

**ASSEMBLY, No. 4909**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED NOVEMBER 5, 2020

**Sponsored by:**

**Assemblyman RONALD S. DANCER**

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

**Assemblyman RALPH R. CAPUTO**

**District 28 (Essex)**

**SYNOPSIS**

Authorizes fixed odds wagering on horse races through fixed odds wagering system.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the placement of wagers on horse races, and  
2 supplementing chapter 5 of Title 5 of the Revised Statutes and  
3 amending P.L.2002, c.89.

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

7  
8 1. (New section) This act shall be known and may be cited as  
9 the “Fixed Odds Wagering Act.”

10  
11 2. (New section) The Legislature finds and declares that:

12 a. The horse racing industry is economically important to this  
13 State, and the general welfare of the people of the State will be  
14 promoted by the advancement of horse racing and related projects  
15 and facilities in the State.

16 b. It is the intent of the Legislature, by authorizing fixed odds  
17 wagering, to promote the economic future of the horse racing  
18 industry in this State, to foster the potential for increased  
19 commerce, employment, and recreational opportunities in this State  
20 and to preserve the State's open spaces.

21 c. It is the further intent of the Legislature that fixed odds  
22 wagers may be taken in person, by direct telephone call, or by  
23 communication through other electronic media from residents of  
24 this State on horse races conducted within and outside of this State.

25 d. It is the further intent of the Legislature to permit persons  
26 located in New Jersey who are not residents or account holders to  
27 wager on fixed odds at racetracks in person or by electronic means.

28 e. The Legislature has determined that the Division of Gaming  
29 Enforcement, in consultation with the New Jersey Racing  
30 Commission, is best suited to oversee, license, and regulate fixed  
31 odds wagering in the State.

32  
33 3. (New section) As used in this act:

34 "Authority" means the New Jersey Sports and Exposition  
35 Authority created by section 4 of P.L.1971, c.137 (C.5:10-4).

36 "Division" means the New Jersey Division of Gaming  
37 Enforcement in the New Jersey Department of Law and Public  
38 Safety created by section 55 of P.L.1977, c.110 (C.5:12-55).

39 "Fixed odds wagering" means a form of horse racing wagering  
40 against odds offered by a bookmaker in which account holders may  
41 lock in their odds when the bet is first placed and no fluctuation in  
42 potential payout may occur.

43 "Fixed odds wagering account" means the account established  
44 with the fixed odds wagering licensee by a person participating in  
45 fixed odds wagering.

**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       “Fixed odds wagering licensee” means the authority, provided  
2 that the division has granted its approval for the authority or a  
3 racetrack permit holder to establish fixed odds wagering as  
4 provided for in this act, P.L.     , c.     (pending before the Legislature  
5 as this bill).

6       “Fixed odds wagering system” means a system through which  
7 fixed odds wagers are processed.

8       “Operating board” means the board established to negotiate,  
9 manage, and oversee any agreements made for the purposes of  
10 operating an account wagering system, off-track wagering facility,  
11 exchange wagering system, or fixed odds wagering system.

12       “Participation agreement” means the written contract entered into  
13 pursuant to this act, P.L.     , c.     (pending before the Legislature as  
14 this bill), that shall set forth the manner in which the fixed odds  
15 wagering system shall be managed, operated, and capitalized, as  
16 well as how expenses and revenues shall be allocated and  
17 distributed by and among the authority and the other eligible  
18 participants subject to the agreement, including standardbred and  
19 thoroughbred permit holders in this State.

20       “Permit holder” means the holder of an annual permit to conduct  
21 a horse race meeting issued by the commission.  
22

23       4. (New section) Notwithstanding any law, rule, or regulation  
24 to the contrary, fixed odds wagering by residents of this State on the  
25 results of horse races conducted in this State or jurisdictions outside  
26 of this State shall be lawful provided that:

27       a. fixed odds wagering shall only be conducted by the fixed  
28 odds wagering licensee pursuant to a valid fixed odds wagering  
29 license issued by the division as provided for in this act;

30       b. fixed odds wagering shall be conducted pursuant to and in  
31 compliance with the provisions of the Interstate Horse Racing Act  
32 of 1978, 15 U.S.C. ss.3001 - 3007, as amended, this act, any related  
33 intrastate contracts, and rules and regulations promulgated by the  
34 division pursuant to this act;

