

# ASSEMBLY, No. 637

## STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman RALPH R. CAPUTO**

**District 28 (Essex)**

**Assemblyman RONALD S. DANCER**

**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Assemblyman ERIC HOUGHTALING**

**District 11 (Monmouth)**

**Senator JAMES BEACH**

**District 6 (Burlington and Camden)**

**Co-Sponsored by:**

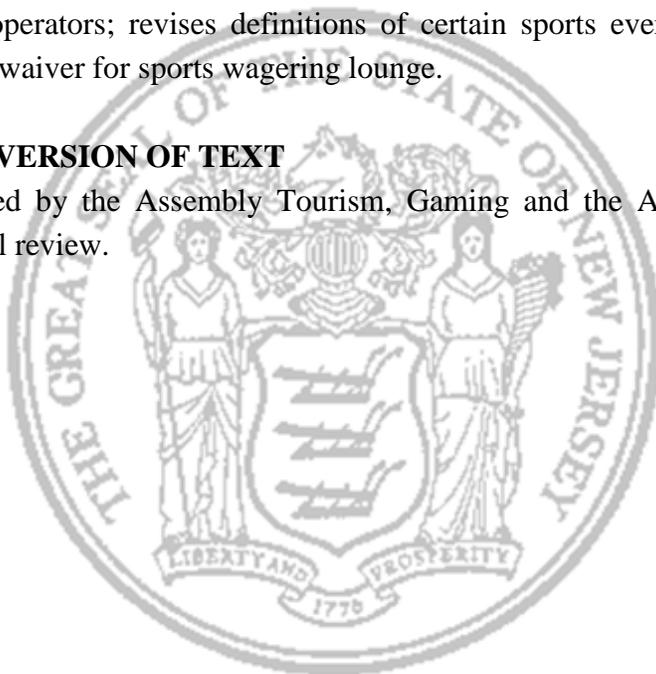
**Assemblymen Armato, Mazzeo, Assemblywoman Murphy and Senator Brown**

**SYNOPSIS**

Revises permit and license processes for sports pools operators and online sports pool operators; revises definitions of certain sports events; allows for transactional waiver for sports wagering lounge.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Tourism, Gaming and the Arts Committee with technical review.



**(Sponsorship Updated As Of: 6/21/2021)**

1 AN ACT concerning sports pool operators and wagering on sports,  
2 and amending P.L.1977, c.110 and P.L.2018, c.33.

3

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

6

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

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

30 In the case of conducting an online sports pool, as that term is  
31 defined in section 1 of P.L.2018, c.33 (C.5:12A-10), a vendor that  
32 holds an existing casino service industry enterprise license shall,  
33 upon the approval of the division, expand on any initial license  
34 granted by the division prior to offering goods or services directly  
35 related to sports wagering or online sports wagering activities or  
36 operations. The approval shall be in accordance with the terms and  
37 conditions set forth by the division.

38 (2) In addition to the requirements of paragraph (1) of this  
39 subsection, any casino service industry enterprise intending to  
40 manufacture, sell, distribute, test or repair slot machines within  
41 New Jersey, other than antique slot machines as defined in  
42 N.J.S.2C:37-7, shall be licensed in accordance with the provisions  
43 of this act prior to engaging in any such activities; provided,  
44 however, that upon a showing of good cause by a casino applicant  
45 or licensee, the director may permit an applicant for a casino service

**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 industry enterprise license to conduct business transactions with the  
2 casino applicant or licensee prior to the licensure of that casino  
3 service industry enterprise applicant under this subsection for such  
4 periods as the division may establish by regulation; and provided  
5 further, however, that upon a showing of good cause by an  
6 applicant required to be licensed as a casino service industry  
7 enterprise pursuant to this paragraph, the director may permit the  
8 casino service industry enterprise applicant to initiate the  
9 manufacture of slot machines or engage in the sale, distribution,  
10 testing or repair of slot machines with any person other than a  
11 casino applicant or licensee, its employees or agents, prior to the  
12 licensure of that casino service industry enterprise applicant under  
13 this subsection.

