 facility or a restricted casino area, including, without limitation,
45 boxmen; dealers or croupiers; floormen; machine mechanics; casino
46 security employees; count room personnel; cage personnel; slot
47 machine and slot booth personnel; collection personnel; casino
48 surveillance personnel; simulcasting facility personnel involved in

1 wagering-related activities in a simulcasting facility; data
2 processing personnel; and information technology employees; or
3 any other natural person whose employment duties predominantly
4 involve the maintenance or operation of gaming activity or
5 equipment and assets associated therewith or who, in the judgment
6 of the **【commission】** division, is so regularly required to work in a
7 restricted casino area that registration as a casino employee is
8 appropriate.

9 (cf: P.L.2011, c.19, s.8)

10

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

13 9. "Casino Key Employee"--Any natural person employed by a
14 casino licensee **【or】**, a holding or intermediary company of a casino
15 licensee, a multi-casino slot system operator, an online gaming
16 operation, a sports pool, or an online sports pool, and involved in
17 the operation of a licensed casino **【or】**, a simulcasting facility, slot
18 system, online gaming system, sports pool, or online sports pool, in
19 a supervisory capacity or empowered to make discretionary
20 decisions which regulate casino or simulcasting facility operations,
21 including, without limitation, pit bosses; shift bosses; credit
22 executives; casino cashier supervisors; casino or simulcasting
23 facility managers and managers and supervisors of information
24 technology employees; junket supervisors; marketing directors; and
25 managers or supervisors of casino security employees; or any other
26 natural person empowered to make discretionary decisions which
27 regulate the management of an approved hotel, including, without
28 limitation, hotel managers; entertainment directors; and food and
29 beverage directors; or any other employee so designated by the
30 **【Casino Control Commission】** division for reasons consistent with
31 the policies of this act.

32 (cf: P.L.2011, c.19, s.9)

33

34 23. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to
35 read as follows:

36 24. "Gross Revenue"-- The total of all sums actually received by
37 a casino licensee from gaming operations, less only the total of all
38 sums actually paid out as winnings to patrons **【**; provided, however,
39 that the cash equivalent value of any merchandise or thing of value
40 included in a jackpot or payout shall not be included in the total of
41 all sums paid out as winnings to patrons for purposes of
42 determining gross revenue**】**. "Gross Revenue" shall not include any
43 amount received by a casino from casino simulcasting pursuant to
44 the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).

45 (cf: P.L.2014, c.62, s.3)

1 24. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to
2 read as follows:

3 92. a. (1) Any business to be conducted with a casino applicant
4 or licensee by a vendor offering goods or services which directly
5 relate to casino or gaming activity or Internet gaming activity,
6 including gaming equipment and simulcast wagering equipment
7 manufacturers, suppliers, repairers, and independent testing
8 laboratories, shall require licensure as a casino service industry
9 enterprise in accordance with the provisions of this act prior to
10 conducting any business whatsoever with a casino applicant or
11 licensee, its employees or agents; provided, however, that upon a
12 showing of good cause by a casino applicant or licensee, the
13 director may permit an applicant for a casino service industry
14 enterprise license to conduct business transactions with such casino
15 applicant or licensee prior to the licensure of that casino service
16 industry enterprise applicant under this subsection for such periods
17 as the division may establish by regulation. Companies providing
18 services to casino licensees regarding Internet gaming or regarding
19 the operation of a sports pool or an online sports pool shall,
20 notwithstanding any other provision of P.L.1977, c.110 (C.5:12-1 et
21 seq.), be responsible for the full cost of their licensure, including
22 any investigative costs.

