

AN ACT concerning 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 and repealing various sections of the statutory law.

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

1. (New section) As used in sections 2 through 18 of P.L. , c. (C.) (pending before the Legislature as this bill):

“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.);

“commission” means the Casino Control 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);

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

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

“operator” means a casino or a racetrack permitholder which has elected to operate a sports pool, either independently or jointly; and

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any entity with whom a sports wagering permitholder contracts to operate a sports pool or online sports pool on its behalf;

“prohibited sports event” means any single collegiate sport or athletic event that takes place in New Jersey or a single sport or athletic event in which any New Jersey college team participates regardless of where the event takes place. A “prohibited sports event” does not include the other games of a collegiate sport or athletic tournament in which a New Jersey college team participates, nor does it include any games of a collegiate tournament that occurs outside New Jersey even though some of the individual games or events are held in New Jersey. A prohibited sports event includes all high school sports events but does not include international sports events in which persons under age 18 make up a minority of the participants.

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

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

“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 sport, athletic contest, or athletic event, including electronic sports, but does not include 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 located in a casino or racetrack in which a sports pool is operated.

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

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

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

(2) A racetrack permitholder which holds a sports wagering permit issued by the division pursuant to section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) may conduct an

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online sports pool or may authorize an Internet gaming operator or other entity licensed as a casino service industry enterprise pursuant to section 92 of P.L. 1977, c. 110 (C.5:12-92), or an applicant for such license, to operate an online sports pool on its behalf provided the terms of the agreement are approved by the division and the racing commission. A racetrack permitholder that operates an online sports pool may not offer any other game or type of wagering online other than a sports pool or wagering on horse races, except that the racetrack permitholder may do so pursuant to an agreement approved by the division with a casino that holds an Internet gaming permit that allows such additional online wagering.

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

d. 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 sports wagering permit, shall have the general responsibility for the implementation of P.L. , c. (C.) (pending before the Legislature as this bill), and shall have all other duties specified under the law with regard to the operation of a sports pool.

3. (New section) a. Upon application and submission of the required fees established by section 9 of P.L. , c. (C.) (pending before the Legislature as this bill) and provided that the requirements of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) are met, the division shall issue a sports wagering permit, valid for a period of one year, to a licensed casino with a valid operation certificate, a racetrack permitholder, or an Internet gaming affiliate of a licensed casino or racetrack which is

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licensed pursuant to paragraph (5) of subsection b. of section 82 of P.L.1977, c.110 (C.5:12-82).

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

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

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

(1) The space required for the establishment of a sports wagering lounge located at a casino 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), except that any slot machines located in a sports wagering lounge located at a casino shall count against a casino's floor space.

(2) Any authorized game, as defined in section 5 of P.L.1977, c.110 (C.5:12-5), may be conducted in a sports wagering lounge

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located at a casino, subject to the rules and regulations of the division.

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

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

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

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

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

f. The operator of a sports pool or online sports pool shall establish or display the odds at which wagers may be placed on sports events. A sports pool and online sports pool shall be managed by a sports pool manager who shall be licensed as a casino key employee. In creating wagers which will be offered to the public, a sports pool manager may receive advice and recommendations from any source or entity and may take into consideration information regarding odds and wagers placed on sports events in other jurisdictions. No sports pool operator or online sports pool operator may receive recommendations offered by an entity as to wagers to accept and odds to be offered for such wagers unless the entity is licensed or registered pursuant to section 92 of P.L. 1977, c.110 (C.5:12-92), as required by the rules of the division, provided that this requirement shall not apply with respect to such services when provided to the general public or such recommendations when made available in connection with general news reporting. No sports pool operator or online sports pool operator may receive data regarding sports wagering directly or indirectly from an entity which enables the operator to determine if a wager is won or lost unless the entity providing such data is licensed or registered pursuant to section 92 of P.L.1977, c.110 (C.5:12-92), as determined by the rules of the division.