14 (3) Vendors providing goods and services to casino licensees or  
15 applicants ancillary to gaming, including, without limitation, junket  
16 enterprises and junket representatives, and any person employed by  
17 a junket enterprise or junket representative in a managerial or  
18 supervisory position, non-casino applicants or licensees required to  
19 hold a casino hotel alcoholic beverage license pursuant to section  
20 103 of P.L.1977, c.110 (C.5:12-103), lessors of casino property not  
21 required to hold a casino license pursuant to section 82 of P.L.1977,  
22 c.110 (C.5:12-82), and licensors of authorized games shall be  
23 required to be licensed as an ancillary casino service industry  
24 enterprise and shall comply with the standards set forth in  
25 paragraph (4) of subsection c. of this section.

26 b. Each casino service industry enterprise required to be  
27 licensed pursuant to paragraph (1) of subsection a. of this section,  
28 as well as its owners; management and supervisory personnel; and  
29 employees if such employees have responsibility for services to a  
30 casino applicant or licensee, must qualify under the standards,  
31 except residency, established for qualification of a casino key  
32 employee under this act, P.L.1977, c.110 (C.5:12-1 et seq.).

33 c. (1) Any vendor that offers goods or services to a casino  
34 applicant or licensee that is not included in subsection a. of this  
35 section including, but not limited to casino site contractors and  
36 subcontractors, shopkeepers located within the approved hotels,  
37 gaming schools that possess slot machines for the purpose of  
38 instruction, and any non-supervisory employee of a junket  
39 enterprise licensed under paragraph (3) of subsection a. of this  
40 section, shall be required to register with the division in accordance  
41 with the regulations promulgated under this act, P.L.1977, c.110  
42 (C.5:12-1 et seq.).

43 (2) Notwithstanding the provisions of paragraph (1) of this  
44 subsection, the director may, consistent with the public interest and  
45 the policies of this act, direct that individual vendors registered  
46 pursuant to paragraph (1) of this subsection be required to apply for  
47 either a casino service industry enterprise license pursuant to  
48 paragraph (1) of subsection a. of this section, or an ancillary casino  
49 service industry enterprise license pursuant to paragraph (3) of

1 subsection a. of this section, as directed by the division, including,  
2 without limitation, in-State and out-of-State sending tracks as  
3 defined in section 2 of the "Casino Simulcasting Act," P.L.1992,  
4 c.19 (C.5:12-192); shopkeepers located within the approved hotels;  
5 and gaming schools that possess slot machines for the purpose of  
6 instruction. The director may also order that any enterprise licensed  
7 as or required to be licensed as an ancillary casino service industry  
8 enterprise pursuant to paragraph (3) of subsection a. of this section  
9 be required to apply for a casino service industry enterprise license  
10 pursuant to paragraph (1) of subsection a. of this section. The  
11 director may also, in his discretion, order that an independent  
12 software contractor not otherwise required to be registered be either  
13 registered as a vendor pursuant to subsection c. of this section or be  
14 licensed pursuant to either paragraph (1) or (3) of subsection a. of  
15 this section.

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

17 (4) Each ancillary casino service industry enterprise required to  
18 be licensed pursuant to paragraph (3) of subsection a. of this  
19 section, as well as its owners, management and supervisory  
20 personnel, and employees if such employees have responsibility for  
21 services to a casino applicant or licensee, shall establish their good  
22 character, honesty and integrity by clear and convincing evidence  
23 and shall provide such financial information as may be required by  
24 the division. Any enterprise required to be licensed as an ancillary  
25 casino service industry enterprise pursuant to this section shall be  
26 permitted to transact business with a casino licensee upon filing of  
27 the appropriate vendor registration form and application for such  
28 licensure.

