

5:12A-11
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2021 **CHAPTER:** 350

NJSA: 5:12A-11 (Requires continuation of live horse racing for standardbred racetracks holding sports wagering license.)

BILL NO: S3771 (Substituted for A2256)

SPONSOR(S) Oroho, Steven V. and others

DATE INTRODUCED: 5/11/2021

COMMITTEE: **ASSEMBLY:** Tourism, Gaming & the Arts

SENATE: State Government, Wagering, Tourism & Historic Preservation

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 12/20/2021

SENATE: 6/21/2021

DATE OF APPROVAL: 1/10/2022

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted) Yes

S3771

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

(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)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A2256

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): 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)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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RWH/JA

P.L. 2021, CHAPTER 350, *approved January 10, 2022*

Senate, No. 3771

1 AN ACT concerning sports wagering licenses held by standardbred
2 racetracks and amending 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.

22 A racetrack at which a permit holder has scheduled a
23 standardbred horse race meeting within one year preceding the
24 effective date of P.L.2018, c.33 (C.5:12A-10 et al.) and that met the
25 definition of a racetrack under P.L.2018, c.33 (C.5:12A-10 et al.) on
26 the effective date thereof:

27 shall not be permitted to hold a sports wagering license as a
28 former racetrack on or after the effective date of P.L. _____,
29 c. (C. _____) (pending before the Legislature as this bill), and

30 shall, as a condition of holding a sports wagering license after
31 the effective date of P.L. _____, c. (C. _____), schedule annually no
32 fewer than 151 standardbred race dates, except that the annual
33 number of scheduled standardbred race dates may be decreased to
34 no fewer than 75 standardbred race dates upon written consent from
35 the Standardbred Breeders' and Owners' Association of New
36 Jersey.

37 A casino which holds a sports wagering license and a racetrack
38 which holds a sports wagering license may enter into an agreement
39 to jointly operate a sports pool at the racetrack, in accordance with
40 the provisions of this act and applicable regulations promulgated
41 pursuant to this act. A casino or racetrack that holds a sports

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 wagering license may conduct an online sports pool or may
2 authorize an internet sports pool operator licensed as a casino
3 service industry enterprise pursuant to section 92 of P.L.1977, c.110
4 (C.5:12-92), or an applicant for such license, to operate an online
5 sports pool on its behalf provided the terms of the agreement are
6 approved by the division, in the case of a casino, or the racing
7 commission, in the case of a racetrack; provided, however, that each
8 sports wagering licensee may provide no more than three
9 individually branded websites, each of which may have an
10 accompanying mobile application bearing the same brand as the
11 website for an online sports pool, those websites and mobile
12 applications, in the case of a casino being in addition to or, in the
13 discretion of the casino, in conjunction with, any websites and
14 mobile applications that also offer other types of Internet gaming
15 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports
16 pool shall be opened to the public, and no sports wagering, except
17 for test purposes, may be conducted therein, until an Internet sports
18 pool operator receives from the division a permit to conduct an
19 online sports pool. Sports wagering licensees and operators may
20 provide promotional credits, incentives, bonuses, complimentaries,
21 or similar benefits designed to induce sports betters to wager. The
22 division, in consultation with the commission, shall establish by
23 rule standards governing the provision of these measures. The
24 server or other equipment used by a racetrack to accept wagers at a
25 sports pool or online sports pool shall be located in that racetrack or
26 in any location in Atlantic City which conforms to the requirements
27 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
28 requirements which the division may impose by regulation. The
29 server or other equipment used by a casino to accept wagers at a
30 sports pool or online sports pool shall conform to the requirements
31 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
32 requirements which the division may impose by regulation.

33 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the
34 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the
35 Casino Control Commission shall apply to the extent not
36 inconsistent with the provisions of this act. In addition to the duties
37 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division
38 or racing commission, as required pursuant to this act, shall hear
39 and decide promptly and in reasonable order all applications for a
40 license to operate a sports pool. In addition to the duties specified
41 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have
42 the general responsibility for the implementation of this act, except
43 with respect to the authority to issue sports wagering licenses to a
44 racetrack as provided by this act, and shall have all other duties
45 specified in that section with regard to the operation of a sports
46 pool.

47 The license to operate a sports pool shall be in addition to any
48 other license required to be issued pursuant to P.L.1977, c.110

1 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17
2 (C.5:5-22 et seq.) to conduct horse racing. The division and the
3 racing commission shall each have the authority to charge a casino
4 or a racetrack a fee for the issuance or, in the case of the division
5 renewal, of a sports wagering license in an amount of \$100,000 for
6 initial issuance and in the case of a renewal a reasonable fee that is
7 based upon the expense associated with renewal, enforcement, and
8 gambling addiction programs. No sports wagering license shall be
9 issued by the division or racing commission to any entity unless it
10 has established its financial stability, integrity and responsibility
11 and its good character, honesty and integrity. No casino or
12 racetrack shall be permitted to operate a sports pool or accept
13 wagers via an online sports pool unless a sports wagering lounge is
14 established and has commenced operation in its facility; provided,
15 however, that an applicant for a sports wagering license may
16 petition the agency issuing the sports wagering license pursuant to
17 this act to commence operation of the sports pool at a temporary
18 facility and/or an online sports pool during the pendency of
19 construction of a sports wagering lounge in its facility. Such
20 temporary facility may include, at the discretion of the agency
21 issuing the sports wagering license pursuant to this act, the
22 utilization of designated windows at the current casino cage or
23 racetrack betting window for purposes of placing sports betting
24 wagers and self-service wagering machines located at the racetrack
25 or casino hotel complex. No license to operate a sports pool shall
26 be issued to any entity which is disqualified under the criteria of
27 section 86 of P.L.1977, c.110 (C.5:12-86).

28 No later than five years after the date of the issuance of a license
29 and every five years thereafter or within such lesser periods as the
30 agency issuing the sports wagering license pursuant to this act may
31 direct, a licensee shall submit to the said agency such
32 documentation or information as the division or racing commission
33 may by regulation require, to demonstrate to the satisfaction of the
34 agency that the licensee continues to meet the requirements of the
35 law and regulations.