35       c. in addition to the provisions of the Interstate Horse Racing  
36 Act of 1978, 15 U.S.C. ss.3001 – 3007, fixed odds wagering  
37 conducted on in-State races shall require a written agreement with  
38 the Standardbred Breeders and Owners Association of New Jersey  
39 and the New Jersey Thoroughbred Horsemen's Association for such  
40 wagering on the associations’ respective breeds;

41       d. the division has approved a contract or agreement, if any,  
42 with a person or entity to conduct or operate fixed odds wagering  
43 and to act as the agent for the authority or racetrack permit holder in  
44 all fixed odds wagering matters approved by the division, pursuant  
45 to section 5 of this act, P.L.     , c.     (C.     )(pending before the  
46 Legislature as this bill), including but not limited to the portion of  
47 fixed odds revenues payable to such person or entity conducting or  
48 operating fixed odds wagering;

1 e. fixed odds wagers are submitted to and accepted by the fixed  
2 odds wagering licensee in person, by direct telephone call, or by  
3 communication through other electronic media, as appropriate; and

4 f. fixed odds wagers are placed through the fixed odds  
5 wagering system authorized in accordance with the provisions of  
6 this act, P.L. , c. (C. )(pending before the Legislature as this  
7 bill), and in accordance with division rules, regulations, and  
8 conditions established therefor.

9  
10 5. (New section) a. The division is hereby authorized to issue  
11 a license to the authority, or to the racetrack permit holder, to  
12 establish fixed odds wagering in accordance with the provisions of  
13 this act, P.L. , c. (C. )(pending before the Legislature as this  
14 bill). The licensing process shall include the filing by the authority  
15 of a fixed odds wagering license application developed by the  
16 division. The division may issue more than one license to the  
17 authority for the purpose of establishing additional fixed odds  
18 wagering systems. The division may issue an individual license to  
19 a racetrack permit holder if the authority and racetrack permit  
20 holder have mutually agreed to a transfer of licensing, pursuant to  
21 the provisions of section 6 of P.L. , c. (C. ) (pending before the  
22 Legislature as this bill). Each new wagering system shall require a  
23 license. All provisions of law concerning such license and the fixed  
24 odds wagering system shall apply to each license and each system  
25 established. Any reference in law to the license, the assignee, or the  
26 fixed odds wagering system shall refer to all licenses, assignees,  
27 and systems. A license issued pursuant to this act shall be valid for  
28 a term of one year.

29 Any participation agreement shall include an agreement by the  
30 operator to pay a proportional share of the available net project  
31 revenues determined by the operating board to the standardbred or  
32 thoroughbred permit holder, as the case may be, and a re-  
33 negotiation mechanism to adjust a proportional share following the  
34 addition or removal of an operator.

35 b. At the time of filing an application for licensure under this  
36 section, the authority shall submit to the division a nonrefundable  
37 filing fee in an amount established by regulation by the division,  
38 and a certification in a form prescribed by the division which  
39 specifies, but is not limited to, information about the operation of  
40 the system and the authority's participation therein.

41 c. Within 14 days of receipt of a completed application,  
42 certification and applicable fees, the division's director shall  
43 determine whether the same is in due form and meets the  
44 requirements of law and regulations in all respects. No later than 60  
45 days following the receipt of the application, the division shall  
46 make a final determination on the application. The division shall  
47 approve the application if it determines that the authority has  
48 demonstrated by clear and convincing evidence that wagers placed

1 through the proposed fixed odds wagering system will be accurately  
2 processed and that there will be sufficient safeguards to maintain  
3 the integrity of the horse racing industry in this State.

4 d. The division's determination shall be submitted to the  
5 Attorney General for review and approval. The determination of the  
6 division shall be deemed approved by the Attorney General if  
7 affirmatively approved or not disapproved by the Attorney General  
8 within 14 days of the date of submission. The decision of the  
9 Attorney General shall be deemed a final decision. Upon approval  
10 by the Attorney General, the division shall issue to the authority a  
11 license to establish the system. The fixed odds wagering license  
12 shall be valid for a term of one year, and shall be subject to renewal  
13 annually, unless a different timeframe is otherwise prescribed by  
14 regulation of the division.