29 d. Any applicant, licensee or qualifier of a casino service  
30 industry enterprise license or of an ancillary casino service industry  
31 enterprise license under subsection a. of this section, and any  
32 vendor registrant under subsection c. of this section shall be  
33 disqualified in accordance with the criteria contained in section 86  
34 of **[this act]** P.L.1977, c.110 (C.5:12-86), except that no such  
35 ancillary casino service industry enterprise license under paragraph  
36 (3) of subsection a. of this section or vendor registration under  
37 subsection c. of this section shall be denied or revoked if such  
38 vendor registrant can affirmatively demonstrate rehabilitation as  
39 provided in subsection d. of section 91 of P.L.1977, c.110 (C.5:12-  
40 91).

41 e. No casino service industry enterprise license or ancillary  
42 casino service industry enterprise license shall be issued pursuant to  
43 subsection a. of this section to any person unless that person shall  
44 provide proof of valid business registration with the Division of  
45 Revenue in the Department of the Treasury.

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

47 g. For the purposes of this section, each applicant shall submit  
48 to the division the name, address, fingerprints and a written consent

1 for a criminal history record background check to be performed, for  
2 each person required to qualify as part of the application. The  
3 division is hereby authorized to exchange fingerprint data with and  
4 receive criminal history record information from the State Bureau  
5 of Identification in the Division of State Police and the Federal  
6 Bureau of Investigation consistent with applicable State and federal  
7 laws, rules and regulations. The applicant shall bear the cost for the  
8 criminal history record background check, including all costs of  
9 administering and processing the check. The Division of State  
10 Police shall promptly notify the division in the event a current or  
11 prospective qualifier, who was the subject of a criminal history  
12 record background check pursuant to this section, is arrested for a  
13 crime or offense in this State after the date the background check  
14 was performed.

15 h. (1) Subsequent to the licensure of any entity pursuant to  
16 subsection a. of this section, including any finding of qualification  
17 as may be required as a condition of licensure, or the registration of  
18 any vendor pursuant to subsection c. of this section, the director  
19 may revoke, suspend, limit, or otherwise restrict the license,  
20 registration or qualification status upon a finding that the licensee,  
21 registrant or qualifier is disqualified on the basis of the criteria set  
22 forth in section 86 of P.L.1977, c.110 (C.5:12-86).

23 (2) A hearing prior to the suspension of any license, registration  
24 or qualification issued pursuant to this section shall be a limited  
25 proceeding at which the division shall have the affirmative  
26 obligation to demonstrate that there is a reasonable possibility that  
27 the licensee, registrant or qualifier is disqualified on the basis of the  
28 criteria set forth in section 86 of P.L.1977, c.110 (C.5:12-86).  
29 (cf: P.L.2013, c.27, s.12)

30  
31 2. Section 1 of P.L.2018, c.33 (C.5:12A-10) is amended to read  
32 as follows:

33 1. As used in this act:

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

37 **["commission"]** “Commission” means the Casino Control  
38 Commission established pursuant to section 50 of P.L.1977, c.110  
39 (C.5:12-50)**;**

40 **["collegiate sport or athletic event"]** “Collegiate sport or athletic  
41 event” means a sport or athletic event offered or sponsored by or  
42 played in connection with a public or private institution that offers  
43 educational services beyond the secondary level**;**

44 **["division"]** “Division” means the Division of Gaming  
45 Enforcement established pursuant to section 55 of P.L.1977, c.110  
46 (C.5:12-55)**;**

47 **["former racetrack"]** “Former racetrack” means any former  
48 racetrack where a horse race meeting was conducted within 15

1 years prior to the effective date of P.L.2014, c.62 (C.5:12A-7 et  
2 seq.), excluding premises other than the land contained within the  
3 racecourse oval[;] .

4 **["Internet sports pool operator"]** "Internet sports pool operator"  
5 means an entity that is licensed as a casino service industry  
6 enterprise pursuant to section 92 of P.L.1977, c.110 (C.5:12-92)  
7 **[and that holds a permit issued by the division to operate an online**  
8 **sports pool;]** .