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

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

i. 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, to the extent consistent with the scope of the self-exclusion requested by the person with respect to either a casino, racetrack or both, any person whose name appears on the self-exclusion list maintained by the division pursuant to sections 1 and 2 of P.L.2001, c.39 (C.5:12-71.2 et seq.), or on any voluntary exclusion list maintained by the racing commission pursuant to section 1 of P.L.2002, c.89 (C.5:5-65.1), and information from such lists shall be made available to sports wagering lounge operators for this purpose. The provisions of sections 1 and 2 of P.L.2002, c.89 (C.5:5-65.1 et seq.), shall also apply to the conduct of sports wagering through a sports pool or online sports pool under P.L. , c. (C.) (pending before the Legislature as this bill) operated by or on behalf of a racetrack permitholder. The division shall establish by rule appropriate prohibitions to exclude such additional persons from wagering at a sports pool or through an online sports pool whose participation may undermine the integrity of the wagering or the sports event or for other good case, including but not limited to athletic contest participants and persons with access to certain types of exclusive information.

j. The server or other equipment which is used by a racetrack permitholder to accept wagers at a sports pool or online sports pool shall be located in a racetrack which holds or conducts live horse racing pursuant to the provisions of P.L.1940, c.17 (C.5:5-22 et seq.) or in any location in Atlantic City which conforms to the requirements of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional requirements which the division may impose by

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regulation. The server or other equipment used by a casino to accept wagers at a sports pool or online sports pool shall conform to the requirements of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional requirements which the division may impose by regulation.

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

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

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

5. (New section) Except as otherwise provided by law, the division shall have the authority to regulate sports pools and online sports pools under P.L. , c. (C.) (pending before the Legislature as this bill), to the same extent that the division regulates other casino games. No casino or racetrack permitholder shall be authorized to operate a sports pool or online 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

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stability, integrity, and responsibility to operate a sports pool or online sports pool. The division shall promulgate regulations necessary to carry out the provisions of P.L. , c. (C.) (pending before the Legislature as this bill), 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, including the manner in which sports pool and online sports pool accounts are created and funded by patrons;

c. maximum wagers which may be accepted by an operator from any one patron on any one sports event;

d. type of wagering tickets or electronic receipts which may be used;

e. method of issuing tickets or recording of electronic receipts;

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 or online sports pool and in every sports wagering lounge.

6. (New section) Each operator of a sports pool shall adopt comprehensive house rules governing sports wagering transactions with its patrons, which house rules shall be consistent with the rules of the division and shall, at a minimum, specify the amounts to be paid on winning wagers, the effect of schedule changes, and the process for resolving patron disputes. The house rules, together with any other information the division deems appropriate, shall be conspicuously displayed in the sports wagering lounge and included

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in the terms and conditions of the online sports pool, and copies shall be made readily available to patrons.

7. (New section) Whenever a casino licensee and a racetrack permitholder enter into an agreement to jointly establish a sports wagering lounge or online sports pool, and to operate and conduct sports wagering under P.L. , c. (C.) (pending before the Legislature as this bill), 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 pool shall be considered sports pool gross revenue as specified under section 12 of P.L. , c. (C.) (pending before the Legislature in this bill). The sums received by the casino from the joint online sports pool shall be considered Internet sports pool gross revenue as specified under section 13 of P.L. , c. (C.) (pending before the Legislature in this bill).

8. (New section) The sums actually received by the racetrack permitholder from any sports wagering operation, including the racetrack permitholder's share of a sports pool operated jointly with a casino, 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 into the State General Fund. The sums actually received by the racetrack permitholder from any online sports pool, including an online sports pool operated jointly with a casino, shall be subject to a 12.5% tax to be collected by the division and paid into the State General Fund. The total sports pool gross revenue and online sports pool gross revenue shall be calculated, and the tax set forth in this section imposed, prior to the distribution of any proceeds to a casino service industry enterprise operating a sports pool or online sports pool on behalf of a racetrack permitholder. The revenues and taxes shall be certified and collected by the division.

9. (New section) a. The division shall, by regulation, establish annual fees for the issuance or renewal of sports wagering permits.

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The issuance fee shall be based upon the cost of investigation and consideration of the license application and shall be not less than \$500,000. The renewal fee shall be based upon the cost of maintaining enforcement, control and regulation of sports pool wagering operations and shall be not less than \$250,000.