15 e. With the approval of the division, the authority or racetrack  
16 permit holder may enter into a contract or agreement with a person  
17 or entity to conduct or operate the system and to act as the agent of  
18 the authority in all fixed odds wagering matters approved by the  
19 division. The fixed odds wagering license may not be transferred or  
20 assigned to a successor in interest without the approval of the  
21 division and the Attorney General, which approval may not be  
22 unreasonably withheld.

23  
24 6. (New section) The authority may transfer the operation and  
25 control of a fixed odds wagering operation to an individual  
26 racetrack permit holder if both the authority and racetrack permit  
27 holder mutually agree to such transfer. The division and the  
28 Attorney General shall approve the transfer following the written  
29 agreement of the authority and racetrack permit holder. The  
30 division and the Attorney General shall review the agreement and  
31 determine if the racetrack permit holder has the appropriate  
32 apparatus to operate as a licensee of a fixed odds wagering system.  
33 If the transfer is not approved by the division and the Attorney  
34 General, the authority shall remain the fixed odds wagering  
35 licensee. Any agreement between the authority and a racetrack  
36 permit holder that does not receive approval from the division and  
37 Attorney General for a transfer may not be re-submitted for review  
38 until one year following the prior determination by the division and  
39 the Attorney General.

40  
41 7. (New section) a. The division, in consultation with the New  
42 Jersey Racing Commission, shall have full power to prescribe rules,  
43 regulations, and conditions under which fixed odds wagering may  
44 be conducted in this State, consistent with this act, including the  
45 manner in which fixed odds wagers may be accepted, the  
46 requirements for any person to participate in fixed odds wagering,  
47 and the reasonable approval of any and all agreements made

1 pursuant to subsection c. of section 4 of this act, P.L. ,  
2 c. (C. )(pending before the Legislature as this bill).

3 b. The division shall have full power to prescribe rules,  
4 regulations, and conditions under which the fixed odds wagering  
5 license is issued or renewed in this State, including requiring an  
6 annual audit of a fixed odds wagering licensee's books and records  
7 pertaining to fixed odds wagering, requiring all hub facilities,  
8 servers, and technicians related to a fixed odds wagering operation  
9 by a licensee in this State be located in this State, and to revoke,  
10 suspend, or refuse to renew the license if in the opinion of the  
11 division the revocation of, suspension of, or refusal to renew such  
12 license is in the public interest; provided, however, that such rules,  
13 regulations, and conditions shall be uniform in their application.

14 c. The division shall have no right or power to determine who  
15 shall be officers, directors, or employees of any fixed odds  
16 wagering licensee, or the salaries thereof; provided, however, that  
17 the division may compel the discharge of any official or employee  
18 of the fixed odds wagering licensee or the fixed odds wagering  
19 system who: (1) fails or refuses for any reason to comply with the  
20 rules or regulations of the division; (2) fails or refuses for any  
21 reason to comply with any of the provisions of this act; (3) fails to  
22 establish by clear and convincing evidence in the opinion of the  
23 division good character, honesty, competency, and integrity; or (4)  
24 has been convicted of a crime involving fraud, dishonesty, or moral  
25 turpitude.

26 d. Notwithstanding the provisions of the "Administrative  
27 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), within 90  
28 days of the effective date of P.L. , c. (pending before the  
29 Legislature as this bill), the director of the division shall adopt,  
30 immediately upon filing proper notice with the Office of  
31 Administrative Law, such temporary rules and regulations  
32 necessary to effectuate the purposes of this act. The rules and  
33 regulations so adopted shall be effective for a period not to exceed  
34 18 months from the date of the filing. The rules and regulations  
35 shall thereafter be amended, adopted, or readopted by the director in  
36 accordance with the requirements of the "Administrative Procedure  
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

38

39 8. (New section) a. A person within this State shall not be  
40 permitted to open a fixed odds wagering account, or place a fixed  
41 odds wager through the fixed odds wagering system, except in  
42 accordance with federal law and this act, and through the fixed odds  
43 wagering licensee, and no entity, other than the fixed odds wagering  
44 licensee, shall accept a fixed odds wager from a person within this  
45 State. A person may not place a fixed odds wager unless the person  
46 has established a fixed odds wagering account with the fixed odds  
47 wagering licensee and is physically present in New Jersey at the  
48 time of placing the account wager, except that persons physically