9 **["online sports pool"]** "Online sports pool" means a sports  
10 wagering operation in which wagers on sports events are made  
11 through computers or mobile or interactive devices and accepted at  
12 a sports wagering lounge through an online gaming system which is  
13 operating pursuant to a sports wagering **[permit] license** issued by  
14 the division or racing commission pursuant to P.L.2018, c.33  
15 (C.5:12A-10 et al.)[;] .

16 **["operator"]** "Operator" means a casino or a racetrack which has  
17 elected to operate a sports pool, either independently or jointly, and  
18 any entity with whom a casino or racetrack licensed to operate a  
19 sports pool contracts to operate a sports pool or online sports pool,  
20 including an Internet sports pool operator, on its behalf[;] .

21 **["professional sport or athletic event"]** "Professional sport or  
22 athletic event" means an event at which two or more persons  
23 participate in sports or athletic events and receive compensation in  
24 excess of actual expenses for their participation in such event[;] .

25 **["prohibited sports event"]** "Prohibited sports event" means any  
26 collegiate sport or athletic event that takes place in New Jersey or a  
27 sport or athletic event in which any New Jersey college team  
28 participates regardless of where the event takes place. A  
29 "prohibited sports event" does not include the other games of a  
30 collegiate sport or athletic tournament in which a New Jersey  
31 college team participates, nor does it include any games of a  
32 collegiate tournament that occurs outside New Jersey even though  
33 some of the individual games or events are held in New Jersey. A  
34 **[prohibited sports event]** "prohibited sports event" includes all high  
35 school sports events **[, electronic]**. A "prohibited sports event"  
36 includes electronic sports[,] and competitive video games **[but]**  
37 that are sponsored by or affiliated with a high school or electronic  
38 sports and competitive video games and tournaments in which a  
39 majority of the competitors are under 18 years of age. A  
40 "prohibited sports event" does not include **[international]** sports,  
41 electronic sports, or competitive video game events in which  
42 persons under age 18 make up a minority of the participants[;] .

43 **["racetrack"]** "Racetrack" means the physical facility and the  
44 land, as of the effective date of P.L.2018, c.33 (C.5:12A-10 et al.),  
45 where a permit holder conducts a horse race meeting with wagering  
46 under a license issued by the racing commission pursuant to

1 P.L.1940, c.17 (C.5:5-22 et seq.), and includes any former  
2 racetrack【;】.

3 【"racing commission"】 "Racing Commission" means the New  
4 Jersey Racing Commission established by section 1 of P.L.1940,  
5 c.17 (C.5:5-22)【;】.

6 【"sports event"】 "Sports event" means any professional sport or  
7 athletic event, any Olympic or international sports competition  
8 event and any collegiate sport or athletic event, or any portion  
9 thereof, including, but not limited to, the individual performance  
10 statistics of athletes in a sports event or combination of sports  
11 events, except "sports event" shall not include a prohibited sports  
12 event or a fantasy sports activity, as defined in section 2 of  
13 P.L.2017, c.231 (C.5:20-2)【;】. A "sports event" shall include any  
14 live competition or talent contest, including awards competitions  
15 and competitive eating contests.

16 【"sports pool"】 "Sports pool" means the business of accepting  
17 wagers on any sports event by any system or method of wagering,  
18 including but not limited to single-game bets, teaser bets, parlays,  
19 over-under, moneyline, pools, exchange wagering, in-game  
20 wagering, in-play bets, proposition bets, and straight bets【; and】.

21 【"sports wagering lounge"】 "Sports wagering lounge" means an  
22 area wherein a licensed sports pool is operated located in a casino  
23 hotel or racetrack.

