

## **CHAPTER 12A SPORTS WAGERING**

**5:12A-1 Repealed by L.2014, c.62 §5, eff. Oct. 17, 2014.**

**5:12A-2 Repealed by L.2014, c.62 §5, eff. Oct. 17, 2014.**

**5:12A-3 Repealed by L.2014, c.62 §5, eff. Oct. 17, 2014.**

**5:12A-4 Repealed by L.2014, c.62 §5, eff. Oct. 17, 2014.**

### **5:12A-4.1 Use of mobile gaming devices permitted under certain circumstances**

a. Notwithstanding the provisions of any other law to the contrary, the Division of Gaming Enforcement may authorize the use of mobile gaming devices approved by the division within an approved hotel facility that operates a sports pool pursuant to the provisions of P.L.2011, c.231 (C.5:12A-1 et seq.), to enable a player to place wagers on sports or athletic events, provided the player has established an account with the casino licensee, the wager is placed by and the winnings are paid to the patron in person within the approved hotel facility, the mobile gaming device is inoperable outside the approved hotel facility, and provided that the division may establish any additional or more stringent licensing or other regulatory requirements necessary for the proper implementation and conduct of mobile gaming as authorized by this section.

For the purposes of this subsection, the approved hotel facility shall include any area located within the property boundaries of the casino hotel facility, including any outdoor recreation area or swimming pool, where mobile gaming devices may be used by patrons in accordance with this section, but excluding parking garages or parking areas, provided that mobile gaming shall not extend outside of the property boundaries of the casino hotel facility.

b. Notwithstanding the provisions of any other law to the contrary, the Division of Gaming Enforcement and the New Jersey Racing Commission may authorize the use of mobile gaming devices approved by the division and the commission within a racetrack that operates a sports pool pursuant to the provisions of P.L.2011, c.231 (C.5:12A-1 et seq.), to enable a player to place wagers on sports or athletic events, provided the player has established an account with the permitholder, the wager is placed by and the winnings are paid to the patron in person within the racetrack, the mobile gaming device is inoperable outside the racetrack, and provided that the division and the commission may establish any additional or more stringent licensing or other regulatory requirements necessary for the proper implementation and conduct of mobile gaming as authorized by this section.

For the purposes of this subsection, a racetrack shall include any area located within the property boundaries of the racetrack facility where mobile gaming devices may be used by patrons in accordance with this subsection, but excluding parking garages or parking areas, provided that mobile gaming shall not extend outside of the property boundaries of the racetrack.

L.2012, c.34, §13, eff. Aug. 7, 2012.

**5:12A-5 Repealed by L.2014, c.62 §5, eff. Oct. 17, 2014.**

**5:12A-6 Repealed by L.2014, c.62 §5, eff. Oct. 17, 2014.**

**5:12A-7 Repealed by L.2018, c.33 §15, eff. June 11, 2018.**

**5:12A-8 Repealed by L.2018, c.33 §15, eff. June 11, 2018.**

**5:12A-9 Repealed by L.2018, c.33 §15, eff. June 11, 2018.**

## **5:12A-10 Definitions relative to sports wagering**

As used in this act (C.5:12A-10 et al.):

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

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

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

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

“former racetrack” means any former racetrack where a horse race meeting was conducted within 15 years prior to the effective date of P.L.2014, c.62 (C.5:12A-7 et seq.), excluding premises other than the land contained within the racecourse oval;

“Internet sports pool operator” means an entity that is licensed as a casino service industry enterprise pursuant to section 92 of P.L.1977, c.100 (C.5:12-92) and that holds a permit issued by the division to operate an online sports pool;

“online sports pool” means a sports wagering operation in which wagers on sports events are made through computers or mobile or interactive devices and accepted at a sports wagering lounge through an online gaming system which is operating pursuant to a sports wagering permit issued by the division or racing commission pursuant to P.L.2018, c.33 (C.5:12A-10 et al.);

“operator” means a casino or a racetrack which has elected to operate a sports pool, either independently or jointly, and any entity with whom a casino or racetrack licensed to operate a sports pool contracts to operate a sports pool or online sports pool, including an Internet sports pool operator, on its behalf;

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

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

“racetrack” means the physical facility and the land, as of the effective date of P.L.2018, c.33 (C.5:12A-10 et al.), where a permit holder conducts a horse race meeting with wagering under a license issued by the racing commission pursuant to P.L.1940, c.17 (C.5:5-22 et seq.), and includes any former racetrack;

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

“sports event” means any professional sport or athletic event, any Olympic or international sports competition event and any collegiate sport or athletic event, or any portion thereof, including, but not limited to, the individual performance statistics of athletes in a sports event or combination of sports events, except “sports event” shall not include a prohibited sports event or a fantasy sports activity, as defined in section 2. of P.L.2017, c.231 (C.5:20-2);

“sports pool” means the business of accepting wagers on any sports event by any system or method of wagering, including but not limited to single-

game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets; and

“sports wagering lounge” means an area wherein a licensed sports pool is operated located in a casino hotel or racetrack.