1 present at a racetrack or off-track wagering facility may place a  
2 wager through a teller at a window without opening a fixed odds  
3 wagering account. To establish a fixed odds wagering account, a  
4 person shall be physically present in New Jersey at the time of  
5 establishing the wagering account, at least 18 years of age, except  
6 that any person on the self-exclusion list established pursuant to  
7 section 1 of P.L.2002, c.89 (C.5:5-65.1) shall be prohibited from  
8 establishing a fixed odds wagering account. A resident of this State  
9 who has established an account with a fixed odds wagering licensee  
10 may place a fixed odds wager through the licensee while physically  
11 present in New Jersey, or while physically present in another  
12 jurisdiction if placing such a wager is not inconsistent with the law  
13 of that jurisdiction or with federal law. The division shall develop  
14 protocols to accurately determine a person's location within the  
15 State to effectuate the provisions of this subsection.

16 b. The fixed odds wagering account shall be in the name of a  
17 natural person and may not be in the name of any beneficiary,  
18 custodian, joint trust, corporation, partnership, or other organization  
19 or entity.

20 c. A fixed odds wagering account may be established in  
21 person, by mail, telephone, or other electronic media, by a person  
22 completing an application form approved by the division. The form  
23 shall include the address of the principal residence of the  
24 prospective fixed odds wagering account holder and a statement  
25 that a false statement made in regard to an application may subject  
26 the applicant to prosecution. The fixed odds wagering licensee  
27 shall verify the identification, residence, and age of the fixed odds  
28 wagering account holder using methods and technologies approved  
29 by the division.

30 d. The prospective fixed odds wagering account holder shall  
31 submit the completed application in person, by mail, telephone, or  
32 other electronic media, including the Internet and wireless devices,  
33 to the fixed odds wagering licensee or such other person or entity as  
34 may be approved by the division. The fixed odds wagering licensee  
35 may accept or reject an application after receipt and review of the  
36 application and certification, or other proof, of age and residency  
37 for compliance with this act.

38 e. Any prospective fixed odds wagering account holder who  
39 provides false or misleading information on the application is  
40 subject to rejection of the application or cancellation of the fixed  
41 odds wagering account by the fixed odds wagering licensee without  
42 notice.

43 f. The fixed odds wagering licensee shall have the right to  
44 suspend or close any fixed odds wagering account at its discretion.

45 g. Any person not in good standing with the division shall not  
46 be entitled to maintain a fixed odds wagering account.

47 h. The address provided by the applicant in the application  
48 shall be deemed the proper address for the purposes of mailing

1 checks, fixed odds wagering account withdrawals, notices, and  
2 other materials.

3 i. A fixed odds wagering account shall not be assignable or  
4 otherwise transferable.

5 j. The fixed odds wagering licensee may at any time declare  
6 the fixed odds wagering system closed for receiving any wagers on  
7 any race or closed for all fixed odds wagering.

8

9 9. (New section) a. Credits to a fixed odds wagering account  
10 shall be made as follows:

11 (1) The fixed odds wagering account holder's deposits to the  
12 fixed odds wagering account shall be submitted by the fixed odds  
13 wagering account holder to the fixed odds wagering licensee and  
14 shall be in the form of one of the following:

15 (a) cash given to the fixed odds wagering licensee;

16 (b) check, money order, negotiable order of withdrawal, or wire  
17 or electronic transfer, payable and remitted to the fixed odds  
18 wagering licensee; or

19 (c) charges made to a fixed odds wagering account holder's  
20 debit or credit card upon the fixed odds wagering account holder's  
21 direct and personal instruction, which instruction may be given by  
22 telephone communication or other electronic means to the fixed  
23 odds wagering licensee or its agent by the fixed odds wagering  
24 account holder if the use of the card has been approved by the fixed  
25 odds wagering licensee.

26 (2) Credit for winnings from wagers placed with funds in a fixed  
27 odds wagering account shall be posted to the fixed odds wagering  
28 account by the fixed odds wagering licensee.

29 (3) The fixed odds wagering licensee shall have the right to  
30 refuse for any reason all or part of any fixed odds wager or deposit  
31 to the fixed odds wagering account.

32 (4) Funds deposited in the fixed odds wagering account shall not  
33 bear interest to the fixed odds wagering account holder.