24 (cf: P.L.2018, c.33, s.1)

25

26 3. Section 2 of P.L.2018, c.33 (C.5:12A-11) is amended to read  
27 as follows:

28 2. a. The division shall issue all sports wagering licenses and  
29 renewals thereof to casinos. The racing commission shall issue all  
30 initial sports wagering licenses to racetracks but the division shall  
31 have responsibility for the renewal thereof. In addition to casino  
32 games permitted pursuant to the provisions of P.L.1977, c.110  
33 (C.5:12-1 et seq.), a casino which holds a sports wagering license  
34 issued by the division may operate a sports pool in accordance with  
35 the provisions of this act and applicable regulations promulgated  
36 pursuant to this act. A racetrack which holds an initial sports  
37 wagering license issued by the racing commission or a sports  
38 wagering license that has been renewed by the division may operate  
39 a sports pool in accordance with the provisions of this act and  
40 applicable regulations promulgated pursuant to this act.

41 The division may issue a transactional waiver to allow the  
42 continued operation of an established sports wagering lounge and  
43 authorization to conduct up to three online sports wagering  
44 operations when a racetrack that holds a license issued by the racing  
45 commission pursuant to P.L.1940, c.17 (C.5:5-22, et seq.)  
46 undergoes a material change in ownership to a degree such that it  
47 would be required to file a new application with the racing  
48 commission in order to continue to operate pursuant to P.L.1940,

1 c.17 (C.5:5-22 et seq.). A transactional waiver issued pursuant to  
2 this section shall be for an initial period of up to six months and  
3 may be renewed during the pendency of the racing commission's  
4 consideration of a new application for up to three one-year periods,  
5 but the division shall have the right to reexamine and rescind the  
6 grant of the waiver at any time.

7 A casino which holds a sports wagering license and a racetrack  
8 which holds a sports wagering license may enter into an agreement  
9 to jointly operate a sports pool at the racetrack, in accordance with  
10 the provisions of this act and applicable regulations promulgated  
11 pursuant to this act. A casino or racetrack that holds a sports  
12 wagering license may conduct an online sports pool or may  
13 authorize an internet sports pool operator licensed as a casino  
14 service industry enterprise pursuant to section 92 of P.L.1977, c.110  
15 (C.5:12-92), or an applicant for such license, to operate an online  
16 sports pool on its behalf provided the terms of the agreement are  
17 approved by the division[, in the case of a casino, or the racing  
18 commission, in the case of a racetrack]; provided, however, that  
19 each sports wagering licensee may provide no more than three  
20 individually branded websites, each of which may have an  
21 accompanying mobile application bearing the same brand as the  
22 website for an online sports pool, those websites and mobile  
23 applications, in the case of a casino being in addition to or, in the  
24 discretion of the casino, in conjunction with, any websites and  
25 mobile applications that also offer other types of Internet gaming  
26 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports  
27 pool shall be opened to the public, and no sports wagering, except  
28 for test purposes, may be conducted therein, until an Internet sports  
29 pool operator receives approval from the division **[a permit]** to  
30 conduct an online sports pool on behalf of a casino or racetrack that  
31 holds a sports wagering license. Sports wagering licensees and  
32 operators may provide promotional credits, incentives, bonuses,  
33 complimentaries, or similar benefits designed to induce sports  
34 betters to wager. The division, in consultation with the  
35 commission, shall establish by rule standards governing the  
36 provision of these measures. The server or other equipment used by  
37 a racetrack to accept wagers at a sports pool or online sports pool  
38 shall be located in that racetrack or in any location in Atlantic City  
39 which conforms to the requirements of section 20 of P.L.2013, c.27  
40 (C.5:12-95.22) and any additional requirements which the division  
41 may impose by regulation. The server or other equipment used by a  
42 casino to accept wagers at a sports pool or online sports pool shall  
43 conform to the requirements of section 20 of P.L.2013, c.27  
44 (C.5:12-95.22) and any additional requirements which the division  
45 may impose by regulation.