23 (2) In addition to the requirements of paragraph (1) of this
24 subsection, any casino service industry enterprise intending to
25 manufacture, sell, distribute, test or repair slot machines within
26 New Jersey, other than antique slot machines as defined in
27 N.J.S.2C:37-7, shall be licensed in accordance with the provisions
28 of this act prior to engaging in any such activities; provided,
29 however, that upon a showing of good cause by a casino applicant
30 or licensee, the director may permit an applicant for a casino service
31 industry enterprise license to conduct business transactions with the
32 casino applicant or licensee prior to the licensure of that casino
33 service industry enterprise applicant under this subsection for such
34 periods as the division may establish by regulation; and provided
35 further, however, that upon a showing of good cause by an
36 applicant required to be licensed as a casino service industry
37 enterprise pursuant to this paragraph, the director may permit the
38 casino service industry enterprise applicant to initiate the
39 manufacture of slot machines or engage in the sale, distribution,
40 testing or repair of slot machines with any person other than a
41 casino applicant or licensee, its employees or agents, prior to the
42 licensure of that casino service industry enterprise applicant under
43 this subsection.

44 (3) Vendors providing goods and services to casino licensees or
45 applicants ancillary to gaming, including, without limitation, junket
46 enterprises and junket representatives, and any person employed by
47 a junket enterprise or junket representative in a managerial or
48 supervisory position, non-casino applicants or licensees required to

1 hold a casino hotel alcoholic beverage license pursuant to section
2 103 of P.L.1977, c.110 (C.5:12-103), lessors of casino property not
3 required to hold a casino license pursuant to section 82 of P.L.1977,
4 c.110 (C.5:12-82), and licensors of authorized games shall be
5 required to be licensed as an ancillary casino service industry
6 enterprise and shall comply with the standards set forth in
7 paragraph (4) of subsection c. of this section.

8 b. Each casino service industry enterprise required to be
9 licensed pursuant to paragraph (1) of subsection a. of this section,
10 as well as its owners; management and supervisory personnel; and
11 employees if such employees have responsibility for services to a
12 casino applicant or licensee, must qualify under the standards,
13 except residency, established for qualification of a casino key
14 employee under this act.

15 c. (1) Any vendor that offers goods or services to a casino
16 applicant or licensee that is not included in subsection a. of this
17 section including, but not limited to casino site contractors and
18 subcontractors, shopkeepers located within the approved hotels,
19 gaming schools that possess slot machines for the purpose of
20 instruction, and any non-supervisory employee of a junket
21 enterprise licensed under paragraph (3) of subsection a. of this
22 section, shall be required to register with the division in accordance
23 with the regulations promulgated under this act, P.L.1977, c.110
24 (C.5:12-1 et seq.).

25 (2) Notwithstanding the provisions of paragraph (1) of this
26 subsection, the director may, consistent with the public interest and
27 the policies of this act, direct that individual vendors registered
28 pursuant to paragraph (1) of this subsection be required to apply for
29 either a casino service industry enterprise license pursuant to
30 paragraph (1) of subsection a. of this section, or an ancillary casino
31 service industry enterprise license pursuant to paragraph (3) of
32 subsection a. of this section, as directed by the division, including,
33 without limitation, in-State and out-of-State sending tracks as
34 defined in section 2 of the "Casino Simulcasting Act," P.L.1992,
35 c.19 (C.5:12-192); shopkeepers located within the approved hotels;
36 and gaming schools that possess slot machines for the purpose of
37 instruction. The director may also order that any enterprise licensed
38 as or required to be licensed as an ancillary casino service industry
39 enterprise pursuant to paragraph (3) of subsection a. of this section
40 be required to apply for a casino service industry enterprise license
41 pursuant to paragraph (1) of subsection a. of this section. The
42 director may also, in his discretion, order that an independent
43 software contractor not otherwise required to be registered be either
44 registered as a vendor pursuant to subsection c. of this section or be
45 licensed pursuant to either paragraph (1) or (3) of subsection a. of
46 this section.

47 (3) (Deleted by amendment, P.L.2011, c.19)

1 (4) Each ancillary casino service industry enterprise required to
2 be licensed pursuant to paragraph (3) of subsection a. of this
3 section, as well as its owners, management and supervisory
4 personnel, and employees if such employees have responsibility for
5 services to a casino applicant or licensee, shall establish their good
6 character, honesty and integrity by clear and convincing evidence
7 and shall provide such financial information as may be required by
8 the division. Any enterprise required to be licensed as an ancillary
9 casino service industry enterprise pursuant to this section shall be
10 permitted to transact business with a casino licensee upon filing of
11 the appropriate vendor registration form and application for such
12 licensure.