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

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

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

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

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

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

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

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

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

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

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

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

d. There is hereby imposed on all casinos and racetracks in which a sports pool is operated an annual integrity fee equal to the lesser of \$7.5 million or 2.5% of that portion of gross gaming revenue attributable to wagers on sports events made in a sports wagering lounge, via a self-service wagering kiosk located within the facility of a casino or racetrack, or via a mobile device when wagers made by such device are subject to the tax imposed pursuant to section 144 of P.L.1977, c.110 (C.5:12-144), provided that the integrity fee shall be increased to the lesser of \$7.5 million or 3% of that portion of gross gaming revenue attributable to wagers on sports events if the excise tax imposed on sports wagers pursuant to Title 26 of the United States Code is repealed in its entirety.

11. a. (New section) There is hereby created and established in the Department of the Treasury a special dedicated, non-lapsing fund to be known as the "Sports Wagering Integrity Fund," into which shall be deposited all integrity fees imposed pursuant to

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subsection d. of section 10 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

- (1) integrity monitoring expenses;
- (2) public relations expenses associated with integrity issues;
- (3) personnel costs associated with the establishment of a sports wagering integrity unit within the division; and
- (4) any other eligible expenses approved by the Attorney General.

c. Commencing on July 1 next following the effective date of P.L., c. (C.) (pending before the legislature as this bill), and annually on January 1 in each calendar year thereafter, a sports governing body whose sports events are wagered upon in New Jersey casinos or racetracks may seek reimbursement for expenses incurred relative to ensuring the integrity of its sports events with respect to sports wagering operations in New Jersey by submitting a claim for such compensation to the Attorney General. Such claims shall be paid exclusively from available funds in the Sports Wagering Integrity Fund established pursuant to subsection a. of this section, after payment of expenses incurred by the division and other agencies designated by the Attorney General. If the funds remaining in the Sports Wagering Integrity Fund are not sufficient to pay in full the claims submitted by sports governing bodies, the Attorney General may award lesser amounts based on the proportion of the claims to the funds available. A claim which is paid proportionally under this section shall be deemed to have been paid in full and may not be submitted in any subsequent year.

12. (New section) “Sports Pool Gross Revenue” means the total of all sums actually received by a casino licensee, or a casino service industry enterprise licensed by the division and authorized

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by the division to operate a sports pool pursuant to an agreement with a casino licensee, from the operation of a sports pool located in a casino facility, including all areas within a casino facility in which mobile gaming is conducted pursuant to section 100 of P.L.1977, c.110 (C:5:12-100), less only the total of all sums actually paid out as winnings to patrons.

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

14. (New section) “Prohibited person” means any person who is prohibited from wagering at a New Jersey casino licensed by the commission, through an Internet wagering site authorized by the division, at a sports pool authorized by the division or through an online sports pool authorized by the division, including but not limited to persons on the exclusion list or, to the extent consistent with the scope of the self-exclusion requested with respect to either a casino, racetrack or both, the self-exclusion list maintained by the division and the voluntary exclusion list maintained by the New Jersey Racing Commission, persons who fail to meet the age eligibility requirements for wagering, persons who are not physically present in New Jersey and who attempt to wager through the Internet, and persons otherwise deemed prohibited from wagering pursuant to rules established by the division.

15. (New section) There is hereby imposed an annual tax on online sports pool gross revenues from the operation of a sports pool of 12.5% which shall be paid into the Casino Revenue Fund. The 8% tax on casino gross revenues shall not apply to online sports pool gross revenues. The investment alternative tax established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall apply to online sports pool gross revenues, except that the investment alternative tax on these revenues shall be 5% and the

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investment alternative shall be 2.5%, with the proceeds thereof used as provided in that section.

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

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

18. If any provision of P.L. , c. (C.)(pending before the Legislature as this bill) 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.

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

19. All amounts remaining in wagering accounts, including amounts in such accounts related to sports pool and online sports pool wagering, inactive or dormant for such period and under such conditions as established by regulation shall be paid 50% to the

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account wagering licensee and 50% to the New Jersey Racing Industry Special Fund.

