

# 5:12A-11 LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2019                    **CHAPTER:** 266

**NJSA:** 5:12A-11 (Permits owner of 10 percent or more of member team of sports governing body to place or accept wagers on certain sports events in which other member teams participate.)

**BILL NO:** A5463                    (Substituted for S3972)

**SPONSOR(S)** Raj Mukherji and others

**DATE INTRODUCED:** 6/17/2019

**COMMITTEE:**                    **ASSEMBLY:** Appropriations

**SENATE:** ---

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**                    **ASSEMBLY:** 6/20/2019

**SENATE:** 8/26/2019

**DATE OF APPROVAL:** 9/13/2019

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (Introduced bill enacted) Yes

**A5463**

**SPONSOR'S STATEMENT:** (Begins on page 7 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes

**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**S3972**

**SPONSOR'S STATEMENT:** (Begins on page 7 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

**SENATE:** No

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**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

(continued)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:**

RWH/JA

P.L. 2019, CHAPTER 266, *approved September 13, 2019*

Assembly, No. 5463

1 AN ACT concerning wagers on certain sports events and amending  
2 P.L.2018, c.33.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 2 of P.L.2018, c.33 (C.5:12A-11) is amended to read  
8 as follows:

9 2. a. The division shall issue all sports wagering licenses and  
10 renewals thereof to casinos. The racing commission shall issue all  
11 initial sports wagering licenses to racetracks but the division shall  
12 have responsibility for the renewal thereof. In addition to casino  
13 games permitted pursuant to the provisions of P.L.1977, c.110  
14 (C.5:12-1 et seq.), a casino which holds a sports wagering license  
15 issued by the division may operate a sports pool in accordance with  
16 the provisions of this act and applicable regulations promulgated  
17 pursuant to this act. A racetrack which holds an initial sports  
18 wagering license issued by the racing commission or a sports  
19 wagering license that has been renewed by the division may operate  
20 a sports pool in accordance with the provisions of this act and  
21 applicable regulations promulgated pursuant to this act. A casino  
22 which holds a sports wagering license and a racetrack which holds a  
23 sports wagering license may enter into an agreement to jointly  
24 operate a sports pool at the racetrack, in accordance with the  
25 provisions of this act and applicable regulations promulgated  
26 pursuant to this act. A casino or racetrack that holds a sports  
27 wagering license may conduct an online sports pool or may  
28 authorize an internet sports pool operator licensed as a casino  
29 service industry enterprise pursuant to section 92 of P.L.1977, c.110  
30 (C.5:12-92), or an applicant for such license, to operate an online  
31 sports pool on its behalf provided the terms of the agreement are  
32 approved by the division, in the case of a casino, or the racing  
33 commission, in the case of a racetrack; provided, however, that each  
34 sports wagering licensee may provide no more than three  
35 individually branded websites, each of which may have an  
36 accompanying mobile application bearing the same brand as the  
37 website for an online sports pool, those websites and mobile  
38 applications, in the case of a casino being in addition to or, in the  
39 discretion of the casino, in conjunction with, any websites and  
40 mobile applications that also offer other types of Internet gaming  
41 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports  
42 pool shall be opened to the public, and no sports wagering, except

**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 for test purposes, may be conducted therein, until an Internet sports  
2 pool operator receives from the division a permit to conduct an  
3 online sports pool. Sports wagering licensees and operators may  
4 provide promotional credits, incentives, bonuses, complimentaries,  
5 or similar benefits designed to induce sports betters to wager. The  
6 division, in consultation with the commission, shall establish by  
7 rule standards governing the provision of these measures. The  
8 server or other equipment used by a racetrack to accept wagers at a  
9 sports pool or online sports pool shall be located in that racetrack or  
10 in any location in Atlantic City which conforms to the requirements  
11 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional  
12 requirements which the division may impose by regulation. The  
13 server or other equipment used by a casino to accept wagers at a  
14 sports pool or online sports pool shall conform to the requirements  
15 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional  
16 requirements which the division may impose by regulation.

17 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the  
18 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the  
19 Casino Control Commission shall apply to the extent not  
20 inconsistent with the provisions of this act. In addition to the duties  
21 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division  
22 or racing commission, as required pursuant to this act, shall hear  
23 and decide promptly and in reasonable order all applications for a  
24 license to operate a sports pool. In addition to the duties specified  
25 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have  
26 the general responsibility for the implementation of this act, except  
27 with respect to the authority to issue sports wagering licenses to a  
28 racetrack as provided by this act, and shall have all other duties  
29 specified in that section with regard to the operation of a sports  
30 pool.