13 d. Any applicant, licensee or qualifier of a casino service
14 industry enterprise license or of an ancillary casino service industry
15 enterprise license under subsection a. of this section, and any
16 vendor registrant under subsection c. of this section shall be
17 disqualified in accordance with the criteria contained in section 86
18 of this act, except that no such ancillary casino service industry
19 enterprise license under paragraph (3) of subsection a. of this
20 section or vendor registration under subsection c. of this section
21 shall be denied or revoked if such vendor registrant can
22 affirmatively demonstrate rehabilitation as provided in subsection d.
23 of section 91 of P.L.1977, c.110 (C.5:12-91).

24 e. No casino service industry enterprise license or ancillary
25 casino service industry enterprise license shall be issued pursuant to
26 subsection a. of this section to any person unless that person shall
27 provide proof of valid business registration with the Division of
28 Revenue in the Department of the Treasury.

29 f. (Deleted by amendment, P.L.2011, c.19)

30 g. For the purposes of this section, each applicant shall submit
31 to the division the name, address, fingerprints and a written consent
32 for a criminal history record background check to be performed, for
33 each person required to qualify as part of the application. The
34 division is hereby authorized to exchange fingerprint data with and
35 receive criminal history record information from the State Bureau
36 of Identification in the Division of State Police and the Federal
37 Bureau of Investigation consistent with applicable State and federal
38 laws, rules and regulations. The applicant shall bear the cost for the
39 criminal history record background check, including all costs of
40 administering and processing the check. The Division of State
41 Police shall promptly notify the division in the event a current or
42 prospective qualifier, who was the subject of a criminal history
43 record background check pursuant to this section, is arrested for a
44 crime or offense in this State after the date the background check
45 was performed.

46 h. (1) Subsequent to the licensure of any entity pursuant to
47 subsection a. of this section, including any finding of qualification
48 as may be required as a condition of licensure, or the registration of

1 any vendor pursuant to subsection c. of this section, the director
2 may revoke, suspend, limit, or otherwise restrict the license,
3 registration or qualification status upon a finding that the licensee,
4 registrant or qualifier is disqualified on the basis of the criteria set
5 forth in section 86 of P.L.1977, c.110 (C.5:12-86).

6 (2) A hearing prior to the suspension of any license, registration
7 or qualification issued pursuant to this section shall be a limited
8 proceeding at which the division shall have the affirmative
9 obligation to demonstrate that there is a reasonable possibility that
10 the licensee, registrant or qualifier is disqualified on the basis of the
11 criteria set forth in section 86 of P.L.1977, c.110 (C.5:12-86).

12 (cf: P.L.2013, c.27, s.12)

13
14 25. Section 3 of P.L.1987, c.409 (C.5:12-95.12) is amended to
15 read as follows:

16 3. a. Except as provided in subsection b. of this section,
17 whenever any person contracts to transfer any property relating to
18 an ongoing casino operation, including a security holding in a
19 casino licensee or holding or intermediary company, under
20 circumstances which require that the transferee obtain casino
21 licensure under section 82 of the "Casino Control Act," P.L.1977,
22 c.110 (C.5:12-82), or qualification under section 84 or 85 of the
23 "Casino Control Act," P.L.1977, c.110 (C.5:12-84 or 5:12-85), the
24 contract shall not specify a closing or settlement date which is
25 earlier than the 121st day after the submission of a completed
26 application for licensure or qualification, which application shall
27 include a fully executed and approved trust agreement in
28 accordance with section 5 of this 1987 amendatory and
29 supplementary act. Any contract provision which specifies an
30 earlier closing or settlement date shall be void for all purposes.
31 Subsequent to the earlier of the report of the division on interim
32 authorization or the 90th day after the timely submission of the
33 completed application, but no later than the closing or settlement
34 date, the commission shall hold a hearing and render a decision on
35 the interim authorization of the applicant. If the commission grants
36 interim authorization, then, subject to the provisions of sections 3
37 through 7 of this 1987 amendatory and supplementary act, the
38 closing or settlement may occur without interruption of casino
39 operations. If the commission denies interim authorization, there
40 shall be no closing or settlement until the commission makes a
41 determination on the qualification of the applicant, and if the
42 commission then denies qualification the contract shall thereby be
43 terminated for all purposes without liability on the part of the
44 transferor. The provisions of this subsection shall apply with equal
45 force and effect to any agreement or contract entered as to any
46 facility previously operated as a casino hotel within a three-year
47 period preceding or three- year period following the effective date
48 of P.L. , c. (C.) (pending efore the Legislature as this bill).