L.2018, c.33, §1, eff. July 11, 2018.

### **5:12A-11 Issuance, renewal of sports wagering licenses**

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 (C.5:12A-10 et al.) 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. 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.100 (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, in the case of a casino, or the racing commission, in the case of a racetrack; 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 from the division a permit to conduct an online sports pool. 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. § 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 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.

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. §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.

L.2018, c. 33, §2, eff. July 11, 2018.

Amended by:

L.2019, c.266, §1, eff. Sept. 13, 2019.

#### **5:12A-12 Disclosure of information by corporate applicants**

a. Corporate applicants for and holders of a sports wagering license shall be required to disclose the identity of the following: each board appointed officer of the corporation; each director of the corporation; each person who directly holds any voting or controlling interest of 5 percent or more of the securities issued by such applicant or holder; each person who directly holds any non-voting or passive ownership interest of 25 percent or more of the securities issued by such applicant or holder; and each holding or intermediary company of an applicant for or holder of an operator.

b. As to each holding, intermediary and subsidiary company of an applicant for or holder of a sports wagering license, such applicants and holders shall be required to establish and maintain the qualifications of the following: each board appointed officer of the corporation; each director of the corporation; each person who directly holds any voting or controlling interest of 5 percent or more of the securities issued by such applicant or holder; and each person who directly holds any non-voting or passive ownership interest of 25 percent or more in such holding or intermediary company.

c. The racing commission or the division shall have the authority to waive any or all of the qualification requirements for any person listed in subsection a. or b. of this section.

d. All persons employed directly in wagering-related activities conducted within a casino or a racetrack in a sports wagering lounge and an online sports pool shall be licensed as a casino key employee or registered as a casino employee, as determined by the commission, pursuant to the provisions of P.L.1977,

c.110 (C.5:12-1 et seq.). All other employees who are working in the sports wagering lounge may be required to be registered, if appropriate, in accordance with regulations of the division promulgated in consultation with the commission.

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

L.2018, c.33, §3, eff. July 11, 2018.

### **5:12A-13 Authority of division**

a. Except as otherwise provided by this act (C.5:12A-10 et al.), the division shall have the authority to regulate sports pools, online sports pools, and the conduct of sports wagering under this act to the same extent that the division regulates casino games. No casino or racetrack shall be authorized to operate a sports pool or online sports pool unless it has produced, to the satisfaction of the agency issuing the sports wagering license, information, documentation, and assurances concerning its financial background and resources, including cash reserves, that are sufficient to demonstrate that it has the financial stability, integrity, and responsibility to operate a sports pool or online sports pool. In developing rules and regulations applicable to sports wagering, the division may examine the regulations implemented in other states where sports wagering is conducted and may, as far as practicable, adopt a similar regulatory framework. The division, in consultation with the commission, shall promulgate regulations necessary to carry out the provisions of this act, including, but not limited to, regulations governing the:

- (1) amount of cash reserves to be maintained by operators to cover winning wagers;
- (2) acceptance of wagers on a series of sports events;
- (3) maximum wagers which may be accepted by an operator from any one patron on any one sports event;

- (4) type of wagering tickets which may be used;
- (5) method of issuing tickets;
- (6) method of accounting to be used by operators;
- (7) types of records which shall be kept;
- (8) use of credit and checks by patrons;
- (9) type of system for wagering;
- (10) protections for a person placing a wager; and
- (11) display of the words, "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," or some comparable language approved by the division, which language shall include the words "gambling problem" and "call 1-800 GAMBLER," in all print, billboard, sign, online, or broadcast advertisements of a sports pool and online sports pool and in every sports wagering lounge.