31 The license to operate a sports pool shall be in addition to any  
32 other license required to be issued pursuant to P.L.1977, c.110  
33 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c. 17  
34 (C.5:5-22 et seq.) to conduct horse racing. The division and the  
35 racing commission shall each have the authority to charge a casino  
36 or a racetrack a fee for the issuance or, in the case of the division  
37 renewal, of a sports wagering license in an amount of \$100,000 for  
38 initial issuance and in the case of a renewal a reasonable fee that is  
39 based upon the expense associated with renewal, enforcement, and  
40 gambling addiction programs. No sports wagering license shall be  
41 issued by the division or racing commission to any entity unless it  
42 has established its financial stability, integrity and responsibility  
43 and its good character, honesty and integrity. No casino or  
44 racetrack shall be permitted to operate a sports pool or accept  
45 wagers via an online sports pool unless a sports wagering lounge is  
46 established and has commenced operation in its facility; provided,  
47 however, that an applicant for a sports wagering license may  
48 petition the agency issuing the sports wagering license pursuant to

1 this act to commence operation of the sports pool at a temporary  
2 facility and/or an online sports pool during the pendency of  
3 construction of a sports wagering lounge in its facility. Such  
4 temporary facility may include, at the discretion of the agency  
5 issuing the sports wagering license pursuant to this act, the  
6 utilization of designated windows at the current casino cage or  
7 racetrack betting window for purposes of placing sports betting  
8 wagers and self-service wagering machines located at the racetrack  
9 or casino hotel complex. No license to operate a sports pool shall  
10 be issued to any entity which is disqualified under the criteria of  
11 section 86 of P.L.1977, c.110 (C.5:12-86).

12 No later than five years after the date of the issuance of a license  
13 and every five years thereafter or within such lesser periods as the  
14 agency issuing the sports wagering license pursuant to this act may  
15 direct, a licensee shall submit to the said agency such  
16 documentation or information as the division or racing commission  
17 may by regulation require, to demonstrate to the satisfaction of the  
18 agency that the licensee continues to meet the requirements of the  
19 law and regulations.

20 The division and the racing commission following consultation  
21 with the sports wagering licensees shall annually cause a report to  
22 be prepared and distributed to the Governor on the impact of sports  
23 wagering, including Internet wagering on sports events, on problem  
24 gamblers and gambling addiction in New Jersey. The report shall  
25 be prepared by a private organization or entity with expertise in  
26 serving the needs of persons with gambling addictions, which  
27 organization or entity shall be selected jointly by the division and  
28 the racing commission. The report shall be prepared and distributed  
29 under the supervision of, and in coordination with, the division and  
30 the racing commission. Any costs associated with the preparation  
31 and distribution of the report shall be borne by casino and racetrack  
32 licensees who have been authorized by the division or the racing  
33 commission to conduct Internet gaming and the division and the  
34 racing commission shall be authorized to assess a fee against such  
35 licensees for these purposes. The division and the racing  
36 commission may also report periodically to the Governor on the  
37 effectiveness of the statutory and regulatory controls in place to  
38 ensure the integrity of gaming operations through the Internet.

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

47 c. No sports pool or online sports pool shall be offered or made  
48 available for wagering to the public by any entity other than a sports

1 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),  
2 an applicant for such license, operating such pool on behalf of a  
3 licensee, or an Internet sports pool operator, on behalf of a sports  
4 wagering licensee. Any person who offers a sports pool or an  
5 online sports pool without approval of the division or racing  
6 commission to do so is guilty of a crime of the fourth degree and  
7 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to  
8 a fine of not more than \$25,000 and in the case of a person other  
9 than a natural person, to a fine of not more than \$100,000 and any  
10 other appropriate disposition authorized by subsection b. of  
11 N.J.S.2C:43-2.