1 b. Whenever any person, as a result of a transfer of publicly-
2 traded securities of a casino licensee or a holding or intermediary
3 company or a financing entity of a casino licensee, is required to
4 qualify under section 84 or 85 of the "Casino Control Act,"
5 P.L.1977, c.110 (C.5:12-84 or 5:12-85), the person shall, within 30
6 days after the commission determines that qualification is required
7 or declines to waive qualification under section 84, under paragraph
8 (1) of subsection d. of section 85, or under subsection f. of section
9 85, or within such additional time as the commission may for good
10 cause allow, file a completed application for such licensure or
11 qualification, which application shall include a fully executed and
12 approved trust agreement in accordance with section 5 of P.L.1987,
13 c.409 (C.5:12-95.14), or in the alternative, such person, within 120
14 days after the commission determines that qualification is required
15 or a waiver of qualification is denied, shall divest such securities as
16 the commission may require in order to remove the need for
17 qualification. If such person determines to divest such securities,
18 notice of such determination shall be filed with the commission
19 within 30 days after the commission determines that qualification is
20 required or that a waiver of qualification is denied. No extension of
21 the time for filing a completed application shall be granted unless
22 the person submits a written acknowledgement of the jurisdiction of
23 the commission and the obligations imposed by the "Casino Control
24 Act," P.L.1977, c.110 (C.5:12-1 et seq.). If a person required by this
25 section to file an application fails to do so in a timely manner, such
26 failure shall constitute a per se disqualification to continue to act as
27 a security holder, and the commission shall take appropriate action
28 under the "Casino Control Act." If a person required by this section
29 to file an application does so in a timely manner, then, subsequent
30 to the earlier of the report of the division on interim authorization or
31 the 90th day after submission of the completed application, but not
32 later than the 120th day after such submission, the commission shall
33 hold a hearing and render a decision on the interim authorization of
34 such person. The pendency of proceedings under this subsection
35 shall not prevent the renewal of a casino license under section 88 of
36 the "Casino Control Act," P.L.1977, c.110 (C.5:12-88), so long as
37 any person required by this subsection to file an application has
38 complied with this subsection and has otherwise complied with the
39 "Casino Control Act."

40 (cf: P.L.1991, c.182, s.32)

41

42 26. Section 22 of P.L.2013, c.27 (C.5:12-95.24) is amended to
43 read as follows:

44 22. All amounts remaining in Internet gaming accounts,
45 including amounts in such accounts related to online sports pool
46 wagering, inactive or dormant for such period and under such
47 conditions as established by regulation by the division shall be paid
48 50% to the casino licensee and 50% to the casino **[control]** revenue

1 fund. Before closing a wagering account pursuant to this section,
2 the casino licensee shall attempt to contact the account holder **【by**
3 **mail, phone and computer】** via a method authorized by the division
4 pursuant to regulation.

5 (cf: P.L.2013, c.27, s.22)

6
7 27. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
8 read as follows:

9 104. a. Unless otherwise provided in this subsection, no
10 agreement shall be lawful which provides for the payment, however
11 defined, of any direct or indirect interest, percentage or share of:
12 any money or property gambled at a casino or simulcasting facility;
13 any money or property derived from casino gaming activity or
14 wagering at a simulcasting facility; or any revenues, profits or
15 earnings of a casino or simulcasting facility. Notwithstanding the
16 foregoing:

17 (1) Agreements which provide only for the payment of a fixed
18 sum which is in no way affected by the amount of any such money,
19 property, revenues, profits or earnings shall not be subject to the
20 provisions of this subsection; and receipts, rentals or charges for
21 real property, personal property or services shall not lose their
22 character as payments of a fixed sum because of contract, lease, or
23 license provisions for adjustments in charges, rentals or fees on
24 account of changes in taxes or assessments, cost-of-living index
25 escalations, expansion or improvement of facilities, or changes in
26 services supplied.