36 The division and the racing commission following consultation
37 with the sports wagering licensees shall annually cause a report to
38 be prepared and distributed to the Governor on the impact of sports
39 wagering, including Internet wagering on sports events, on problem
40 gamblers and gambling addiction in New Jersey. The report shall
41 be prepared by a private organization or entity with expertise in
42 serving the needs of persons with gambling addictions, which
43 organization or entity shall be selected jointly by the division and
44 the racing commission. The report shall be prepared and distributed
45 under the supervision of, and in coordination with, the division and
46 the racing commission. Any costs associated with the preparation
47 and distribution of the report shall be borne by casino and racetrack
48 licensees who have been authorized by the division or the racing

1 commission to conduct Internet gaming and the division and the
2 racing commission shall be authorized to assess a fee against such
3 licensees for these purposes. The division and the racing
4 commission may also report periodically to the Governor on the
5 effectiveness of the statutory and regulatory controls in place to
6 ensure the integrity of gaming operations through the Internet.

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

15 c. No sports pool or online sports pool shall be offered or made
16 available for wagering to the public by any entity other than a sports
17 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),
18 an applicant for such license, operating such pool on behalf of a
19 licensee, or an Internet sports pool operator, on behalf of a sports
20 wagering licensee. Any person who offers a sports pool or an
21 online sports pool without approval of the division or racing
22 commission to do so is guilty of a crime of the fourth degree and
23 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to
24 a fine of not more than \$25,000 and in the case of a person other
25 than a natural person, to a fine of not more than \$100,000 and any
26 other appropriate disposition authorized by subsection b. of
27 N.J.S.2C:43-2.

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

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

36 f. (1) Any person who is:
37 an athlete, coach, referee, or director of a sports governing body
38 or any of its member teams;
39 a sports governing body or any of its member teams;
40 a player or a referee personnel member, in or on any sports event
41 overseen by that person's sports governing body based on publicly
42 available information;
43 a person who holds a position of authority or influence sufficient
44 to exert influence over the participants in a sporting contest,
45 including but not limited to coaches, managers, handlers, athletic
46 trainers, or horse trainers;

1 a person with access to certain types of exclusive information on
2 any sports event overseen by that person's sports governing body
3 based on publicly available information; or

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

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

11 Any employee of a sports governing body or its member teams
12 who is not prohibited from wagering on a sports event shall,
13 nevertheless, provide notice to the division prior to placing a wager
14 on a sports event. The direct or indirect legal or beneficial owner of
15 10 percent or more of a sports governing body shall not place or
16 accept any wager on a sports event in which any member team of
17 that sports governing body participates. The direct or indirect legal
18 or beneficial owner of 10 percent or more of a member team of a
19 sports governing body shall not place or accept any wager on a
20 sports event in which that member team participates. Any person
21 who violates this paragraph shall be guilty of a disorderly persons
22 offense and shall be fined not less than \$500 and not more than
23 \$1,000.

24 (2) The prohibition set forth in paragraph (1) of this subsection
25 shall not apply to any person who is a direct or indirect owner of a
26 specific sports governing body member team and (i) has less than
27 10 percent direct or indirect ownership interest in a casino or
28 racetrack or (ii) the shares of such person are registered pursuant to
29 section 12 of the Securities Exchange Act of 1934, as amended (15
30 U.S.C. s.781), and the value of the ownership of such team
31 represents less than one percent of the person's total enterprise
32 value.

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

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

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

42 who is the operator, director, officer, owner, or employee of the
43 operator or any relative thereof living in the same household as the
44 operator;

45 who has access to nonpublic confidential information held by the
46 operator; or

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

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

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

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

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

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

21 any criminal or disciplinary proceedings commenced against the
22 operator or its employees in connection with the operations of the
23 sports pool or online sports pool;

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

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

29 suspicious or illegal wagering activities, including the use of
30 funds derived from illegal activity, wagers to conceal or launder
31 funds derived from illegal activity, use of agents to place wagers, or
32 use of false identification.

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

36 j. An operator shall maintain records of sports wagering
37 operations in accordance with regulations promulgated by the
38 division.

39 k. A sports wagering licensee may, in addition to having a
40 sports wagering lounge, conduct wagering on authorized sports
41 events through one or more kiosks or self-service wagering stations
42 located within its facility. Such self-service wagering stations
43 located at a casino may offer any game authorized under rules
44 established by the division. Such self-service wagering stations
45 located at a racetrack may offer wagering only on authorized sports
46 events and horse races.

47 l. All wagers on sports events authorized under this provision
48 shall be initiated, received and otherwise made within this State

1 unless otherwise determined by the division in accordance with
2 applicable federal and state laws. Consistent with the intent of the
3 United States Congress as articulated in the Unlawful Internet
4 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the
5 intermediate routing of electronic data relating to a lawful intrastate
6 wager authorized under this provision shall not determine the
7 location or locations in which such wager is initiated, received or
8 otherwise made.

9 (cf: P.L.2019, c.266, s.1)

10
11 2. This act shall take effect immediately.

12
13
14 STATEMENT

15
16 This bill prohibits a racetrack that qualified as a “racetrack”
17 under N.J.S.A.5:12A-10 on June 11, 2018, and at which a
18 standardbred horse race meeting was held within one year before
19 that date, from holding a sports wagering license as former
20 racetrack after the effective date of this bill. As a result, racetracks
21 that currently or previously conducted live standardbred horse race
22 meetings must continue to do so as a condition of operating a sports
23 pool. The bill also requires those racetracks to schedule at least 151
24 live standardbred race meetings per year in order to be eligible to
25 hold a sports wagering license after the effective date of this bill,
26 but that number may be decreased to 75 or more race dates upon
27 written consent from the Standardbred Breeders’ and Owners’
28 Association of New Jersey.

29 The Legislature recognizes the importance of the horse racing
30 industry to this State, which includes generating millions of dollars
31 in agribusiness and tax revenue, thousands of jobs, and support for
32 thousands of acres of productive agricultural open space. This bill
33 seeks to protect this industry and the benefits to the State of racing-
34 related training and breeding farms by ensuring the continuation of
35 live horse racing for racetracks that operate sports pools. The bill is
36 limited to standardbred racetracks only, in recognition of the
37 inherent incentive to continue live horse racing that exists when a
38 horsemen’s association operates the racetrack, as is currently the
39 case with thoroughbred racetracks.