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

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

20 f. (1) Any person who is:

21 an athlete, coach, referee, or director of a sports governing body  
22 or any of its member teams【.】;

23 a sports governing body or any of its member teams【.】;

24 a player or a referee personnel member, in or on any sports event  
25 overseen by that person's sports governing body based on publicly  
26 available information【.】;

27 a person who holds a position of authority or influence sufficient  
28 to exert influence over the participants in a sporting contest,  
29 including but not limited to coaches, managers, handlers, athletic  
30 trainers, or horse trainers【.】;

31 a person with access to certain types of exclusive information on  
32 any sports event overseen by that person's sports governing body  
33 based on publicly available information【.】; or

34 a person identified by any lists provided by the sports governing  
35 body to the division and the racing commission,

36 shall not be permitted to have any ownership interest in, control  
37 of, or otherwise be employed by an operator, a sports wagering  
38 licensee, or a facility in which a sports wagering lounge is located  
39 or place a wager on a sports event that is overseen by that person's  
40 sports governing body based on publicly available information.

41 Any employee of a sports governing body or its member teams  
42 who is not prohibited from wagering on a sports event shall,  
43 nevertheless, provide notice to the division prior to placing a wager  
44 on a sports event. The direct or indirect legal or beneficial owner of  
45 10 percent or more of a sports governing body 【or any of its  
46 member teams】 shall not place or accept any wager on a sports  
47 event in which any member team of that sports governing body

1 participates. The direct or indirect legal or beneficial owner of 10  
2 percent or more of a member team of a sports governing body shall  
3 not place or accept any wager on a sports event in which that  
4 member team participates. Any person who violates this paragraph  
5 shall be guilty of a disorderly persons offense and shall be fined not  
6 less than \$500 and not more than \$1,000.

7 (2) The prohibition set forth in paragraph (1) of this subsection  
8 shall not apply to any person who is a direct or indirect owner of a  
9 specific sports governing body member team and (i) has less than  
10 10 percent direct or indirect ownership interest in a casino or  
11 racetrack or (ii) the shares of such person are registered pursuant to  
12 section 12 of the Securities Exchange Act of 1934, as amended (15  
13 U.S.C. s.781), and the value of the ownership of such team  
14 represents less than one percent of the person's total enterprise  
15 value.

16 (3) An operator shall adopt procedures to prevent persons from  
17 wagering on sports events who are prohibited from placing sports  
18 wagers. An operator shall not accept wagers from any person  
19 whose identity is known to the operator and:

20 whose name appears on the exclusion list maintained by the  
21 division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

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

25 who is the operator, director, officer, owner, or employee of the  
26 operator or any relative thereof living in the same household as the  
27 operator;

28 who has access to nonpublic confidential information held by the  
29 operator; or

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

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

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

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

45 h. If any provision of this act, P.L.2018, c.33 (C.5:12A-10 et  
46 al.), or its application to any person or circumstance, is held invalid,  
47 the invalidity shall not affect other provisions or applications of this

1 act which can be given effect without the invalid provision or  
2 application, and to this end the provisions of this act are severable.

3 i. An operator shall promptly report to the division:  
4 any criminal or disciplinary proceedings commenced against the  
5 operator or its employees in connection with the operations of the  
6 sports pool or online sports pool;

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

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

12 suspicious or illegal wagering activities, including the use of  
13 funds derived from illegal activity, wagers to conceal or launder  
14 funds derived from illegal activity, use of agents to place wagers, or  
15 use of false identification.

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

19 j. An operator shall maintain records of sports wagering  
20 operations in accordance with regulations promulgated by the  
21 division.

22 k. A sports wagering licensee may, in addition to having a  
23 sports wagering lounge, conduct wagering on authorized sports  
24 events through one or more kiosks or self-service wagering stations  
25 located within its facility. Such self-service wagering stations  
26 located at a casino may offer any game authorized under rules  
27 established by the division. Such self-service wagering stations  
28 located at a racetrack may offer wagering only on authorized sports  
29 events and horse races.

30 l. All wagers on sports events authorized under this provision  
31 shall be initiated, received and otherwise made within this State  
32 unless otherwise determined by the division in accordance with  
33 applicable federal and state laws. Consistent with the intent of the  
34 United States Congress as articulated in the Unlawful Internet  
35 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the  
36 intermediate routing of electronic data relating to a lawful intrastate  
37 wager authorized under this provision shall not determine the  
38 location or locations in which such wager is initiated, received or  
39 otherwise made.

40 (cf: P.L.2018, c.33, s.2)

41

42 2. This act shall take effect immediately.

43

44

45

#### STATEMENT

46

47 This bill permits a direct or indirect legal or beneficial owner of  
48 10 percent or more of a member team of a sports governing body to



**A5463**

7

1 place or accept wagers on a sports event in which other member  
2 teams participate when the owner's team is not participating.  
3 Currently, a legal or beneficial owner of 10 percent or more of a  
4 team may not place or accept wagers on any sports event in which  
5 any of the other member teams of the team's sports governing body  
6 participate. This bill would permit placing and accepting wagers on  
7 those events when the owner's team is not a participant in the event.

