

## CHAPTER 231

**AN ACT** permitting wagering at casinos and racetracks on the results of certain professional or collegiate sports or athletic events, supplementing Title 5 of the Revised Statutes, and amending P.L.1977, c.110 and P.L.1992, c.19.

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

C.5:12A-1 Definitions relative to sports wagering.

1. As used in this act:

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

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

"collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level;

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

"operator" means a casino or a racetrack which has elected to operate a sports pool, either independently or jointly;

"professional sport or athletic event" means an event at which two or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in such event;

"prohibited sports event" means any collegiate sport or athletic event that takes place in New Jersey or a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place;

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

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

"sports event" means any professional sport or athletic event and any collegiate sport or athletic event, except a prohibited sports event;

"sports pool" means the business of accepting wagers on any sports event by any system or method of wagering; and

"sports wagering lounge" means an area wherein a sports pool is operated.

C.5:12A-2 Casino, racetrack may operate sports pool.

2. a. In addition to casino games permitted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.), a casino may operate a sports pool upon the approval of the division and in accordance with the provisions of this act and applicable regulations promulgated pursuant to this act. In addition to the conduct of parimutuel wagering on horse races under regulation by the racing commission pursuant to chapter 5 of Title 5 of the Revised Statutes, a racetrack may operate a sports pool upon the approval of the division and the racing commission and in accordance with the provisions of this act and applicable regulations promulgated pursuant to this act. Upon approval of the division and racing commission, a casino and a racetrack in this State may enter into an agreement to jointly operate a sports pool at the racetrack, in accordance with the provisions of this act and applicable regulations promulgated pursuant to

this act.

With regard to this act, P.L.2011, c.231 (C.5:12A-1 et al.), the duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the Casino Control Commission shall apply to the extent not inconsistent with the provisions of this act. In addition to the duties specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall hear and decide promptly and in reasonable order all applications for a license to operate a sports pool, shall have the general responsibility for the implementation of this act and shall have all other duties specified in that section with regard to the operation of a sports pool.

The license to operate a sports pool shall be in addition to any other license required to be issued pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17 (C.5:5-22 et seq.) to conduct horse racing. No license to operate a sports pool shall be issued by the division to any entity unless it has established its financial stability, integrity and responsibility and its good character, honesty and integrity. No license to operate a sports pool shall be issued by the division to any entity which is disqualified under the criteria of section 86 of P.L.1977, c.110 (C.5:12-86).

No later than five years after the date of the issuance of a license and every five years thereafter or within such lesser periods as the division may direct, a licensee shall submit to the division such documentation or information as the division may by regulation require, to demonstrate to the satisfaction of the director of the division that the licensee continues to meet the requirements of the law and regulations.

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

c. The operator of a sports pool shall establish or display the odds at which wagers may be placed on sports events.

d. An operator shall accept wagers on sports events from persons physically present in the sports wagering lounge. A person placing a wager shall be at least 21 years of age.

e. An operator shall not admit into the sports wagering lounge, or accept wagers from, any person whose name appears on the exclusion list maintained by the division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71) or on any self-exclusion list maintained by the division pursuant to sections 1 and 2 of P.L.2001, c.39 (C.5:12-71.2 and C.5:12-71.3, respectively). Sections 1 and 2 of P.L.2002, c.89 (C.5:5-65.1 and C.5:5-65.2, respectively), shall apply to the conduct of sports wagering under this act.

f. The holder of a license to operate a sports pool may contract with an entity to conduct that operation, in accordance with the regulations of the division. That entity shall obtain a license as a casino service industry enterprise prior to the execution of any such contract, and such license shall be issued pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and in accordance with the regulations promulgated by the division in consultation with the commission.

g. If any provision of this act, P.L.2011, c.231 (C.5:12A-1 et al.), or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

C.5:12A-3 Employees, licensed, registered.

3. a. All persons employed directly in wagering-related activities conducted within a casino or a racetrack in a sports wagering lounge shall be licensed as a casino key employee or registered as a casino employee, as determined by the commission, pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et seq.). All other employees who are working in the sports wagering lounge may be required to be registered, if appropriate, in accordance with regulations of the division promulgated in consultation with the commission.