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

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

7. "Casino Employee"--Any natural person, not otherwise included in the definition of casino key employee, who is employed by a casino licensee, [or] a holding or intermediary company of a casino licensee, a multi-casino slot system operator, an online gaming operation, a sports pool, or an online sports pool, and is involved in the operation of a licensed casino [or] a simulcasting facility, slot system, online gaming system, sports pool, or online sports pool, or performs services or duties in a casino, simulcasting facility or a restricted casino area, including, without limitation, boxmen; dealers or croupiers; floormen; machine mechanics; casino security employees; count room personnel; cage personnel; slot machine and slot booth personnel; collection personnel; casino surveillance personnel; simulcasting facility personnel involved in wagering-related activities in a simulcasting facility; data processing personnel; and information technology employees; or any other natural person whose employment duties predominantly involve the maintenance or operation of gaming activity or equipment and assets associated therewith or who, in the judgment of the [commission] division, is so regularly required to work in a restricted casino area that registration as a casino employee is appropriate.

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

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

9. "Casino Key Employee"--Any natural person employed by a casino licensee [or], a holding or intermediary company of a casino licensee, a multi-casino slot system operator, an online gaming operation, a sports pool, or an online sports pool, and involved in the operation of a licensed casino [or], a simulcasting facility, slot

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system, online gaming system, sports pool, or online sports pool, in a supervisory capacity or empowered to make discretionary decisions which regulate casino or simulcasting facility operations, including, without limitation, pit bosses; shift bosses; credit executives; casino cashier supervisors; casino or simulcasting facility managers and managers and supervisors of information technology employees; junket supervisors; marketing directors; and managers or supervisors of casino security employees; or any other natural person empowered to make discretionary decisions which regulate the management of an approved hotel, including, without limitation, hotel managers; entertainment directors; and food and beverage directors; or any other employee so designated by the [Casino Control Commission] division for reasons consistent with the policies of this act.

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

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

24. "Gross Revenue"-- The total of all sums actually received by a casino licensee from gaming operations, 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.).

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

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

92. a. (1) Any business to be conducted with a casino applicant or licensee by a vendor offering goods or services which directly relate to casino or gaming activity or Internet gaming activity, including gaming equipment and simulcast wagering equipment manufacturers, suppliers, repairers, and independent testing

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laboratories, shall require licensure as a casino service industry enterprise in accordance with the provisions of this act prior to conducting any business whatsoever with a casino applicant or licensee, its employees or agents; provided, however, that upon a showing of good cause by a casino applicant or licensee, the director may permit an applicant for a casino service industry enterprise license to conduct business transactions with such casino applicant or licensee prior to the licensure of that casino service industry enterprise applicant under this subsection for such periods as the division may establish by regulation. Companies providing services to casino licensees regarding Internet gaming or regarding the operation of a sports pool or an online sports pool shall, notwithstanding any other provision of P.L.1977, c.110 (C.5:12-1 et seq.), be responsible for the full cost of their licensure, including any investigative costs.

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

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

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

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

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

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

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

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

d. Any applicant, licensee or qualifier of a casino service industry enterprise license or of an ancillary casino service industry enterprise license under subsection a. of this section, and any vendor registrant under subsection c. of this section shall be disqualified in accordance with the criteria contained in section 86 of this act, except that no such ancillary casino service industry enterprise license under paragraph (3) of subsection a. of this section or vendor registration under subsection c. of this section

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shall be denied or revoked if such vendor registrant can affirmatively demonstrate rehabilitation as provided in subsection d. of section 91 of P.L.1977, c.110 (C.5:12-91).

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

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

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

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

(2) A hearing prior to the suspension of any license, registration or qualification issued pursuant to this section shall be a limited proceeding at which the division shall have the affirmative

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obligation to demonstrate that there is a reasonable possibility that the licensee, registrant or qualifier is disqualified on the basis of the criteria set forth in section 86 of P.L.1977, c.110 (C.5:12-86).