40 A similar statutory requirement to conduct live horse racing was
41 enacted when the Legislature permitted racetracks to accept
42 wagering on televised horse races, known as simulcasting. These
43 measures ensure the continuation of live horse racing and its
44 economic, agribusiness, and environmental benefits to the State.

45
46
47

S3771

8

- 1 Requires continuation of live horse racing for standardbred
- 2 racetracks holding sports wagering license.

CHAPTER 350
(CORRECTED COPY)

AN ACT concerning sports wagering licenses held by standardbred racetracks and amending P.L.2018, c.33.

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

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

C.5:12A-11 Issuance, renewal of sports wagering licenses.

2. a. The division shall issue all sports wagering licenses and renewals thereof to casinos. The racing commission shall issue all initial sports wagering licenses to racetracks but the division shall have responsibility for the renewal thereof. 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 license issued by the division may operate a sports pool in accordance with the provisions of this act and applicable regulations promulgated pursuant to this act. A racetrack which holds an initial sports wagering license issued by the racing commission or a sports wagering license that has been renewed by the division may operate a sports pool in accordance with the provisions of this act and applicable regulations promulgated pursuant to this act.

The division may issue a transactional waiver to allow the continued operation of an established sports wagering lounge and authorization to conduct up to three online sports wagering operations when a racetrack that holds a license issued by the racing commission pursuant to P.L.1940, c.17 (C.5:5-22 et seq.) undergoes a material change in ownership to a degree such that it would be required to file a new application with the racing commission in order to continue to operate pursuant to P.L.1940, c.17 (C.5:5-22 et seq.). A transactional waiver issued pursuant to this section shall be for an initial period of up to six months and may be renewed during the pendency of the racing commission's consideration of a new application for up to three one-year periods, but the division shall have the right to reexamine and rescind the grant of the waiver at any time.

A racetrack at which a permit holder has scheduled a standardbred horse race meeting within one year preceding the effective date of P.L.2018, c.33 (C.5:12A-10 et al.) and that met the definition of a racetrack under P.L.2018, c.33 (C.5:12A-10 et al.) on the effective date thereof:

shall not be permitted to hold a sports wagering license as a former racetrack on or after the effective date of P.L.2021, c.350, and

shall, as a condition of holding a sports wagering license after the effective date of P.L.2021, c.350, schedule annually no fewer than 151 standardbred race dates, except that the annual number of scheduled standardbred race dates may be decreased to no fewer than 75 standardbred race dates upon written consent from the Standardbred Breeders' and Owners' Association of New Jersey.

A casino which holds a sports wagering license and a racetrack which holds a sports wagering license may enter into an agreement to jointly operate a sports pool at the racetrack, in accordance with the provisions of this act and applicable regulations promulgated pursuant to this act. A casino or racetrack that holds a sports wagering license may conduct an online sports pool or may authorize an internet sports pool operator 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; provided, however, that each sports wagering licensee may provide no more than three individually branded websites, each of which may have an

accompanying mobile application bearing the same brand as the website for an online sports pool, those websites and mobile applications, in the case of a casino being in addition to or, in the discretion of the casino, in conjunction with, any websites and mobile applications that also offer other types of Internet gaming pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports pool shall be opened to the public, and no sports wagering, except for test purposes, may be conducted therein, until an Internet sports pool operator receives approval from the division to conduct an online sports pool on behalf of a casino or racetrack that holds a sports wagering license. Sports wagering licensees and operators may provide promotional credits, incentives, bonuses, complimentaries, or similar benefits designed to induce sports betters to wager. The division, in consultation with the commission, shall establish by rule standards governing the provision of these measures. The server or other equipment used by a racetrack to accept wagers at a sports pool or online sports pool shall be located in that racetrack 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 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.

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

The license to operate a sports pool shall be in addition to any other license required to be issued pursuant to P.L.1977, c.110 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17 (C.5:5-22 et seq.) to conduct horse racing. The division and the racing commission shall each have the authority to charge a casino or a racetrack a fee for the issuance or, in the case of the division renewal, of a sports wagering license in an amount of \$100,000 for initial issuance and in the case of a renewal a reasonable fee that is based upon the expense associated with renewal, enforcement, and gambling addiction programs. No sports wagering license shall be issued by the division or racing commission to any entity unless it has established its financial stability, integrity and responsibility and its good character, honesty and integrity. No casino or racetrack shall be permitted to operate a sports pool 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 an applicant for a sports wagering license may petition the agency issuing the sports wagering license pursuant to this act to commence operation of the sports pool at a temporary facility and/or an online sports pool during the pendency of construction of a sports wagering lounge in its facility. Such temporary facility may include, at the discretion of the agency issuing the sports wagering license pursuant to this act, the utilization of designated windows at the current casino cage or racetrack betting window for purposes of placing sports betting wagers and self-service wagering machines located at the racetrack or casino hotel complex. No license to operate a

sports pool shall be issued to any entity which is disqualified under the criteria of section 86 of P.L.1977, c.110 (C.5:12-86).

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

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

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

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

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

e. An operator shall 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 agency issuing the sports wagering license; or through an online sports pool. A person placing a wager on a sports event shall be at least 21 years of age.

f. (1) Any person who is:

an athlete, coach, referee, or director of a sports governing body or any of its member teams;
a sports governing body or any of its member teams;

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

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

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

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

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

Any employee of a sports governing body or its member teams who is not prohibited from wagering on a sports event shall, nevertheless, provide notice to the division prior to placing a wager on a sports event. The direct or indirect legal or beneficial owner of 10 percent or more of a sports governing body shall not place or accept any wager on a sports event in which any member team of that sports governing body participates. The direct or indirect legal or beneficial owner of 10 percent or more of a member team of a sports governing body shall not place or accept any wager on a sports event in which that member team participates. Any person who violates this paragraph shall be guilty of a disorderly persons offense and shall be fined not less than \$500 and not more than \$1,000.

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

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

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);

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

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

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

who is an agent or proxy for any other person.

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

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

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

license granted by the division prior to entering into any such contract. The approval shall be in accordance with the terms and conditions set forth by the division.

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

i. An operator shall promptly report to the division:

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

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

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

suspicious or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or 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.

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

k. A sports wagering licensee 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.