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

C.5:12A-4 Authority of division to regulate.

4. Except as otherwise provided by this act, the division shall have the authority to regulate sports pools and the conduct of sports wagering under this act to the same extent that the division regulates other casino games. No casino or racetrack shall be authorized to operate a sports pool unless it has produced information, documentation, and assurances concerning its financial background and resources, including cash reserves, that are sufficient to demonstrate that it has the financial stability, integrity, and responsibility to operate a sports pool. In developing rules and regulations applicable to sports wagering, the division shall examine the regulations implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework. The division, in consultation with the commission, shall promulgate regulations necessary to carry out the provisions of this act, including, but not limited to, regulations governing the:

- a. amount of cash reserves to be maintained by operators to cover winning wagers;
- b. acceptance of wagers on a series of sports events;
- c. maximum wagers which may be accepted by an operator from any one patron on any one sports event;
- d. type of wagering tickets which may be used;
- e. method of issuing tickets;
- f. method of accounting to be used by operators;
- g. types of records which shall be kept;
- h. use of credit and checks by patrons;
- i. type of system for wagering;
- j. protections for a person placing a wager; and
- k. display of the words, "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," or some comparable language approved by the division, which language shall include the words "gambling problem" and "call 1-800 GAMBLER," on all print, billboard, sign, online, or broadcast advertisements of a sports pool and in every sports wagering lounge.

C.5:12A-5 Adoption of comprehensive house rules.

5. Each operator shall adopt comprehensive house rules governing sports wagering transactions with its patrons. The rules shall specify the amounts to be paid on winning wagers and the effect of schedule changes. The house rules, together with any other information the division deems appropriate, shall be conspicuously displayed in the sports wagering lounge and included in the terms and conditions of the account wagering system, and copies shall be made readily available to patrons.

C.5:12A-6 Agreements to jointly establish sports wagering lounge.

6. Whenever a casino licensee and a racetrack permit holder enter into an agreement to jointly establish a sports wagering lounge, and to operate and conduct sports wagering under this act, the agreement shall specify the distribution of revenues from the joint sports wagering operation among the parties to the agreement. The sums received by the casino from the joint sports wagering operation shall be considered gross revenue as specified under section 24 of P.L.1977, c.110 (C.5:12-24). The sums actually received by the horse racing permit holder from any sports wagering operation, either jointly established with a casino or established independently or with non-casino partners, less only the total of all sums actually paid out as winnings to patrons, shall be subject to an 8% tax to be collected by the division and paid to the Casino Revenue Fund created under section 145 of P.L.1977, c.110 (C.5:12-145) to be used for the funding of programs for senior citizens and disabled residents and to an investment alternative tax in the same amount and for the same purposes as provided in section 3 of P.L.1984, c.218 (C.5:12-144.1).

A percentage of the fee paid for a license to operate a sports pool shall be deposited into the State General Fund for appropriation by the Legislature to the Department of Health and Senior Services to provide funds for prevention, education, and treatment programs for compulsive gambling programs that meet the criteria developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided by the Council on Compulsive Gambling of New Jersey, and including the development and implementation of programs that identify and assist problem gamblers. The percentage shall be determined by the division.

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

C.5:12-24 "Gross revenue."

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

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

C.5:12-194 Establishment of casino simulcasting facility.

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

83). The cost of establishing, maintaining and operating a simulcasting facility shall be the sole responsibility of the casino licensee.

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

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

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

b. All persons engaged directly in wagering-related activities conducted by a casino licensee in a simulcasting facility, whether employed by the casino licensee or by a person or entity conducting casino simulcasting in the simulcasting facility pursuant to an agreement with the casino licensee and all other employees of the casino licensee or of the person or entity conducting casino simulcasting who are working in the simulcasting facility, shall be licensed or registered in accordance with regulations of the Casino Control Commission or the Division of Gaming Enforcement.

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

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

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

9. This act shall take effect immediately.

Approved January 17, 2012.