b. Notwithstanding any other provision of P.L.2018, c.33 (C.5:12A-10 et al.) or of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, during the 90-day period following the effective date of this act, the division and the racing commission may, after notice provided in accordance with this subsection, summarily adopt, amend, or repeal any order, rule, or regulation for a period not to exceed 270 days for the purpose of ensuring the expeditious and effective implementation of sports wagering at casinos or racetracks in accordance with this act. Any summary rulemaking authorized by this subsection shall be subject to such terms and conditions as the division and the racing commission may deem appropriate. Such rules shall be effective when published by the division and the racing commission on their respective websites and shall allow for the immediate application of any racetrack licensed by the racing commission, or casino licensed by the division, to the respective agency by which they are licensed or permitted, for a transactional waiver to immediately commence sports wagering. Upon the filing of such application, these rules shall further provide that, upon a showing therein that the applicant is licensed or permitted by the appropriate agency, a

sports wagering license shall immediately be issued to the respective applicant allowing for its immediate commencement of sports wagering subject to the condition that it conform to the entity and individual or other licensing, facility and any other requirements set forth in the respective rules of each within 270 days. In the event such rules are not complied with within such time period, the non-complying racetrack or casino will not thereafter be eligible to conduct sports wagering until such compliance is achieved. Notice of any emergency rulemaking action taken by the division or the racing commission pursuant to this subsection shall be published in the New Jersey Register, and provided to the newspapers designated by the division and racing commission pursuant to subsection d. of section 3 of P.L.1975, c.231 (C.10:4-8), not later than 30 days subsequent to the implementation of the emergency rules. The text of any emergency rule adopted by the division and the racing commission pursuant to this section shall be available in each racetrack, casino, sports wagering lounge, and simulcasting facility implementing the provisions of emergency rulemaking.

c. Any person employed on the effective date of this act, P.L.2018, c.33 (C.5:12A-10 et al.), by a permit holder in the admissions department or parimutuel clerk department of a racetrack operated by the permit holder shall be given a one-time right of first refusal offer of employment at the sports pool, including an online sports pool, that opens at that racetrack, for the then available positions of similar employment in that sports pool, or with any vendor contracting with the licensee to operate the sports pool.

L.2018, c.33, §4, eff. July 11, 2018.

#### **5:12A-14 Adoption of comprehensive house rules**

Each operator shall adopt comprehensive house rules governing sports wagering transactions with its patrons which shall be approved by the division. The rules shall specify the amounts to be paid on winning wagers and the effect of schedule changes. The house rules, together with any other

information the division deems appropriate, shall be conspicuously displayed in the sports wagering lounge, posted on the operator's Internet website, and included in the terms and conditions of the account wagering system, and copies shall be made readily available to patrons.

L.2018, c.33, §5, eff. July 11, 2018.

#### **5:12A-15 Distribution of revenues subject to joint agreement**

Whenever a casino licensee and a racetrack permit holder enter into an agreement to jointly establish a sports wagering lounge, and to operate and conduct sports wagering under this act (C.5:12A-10 et al.), the agreement shall specify the distribution of revenues from the joint sports wagering operation among the parties to the agreement.

L.2018, c.33, §6, eff. July 11, 2018.

#### **5:12A-16 Taxation of sums received by casinos, racetracks**

The sums received by the casino from sports wagering or from a joint sports wagering operation, less only the total of all sums actually paid out as winnings to patrons, shall not be taxed as gross revenue as specified under section 24 of P.L.1977, c.110 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that sums received from Internet wagering on sports events, less only the total of all sums actually paid out as winnings to patrons, shall be subject to a 13 percent tax, which shall be paid to the Casino Revenue Fund, and to an additional tax of 1.25 percent which shall be remitted by the State Treasurer to the Casino Reinvestment Development Authority for marketing and promotion of the City of Atlantic City, provided, however, that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining revenue under this paragraph.

The net revenues actually received by the horse racing permit holder from any sports wagering operation at the Meadowlands Racetrack, including Internet

wagering on sports events, either jointly established with a casino or established independently or with non-casino partners, less the total of all sums actually paid out for any operating expenses and as winnings to patrons, shall be paid by the Meadowlands Racetrack to the Standardbred Breeders and Owners' Association of New Jersey and the New Jersey Thoroughbred Horsemen's Association pursuant to the terms of a written agreement between the Meadowlands Racetrack and each association. A written agreement shall be in effect for as long as a sports wagering operation is conducted at the Meadowlands Racetrack.