27 (2) Agreements between a casino licensee and a junket
28 enterprise or junket representative licensed, qualified or registered
29 in accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et
30 seq.) and the regulations of the division which provide for the
31 compensation of the junket enterprise or junket representative by
32 the casino licensee based upon the actual casino gaming or
33 simulcast wagering activities of a patron procured or referred by the
34 junket enterprise or junket representative shall be lawful if filed
35 with the division prior to the conduct of any junket that is governed
36 by the agreement.

37 (3) Agreements between a casino licensee and its employees
38 which provide for casino employee or casino key employee profit
39 sharing shall be lawful if the agreement is in writing and filed with
40 the division prior to its effective date. Such agreements may be
41 reviewed by the division under any relevant provision of P.L.1977,
42 c.110 (C.5:12-1 et seq.).

43 (4) Agreements to lease an approved casino hotel or the land
44 thereunder and agreements for the complete management of all
45 casino gaming operations in a casino hotel shall not be subject to
46 the provisions of this subsection but shall rather be subject to the
47 provisions of subsections b. and c. of section 82 of this act.

1 (5) Agreements which provide for percentage charges between
2 the casino licensee and a holding company or intermediary
3 company of the casino licensee shall be in writing and filed with the
4 division but shall not be subject to the provisions of this subsection.

5 (6) Agreements relating to simulcast racing and wagering
6 between a casino licensee and an in-State or out-of-State sending
7 track licensed or exempt from licensure in accordance with section
8 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with
9 the division, and be lawful and effective only if expressly approved
10 as to their terms by the division and the New Jersey Racing
11 Commission, except that any such agreements which provide for a
12 percentage of the parimutuel pool wagered at a simulcasting facility
13 to be paid to the sending track shall not be subject to the provisions
14 of this subsection.

15 (7) Agreements relating to simulcast racing and wagering
16 between a casino licensee and a casino service industry enterprise
17 licensed pursuant to the provisions of subsection a. of section 92 of
18 P.L.1977, c.110 (C.5:12-92) as a hub facility, as defined in joint
19 regulations of the Division of Gaming Enforcement and the New
20 Jersey Racing Commission, shall be in writing, be filed with the
21 commission, and be lawful and effective only if expressly approved
22 as to their terms by the commission and the New Jersey Racing
23 Commission, except that any such agreements which provide for a
24 percentage of the casino licensee's share of the parimutuel pool
25 wagered at a simulcasting facility to be paid to the hub facility shall
26 not be subject to the provisions of this subsection.

27 (8) Agreements relating to simulcast racing and wagering
28 between a casino licensee and a casino service industry enterprise
29 licensed pursuant to the provisions of subsection a. of section 92 of
30 P.L.1977, c.110 (C.5:12-92) to conduct casino simulcasting in a
31 simulcasting facility shall be in writing, be filed with the
32 commission, and be lawful and effective only if expressly approved
33 as to their terms by the commission, except that any such
34 agreements which provide for a percentage of the casino licensee's
35 share of the parimutuel pool wagered at a simulcasting facility to be
36 paid to the casino service industry enterprise shall not be subject to
37 the provisions of this subsection.

38 (9) Written agreements relating to the operation of multi-casino
39 or multi-state progressive slot machine systems between one or
40 more casino licensees and a casino service industry enterprise
41 licensed pursuant to the provisions of subsection a. of section 92 of
42 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
43 license, which provide for an interest, percentage or share of the
44 casino licensee's revenues, profits or earnings from the operation of
45 such multi-casino or multi-state progressive slot machines to be
46 paid to the casino service industry enterprise licensee or applicant
47 shall not be subject to the provisions of this subsection if the
48 agreements are filed with and approved by the division.