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

m. A sports wagering licensee shall not accept any wager on any sports event unless the sports event has been approved for wagering by the director. Except as otherwise provided in this subsection, no sports event shall be approved for wagering unless the director has certified that the sports event has appropriate policies and procedures to monitor the integrity of the athletes or competitors. In the absence of such certification, the director shall impose a wager limit of not more than \$100 or a win limit of \$500, whichever is greater, on the amount permitted to be wagered or won on such competitions or contests by any individual.

2. This act shall take effect immediately.

Approved January 10, 2022.

SENATE, No. 3771

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 11, 2021

Sponsored by:

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Senator JAMES BEACH

District 6 (Burlington and Camden)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

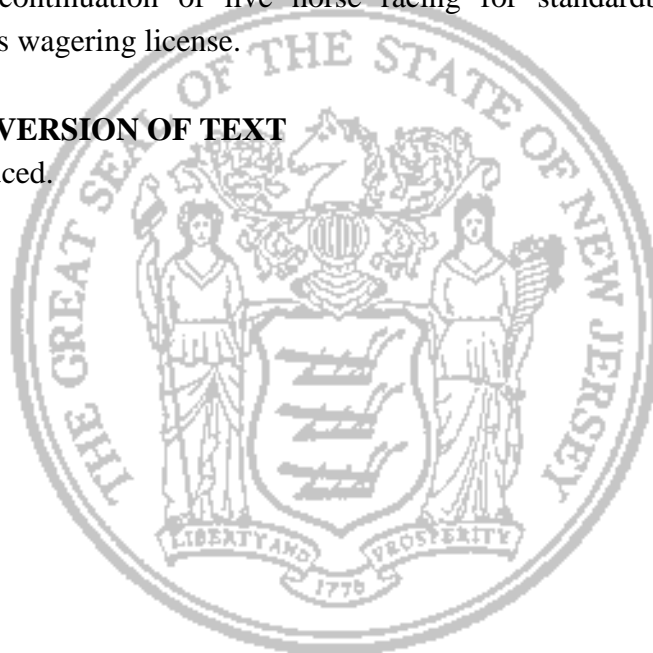
Senators Thompson, Codey, O'Scanlon and Assemblyman Houghtaling

SYNOPSIS

Requires continuation of live horse racing for standardbred racetracks holding sports wagering license.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/20/2021)

S3771 OROHO, BEACH

2

1 AN ACT concerning sports wagering licenses held by standardbred
2 racetracks and amending 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.

22 A racetrack at which a permit holder has scheduled a
23 standardbred horse race meeting within one year preceding the
24 effective date of P.L.2018, c.33 (C.5:12A-10 et al.) and that met the
25 definition of a racetrack under P.L.2018, c.33 (C.5:12A-10 et al.) on
26 the effective date thereof:

27 shall not be permitted to hold a sports wagering license as a
28 former racetrack on or after the effective date of P.L. _____,
29 c. (C. _____) (pending before the Legislature as this bill), and

30 shall, as a condition of holding a sports wagering license after
31 the effective date of P.L. _____, c. (C. _____), schedule annually no
32 fewer than 151 standardbred race dates, except that the annual
33 number of scheduled standardbred race dates may be decreased to
34 no fewer than 75 standardbred race dates upon written consent from
35 the Standardbred Breeders' and Owners' Association of New
36 Jersey.

37 A casino which holds a sports wagering license and a racetrack
38 which holds a sports wagering license may enter into an agreement
39 to jointly operate a sports pool at the racetrack, in accordance with
40 the provisions of this act and applicable regulations promulgated
41 pursuant to this act. A casino or racetrack that holds a sports
42 wagering license may conduct an online sports pool or may
43 authorize an internet sports pool operator licensed as a casino
44 service industry enterprise pursuant to section 92 of P.L.1977, c.110
45 (C.5:12-92), or an applicant for such license, to operate an online

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.

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1 sports pool on its behalf provided the terms of the agreement are
2 approved by the division, in the case of a casino, or the racing
3 commission, in the case of a racetrack; provided, however, that each
4 sports wagering licensee may provide no more than three
5 individually branded websites, each of which may have an
6 accompanying mobile application bearing the same brand as the
7 website for an online sports pool, those websites and mobile
8 applications, in the case of a casino being in addition to or, in the
9 discretion of the casino, in conjunction with, any websites and
10 mobile applications that also offer other types of Internet gaming
11 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports
12 pool shall be opened to the public, and no sports wagering, except
13 for test purposes, may be conducted therein, until an Internet sports
14 pool operator receives from the division a permit to conduct an
15 online sports pool. Sports wagering licensees and operators may
16 provide promotional credits, incentives, bonuses, complimentaries,
17 or similar benefits designed to induce sports betters to wager. The
18 division, in consultation with the commission, shall establish by
19 rule standards governing the provision of these measures. The
20 server or other equipment used by a racetrack to accept wagers at a
21 sports pool or online sports pool shall be located in that racetrack or
22 in any location in Atlantic City which conforms to the requirements
23 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
24 requirements which the division may impose by regulation. The
25 server or other equipment used by a casino to accept wagers at a
26 sports pool or online sports pool shall conform to the requirements
27 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
28 requirements which the division may impose by regulation.

29 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the
30 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the
31 Casino Control Commission shall apply to the extent not
32 inconsistent with the provisions of this act. In addition to the duties
33 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division
34 or racing commission, as required pursuant to this act, shall hear
35 and decide promptly and in reasonable order all applications for a
36 license to operate a sports pool. In addition to the duties specified
37 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have
38 the general responsibility for the implementation of this act, except
39 with respect to the authority to issue sports wagering licenses to a
40 racetrack as provided by this act, and shall have all other duties
41 specified in that section with regard to the operation of a sports
42 pool.