The net revenues actually received by the horse racing permit holder from any sports wagering operation at the Monmouth Park Racetrack, including Internet wagering on sports events, either jointly established with a casino or established independently or with non-casino partners, less the total of all sums actually paid out for any operating expenses and as winnings to patrons, shall be paid by Monmouth Park Racetrack to the New Jersey Thoroughbred Horsemen's Association pursuant to the terms of a written agreement between Monmouth Park Racetrack and that association. A written agreement shall be in effect for as long as a sports wagering operation is conducted at Monmouth Park Racetrack.

The net revenues actually received by the horse racing permit holder from any sports wagering operation at the Freehold Raceway, including Internet wagering on sports events, either jointly established with a casino or established independently or with non-casino partners, less the total of all sums actually paid out for any operating expenses and as winnings to patrons, shall be paid by Freehold Raceway to the Standardbred Breeders and Owners' Association of New Jersey pursuant to the terms of a written agreement between Freehold Raceway and that association. A written agreement shall be in effect for as long as a sports wagering operation is conducted at Freehold Raceway.

The sums actually received by the horse racing permit holder from any sports wagering operation, either jointly established with a casino or established independently or with non-casino partners, less only the total of all sums actually paid out as winnings to patrons, shall be subject to an 8.5 percent tax, except that sums received from Internet wagering on sports events, less only the total of all sums actually paid out as winnings to patrons, shall be subject to a 13 percent tax, to be collected by the division and paid to the State General Fund and to an additional tax of 1.25 percent on amounts actually received from a sports wagering operation, less only the total of all sums actually paid out as winnings to patrons, to be paid, except as provided below with respect to amounts generated by the Meadowlands racetrack, to the Department of the Treasury for distribution, upon application by a municipality or county, to the municipality in which the majority of the racetrack is located and to the county in which the racetrack is located or to an economic development authority of that municipality and county with those amounts used for economic development purposes, which shall include, but not be limited to, improvements to: transportation and infrastructure, tourism, public safety, and properties located on or near the racetrack, provided, however, that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining revenue under this paragraph. The Department of the Treasury shall establish an account for each eligible municipality and county and shall ensure that the amounts generated from the racetrack shall only be distributed to the municipality in which the majority of the racetrack is located and county in which the racetrack is located with 0.75 percent paid to the municipality and 0.5 percent paid to the county, except that amounts generated from the Meadowlands racetrack shall be paid into the intermunicipal account, established pursuant to section 53 of P.L.2015, c.19 (C.5:10A-53), and used to pay Meadowlands adjustment payments to municipalities in the Meadowlands district.

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

L.2018, c. 33, §7, eff. July 11, 2018.

Amended by:

L.2018, c.130, §1, eff. Dec. 3, 2018.

L.2019, c. 36, §3, eff. Feb. 14, 2019.

#### **5:12A-17 Sports wagering lounges, permitted use**

Sports wagering lounges at which a sports pool is operated shall be a permitted use in all commercial, retail, industrial, non-residential and mixed-use zoning districts of a municipality.

L.2018, c.33, §8, eff. July 11, 2018.

#### **5:12A-18 Distribution of unclaimed funds**

If a patron does not claim a winning sports pool wager within one year from the time of the event, the obligation of the operator to pay the winnings shall expire and the funds shall be distributed as follows:

for wagers placed with a sports pool operated by or on behalf of a casino, the casino shall retain 50 percent and remit the remaining 50 percent to the Casino Revenue Fund.

for wagers placed with a sports pool operated by or on behalf of a racetrack, the racetrack shall retain 50 percent and remit the remaining 50 percent to the State General Fund; and for wagers placed with a sports pool jointly operated by a casino and a racetrack, the casino and racetrack shall retain a total of 50 percent which shall be apportioned among them pursuant

to the terms of their operation agreement, and the remaining 50 percent shall be apportioned in the same manner, with the casino percentage being deposited in the Casino Revenue Fund and the racetrack percentage being deposited in the State General Fund.

L.2018, c.33, §9, eff. July 11, 2018.

**5:12A-19 Acceptance of certain out-of-State wagers**

Notwithstanding any other provision of P.L.2013, c.27, (C.5:12-95.17 et al.), wagers may be accepted thereunder or pooled with wagers from persons who are not physically present in this State if the division determines that such wagering is not inconsistent with federal law or the law of the jurisdiction, including any foreign nation, in which any such person is located, or such wagering is conducted pursuant to a reciprocal agreement to which the State is a party that is not inconsistent with federal law.

L.2018, c.33, §10, eff. July 11, 2018.