34 b. Debits to a fixed odds wagering account shall be made as  
35 follows:

36 (1) Upon receipt by the fixed odds wagering licensee of a fixed  
37 odds wager properly placed pursuant to section 10 of this act,  
38 P.L. , c. (C. )(pending before the Legislature as this bill), the  
39 fixed odds wagering licensee shall determine whether there are  
40 sufficient funds in the fixed odds wagering account holder's fixed  
41 odds wagering account to cover the total liability resulting from the  
42 fixed odds wager, taking into consideration other fixed odds wagers  
43 made by the fixed odds wagering account holder in the same  
44 market, and any additional applicable transaction or other fees due  
45 to the fixed odds wagering licensee under the division's rules and  
46 regulations, and deduct such amounts from the fixed odds wagering  
47 account holder's fixed odds wagering account.



(2) The fixed odds wagering licensee may authorize a withdrawal from a fixed odds wagering account when the fixed odds wagering account holder submits to the fixed odds wagering licensee, the fixed odds wagering licensee's agent, or such other entity as may be approved by the division, his or her fixed odds wagering account number and proper means of identification pursuant to procedures approved by the division. Fixed odds wagering account holders may request a withdrawal in person, by mail, by telephone, or by other electronic means. If there are sufficient funds in the fixed odds wagering account to cover the withdrawal, after taking into consideration any existing fixed odds wagers made by the fixed odds wagering account holder, the fixed odds wagering licensee shall make payment within three business days of receipt of the fixed odds wagering account holder's withdrawal request. Notwithstanding the foregoing, the fixed odds wagering licensee may decline or delay fulfilling a withdrawal request if the fixed odds wagering licensee reasonably suspects: (a) fraud; (b) that the fixed odds wagering account holder was ineligible to make one or more of the fixed odds wagers made from the fixed odds wagering account; or (c) any other conditions which the division may prescribe or approve. At the discretion of the fixed odds wagering licensee, withdrawals may be payable in cash, by a check sent to the fixed odds wagering account holder's verified residence address, by wire transfer, or by other electronic transfer. Withdrawals shall be made payable only to the holder of the fixed odds wagering account and in no more than the amount of the requested withdrawal.

10. (New section) a. The fixed odds wagering licensee may accept fixed odds wagers from anyone physically present in New Jersey who holds a valid account with a fixed odds wagering licensee or residents of New Jersey who hold a valid account and who are physically present in another jurisdiction where placing such a wager is not inconsistent with the law of that jurisdiction or with federal law, only in accordance with this act, federal law, and as follows:

(1) A wager to back or lay a particular outcome in a given market, specifying the price of the wager, shall be placed directly with the fixed odds wagering licensee by the holder of the fixed odds wagering account.

(2) The fixed odds wagering account holder placing the wager shall provide the fixed odds wagering licensee with the correct personal identification number of the holder of the fixed odds wagering account.

(3) A fixed odds wagering licensee may not accept a fixed odds wager, or series of fixed odds wagers, when the results of which would create a liability for the fixed odds wagering account holder

1 in excess of funds on deposit in the fixed odds wagering account of  
2 that holder.

3 (4) Only the holder of a fixed odds wagering account shall place  
4 a wager. Unless otherwise approved by the division, no person,  
5 corporation, or other entity shall directly or indirectly act as an  
6 intermediary, transmitter, or agent in the placing of wagers for a  
7 holder of an fixed odds wagering account; provided, however, that  
8 the use of credit or debit cards specifically approved by the fixed  
9 odds wagering licensee or the use of checks, money orders, or  
10 negotiable orders of withdrawal or the use of telephonic, computer,  
11 or electronic means by the fixed odds wagering account holder to  
12 place such wagers shall not be prohibited.

13 (5) The fixed odds wagering account holder may place a wager  
14 in person, by direct telephone call or by communication through  
15 other electronic media.

16 b. A fixed odds wager may also be placed at a racetrack or off-  
17 track wagering facility in person without opening a fixed odds  
18 wagering account through a teller who shall issue a tote ticket for  
19 the wager which may then be cashed by the teller.

20

21 11. (New section) Subject to the approval of the division, the  
22 fixed odds wagering licensee shall be permitted to collect fixed  
23 odds revenues in the manner and amounts determined by the fixed  
24 odds wagering licensee, including but not limited to assessing a  
25 surcharge on any person's net winnings.