8

9

10

11

12 \_\_\_\_\_  
13 Permits owner of 10 percent or more of member team of sports  
14 governing body to place or accept wagers on certain sports events in  
which other member teams participate.

# ASSEMBLY, No. 5463

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 17, 2019

**Sponsored by:**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**Senator PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**SYNOPSIS**

Permits owner of 10 percent or more of member team of sports governing body to place or accept wagers on certain sports events in which other member teams participate.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 8/27/2019)**

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2 P.L.2018, c.33.

3

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

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

9 2. a. The division shall issue all sports wagering licenses and  
10 renewals thereof to casinos. The racing commission shall issue all  
11 initial sports wagering licenses to racetracks but the division shall  
12 have responsibility for the renewal thereof. In addition to casino  
13 games permitted pursuant to the provisions of P.L.1977, c.110  
14 (C.5:12-1 et seq.), a casino which holds a sports wagering license  
15 issued by the division may operate a sports pool in accordance with  
16 the provisions of this act and applicable regulations promulgated  
17 pursuant to this act. A racetrack which holds an initial sports  
18 wagering license issued by the racing commission or a sports  
19 wagering license that has been renewed by the division may operate  
20 a sports pool in accordance with the provisions of this act and  
21 applicable regulations promulgated pursuant to this act. A casino  
22 which holds a sports wagering license and a racetrack which holds a  
23 sports wagering license may enter into an agreement to jointly  
24 operate a sports pool at the racetrack, in accordance with the  
25 provisions of this act and applicable regulations promulgated  
26 pursuant to this act. A casino or racetrack that holds a sports  
27 wagering license may conduct an online sports pool or may  
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29 service industry enterprise pursuant to section 92 of P.L.1977, c.110  
30 (C.5:12-92), or an applicant for such license, to operate an online  
31 sports pool on its behalf provided the terms of the agreement are  
32 approved by the division, in the case of a casino, or the racing  
33 commission, in the case of a racetrack; provided, however, that each  
34 sports wagering licensee may provide no more than three  
35 individually branded websites, each of which may have an  
36 accompanying mobile application bearing the same brand as the  
37 website for an online sports pool, those websites and mobile  
38 applications, in the case of a casino being in addition to or, in the  
39 discretion of the casino, in conjunction with, any websites and  
40 mobile applications that also offer other types of Internet gaming  
41 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports  
42 pool shall be opened to the public, and no sports wagering, except  
43 for test purposes, may be conducted therein, until an Internet sports  
44 pool operator receives from the division a permit to conduct an  
45 online sports pool. Sports wagering licensees and operators may

**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 provide promotional credits, incentives, bonuses, complimentaries,  
2 or similar benefits designed to induce sports betters to wager. The  
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15 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the  
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17 inconsistent with the provisions of this act. In addition to the duties  
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19 or racing commission, as required pursuant to this act, shall hear  
20 and decide promptly and in reasonable order all applications for a  
21 license to operate a sports pool. In addition to the duties specified  
22 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have  
23 the general responsibility for the implementation of this act, except  
24 with respect to the authority to issue sports wagering licenses to a  
25 racetrack as provided by this act, and shall have all other duties  
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1 temporary facility may include, at the discretion of the agency  
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43 activities as specified in section 83 of P.L.1977, c.110 (C.5:12-83).

44 c. No sports pool or online sports pool shall be offered or made  
45 available for wagering to the public by any entity other than a sports  
46 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),  
47 an applicant for such license, operating such pool on behalf of a  
48 licensee, or an Internet sports pool operator, on behalf of a sports

1 wagering licensee. Any person who offers a sports pool or an  
2 online sports pool without approval of the division or racing  
3 commission to do so is guilty of a crime of the fourth degree and  
4 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to  
5 a fine of not more than \$25,000 and in the case of a person other  
6 than a natural person, to a fine of not more than \$100,000 and any  
7 other appropriate disposition authorized by subsection b. of  
8 N.J.S.2C:43-2.