1 (10) A written agreement between a casino licensee and a casino
2 service industry enterprise licensed pursuant to subsection a. of
3 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant
4 for such license, relating to the construction, renovation or
5 operation of qualifying sleeping units, as defined in section 27 of
6 P.L.1977, c.110 (C.5:12-27), or of non-gaming amenities, as
7 defined by the division, within the limits of the city of Atlantic
8 City, regardless of whether such qualifying sleeping units or non-
9 gaming amenities are connected to a casino hotel facility, which
10 provides for an interest, percentage or share of the casino licensee's
11 revenues, profits or earnings, not to exceed 5% of the casino
12 licensee's revenues, to be paid to the casino service industry
13 enterprise licensee or applicant in return for the construction,
14 renovation or operation of such qualifying sleeping units or non-
15 gaming amenities shall not be subject to the provisions of this
16 subsection provided that: (i) the agreement requires a capital
17 investment, at least 10% of which shall be made by the casino
18 service industry enterprise licensee or applicant over the term of the
19 agreement, of not less than \$30 million, which minimum amount
20 shall be adjusted periodically by the division for inflation; (ii) the
21 division finds that the total amount of casino revenues, profits or
22 earnings that can be paid to the casino service industry enterprise
23 licensee or applicant pursuant to this agreement is commercially
24 reasonable under the circumstances; and (iii) the agreement is filed
25 with and approved by the division.

26 (11) A written agreement between a casino licensee holding an
27 Internet gaming permit and a casino service industry enterprise
28 licensed pursuant to subsection a. of section 92 of P.L.1977, c.110
29 (C.5:12-92), or an eligible applicant for such a license, in
30 connection with the conduct of Internet gaming under P.L.2013,
31 c.27 (C.5:12-95.17 et al.), which provides for a percentage of the
32 casino licensee's Internet gaming gross revenue to be paid to the
33 casino service industry enterprise licensee shall not be subject to the
34 provisions of this subsection, provided that the agreement shall be
35 in writing, filed with the division, and shall be lawful and effective
36 only if the terms thereof are expressly approved by the division.

37 (12) A written agreement between a casino licensee and a casino
38 service industry enterprise licensed pursuant to subsection a. of
39 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant
40 for such a license, in connection with the conduct of mobile gaming
41 under section 100 of P.L.1977, c.110 (C.5:12-100), or mobile sports
42 pool operations within a casino hotel facility in areas in which
43 mobile gaming under section 100 of P.L.1977, c.110 (5:12-100) is
44 authorized, which provides for a percentage of the casino licensee's
45 gross revenue from mobile gaming to be paid to the casino service
46 industry enterprise licensee shall not be subject to the provisions of
47 this subsection, provided that the agreement shall be in writing,

1 filed with the division, and shall be lawful and effective only if the
2 terms thereof are expressly approved by the division.

3 (13) A written agreement between a casino licensee and a casino
4 service industry enterprise licensed pursuant to subsection a. of
5 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant
6 for such a license, in connection with the conduct of a sports pool,
7 including an online sports pool, mobile sports pool operations
8 within a casino hotel facility in areas in which mobile gaming under
9 section 100 of P.L.1977, c.110 (5:12-100) is authorized, or both,
10 which provides for a percentage of the casino licensee's gross
11 revenue from the operations of a sports pool, including online
12 sports pool and mobile operations, to be paid to the casino service
13 industry enterprise licensee shall not be subject to the provisions of
14 this subsection, provided that the agreement shall be in writing,
15 filed with the division, and shall be lawful and effective only if the
16 terms thereof are expressly approved by the division.

17 b. Each casino applicant or licensee shall maintain, in
18 accordance with the rules of the division, a record of each written or
19 unwritten agreement regarding the realty, construction,
20 maintenance, or business of a proposed or existing casino hotel or
21 related facility. The foregoing obligation shall apply regardless of
22 whether the casino applicant or licensee is a party to the agreement.
23 Any such agreement may be reviewed by the division on the basis
24 of the reasonableness of its terms, including the terms of
25 compensation, and of the qualifications of the owners, officers,
26 employees, and directors of any enterprise involved in the
27 agreement, which qualifications shall be reviewed according to the
28 standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86).
29 If the division disapproves such an agreement or the owners,
30 officers, employees, or directors of any enterprise involved therein,
31 the division may require its termination.