26

27 12. (New section) Notwithstanding any other law, rule, or  
28 regulation to the contrary, the division shall require each fixed odds  
29 wagering licensee to:

30 a. pay such portions of the fixed odds wagering licensee's fixed  
31 odds revenues as may be required pursuant to section 4 of this act,  
32 P.L. , c. (C. )(pending before the Legislature as this bill);

33 b. pay to overnight purses to standardbred and thoroughbred  
34 permit holders for wagering on races for the permit holder's  
35 respective breed in this State 50 percent of fixed odds revenues  
36 retained by the fixed odds wagering licensee after the payments  
37 required pursuant to subsection a. of this section are made, and after  
38 deducting all reasonable and necessary expenses incurred by the  
39 licensee in administering, marketing, and operating the fixed odds  
40 wagering system; and

41 c. reach a business agreement with all standardbred and  
42 thoroughbred permit holders within this State as it pertains to  
43 wagering on the permit holder's respective breed, within one year  
44 from the date when the fixed odds wagering system becomes  
45 operational, for the distribution of the net fixed odds wagering  
46 revenues remaining after the payments are made pursuant to  
47 subsections a. and b. of this section and after the payment of  
48 operating expenses, subject to approval by the division; provided

1 that, if an agreement is not reached within that time frame, the  
2 division shall distribute the fixed odds wagering revenues among  
3 the fixed odds wagering licensees and the standardbred and  
4 thoroughbred permit holders in this State based on wagering on the  
5 permit holder's respective breed.

6  
7 13. (New section) Of the monies distributed to overnight purses  
8 pursuant to subsection b. of section 12 of this act, P.L. ,  
9 c. (C. )(pending before the Legislature as this bill), all moneys  
10 derived from fixed odds wagering on thoroughbred races shall be  
11 paid to overnight purses for thoroughbred races and all monies  
12 derived from fixed odds wagering on standardbred races shall be  
13 paid to overnight purses for standardbred races. The formula for  
14 allocating overnight purse monies from fixed odds wagering to  
15 overnight purses set forth in this section may only be modified by  
16 the mutual agreement of the Standardbred Breeders and Owners  
17 Association of New Jersey and the New Jersey Thoroughbred  
18 Horsemen's Association. Nothing contained in this section shall be  
19 construed as a precedent for establishing the division of overnight  
20 purse amounts between standardbred races and thoroughbred races.

21 Notwithstanding the foregoing, the sum derived from fixed odds  
22 wagering on standardbred races pursuant to subsection b. of section  
23 12 of P.L. , c. (C. )(pending before the Legislature as this bill)  
24 may be distributed as provided by a contractual agreement  
25 authorized under section 11 of P.L.2013, c.266 (C.5:5-188).  
26 Notwithstanding the foregoing, the sum derived from fixed odds  
27 wagering on thoroughbred races pursuant to subsection b. of section  
28 12 of P.L. , c. (C. )(pending before the Legislature as this  
29 bill) may be distributed as provided by a contractual agreement  
30 authorized under section 12 of P.L.2013, c.266 (C.5:5-189).

31  
32 14. (New section) All amounts remaining in fixed odds  
33 wagering accounts inactive or dormant for such period and under  
34 such conditions as established by regulation shall be distributed in  
35 accordance with the division's rules and regulations.

36  
37 15. (New section) All persons engaged in conducting wagering-  
38 related activities through the fixed odds wagering system, whether  
39 employed directly by the fixed odds wagering licensee or by a  
40 person or entity conducting or operating the system pursuant to a  
41 contract or agreement with the fixed odds wagering licensee, shall  
42 be licensed or registered in accordance with such regulations as  
43 may be promulgated by the division hereunder. All other  
44 employees of the system shall be licensed or registered in  
45 accordance with regulations of the division. The division shall have  
46 full power to prescribe rules, regulations, and conditions under  
47 which all such licenses are issued, or registrations made, in this  
48 State and to revoke or refuse to issue a license, or revoke or refuse

1 to accept a registration, if in the opinion of the division the  
2 revocation or refusal is in the public interest, provided, however,  
3 that such rules, regulations, and conditions shall be uniform in their  
4 application, and further provided that no fee shall be in excess of  
5 \$50 for each license so granted or registration accepted.

6  
7 16. (New section) The provisions of this act shall be deemed to  
8 be severable, and if any phrase, clause, sentence, or provision of  
9 this act is declared to be unconstitutional or the applicability thereof  
10 to any person is held invalid, the remainder of this act shall not  
11 thereby be deemed to be unconstitutional or invalid.