46 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the  
47 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the  
48 Casino Control Commission shall apply to the extent not

1 inconsistent with the provisions of this act. In addition to the duties  
2 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division  
3 or racing commission, as required pursuant to this act, shall hear  
4 and decide promptly and in reasonable order all applications for a  
5 license to operate a sports pool. In addition to the duties specified  
6 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have  
7 the general responsibility for the implementation of this act, except  
8 with respect to the authority to issue sports wagering licenses to a  
9 racetrack as provided by this act, and shall have all other duties  
10 specified in that section with regard to the operation of a sports  
11 pool.

12 The license to operate a sports pool shall be in addition to any  
13 other license required to be issued pursuant to P.L.1977, c.110  
14 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c. 17  
15 (C.5:5-22 et seq.) to conduct horse racing. The division and the  
16 racing commission shall each have the authority to charge a casino  
17 or a racetrack a fee for the issuance or, in the case of the division  
18 renewal, of a sports wagering license in an amount of \$100,000 for  
19 initial issuance and in the case of a renewal a reasonable fee that is  
20 based upon the expense associated with renewal, enforcement, and  
21 gambling addiction programs. No sports wagering license shall be  
22 issued by the division or racing commission to any entity unless it  
23 has established its financial stability, integrity and responsibility  
24 and its good character, honesty and integrity. No casino or  
25 racetrack shall be permitted to operate a sports pool or accept  
26 wagers via an online sports pool unless a sports wagering lounge is  
27 established and has commenced operation in its facility; provided,  
28 however, that an applicant for a sports wagering license may  
29 petition the agency issuing the sports wagering license pursuant to  
30 this act to commence operation of the sports pool at a temporary  
31 facility and/or an online sports pool during the pendency of  
32 construction of a sports wagering lounge in its facility. Such  
33 temporary facility may include, at the discretion of the agency  
34 issuing the sports wagering license pursuant to this act, the  
35 utilization of designated windows at the current casino cage or  
36 racetrack betting window for purposes of placing sports betting  
37 wagers and self-service wagering machines located at the racetrack  
38 or casino hotel complex. No license to operate a sports pool shall  
39 be issued to any entity which is disqualified under the criteria of  
40 section 86 of P.L.1977, c.110 (C.5:12-86).

41 No later than five years after the date of the issuance of a license  
42 and every five years thereafter or within such lesser periods as the  
43 agency issuing the sports wagering license pursuant to this act may  
44 direct, a licensee shall submit to the said agency such  
45 documentation or information as the division or racing commission  
46 may by regulation require, to demonstrate to the satisfaction of the  
47 agency that the licensee continues to meet the requirements of the  
48 law and regulations.

1 The division and the racing commission following consultation  
2 with the sports wagering licensees shall annually cause a report to  
3 be prepared and distributed to the Governor on the impact of sports  
4 wagering, including Internet wagering on sports events, on problem  
5 gamblers and gambling addiction in New Jersey. The report shall  
6 be prepared by a private organization or entity with expertise in  
7 serving the needs of persons with gambling addictions, which  
8 organization or entity shall be selected jointly by the division and  
9 the racing commission. The report shall be prepared and distributed  
10 under the supervision of, and in coordination with, the division and  
11 the racing commission. Any costs associated with the preparation  
12 and distribution of the report shall be borne by casino and racetrack  
13 licensees who have been authorized by the division or the racing  
14 commission to conduct Internet gaming and the division and the  
15 racing commission shall be authorized to assess a fee against such  
16 licensees for these purposes. The division and the racing  
17 commission may also report periodically to the Governor on the  
18 effectiveness of the statutory and regulatory controls in place to  
19 ensure the integrity of gaming operations through the Internet.

20 b. A sports pool shall be operated in a sports wagering lounge  
21 located at a casino or racetrack. A sports wagering lounge may be  
22 located at a casino simulcasting facility. The lounge shall conform  
23 to all requirements concerning square footage, design, equipment,  
24 security measures and related matters which the division shall by  
25 regulation prescribe. The space required for the establishment of a  
26 lounge shall not reduce the space authorized for casino gaming  
27 activities as specified in section 83 of P.L.1977, c.110 (C.5:12-83).