32 Every agreement required to be maintained, and every related
33 agreement the performance of which is dependent upon the
34 performance of any such agreement, shall be deemed to include a
35 provision to the effect that, if the commission shall require
36 termination of an agreement pursuant to its authority under
37 P.L.1977, c.110 (C.5:12-1 et seq.), such termination shall occur
38 without liability on the part of the casino applicant or licensee or
39 any qualified party to the agreement or any related agreement.
40 Failure expressly to include such a provision in the agreement shall
41 not constitute a defense in any action brought to terminate the
42 agreement. If the agreement is not maintained or presented to the
43 commission in accordance with division regulations, or the
44 disapproved agreement is not terminated, the division may pursue
45 any remedy or combination of remedies provided in this act.

46 For the purposes of this subsection, "casino applicant" includes
47 any person required to hold a casino license pursuant to section 82
48 of P.L.1977, c.110 (C.5:12-82) who has applied to the division for a

1 casino license or any approval required under P.L.1977, c.110
2 (C.5:12-1 et seq.).

3 c. Nothing in this act shall be deemed to permit the transfer of
4 any license, or any interest in any license, or any certificate of
5 compliance or any commitment or reservation.

6 (cf: P.L.2013, c.27, s.14)

7

8 28. Section 4 of P.L.1992, c.19 (C.5:12-194) is amended to read
9 as follows:

10 4. a. (1) A casino licensee which wishes to conduct casino
11 simulcasting shall establish a simulcasting facility as part of the
12 casino hotel. The simulcasting facility may be adjacent to, but shall
13 not be part of, any room or location in which casino gaming is
14 conducted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1
15 et seq.). The simulcasting facility shall conform to all requirements
16 concerning square footage, equipment, security measures and
17 related matters which the Division of Gaming Enforcement shall by
18 regulation prescribe. The space required for the establishment of a
19 simulcasting facility shall not reduce the space authorized for
20 casino gaming activities as specified in section 83 of P.L.1977,
21 c.110 (C.5:12-83). The cost of establishing, maintaining and
22 operating a simulcasting facility shall be the sole responsibility of
23 the casino licensee.

24 (2) Wagering on simulcast horse races shall be conducted only
25 in the simulcasting facility, which shall be open and operated
26 whenever simulcast horse races are being transmitted to the casino
27 hotel during permitted hours of casino operation.

28 (3) Any authorized game, as defined in section 5 of P.L.1977,
29 c.110 (C.5:12-5), other than slot machines may be conducted in a
30 simulcasting facility subject to the rules and regulations of the
31 Division of Gaming Enforcement.

32 (4) The security measures for a simulcasting facility shall
33 include the installation by the casino licensee of a closed circuit
34 television system according to specifications approved by the
35 Division of Gaming Enforcement. The **【Casino Control**
36 **Commission and the Division of Gaming Enforcement】** division
37 shall have access to the system or its signal in accordance with
38 regulations of the commission.

39 b. All persons engaged directly in wagering-related activities
40 conducted by a casino licensee in a simulcasting facility, whether
41 employed by the casino licensee or by a person or entity conducting
42 casino simulcasting in the simulcasting facility pursuant to an
43 agreement with the casino licensee and all other employees of the
44 casino licensee or of the person or entity conducting casino
45 simulcasting who are working in the simulcasting facility, shall be
46 licensed or registered in accordance with regulations of the **【Casino**
47 **Control Commission or the Division of Gaming Enforcement】**
48 division.

1 Any employee at the Atlantic City Race Course or Garden State
2 Park on or after June 12, 1992, who loses employment with that
3 racetrack as a direct result of the implementation of casino
4 simulcasting and who has been licensed by the New Jersey Racing
5 Commission for five consecutive years immediately preceding the
6 loss of employment shall be given first preference for employment
7 whenever any comparable position becomes available in any casino
8 simulcasting facility, provided the person is qualified pursuant to
9 this subsection. If a casino licensee enters into an agreement with a
10 person or entity for the conduct of casino simulcasting in its
11 simulcasting facility, the agreement shall include the requirement
12 that such first preference in employment shall be given by the
13 person or entity with respect to employment in the simulcasting
14 facility.