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

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

17 f. (1) Any person who is:

18 an athlete, coach, referee, or director of a sports governing body  
19 or any of its member teams [.];

20 a sports governing body or any of its member teams [.];

21 a player or a referee personnel member, in or on any sports event  
22 overseen by that person's sports governing body based on publicly  
23 available information [.];

24 a person who holds a position of authority or influence sufficient  
25 to exert influence over the participants in a sporting contest,  
26 including but not limited to coaches, managers, handlers, athletic  
27 trainers, or horse trainers [.];

28 a person with access to certain types of exclusive information on  
29 any sports event overseen by that person's sports governing body  
30 based on publicly available information [.]; or

31 a person identified by any lists provided by the sports governing  
32 body to the division and the racing commission,

33 shall not be permitted to have any ownership interest in, control  
34 of, or otherwise be employed by an operator, a sports wagering  
35 licensee, or a facility in which a sports wagering lounge is located  
36 or place a wager on a sports event that is overseen by that person's  
37 sports governing body based on publicly available information.

38 Any employee of a sports governing body or its member teams  
39 who is not prohibited from wagering on a sports event shall,  
40 nevertheless, provide notice to the division prior to placing a wager  
41 on a sports event. The direct or indirect legal or beneficial owner of  
42 10 percent or more of a sports governing body [or any of its  
43 member teams] shall not place or accept any wager on a sports  
44 event in which any member team of that sports governing body  
45 participates. The direct or indirect legal or beneficial owner of 10  
46 percent or more of a member team of a sports governing body shall  
47 not place or accept any wager on a sports event in which that

1 member team participates. Any person who violates this paragraph  
2 shall be guilty of a disorderly persons offense and shall be fined not  
3 less than \$500 and not more than \$1,000.

4 (2) The prohibition set forth in paragraph (1) of this subsection  
5 shall not apply to any person who is a direct or indirect owner of a  
6 specific sports governing body member team and (i) has less than  
7 10 percent direct or indirect ownership interest in a casino or  
8 racetrack or (ii) the shares of such person are registered pursuant to  
9 section 12 of the Securities Exchange Act of 1934, as amended (15  
10 U.S.C. s.781), and the value of the ownership of such team  
11 represents less than one percent of the person's total enterprise  
12 value.

13 (3) An operator shall adopt procedures to prevent persons from  
14 wagering on sports events who are prohibited from placing sports  
15 wagers. An operator shall not accept wagers from any person  
16 whose identity is known to the operator and:

17 whose name appears on the exclusion list maintained by the  
18 division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

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

22 who is the operator, director, officer, owner, or employee of the  
23 operator or any relative thereof living in the same household as the  
24 operator;

25 who has access to nonpublic confidential information held by the  
26 operator; or

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

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

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

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

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

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

1 any criminal or disciplinary proceedings commenced against the  
2 operator or its employees in connection with the operations of the  
3 sports pool or online sports pool;

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

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

9 suspicious or illegal wagering activities, including the use of  
10 funds derived from illegal activity, wagers to conceal or launder  
11 funds derived from illegal activity, use of agents to place wagers, or  
12 use of false identification.

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

16 j. An operator shall maintain records of sports wagering  
17 operations in accordance with regulations promulgated by the  
18 division.

19 k. A sports wagering licensee may, in addition to having a  
20 sports wagering lounge, conduct wagering on authorized sports  
21 events through one or more kiosks or self-service wagering stations  
22 located within its facility. Such self-service wagering stations  
23 located at a casino may offer any game authorized under rules  
24 established by the division. Such self-service wagering stations  
25 located at a racetrack may offer wagering only on authorized sports  
26 events and horse races.

27 l. All wagers on sports events authorized under this provision  
28 shall be initiated, received and otherwise made within this State  
29 unless otherwise determined by the division in accordance with  
30 applicable federal and state laws. Consistent with the intent of the  
31 United States Congress as articulated in the Unlawful Internet  
32 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the  
33 intermediate routing of electronic data relating to a lawful intrastate  
34 wager authorized under this provision shall not determine the  
35 location or locations in which such wager is initiated, received or  
36 otherwise made.

37 (cf: P.L.2018, c.33, s.2)

38

39 2. This act shall take effect immediately.

40

41

42

#### STATEMENT

43

44 This bill permits a direct or indirect legal or beneficial owner of  
45 10 percent or more of a member team of a sports governing body to  
46 place or accept wagers on a sports event in which other member  
47 teams participate when the owner's team is not participating.  
48 Currently, a legal or beneficial owner of 10 percent or more of a



**A5463 MUKHERJI, BURZICHELLI**

8

1 team may not place or accept wagers on any sports event in which  
2 any of the other member teams of the team's sports governing body  
3 participate. This bill would permit placing and accepting wagers on  
4 those events when the owner's team is not a participant in the event.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 5463**

**STATE OF NEW JERSEY**

DATED: JUNE 18, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5463.