28 c. No sports pool or online sports pool shall be offered or made  
29 available for wagering to the public by any entity other than a sports  
30 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),  
31 an applicant for such license, operating such pool on behalf of a  
32 licensee, or an Internet sports pool operator, on behalf of a sports  
33 wagering licensee. Any person who offers a sports pool or an  
34 online sports pool without approval of the division or racing  
35 commission to do so is guilty of a crime of the fourth degree and  
36 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to  
37 a fine of not more than \$25,000 and in the case of a person other  
38 than a natural person, to a fine of not more than \$100,000 and any  
39 other appropriate disposition authorized by subsection b. of  
40 N.J.S.2C:43-2.

41 d. The operator shall establish or display the odds at which  
42 wagers may be placed on sports events.

43 e. An operator shall accept wagers on sports events only from  
44 persons physically present in the sports wagering lounge; through  
45 self-service wagering machines located in its facility as authorized  
46 by the agency issuing the sports wagering license; or through an  
47 online sports pool. A person placing a wager on a sports event shall  
48 be at least 21 years of age.

49 f. (1) Any person who is:

1 an athlete, coach, referee, or director of a sports governing body  
2 or any of its member teams;  
3 a sports governing body or any of its member teams;  
4 a player or a referee personnel member, in or on any sports event  
5 overseen by that person's sports governing body based on publicly  
6 available information;  
7 a person who holds a position of authority or influence sufficient  
8 to exert influence over the participants in a sporting contest,  
9 including but not limited to coaches, managers, handlers, athletic  
10 trainers, or horse trainers;  
11 a person with access to certain types of exclusive information on  
12 any sports event overseen by that person's sports governing body  
13 based on publicly available information; or  
14 a person identified by any lists provided by the sports governing  
15 body to the division and the racing commission,  
16 shall not be permitted to have any ownership interest in, control  
17 of, or otherwise be employed by an operator, a sports wagering  
18 licensee, or a facility in which a sports wagering lounge is located  
19 or place a wager on a sports event that is overseen by that person's  
20 sports governing body based on publicly available information.  
21 Any employee of a sports governing body or its member teams  
22 who is not prohibited from wagering on a sports event shall,  
23 nevertheless, provide notice to the division prior to placing a wager  
24 on a sports event. The direct or indirect legal or beneficial owner of  
25 10 percent or more of a sports governing body shall not place or  
26 accept any wager on a sports event in which any member team of  
27 that sports governing body participates. The direct or indirect legal  
28 or beneficial owner of 10 percent or more of a member team of a  
29 sports governing body shall not place or accept any wager on a  
30 sports event in which that member team participates. Any person  
31 who violates this paragraph shall be guilty of a disorderly persons  
32 offense and shall be fined not less than \$500 and not more than  
33 \$1,000.  
34 (2) The prohibition set forth in paragraph (1) of this subsection  
35 shall not apply to any person who is a direct or indirect owner of a  
36 specific sports governing body member team and (i) has less than  
37 10 percent direct or indirect ownership interest in a casino or  
38 racetrack or (ii) the shares of such person are registered pursuant to  
39 section 12 of the Securities Exchange Act of 1934, as amended (15  
40 U.S.C. s.781), and the value of the ownership of such team  
41 represents less than one percent of the person's total enterprise  
42 value.  
43 (3) An operator shall adopt procedures to prevent persons from  
44 wagering on sports events who are prohibited from placing sports  
45 wagers. An operator shall not accept wagers from any person  
46 whose identity is known to the operator and:  
47 whose name appears on the exclusion list maintained by the  
48 division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

1 whose name appears on any self-exclusion list maintained by the  
2 division pursuant to sections 1 and 2 of P.L.2001, c.39 (C.5:12-71.2  
3 and C.5:12-71.3, respectively);

4 who is the operator, director, officer, owner, or employee of the  
5 operator or any relative thereof living in the same household as the  
6 operator;

7 who has access to nonpublic confidential information held by the  
8 operator; or

9 who is an agent or proxy for any other person.