15 c. A casino licensee which establishes a simulcasting facility
16 and conducts casino simulcasting shall, as a condition of continued
17 operation of casino simulcasting, receive all live races which are
18 transmitted by in-State sending tracks.

19 d. Agreements between a casino licensee and an in-State or
20 out-of-State sending track for casino simulcasting shall be in
21 writing and shall be filed with the New Jersey Racing Commission
22 and with the Division of Gaming Enforcement in accordance with
23 section 104 of P.L.1977, c.110 (C.5:12-104).

24 (cf: P.L.2011, c.231, s.8)

25

26 29. Sections 1, 2, and 4 of P.L.2014, c.62 (C.5:12A-7 through
27 C.5:12A-9 and section 36 of P.L.2013, c.27 (C.5:12-95.33) are
28 repealed.

29

30 30. This act shall take effect immediately.

31

32

33

STATEMENT

34

35 This bill would allow casinos in Atlantic City and racetracks,
36 including former racetracks, in this State to conduct wagering on
37 professional and collegiate sport or athletic events. The Division of
38 Gaming Enforcement would regulate those operations. A casino or
39 racetrack may establish a sports wagering lounge independently at the
40 casino or racetrack, or as a partnership between a casino and a
41 racetrack, or may authorize a casino service industry enterprise to
42 operate a sports pool on its behalf.

43 Wagering on sports events will not include wagering on a
44 prohibited sports event. A prohibited sports event is any collegiate
45 sport or athletic event that takes place in New Jersey or on a sport or
46 athletic event in which any New Jersey college team participates
47 regardless of where the event takes place. However, a prohibited
48 sports event does not include other games of a collegiate sport or

1 athletic tournament in which a New Jersey college team
2 participates, nor does it include any games of a collegiate
3 tournament that occurs outside New Jersey even though some of the
4 individual games or events are held in New Jersey. A prohibited
5 sports event includes all high school sports events but does not
6 include international sports events in which persons under age 18
7 make up a minority of the participants.

8 Wagers on a sports event could be placed in-person in a sports
9 wagering lounge located at a casino or racetrack or via the Internet.
10 Persons placing wagers must be at least 21 years of age. The bill also
11 provides that any person whose name appears on a casino exclusion
12 list or any self-exclusion list of a casino or racetrack would not be
13 permitted to engage in sports wagering.

14 The Division of Gaming Enforcement will have responsibility for
15 licensing and will promulgate regulations, including emergency
16 regulations adopted during the first 90 days following the bill's
17 enactment that will be in effect for a period of not more than 270 days,
18 for the conduct and operation of the sports wagering activities. The
19 New Jersey Racing Commission would also be involved in approving
20 the operation of a sports pool at a racetrack and any agreement
21 between a casino and a racetrack to jointly operate a sports pool.
22 Persons engaged in wagering activities for a casino or racetrack will be
23 either licensed as casino key employees or registered as casino
24 employees.

25 Under the bill, sports wagering gross revenue realized by a casino
26 or a racetrack will be subject to an 8 percent tax. The tax rate
27 applicable to online sports gross revenue will be 12.5 percent. The
28 investment alternative tax will apply to online sports pool gross
29 revenues of a casino, except that the investment tax rate will be 5
30 percent and the investment alternative will be 2.5 percent. The
31 division will establish annual fees for the issuance or renewal of
32 sports wagering permits. A sports wagering permitholder will also
33 pay an annual fee to support compulsive gambling treatment
34 programs. Unclaimed winning sports pool wagers will expire one
35 year after the event and the funds will be divided between the
36 permitholder and the Casino Revenue Fund or the State General
37 Fund.

38 The bill repeals 1, 2, and 4 of P.L.2014, c.62 (C.5:12A-7 through
39 C.5:12A-9) which partially repealed certain provisions of a prior
40 law that had authorized sports betting. It also repeals section 36 of
41 P.L.2013, c.27 (C.5:12-95.33) which provides that Internet
42 gambling at casinos will terminate after ten years.