43 The license to operate a sports pool shall be in addition to any
44 other license required to be issued pursuant to P.L.1977, c.110
45 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17
46 (C.5:5-22 et seq.) to conduct horse racing. The division and the
47 racing commission shall each have the authority to charge a casino
48 or a racetrack a fee for the issuance or, in the case of the division

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1 renewal, of a sports wagering license in an amount of \$100,000 for
2 initial issuance and in the case of a renewal a reasonable fee that is
3 based upon the expense associated with renewal, enforcement, and
4 gambling addiction programs. No sports wagering license shall be
5 issued by the division or racing commission to any entity unless it
6 has established its financial stability, integrity and responsibility
7 and its good character, honesty and integrity. No casino or
8 racetrack shall be permitted to operate a sports pool or accept
9 wagers via an online sports pool unless a sports wagering lounge is
10 established and has commenced operation in its facility; provided,
11 however, that an applicant for a sports wagering license may
12 petition the agency issuing the sports wagering license pursuant to
13 this act to commence operation of the sports pool at a temporary
14 facility and/or an online sports pool during the pendency of
15 construction of a sports wagering lounge in its facility. Such
16 temporary facility may include, at the discretion of the agency
17 issuing the sports wagering license pursuant to this act, the
18 utilization of designated windows at the current casino cage or
19 racetrack betting window for purposes of placing sports betting
20 wagers and self-service wagering machines located at the racetrack
21 or casino hotel complex. No license to operate a sports pool shall
22 be issued to any entity which is disqualified under the criteria of
23 section 86 of P.L.1977, c.110 (C.5:12-86).

24 No later than five years after the date of the issuance of a license
25 and every five years thereafter or within such lesser periods as the
26 agency issuing the sports wagering license pursuant to this act may
27 direct, a licensee shall submit to the said agency such
28 documentation or information as the division or racing commission
29 may by regulation require, to demonstrate to the satisfaction of the
30 agency that the licensee continues to meet the requirements of the
31 law and regulations.

32 The division and the racing commission following consultation
33 with the sports wagering licensees shall annually cause a report to
34 be prepared and distributed to the Governor on the impact of sports
35 wagering, including Internet wagering on sports events, on problem
36 gamblers and gambling addiction in New Jersey. The report shall
37 be prepared by a private organization or entity with expertise in
38 serving the needs of persons with gambling addictions, which
39 organization or entity shall be selected jointly by the division and
40 the racing commission. The report shall be prepared and distributed
41 under the supervision of, and in coordination with, the division and
42 the racing commission. Any costs associated with the preparation
43 and distribution of the report shall be borne by casino and racetrack
44 licensees who have been authorized by the division or the racing
45 commission to conduct Internet gaming and the division and the
46 racing commission shall be authorized to assess a fee against such
47 licensees for these purposes. The division and the racing
48 commission may also report periodically to the Governor on the

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1 effectiveness of the statutory and regulatory controls in place to
2 ensure the integrity of gaming operations through the Internet.

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

11 c. No sports pool or online sports pool shall be offered or made
12 available for wagering to the public by any entity other than a sports
13 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),
14 an applicant for such license, operating such pool on behalf of a
15 licensee, or an Internet sports pool operator, on behalf of a sports
16 wagering licensee. Any person who offers a sports pool or an
17 online sports pool without approval of the division or racing
18 commission to do so is guilty of a crime of the fourth degree and
19 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to
20 a fine of not more than \$25,000 and in the case of a person other
21 than a natural person, to a fine of not more than \$100,000 and any
22 other appropriate disposition authorized by subsection b. of
23 N.J.S.2C:43-2.

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

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

32 f. (1) Any person who is:

33 an athlete, coach, referee, or director of a sports governing body
34 or any of its member teams;

35 a sports governing body or any of its member teams;

36 a player or a referee personnel member, in or on any sports event
37 overseen by that person's sports governing body based on publicly
38 available information;

39 a person who holds a position of authority or influence sufficient
40 to exert influence over the participants in a sporting contest,
41 including but not limited to coaches, managers, handlers, athletic
42 trainers, or horse trainers;

43 a person with access to certain types of exclusive information on
44 any sports event overseen by that person's sports governing body
45 based on publicly available information; or

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

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6

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

6 Any employee of a sports governing body or its member teams
7 who is not prohibited from wagering on a sports event shall,
8 nevertheless, provide notice to the division prior to placing a wager
9 on a sports event. The direct or indirect legal or beneficial owner of
10 10 percent or more of a sports governing body shall not place or
11 accept any wager on a sports event in which any member team of
12 that sports governing body participates. The direct or indirect legal
13 or beneficial owner of 10 percent or more of a member team of a
14 sports governing body shall not place or accept any wager on a
15 sports event in which that member team participates. Any person
16 who violates this paragraph shall be guilty of a disorderly persons
17 offense and shall be fined not less than \$500 and not more than
18 \$1,000.

19 (2) The prohibition set forth in paragraph (1) of this subsection
20 shall not apply to any person who is a direct or indirect owner of a
21 specific sports governing body member team and (i) has less than
22 10 percent direct or indirect ownership interest in a casino or
23 racetrack or (ii) the shares of such person are registered pursuant to
24 section 12 of the Securities Exchange Act of 1934, as amended (15
25 U.S.C. s.781), and the value of the ownership of such team
26 represents less than one percent of the person's total enterprise
27 value.

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

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

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

37 who is the operator, director, officer, owner, or employee of the
38 operator or any relative thereof living in the same household as the
39 operator;

40 who has access to nonpublic confidential information held by the
41 operator; or

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

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

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

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

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

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

17 any criminal or disciplinary proceedings commenced against the
18 operator or its employees in connection with the operations of the
19 sports pool or online sports pool;

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

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

25 suspicious or illegal wagering activities, including the use of
26 funds derived from illegal activity, wagers to conceal or launder
27 funds derived from illegal activity, use of agents to place wagers, or
28 use of false identification.

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

32 j. An operator shall maintain records of sports wagering
33 operations in accordance with regulations promulgated by the
34 division.

35 k. A sports wagering licensee may, in addition to having a
36 sports wagering lounge, conduct wagering on authorized sports
37 events through one or more kiosks or self-service wagering stations
38 located within its facility. Such self-service wagering stations
39 located at a casino may offer any game authorized under rules
40 established by the division. Such self-service wagering stations
41 located at a racetrack may offer wagering only on authorized sports
42 events and horse races.

43 l. All wagers on sports events authorized under this provision
44 shall be initiated, received and otherwise made within this State
45 unless otherwise determined by the division in accordance with
46 applicable federal and state laws. Consistent with the intent of the
47 United States Congress as articulated in the Unlawful Internet
48 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the

1 intermediate routing of electronic data relating to a lawful intrastate
2 wager authorized under this provision shall not determine the
3 location or locations in which such wager is initiated, received or
4 otherwise made.