This bill permits a direct or indirect legal or beneficial owner of 10 percent or more of a member team of a sports governing body to place or accept wagers on a sports event in which other member teams participate when the owner's team is not participating. Currently, a legal or beneficial owner of 10 percent or more of a team may not place or accept wagers on any sports event in which any of the other member teams of the team's sports governing body participate. This bill would permit placing and accepting wagers on those events when the owner's team is not a participant in the event.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

**SENATE, No. 3972**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED JUNE 17, 2019

**Sponsored by:**

**Senator PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**SYNOPSIS**

Permits owner of 10 percent or more of member team of sports governing body to place or accept wagers on certain sports events in which other member teams participate.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning wagers on certain sports events and amending  
2 P.L.2018, c.33.

3

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

6

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

9 2. a. The division shall issue all sports wagering licenses and  
10 renewals thereof to casinos. The racing commission shall issue all  
11 initial sports wagering licenses to racetracks but the division shall  
12 have responsibility for the renewal thereof. In addition to casino  
13 games permitted pursuant to the provisions of P.L.1977, c.110  
14 (C.5:12-1 et seq.), a casino which holds a sports wagering license  
15 issued by the division may operate a sports pool in accordance with  
16 the provisions of this act and applicable regulations promulgated  
17 pursuant to this act. A racetrack which holds an initial sports  
18 wagering license issued by the racing commission or a sports  
19 wagering license that has been renewed by the division may operate  
20 a sports pool in accordance with the provisions of this act and  
21 applicable regulations promulgated pursuant to this act. A casino  
22 which holds a sports wagering license and a racetrack which holds a  
23 sports wagering license may enter into an agreement to jointly  
24 operate a sports pool at the racetrack, in accordance with the  
25 provisions of this act and applicable regulations promulgated  
26 pursuant to this act. A casino or racetrack that holds a sports  
27 wagering license may conduct an online sports pool or may  
28 authorize an internet sports pool operator licensed as a casino  
29 service industry enterprise pursuant to section 92 of P.L.1977, c.110  
30 (C.5:12-92), or an applicant for such license, to operate an online  
31 sports pool on its behalf provided the terms of the agreement are  
32 approved by the division, in the case of a casino, or the racing  
33 commission, in the case of a racetrack; provided, however, that each  
34 sports wagering licensee may provide no more than three  
35 individually branded websites, each of which may have an  
36 accompanying mobile application bearing the same brand as the  
37 website for an online sports pool, those websites and mobile  
38 applications, in the case of a casino being in addition to or, in the  
39 discretion of the casino, in conjunction with, any websites and  
40 mobile applications that also offer other types of Internet gaming  
41 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports  
42 pool shall be opened to the public, and no sports wagering, except  
43 for test purposes, may be conducted therein, until an Internet sports  
44 pool operator receives from the division a permit to conduct an  
45 online sports pool. Sports wagering licensees and operators may

**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 provide promotional credits, incentives, bonuses, complimentaries,  
2 or similar benefits designed to induce sports betters to wager. The  
3 division, in consultation with the commission, shall establish by  
4 rule standards governing the provision of these measures. The  
5 server or other equipment used by a racetrack to accept wagers at a  
6 sports pool or online sports pool shall be located in that racetrack or  
7 in any location in Atlantic City which conforms to the requirements  
8 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional  
9 requirements which the division may impose by regulation. The  
10 server or other equipment used by a casino to accept wagers at a  
11 sports pool or online sports pool shall conform to the requirements  
12 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional  
13 requirements which the division may impose by regulation.

14 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the  
15 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the  
16 Casino Control Commission shall apply to the extent not  
17 inconsistent with the provisions of this act. In addition to the duties  
18 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division  
19 or racing commission, as required pursuant to this act, shall hear  
20 and decide promptly and in reasonable order all applications for a  
21 license to operate a sports pool. In addition to the duties specified  
22 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have  
23 the general responsibility for the implementation of this act, except  
24 with respect to the authority to issue sports wagering licenses to a  
25 racetrack as provided by this act, and shall have all other duties  
26 specified in that section with regard to the operation of a sports  
27 pool.