12  
13 17. (New section) The division shall promulgate rules and  
14 regulations pursuant to the "Administrative Procedure Act,"  
15 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of  
16 this act, P.L. , c. (pending before the Legislature as this bill).

17  
18 18. Section 1 of P.L.2002, c.89 (C.5:5-65.1) is amended to read  
19 as follows:

20 1. a. The commission shall provide by regulation for the  
21 establishment of a list of persons who voluntarily seek to be  
22 excluded from entry into permitted racetracks and licensed off-track  
23 wagering facilities located in this State and from opening or  
24 maintaining a wagering account with the account wagering system  
25 **【or】** , with the exchange wagering system, or with the fixed odds  
26 wagering system established in this State. A person may request  
27 placement on the self-exclusion list by acknowledging in a manner  
28 to be established by the commission that the person is a problem  
29 gambler and by agreeing that, during a period of voluntary  
30 exclusion, the person may not collect winnings or recover losses  
31 resulting from wagering at a racetrack or off-track wagering facility  
32 or from account wagering **【or】** , exchange wagering, or fixed odds  
33 wagering.

34 b. The commission shall promulgate regulations to: (1)  
35 establish procedures for placements on, and removals from, the list  
36 of self-excluded persons; (2) establish procedures for the transmittal  
37 to the permitted racetracks, licensed off-track wagering facilities,  
38 the account wagering system, **【and】** the exchange wagering  
39 licensee, and the fixed odds wagering licensee of identifying  
40 information concerning persons on the self-exclusion list; and (3)  
41 require permitted racetracks, licensed off-track wagering facilities,  
42 the account wagering system, **【and】** the exchange wagering  
43 licensee, and the fixed odds wagering licensee to establish  
44 procedures designed, at a minimum, to remove persons on the self-  
45 exclusion list from targeted mailings or other forms of advertising  
46 or promotions and deny such persons access to credit,  
47 complimentaries, check cashing privileges, club programs, and  
48 other similar benefits.

1 c. The commission, a permitted racetrack, a licensed off-track  
2 wagering facility, the account wagering system, the exchange  
3 wagering licensee, the fixed odds wagering licensee, or an  
4 employee thereof shall not be liable to a person on the self-  
5 exclusion list or to another party in a judicial proceeding for harm,  
6 monetary or otherwise, which may arise as a result of:

7 (1) the failure of a permitted racetrack, licensed off-track  
8 wagering facility or the account wagering system or the exchange  
9 wagering licensee or the fixed odds wagering licensee to withhold  
10 wagering privileges from, or restore wagering privileges to, a  
11 person on the self-exclusion list; or

12 (2) permitting a person on the self-exclusion list to engage in  
13 wagering activity at a permitted racetrack or licensed off-track  
14 wagering facility, or through the account wagering system, or  
15 through the exchange wagering system, or through the fixed odds  
16 wagering system.

17 d. Notwithstanding the provisions of section 8 of P.L.1940,  
18 c.17 (C.5:5-28), the commission's self-exclusion list shall be  
19 privileged and confidential and shall not be accessible to the public  
20 pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.), as amended and  
21 supplemented.

22 e. The commission, a permitted racetrack, a licensed off-track  
23 wagering facility, the account wagering system, the exchange  
24 wagering licensee, the fixed odds wagering licensee, or an  
25 employee thereof shall not be liable to a person on the self-  
26 exclusion list or to another party in a judicial proceeding for harm,  
27 monetary or otherwise, which may arise as a result of disclosure or  
28 publication, other than a willfully unlawful disclosure or  
29 publication, of the identity of a self-excluded person.

30 (cf: P.L.2011, c.15, s.19)

31

32 19. Section 2 of P.L.2002, c.89 (C.5:5-65.2) is amended to read  
33 as follows:

34 2. a. A person on the self-exclusion list established pursuant to  
35 section 1 of P.L.2002, c.89 (C.5:5-65.1), shall not collect, in any  
36 manner or proceeding, winnings or recover losses arising as a result  
37 of wagering activity at a permitted racetrack or licensed off-track  
38 wagering facility, or through the account wagering system, **[or]**  
39 through the exchange wagering system, or through the fixed odds  
40 wagering system.