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

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

3. a. Except as provided in subsection b. of this section, whenever any person contracts to transfer any property relating to an ongoing casino operation, including a security holding in a casino licensee or holding or intermediary company, under circumstances which require that the transferee obtain casino licensure under section 82 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-82), or qualification under section 84 or 85 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-84 or 5:12-85), the contract shall not specify a closing or settlement date which is earlier than the 121st day after the submission of a completed application for licensure or qualification, which application shall include a fully executed and approved trust agreement in accordance with section 5 of this 1987 amendatory and supplementary act. Any contract provision which specifies an earlier closing or settlement date shall be void for all purposes. Subsequent to the earlier of the report of the division on interim authorization or the 90th day after the timely submission of the completed application, but no later than the closing or settlement date, the commission shall hold a hearing and render a decision on the interim authorization of the applicant. If the commission grants interim authorization, then, subject to the provisions of sections 3 through 7 of this 1987 amendatory and supplementary act, the closing or settlement may occur without interruption of casino operations. If the commission denies interim authorization, there shall be no closing or settlement until the commission makes a determination on the qualification of the applicant, and if the commission then denies qualification the contract shall thereby be terminated for all purposes without liability on the part of the transferor. The provisions of this subsection shall apply with equal

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force and effect to any agreement or contract entered as to any facility previously operated as a casino hotel within a three-year period preceding or three- year period following the effective date of P.L. , c. (C.) (pending efore the Legislature as this bill).

b. Whenever any person, as a result of a transfer of publicly-traded securities of a casino licensee or a holding or intermediary company or a financing entity of a casino licensee, is required to qualify under section 84 or 85 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-84 or 5:12-85), the person shall, within 30 days after the commission determines that qualification is required or declines to waive qualification under section 84, under paragraph (1) of subsection d. of section 85, or under subsection f. of section 85, or within such additional time as the commission may for good cause allow, file a completed application for such licensure or qualification, which application shall include a fully executed and approved trust agreement in accordance with section 5 of P.L.1987, c.409 (C.5:12-95.14), or in the alternative, such person, within 120 days after the commission determines that qualification is required or a waiver of qualification is denied, shall divest such securities as the commission may require in order to remove the need for qualification. If such person determines to divest such securities, notice of such determination shall be filed with the commission within 30 days after the commission determines that qualification is required or that a waiver of qualification is denied. No extension of the time for filing a completed application shall be granted unless the person submits a written acknowledgement of the jurisdiction of the commission and the obligations imposed by the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.). If a person required by this section to file an application fails to do so in a timely manner, such failure shall constitute a per se disqualification to continue to act as a security holder, and the commission shall take appropriate action under the "Casino Control Act." If a person required by this section to file an application does so in a timely manner, then, subsequent to the earlier of the report of the division on interim authorization or the 90th day after submission of the completed application, but not later than the 120th day after such submission, the commission shall

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hold a hearing and render a decision on the interim authorization of such person. The pendency of proceedings under this subsection shall not prevent the renewal of a casino license under section 88 of the "Casino Control Act," P.L.1977, c.110 (C.5:12-88), so long as any person required by this subsection to file an application has complied with this subsection and has otherwise complied with the "Casino Control Act."

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

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

22. All amounts remaining in Internet gaming accounts, including amounts in such accounts related to online sports pool wagering, inactive or dormant for such period and under such conditions as established by regulation by the division shall be paid 50% to the casino licensee and 50% to the casino [control] revenue fund. Before closing a wagering account pursuant to this section, the casino licensee shall attempt to contact the account holder [by mail, phone and computer] via a method authorized by the division pursuant to regulation.

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

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

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

(1) Agreements which provide only for the payment of a fixed sum which is in no way affected by the amount of any such money, property, revenues, profits or earnings shall not be subject to the provisions of this subsection; and receipts, rentals or charges for

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real property, personal property or services shall not lose their character as payments of a fixed sum because of contract, lease, or license provisions for adjustments in charges, rentals or fees on account of changes in taxes or assessments, cost-of-living index escalations, expansion or improvement of facilities, or changes in services supplied.