5 (cf: P.L.2019, c.266, s.1)

6

7 2. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill prohibits a racetrack that qualified as a “racetrack”
13 under N.J.S.A.5:12A-10 on June 11, 2018, and at which a
14 standardbred horse race meeting was held within one year before
15 that date, from holding a sports wagering license as former
16 racetrack after the effective date of this bill. As a result, racetracks
17 that currently or previously conducted live standardbred horse race
18 meetings must continue to do so as a condition of operating a sports
19 pool. The bill also requires those racetracks to schedule at least 151
20 live standardbred race meetings per year in order to be eligible to
21 hold a sports wagering license after the effective date of this bill,
22 but that number may be decreased to 75 or more race dates upon
23 written consent from the Standardbred Breeders’ and Owners’
24 Association of New Jersey.

25 The Legislature recognizes the importance of the horse racing
26 industry to this State, which includes generating millions of dollars
27 in agribusiness and tax revenue, thousands of jobs, and support for
28 thousands of acres of productive agricultural open space. This bill
29 seeks to protect this industry and the benefits to the State of racing-
30 related training and breeding farms by ensuring the continuation of
31 live horse racing for racetracks that operate sports pools. The bill is
32 limited to standardbred racetracks only, in recognition of the
33 inherent incentive to continue live horse racing that exists when a
34 horsemen’s association operates the racetrack, as is currently the
35 case with thoroughbred racetracks.

36 A similar statutory requirement to conduct live horse racing was
37 enacted when the Legislature permitted racetracks to accept
38 wagering on televised horse races, known as simulcasting. These
39 measures ensure the continuation of live horse racing and its
40 economic, agribusiness, and environmental benefits to the State.

ASSEMBLY TOURISM, GAMING AND THE ARTS
COMMITTEE

STATEMENT TO

SENATE, No. 3771

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Assembly Tourism, Gaming and the Arts Committee reports favorably Senate Bill No. 3771.

This bill prohibits a racetrack that qualified as a “racetrack” under N.J.S.A.5:12A-10 on June 11, 2018, and at which a standardbred horse race meeting was held within one year before that date, from holding a sports wagering license as former racetrack after the effective date of this bill. As a result, racetracks that currently or previously conducted live standardbred horse race meetings must continue to do so as a condition of operating a sports pool. The bill also requires those racetracks to schedule at least 151 live standardbred race meetings per year in order to be eligible to hold a sports wagering license after the effective date of this bill, but that number may be decreased to 75 or more race dates upon written consent from the Standardbred Breeders’ and Owners’ Association of New Jersey.

The Legislature recognizes the importance of the horse racing industry to this State, which includes generating millions of dollars in agribusiness and tax revenue, thousands of jobs, and support for thousands of acres of productive agricultural open space. This bill seeks to protect this industry and the benefits to the State of racing-related training and breeding farms by ensuring the continuation of live horse racing for racetracks that operate sports pools. The bill is limited to standardbred racetracks only, in recognition of the inherent incentive to continue live horse racing that exists when a horsemen’s association operates the racetrack, as is currently the case with thoroughbred racetracks.

A similar statutory requirement to conduct live horse racing was enacted when the Legislature permitted racetracks to accept wagering on televised horse races, known as simulcasting. These measures ensure the continuation of live horse racing and its economic, agribusiness, and environmental benefits to the State.

Senate Bill No. 3771 is identical to Assembly Bill No. 2256 of 2020-2021.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 3771

STATE OF NEW JERSEY

DATED: JUNE 3, 2021

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably Senate Bill No. 3771.

This bill prohibits a racetrack that qualified as a “racetrack” under N.J.S.A.5:12A-10 on June 11, 2018, and at which a standardbred horse race meeting was held within one year before that date, from holding a sports wagering license as former racetrack after the effective date of this bill. As a result, racetracks that currently or previously conducted live standardbred horse race meetings must continue to do so as a condition of operating a sports pool. The bill also requires those racetracks to schedule at least 151 live standardbred race meetings per year in order to be eligible to hold a sports wagering license after the effective date of this bill, but that number may be decreased to 75 or more race dates upon written consent from the Standardbred Breeders’ and Owners’ Association of New Jersey.

The Legislature recognizes the importance of the horse racing industry to this State, which includes generating millions of dollars in agribusiness and tax revenue, thousands of jobs, and support for thousands of acres of productive agricultural open space. This bill seeks to protect this industry and the benefits to the State of racing-related training and breeding farms by ensuring the continuation of live horse racing for racetracks that operate sports pools. The bill is limited to standardbred racetracks only, in recognition of the inherent incentive to continue live horse racing that exists when a horsemen’s association operates the racetrack, as is currently the case with thoroughbred racetracks.

A similar statutory requirement to conduct live horse racing was enacted when the Legislature permitted racetracks to accept wagering on televised horse races, known as simulcasting. These measures ensure the continuation of live horse racing and its economic, agribusiness, and environmental benefits to the State.

ASSEMBLY, No. 2256

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblyman JOHN J. BURZICHELLI

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Requires continuation of live horse racing for standardbred racetracks holding sports wagering license.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 11/8/2021)

A2256 DANCER, CAPUTO

2

1 AN ACT concerning sports wagering licenses held by standardbred
2 racetracks and amending 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.

22 A racetrack at which a permit holder has scheduled a
23 standardbred horse race meeting within one year preceding the
24 effective date of P.L.2018, c.33 (C.5:12A-10 et al.) and that met the
25 definition of a racetrack under P.L.2018, c.33 (C.5:12A-10 et al.) on
26 the effective date thereof:

27 shall not be permitted to hold a sports wagering license as a
28 former racetrack on or after the effective date of P.L. _____,
29 c. (C. _____) (pending before the Legislature as this bill), and

30 shall, as a condition of holding a sports wagering license after
31 the effective date of P.L. _____, c. (C. _____), schedule annually no
32 fewer than 151 standardbred race dates, except that the annual
33 number of scheduled standardbred race dates may be decreased to
34 no fewer than 75 standardbred race dates upon written consent from
35 the Standardbred Breeders' and Owners' Association of New
36 Jersey.