28 The license to operate a sports pool shall be in addition to any  
29 other license required to be issued pursuant to P.L.1977, c.110  
30 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c. 17  
31 (C.5:5-22 et seq.) to conduct horse racing. The division and the  
32 racing commission shall each have the authority to charge a casino  
33 or a racetrack a fee for the issuance or, in the case of the division  
34 renewal, of a sports wagering license in an amount of \$100,000 for  
35 initial issuance and in the case of a renewal a reasonable fee that is  
36 based upon the expense associated with renewal, enforcement, and  
37 gambling addiction programs. No sports wagering license shall be  
38 issued by the division or racing commission to any entity unless it  
39 has established its financial stability, integrity and responsibility  
40 and its good character, honesty and integrity. No casino or  
41 racetrack shall be permitted to operate a sports pool or accept  
42 wagers via an online sports pool unless a sports wagering lounge is  
43 established and has commenced operation in its facility; provided,  
44 however, that an applicant for a sports wagering license may  
45 petition the agency issuing the sports wagering license pursuant to  
46 this act to commence operation of the sports pool at a temporary  
47 facility and/or an online sports pool during the pendency of  
48 construction of a sports wagering lounge in its facility. Such

1 temporary facility may include, at the discretion of the agency  
2 issuing the sports wagering license pursuant to this act, the  
3 utilization of designated windows at the current casino cage or  
4 racetrack betting window for purposes of placing sports betting  
5 wagers and self-service wagering machines located at the racetrack  
6 or casino hotel complex. No license to operate a sports pool shall  
7 be issued to any entity which is disqualified under the criteria of  
8 section 86 of P.L.1977, c.110 (C.5:12-86).

9 No later than five years after the date of the issuance of a license  
10 and every five years thereafter or within such lesser periods as the  
11 agency issuing the sports wagering license pursuant to this act may  
12 direct, a licensee shall submit to the said agency such  
13 documentation or information as the division or racing commission  
14 may by regulation require, to demonstrate to the satisfaction of the  
15 agency that the licensee continues to meet the requirements of the  
16 law and regulations.

17 The division and the racing commission following consultation  
18 with the sports wagering licensees shall annually cause a report to  
19 be prepared and distributed to the Governor on the impact of sports  
20 wagering, including Internet wagering on sports events, on problem  
21 gamblers and gambling addiction in New Jersey. The report shall  
22 be prepared by a private organization or entity with expertise in  
23 serving the needs of persons with gambling addictions, which  
24 organization or entity shall be selected jointly by the division and  
25 the racing commission. The report shall be prepared and distributed  
26 under the supervision of, and in coordination with, the division and  
27 the racing commission. Any costs associated with the preparation  
28 and distribution of the report shall be borne by casino and racetrack  
29 licensees who have been authorized by the division or the racing  
30 commission to conduct Internet gaming and the division and the  
31 racing commission shall be authorized to assess a fee against such  
32 licensees for these purposes. The division and the racing  
33 commission may also report periodically to the Governor on the  
34 effectiveness of the statutory and regulatory controls in place to  
35 ensure the integrity of gaming operations through the Internet.

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

44 c. No sports pool or online sports pool shall be offered or made  
45 available for wagering to the public by any entity other than a sports  
46 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),  
47 an applicant for such license, operating such pool on behalf of a  
48 licensee, or an Internet sports pool operator, on behalf of a sports

1 wagering licensee. Any person who offers a sports pool or an  
2 online sports pool without approval of the division or racing  
3 commission to do so is guilty of a crime of the fourth degree and  
4 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to  
5 a fine of not more than \$25,000 and in the case of a person other  
6 than a natural person, to a fine of not more than \$100,000 and any  
7 other appropriate disposition authorized by subsection b. of  
8 N.J.S.2C:43-2.

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

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

17 f. (1) Any person who is:  
18 an athlete, coach, referee, or director of a sports governing body  
19 or any of its member teams [.];

20 a sports governing body or any of its member teams [.];

21 a player or a referee personnel member, in or on any sports event  
22 overseen by that person's sports governing body based on publicly  
23 available information [.];

24 a person who holds a position of authority or influence sufficient  
25 to exert influence over the participants in a sporting contest,  
26 including but not limited to coaches, managers, handlers, athletic  
27 trainers, or horse trainers [.];

28 a person with access to certain types of exclusive information on  
29 any sports event overseen by that person's sports governing body  
30 based on publicly available information [.]; or

31 a person identified by any lists provided by the sports governing  
32 body to the division and the racing commission,

33 shall not be permitted to have any ownership interest in, control  
34 of, or otherwise be employed by an operator, a sports wagering  
35 licensee, or a facility in which a sports wagering lounge is located  
36 or place a wager on a sports event that is overseen by that person's  
37 sports governing body based on publicly available information.