41 b. Money or a thing of value which has been obtained by, or is  
42 owed to, a person on the self-exclusion list from a permitted  
43 racetrack, licensed off-track wagering facility or account wagering  
44 system **[or]** , exchange wagering system, or fixed odds wagering  
45 system as a result of wagers made by that person shall be subject to  
46 forfeiture by order of the executive director of the commission,  
47 following notice to the person on the self-exclusion list and  
48 opportunity to be heard.

1 Money or a thing of value forfeited shall be deposited into the  
2 State General Fund for appropriation by the Legislature to the  
3 Department of Human Services to provide funds for compulsive  
4 gambling treatment and prevention programs in the State.

5 c. In a proceeding brought by the commission against a live  
6 racing permit holder, the off-track wagering licensee, the account  
7 wagering licensee, **[or]** the exchange wagering licensee, or the  
8 fixed odds wagering licensee for a willful violation of the  
9 commission's self-exclusion regulations, the commission may order  
10 in addition to a permit or license suspension, a fine not to exceed  
11 \$5,000 per wagering incident, the forfeiture of money or a thing of  
12 value obtained by the permit holder, off-track wagering licensee,  
13 account wagering licensee, **[or]** exchange wagering licensee, or  
14 fixed odds wagering licensee from a person on the self-exclusion  
15 list and other remedial conditions the commission deems  
16 appropriate. Money or a thing of value so forfeited shall be  
17 disposed of in the same manner as money or a thing of value  
18 forfeited pursuant to subsection b. of this section.

19 (cf: P.L.2011, c.15, s.20)

20  
21 20. This act shall take effect immediately.

## 22 23 24 STATEMENT

25  
26 This bill authorizes fixed odds wagering on horse races and  
27 provides that the New Jersey Division of Gaming Enforcement may  
28 issue a license to the New Jersey Sports and Exposition Authority to  
29 establish a system. Under the bill, fixed odds wagering may be  
30 conducted through a fixed odds wagering system by fixed odds  
31 wagering account holders.

32 Under the bill, "fixed odds wagering" is defined as a form of  
33 horse racing wagering against odds offered by a bookmaker in  
34 which account holders may lock in their odds when the bet is first  
35 placed and no fluctuation in potential payout may occur. Once the  
36 outcome of the race or races is determined, funds would be  
37 transferred from the fixed odds wagering licensee to the bettor or  
38 bettors that won wagers, and applicable transaction or other fees  
39 would be levied by the fixed odds wagering licensee for use and  
40 distribution as provided by the division's rules and regulations.

41 The bill authorizes the division to consider an application by the  
42 authority to establish the system. The division is to issue the  
43 license if it determines that the authority has demonstrated, by clear  
44 and convincing evidence, that wagers placed through the proposed  
45 system will be accurately processed, and that the fixed odds  
46 wagering system would contain sufficient safeguards to maintain  
47 the integrity of the horse racing industry in this State. The issuance  
48 of the license is subject to the approval of the New Jersey Attorney

1 General. The bill further provides that the authority may enter into  
2 a contract or agreement with a person or entity to conduct or  
3 operate the system, and may transfer the license to a successor in  
4 interest upon approval of the division and the Attorney General.

5 The bill also prescribes certain conditions for the establishment  
6 of the system, including, but not limited to, the requirement for: (a)  
7 a fixed odds wagering account holder to be at least 18 years of age,  
8 and physically present in this State; (b) necessary documentation to  
9 be submitted by an applicant for a fixed odds wagering account in  
10 order to open the fixed odds wagering account and place wagers  
11 through the fixed odds wagering system; (c) the types of credits and  
12 debits that may be made to a fixed odds wagering account by the  
13 authority and the fixed odds wagering account holder; and (d) the  
14 manner in which wagers may be placed, in person, by direct  
15 telephone call, or by communication through other electronic  
16 media.

17 The bill further provides that the division would promulgate the  
18 necessary rules and regulations with respect to fixed odds wagering,  
19 including, but not limited to, the manner in which fixed odds  
20 wagers may be accepted; the requirements for any person to  
21 participate in fixed odds wagering; conditions under which the fixed  
22 odds wagering license is issued or renewed in this State;  
23 performance of an annual audit of the fixed odds wagering  
24 licensee's books and records pertaining to fixed odds wagering; and  
25 the licensing of employees engaged in conducting wagering related  
26 activities. The division will have 90 days from the effective date of  
27 the bill to promulgate the rules and regulations.