37 A casino which holds a sports wagering license and a racetrack
38 which holds a sports wagering license may enter into an agreement
39 to jointly operate a sports pool at the racetrack, in accordance with
40 the provisions of this act and applicable regulations promulgated
41 pursuant to this act. A casino or racetrack that holds a sports
42 wagering license may conduct an online sports pool or may
43 authorize an internet sports pool operator licensed as a casino
44 service industry enterprise pursuant to section 92 of P.L.1977, c.110
45 (C.5:12-92), or an applicant for such license, to operate an online

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 sports pool on its behalf provided the terms of the agreement are
2 approved by the division, in the case of a casino, or the racing
3 commission, in the case of a racetrack; provided, however, that each
4 sports wagering licensee may provide no more than three
5 individually branded websites, each of which may have an
6 accompanying mobile application bearing the same brand as the
7 website for an online sports pool, those websites and mobile
8 applications, in the case of a casino being in addition to or, in the
9 discretion of the casino, in conjunction with, any websites and
10 mobile applications that also offer other types of Internet gaming
11 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports
12 pool shall be opened to the public, and no sports wagering, except
13 for test purposes, may be conducted therein, until an Internet sports
14 pool operator receives from the division a permit to conduct an
15 online sports pool. Sports wagering licensees and operators may
16 provide promotional credits, incentives, bonuses, complimentaries,
17 or similar benefits designed to induce sports betters to wager. The
18 division, in consultation with the commission, shall establish by
19 rule standards governing the provision of these measures. The
20 server or other equipment used by a racetrack to accept wagers at a
21 sports pool or online sports pool shall be located in that racetrack or
22 in any location in Atlantic City which conforms to the requirements
23 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
24 requirements which the division may impose by regulation. The
25 server or other equipment used by a casino to accept wagers at a
26 sports pool or online sports pool shall conform to the requirements
27 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
28 requirements which the division may impose by regulation.

29 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the
30 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the
31 Casino Control Commission shall apply to the extent not
32 inconsistent with the provisions of this act. In addition to the duties
33 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division
34 or racing commission, as required pursuant to this act, shall hear
35 and decide promptly and in reasonable order all applications for a
36 license to operate a sports pool. In addition to the duties specified
37 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have
38 the general responsibility for the implementation of this act, except
39 with respect to the authority to issue sports wagering licenses to a
40 racetrack as provided by this act, and shall have all other duties
41 specified in that section with regard to the operation of a sports
42 pool.

43 The license to operate a sports pool shall be in addition to any
44 other license required to be issued pursuant to P.L.1977, c.110
45 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17
46 (C.5:5-22 et seq.) to conduct horse racing. The division and the
47 racing commission shall each have the authority to charge a casino
48 or a racetrack a fee for the issuance or, in the case of the division

1 renewal, of a sports wagering license in an amount of \$100,000 for
2 initial issuance and in the case of a renewal a reasonable fee that is
3 based upon the expense associated with renewal, enforcement, and
4 gambling addiction programs. No sports wagering license shall be
5 issued by the division or racing commission to any entity unless it
6 has established its financial stability, integrity and responsibility
7 and its good character, honesty and integrity. No casino or
8 racetrack shall be permitted to operate a sports pool or accept
9 wagers via an online sports pool unless a sports wagering lounge is
10 established and has commenced operation in its facility; provided,
11 however, that an applicant for a sports wagering license may
12 petition the agency issuing the sports wagering license pursuant to
13 this act to commence operation of the sports pool at a temporary
14 facility and/or an online sports pool during the pendency of
15 construction of a sports wagering lounge in its facility. Such
16 temporary facility may include, at the discretion of the agency
17 issuing the sports wagering license pursuant to this act, the
18 utilization of designated windows at the current casino cage or
19 racetrack betting window for purposes of placing sports betting
20 wagers and self-service wagering machines located at the racetrack
21 or casino hotel complex. No license to operate a sports pool shall
22 be issued to any entity which is disqualified under the criteria of
23 section 86 of P.L.1977, c.110 (C.5:12-86).

24 No later than five years after the date of the issuance of a license
25 and every five years thereafter or within such lesser periods as the
26 agency issuing the sports wagering license pursuant to this act may
27 direct, a licensee shall submit to the said agency such
28 documentation or information as the division or racing commission
29 may by regulation require, to demonstrate to the satisfaction of the
30 agency that the licensee continues to meet the requirements of the
31 law and regulations.

32 The division and the racing commission following consultation
33 with the sports wagering licensees shall annually cause a report to
34 be prepared and distributed to the Governor on the impact of sports
35 wagering, including Internet wagering on sports events, on problem
36 gamblers and gambling addiction in New Jersey. The report shall
37 be prepared by a private organization or entity with expertise in
38 serving the needs of persons with gambling addictions, which
39 organization or entity shall be selected jointly by the division and
40 the racing commission. The report shall be prepared and distributed
41 under the supervision of, and in coordination with, the division and
42 the racing commission. Any costs associated with the preparation
43 and distribution of the report shall be borne by casino and racetrack
44 licensees who have been authorized by the division or the racing
45 commission to conduct Internet gaming and the division and the
46 racing commission shall be authorized to assess a fee against such
47 licensees for these purposes. The division and the racing
48 commission may also report periodically to the Governor on the

1 effectiveness of the statutory and regulatory controls in place to
2 ensure the integrity of gaming operations through the Internet.

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

11 c. No sports pool or online sports pool shall be offered or made
12 available for wagering to the public by any entity other than a sports
13 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),
14 an applicant for such license, operating such pool on behalf of a
15 licensee, or an Internet sports pool operator, on behalf of a sports
16 wagering licensee. Any person who offers a sports pool or an
17 online sports pool without approval of the division or racing
18 commission to do so is guilty of a crime of the fourth degree and
19 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to
20 a fine of not more than \$25,000 and in the case of a person other
21 than a natural person, to a fine of not more than \$100,000 and any
22 other appropriate disposition authorized by subsection b. of
23 N.J.S.2C:43-2.