38 Any employee of a sports governing body or its member teams  
39 who is not prohibited from wagering on a sports event shall,  
40 nevertheless, provide notice to the division prior to placing a wager  
41 on a sports event. The direct or indirect legal or beneficial owner of  
42 10 percent or more of a sports governing body [or any of its  
43 member teams] shall not place or accept any wager on a sports  
44 event in which any member team of that sports governing body  
45 participates. The direct or indirect legal or beneficial owner of 10  
46 percent or more of a member team of a sports governing body shall  
47 not place or accept any wager on a sports event in which that

1 member team participates. Any person who violates this paragraph  
2 shall be guilty of a disorderly persons offense and shall be fined not  
3 less than \$500 and not more than \$1,000.

4 (2) The prohibition set forth in paragraph (1) of this subsection  
5 shall not apply to any person who is a direct or indirect owner of a  
6 specific sports governing body member team and (i) has less than  
7 10 percent direct or indirect ownership interest in a casino or  
8 racetrack or (ii) the shares of such person are registered pursuant to  
9 section 12 of the Securities Exchange Act of 1934, as amended (15  
10 U.S.C. s.781), and the value of the ownership of such team  
11 represents less than one percent of the person's total enterprise  
12 value.

13 (3) An operator shall adopt procedures to prevent persons from  
14 wagering on sports events who are prohibited from placing sports  
15 wagers. An operator shall not accept wagers from any person  
16 whose identity is known to the operator and:

17 whose name appears on the exclusion list maintained by the  
18 division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

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

22 who is the operator, director, officer, owner, or employee of the  
23 operator or any relative thereof living in the same household as the  
24 operator;

25 who has access to nonpublic confidential information held by the  
26 operator; or

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

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

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

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

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

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



1 any criminal or disciplinary proceedings commenced against the  
2 operator or its employees in connection with the operations of the  
3 sports pool or online sports pool;

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

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

9 suspicious or illegal wagering activities, including the use of  
10 funds derived from illegal activity, wagers to conceal or launder  
11 funds derived from illegal activity, use of agents to place wagers, or  
12 use of false identification.

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

16 j. An operator shall maintain records of sports wagering  
17 operations in accordance with regulations promulgated by the  
18 division.

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20 sports wagering lounge, conduct wagering on authorized sports  
21 events through one or more kiosks or self-service wagering stations  
22 located within its facility. Such self-service wagering stations  
23 located at a casino may offer any game authorized under rules  
24 established by the division. Such self-service wagering stations  
25 located at a racetrack may offer wagering only on authorized sports  
26 events and horse races.

27 l. All wagers on sports events authorized under this provision  
28 shall be initiated, received and otherwise made within this State  
29 unless otherwise determined by the division in accordance with  
30 applicable federal and state laws. Consistent with the intent of the  
31 United States Congress as articulated in the Unlawful Internet  
32 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the  
33 intermediate routing of electronic data relating to a lawful intrastate  
34 wager authorized under this provision shall not determine the  
35 location or locations in which such wager is initiated, received or  
36 otherwise made.

37 (cf: P.L.2018, c.33, s.2)

38

39 2. This act shall take effect immediately.

40

41

42

STATEMENT

43

44 This bill permits a direct or indirect legal or beneficial owner of  
45 10 percent or more of a member team of a sports governing body to  
46 place or accept wagers on a sports event in which other member  
47 teams participate when the owner's team is not participating.  
48 Currently, a legal or beneficial owner of 10 percent or more of a

**S3972 DIEGNAN**

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1 team may not place or accept wagers on any sports event in which  
2 any of the other member teams of the team's sports governing body  
3 participate. This bill would permit placing and accepting wagers on  
4 those events when the owner's team is not a participant in the event.

# Governor Murphy Takes Action on Legislation

09/13/2019

**TRENTON** – Today, Governor Phil Murphy signed the following bill into law:

**A5463 (Mukherji, Burzichelli/Diegnan)** - Permits owner of 10 percent or more of member team of sports governing body to place or accept wagers on certain sports events in which other member teams participate.