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

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

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

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

(6) Agreements relating to simulcast racing and wagering between a casino licensee and an in-State or out-of-State sending track licensed or exempt from licensure in accordance with section 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with the division, and be lawful and effective only if expressly approved

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as to their terms by the division and the New Jersey Racing Commission, except that any such agreements which provide for a percentage of the parimutuel pool wagered at a simulcasting facility to be paid to the sending track shall not be subject to the provisions of this subsection.

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

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

(9) Written agreements relating to the operation of multi-casino or multi-state progressive slot machine systems between one or more casino licensees and a casino service industry enterprise licensed pursuant to the provisions of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such license, which provide for an interest, percentage or share of the casino licensee's revenues, profits or earnings from the operation of such multi-casino or multi-state progressive slot machines to be

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paid to the casino service industry enterprise licensee or applicant shall not be subject to the provisions of this subsection if the agreements are filed with and approved by the division.

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

(11) A written agreement between a casino licensee holding an Internet gaming permit and a casino service industry enterprise licensed pursuant to subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such a license, in connection with the conduct of Internet gaming under P.L.2013, c.27 (C.5:12-95.17 et al.), which provides for a percentage of the casino licensee's Internet gaming gross revenue to be paid to the casino service industry enterprise licensee shall not be subject to the

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provisions of this subsection, provided that the agreement shall be in writing, filed with the division, and shall be lawful and effective only if the terms thereof are expressly approved by the division.

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

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

b. Each casino applicant or licensee shall maintain, in accordance with the rules of the division, a record of each written or unwritten agreement regarding the realty, construction, maintenance, or business of a proposed or existing casino hotel or related facility. The foregoing obligation shall apply regardless of whether the casino applicant or licensee is a party to the agreement.

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Any such agreement may be reviewed by the division on the basis of the reasonableness of its terms, including the terms of compensation, and of the qualifications of the owners, officers, employees, and directors of any enterprise involved in the agreement, which qualifications shall be reviewed according to the standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86). If the division disapproves such an agreement or the owners, officers, employees, or directors of any enterprise involved therein, the division may require its termination.

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

For the purposes of this subsection, "casino applicant" includes any person required to hold a casino license pursuant to section 82 of P.L.1977, c.110 (C.5:12-82) who has applied to the division for a casino license or any approval required under P.L.1977, c.110 (C.5:12-1 et seq.).

c. Nothing in this act shall be deemed to permit the transfer of any license, or any interest in any license, or any certificate of compliance or any commitment or reservation.
(cf: P.L.2013, c.27, s.14)

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

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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] division 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

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licensed or registered in accordance with regulations of the [Casino Control Commission or the Division of Gaming Enforcement] division.

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).

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

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

29. This act shall take effect immediately.

STATEMENT

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

Wagering on sports events will not include wagering on a prohibited sports event. A prohibited sports event is any collegiate sport or athletic event that takes place in New Jersey or on a sport or athletic event in which any New Jersey college team participates regardless of where the event takes place. However, a prohibited sports event does not include other games of a collegiate sport or athletic tournament in which a New Jersey college team participates, nor does it include any games of a collegiate tournament that occurs outside New Jersey even though some of the individual games or events are held in New Jersey. A prohibited sports event includes all high school sports events but does not include international sports events in which persons under age 18 make up a minority of the participants.

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

The Division of Gaming Enforcement will have responsibility for licensing and will promulgate regulations for the conduct and operation of the sports wagering activities. The New Jersey Racing Commission would also be involved in approving the operation of a sports pool at a racetrack and any agreement between a casino and a racetrack to jointly operate a sports pool. Persons engaged in wagering activities for a casino or racetrack will be either licensed as casino key employees or registered as casino employees.

Under the bill, sports wagering gross revenue realized by a casino

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or a racetrack will be subject to an 8 percent tax. The tax rate applicable to online sports gross revenue will be 12.5 percent. The investment alternative tax will apply to online sports pool gross revenues of a casino, except that the investment tax rate will be 5 percent and the investment alternative will be 2.5 percent. The division will establish annual fees for the issuance or renewal of sports wagering permits. A sports wagering permitholder will also pay an annual fee to support compulsive gambling treatment programs.

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

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

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