10 (4) An operator shall adopt procedures to obtain personally  
11 identifiable information from any individual who places any single  
12 wager in an amount of \$10,000 or greater on a sports event while  
13 physically present in a racetrack facility or a casino.

14 Sections 1 and 2 of P.L.2002, c.89 (C.5:5-65.1 and C.5:5-65.2,  
15 respectively) shall apply to the conduct of sports wagering under  
16 this act.

17 g. The holder of a sports wagering license may contract with an  
18 entity to conduct that operation, in accordance with the regulations  
19 of and approval by the division. That entity shall obtain a license as  
20 a casino service industry enterprise prior to the execution of any  
21 such contract, and such license shall be issued pursuant to the  
22 provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and in accordance  
23 with the regulations promulgated by the division in consultation  
24 with the commission. That entity shall, upon approval of the  
25 division, expand on any initial license granted by the division prior  
26 to entering into any such contract. The approval shall be in  
27 accordance with the terms and conditions set forth by the division.

28 h. If any provision of this act, P.L.2018, c.33 (C.5:12A-10 et  
29 al.), or its application to any person or circumstance, is held invalid,  
30 the invalidity shall not affect other provisions or applications of this  
31 act which can be given effect without the invalid provision or  
32 application, and to this end the provisions of this act are severable.

33 i. An operator shall promptly report to the division:

34 any criminal or disciplinary proceedings commenced against the  
35 operator or its employees in connection with the operations of the  
36 sports pool or online sports pool;

37 any abnormal betting activity or patterns that may indicate a  
38 concern about the integrity of a sports event or events;

39 any other conduct with the potential to corrupt a betting outcome  
40 of a sports event for purposes of financial gain, including but not  
41 limited to match fixing; and

42 suspicious or illegal wagering activities, including the use of  
43 funds derived from illegal activity, wagers to conceal or launder  
44 funds derived from illegal activity, use of agents to place wagers, or  
45 use of false identification.

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

1 j. An operator shall maintain records of sports wagering  
2 operations in accordance with regulations promulgated by the  
3 division.

4 k. A sports wagering licensee may, in addition to having a  
5 sports wagering lounge, conduct wagering on authorized sports  
6 events through one or more kiosks or self-service wagering stations  
7 located within its facility. Such self-service wagering stations  
8 located at a casino may offer any game authorized under rules  
9 established by the division. Such self-service wagering stations  
10 located at a racetrack may offer wagering only on authorized sports  
11 events and horse races.

12 l. All wagers on sports events authorized under this provision  
13 shall be initiated, received and otherwise made within this State  
14 unless otherwise determined by the division in accordance with  
15 applicable federal and **[state]** State laws. Consistent with the intent  
16 of the United States Congress as articulated in the Unlawful Internet  
17 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the  
18 intermediate routing of electronic data relating to a lawful intrastate  
19 wager authorized under this provision shall not determine the  
20 location or locations in which such wager is initiated, received or  
21 otherwise made.

22 m. A sports wagering licensee shall not accept any wager on  
23 any sports event unless the sports event has been approved for  
24 wagering by the director. Except as otherwise provided in this  
25 subsection, no sports event shall be approved for wagering unless  
26 the director has certified that the sports event has appropriate  
27 policies and procedures to monitor the integrity of the athletes or  
28 competitors. In the absence of such certification, the director shall  
29 impose a wager limit of not more than \$100 or a win limit of \$500,  
30 whichever is greater, on the amount permitted to be wagered or won  
31 on such competitions or contests by any individual.

32 (cf: P.L.2019, c.266, s.1)

33

34 4. This act shall take effect immediately.