

**ASSEMBLY, No. 3911**

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**STATE OF NEW JERSEY**

**218th LEGISLATURE**

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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)**

**Co-Sponsored by:**

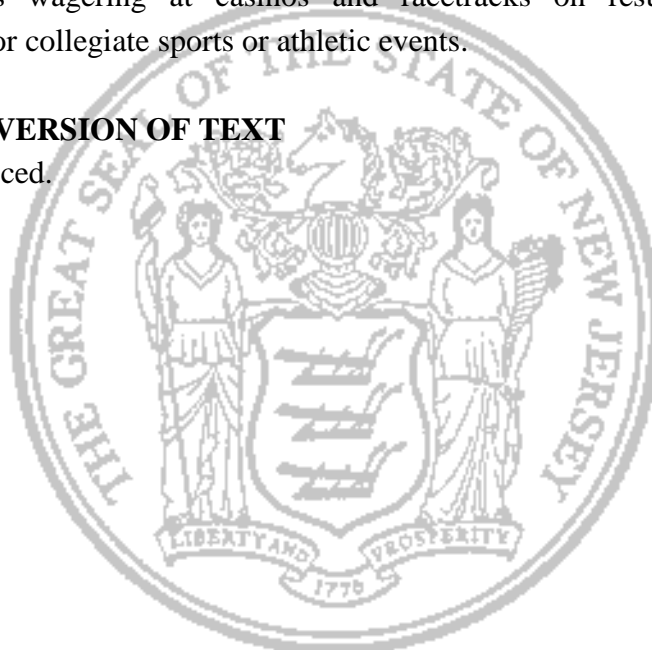
**Assemblywoman Murphy**

**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: 5/8/2018)**

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 permitholder 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 permitholder” 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 permitholder  
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.