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

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

32 f. (1) Any person who is:

33 an athlete, coach, referee, or director of a sports governing body
34 or any of its member teams;

35 a sports governing body or any of its member teams;

36 a player or a referee personnel member, in or on any sports event
37 overseen by that person's sports governing body based on publicly
38 available information;

39 a person who holds a position of authority or influence sufficient
40 to exert influence over the participants in a sporting contest,
41 including but not limited to coaches, managers, handlers, athletic
42 trainers, or horse trainers;

43 a person with access to certain types of exclusive information on
44 any sports event overseen by that person's sports governing body
45 based on publicly available information; or

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

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

6 Any employee of a sports governing body or its member teams
7 who is not prohibited from wagering on a sports event shall,
8 nevertheless, provide notice to the division prior to placing a wager
9 on a sports event. The direct or indirect legal or beneficial owner of
10 10 percent or more of a sports governing body shall not place or
11 accept any wager on a sports event in which any member team of
12 that sports governing body participates. The direct or indirect legal
13 or beneficial owner of 10 percent or more of a member team of a
14 sports governing body shall not place or accept any wager on a
15 sports event in which that member team participates. Any person
16 who violates this paragraph shall be guilty of a disorderly persons
17 offense and shall be fined not less than \$500 and not more than
18 \$1,000.

19 (2) The prohibition set forth in paragraph (1) of this subsection
20 shall not apply to any person who is a direct or indirect owner of a
21 specific sports governing body member team and (i) has less than
22 10 percent direct or indirect ownership interest in a casino or
23 racetrack or (ii) the shares of such person are registered pursuant to
24 section 12 of the Securities Exchange Act of 1934, as amended (15
25 U.S.C. s.781), and the value of the ownership of such team
26 represents less than one percent of the person's total enterprise
27 value.

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

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

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

37 who is the operator, director, officer, owner, or employee of the
38 operator or any relative thereof living in the same household as the
39 operator;

40 who has access to nonpublic confidential information held by the
41 operator; or

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

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

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

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

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

16 i. An operator shall promptly report to the division:
17 any criminal or disciplinary proceedings commenced against the
18 operator or its employees in connection with the operations of the
19 sports pool or online sports pool;
20 any abnormal betting activity or patterns that may indicate a
21 concern about the integrity of a sports event or events;
22 any other conduct with the potential to corrupt a betting outcome
23 of a sports event for purposes of financial gain, including but not
24 limited to match fixing; and
25 suspicious or illegal wagering activities, including the use of
26 funds derived from illegal activity, wagers to conceal or launder
27 funds derived from illegal activity, use of agents to place wagers, or
28 use of false identification.

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

32 j. An operator shall maintain records of sports wagering
33 operations in accordance with regulations promulgated by the
34 division.

35 k. A sports wagering licensee may, in addition to having a
36 sports wagering lounge, conduct wagering on authorized sports
37 events through one or more kiosks or self-service wagering stations
38 located within its facility. Such self-service wagering stations
39 located at a casino may offer any game authorized under rules
40 established by the division. Such self-service wagering stations
41 located at a racetrack may offer wagering only on authorized sports
42 events and horse races.

43 l. All wagers on sports events authorized under this provision
44 shall be initiated, received and otherwise made within this State
45 unless otherwise determined by the division in accordance with
46 applicable federal and state laws. Consistent with the intent of the
47 United States Congress as articulated in the Unlawful Internet
48 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the

1 intermediate routing of electronic data relating to a lawful intrastate
2 wager authorized under this provision shall not determine the
3 location or locations in which such wager is initiated, received or
4 otherwise made.

5 (cf: P.L.2019, c.266, s.1)

6

7 2. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill prohibits a racetrack that qualified as a “racetrack”
13 under N.J.S.A.5:12A-10 on June 11, 2018, and at which a
14 standardbred horse race meeting was held within one year before
15 that date, from holding a sports wagering license as former
16 racetrack after the effective date of this bill. As a result, racetracks
17 that currently or previously conducted live standardbred horse race
18 meetings must continue to do so as a condition of operating a sports
19 pool. The bill also requires those racetracks to schedule at least 151
20 live standardbred race meetings per year in order to be eligible to
21 hold a sports wagering license after the effective date of this bill,
22 but that number may be decreased to 75 or more race dates upon
23 written consent from the Standardbred Breeders’ and Owners’
24 Association of New Jersey.

25 The Legislature recognizes the importance of the horse racing
26 industry to this State, which includes generating millions of dollars
27 in agribusiness and tax revenue, thousands of jobs, and support for
28 thousands of acres of productive agricultural open space. This bill
29 seeks to protect this industry and the benefits to the State of racing-
30 related training and breeding farms by ensuring the continuation of
31 live horse racing for racetracks that operate sports pools. The bill is
32 limited to standardbred racetracks only, in recognition of the
33 inherent incentive to continue live horse racing that exists when a
34 horsemen’s association operates the racetrack, as is currently the
35 case with thoroughbred racetracks.

36 A similar statutory requirement to conduct live horse racing was
37 enacted when the Legislature permitted racetracks to accept
38 wagering on televised horse races, known as simulcasting. These
39 measures ensure the continuation of live horse racing and its
40 economic, agribusiness, and environmental benefits to the State.

ASSEMBLY TOURISM, GAMING AND THE ARTS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2256

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Assembly Tourism, Gaming and the Arts Committee reports favorably Assembly Bill No. 2256.

This bill prohibits a racetrack that qualified as a “racetrack” under N.J.S.A.5:12A-10 on June 11, 2018, and at which a standardbred horse race meeting was held within one year before that date, from holding a sports wagering license as former racetrack after the effective date of this bill. As a result, racetracks that currently or previously conducted live standardbred horse race meetings must continue to do so as a condition of operating a sports pool. The bill also requires those racetracks to schedule at least 151 live standardbred race meetings per year in order to be eligible to hold a sports wagering license after the effective date of this bill, but that number may be decreased to 75 or more race dates upon written consent from the Standardbred Breeders’ and Owners’ Association of New Jersey.

The Legislature recognizes the importance of the horse racing industry to this State, which includes generating millions of dollars in agribusiness and tax revenue, thousands of jobs, and support for thousands of acres of productive agricultural open space. This bill seeks to protect this industry and the benefits to the State of racing-related training and breeding farms by ensuring the continuation of live horse racing for racetracks that operate sports pools. The bill is limited to standardbred racetracks only, in recognition of the inherent incentive to continue live horse racing that exists when a horsemen’s association operates the racetrack, as is currently the case with thoroughbred racetracks.

A similar statutory requirement to conduct live horse racing was enacted when the Legislature permitted racetracks to accept wagering on televised horse races, known as simulcasting. These measures ensure the continuation of live horse racing and its economic, agribusiness, and environmental benefits to the State.

Assembly Bill No. 2256 is identical to Senate Bill No. 3771 of 2020-2021.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.