

LAW AND PUBLIC SAFETY

OFFICE OF THE ATTORNEY GENERAL

DIVISION OF GAMING ENFORCEMENT

Casino Simulcasting

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Proposed Repeal: N.J.A.C. 19:55

Proposed New Rules: N.J.A.C. 13:69M

Authorized By: David Rebuck, Acting Director, Division of Gaming
Enforcement.

Authority: N.J.S.A. 5:12-69, 70, 76 and 210.

Calendar Reference: See Summary below for explanation of exception to
calendar requirement.

Proposal Number: PRN 2011-202.

Submit written comments by November 18, 2011 to:

Lon E. Mamolen, Deputy Attorney General

Division of Gaming Enforcement

1300 Atlantic Avenue

Atlantic City, NJ 08401

The agency proposal follows:

Summary

Effective February 1, 2011, the Casino Control Act (Act) was amended. See P.L. 2011, c. 19 (N.J.S.A. 5:12-1 et seq.). Under the amendatory scheme, the Division of Gaming Enforcement (Division) is authorized to assume many regulatory responsibilities formerly held by the Casino Control Commission (Commission). One such responsibility is to promulgate rules relating to the authorization of casino simulcasting in the Act. N.J.S.A. 5:12-210 provides that the "Division of Gaming Enforcement and the New Jersey Racing Commission shall individually and jointly promulgate and adopt any rules and regulations . . . which are necessary to effectuate the purposes of" the Act. In accordance with the statutory authorization, the Division proposes new rules N.J.A.C. 13:69M. With the exception of minor technical changes reflecting the recently enacted changes to the Act and several substantive changes detailed below, the new rules, in effect, recodify the previous rules promulgated by the Commission at N.J.A.C. 19:55, proposed herein for repeal.

Proposed N.J.A.C. 13:69M contains nine subchapters. Subchapter 1 sets forth definitions and generally notes that, except as provided in the Division's rules, the rules of racing and conduct of pari-mutuel wagering in casino simulcasting facilities shall be subject to the rules of the New Jersey Racing Commission. Subchapter 2 addresses the conduct of casino simulcasting. Subchapter 3 concerns the physical requirements for the casino simulcasting facility. Subchapter 4 concerns pari-mutuel pools and related matters. Subchapter 5 requires

that all employees of a casino simulcasting facility be licensed in accordance with the Casino Control Act or registered in accordance with the rules of the Division. Subchapter 6 outlines the licensing and registration requirements of sending tracks; manufacturers, suppliers and repairers of simulcast equipment; a hub facility; and other enterprises involved in casino simulcasting. Subchapter 7 prescribes time frames for the reconciliation of simulcast wagers between casino licensees and sending tracks as well as for payments by casino licensees to the Racing Commission. Subchapter 8 sets forth information which a casino simulcasting facility shall make available to its patrons. Subchapter 9 addresses the function and duties of the position of Supervisor of Mutuels as well as the requirement of the continued access to the hub facility by the Racing Commission.

The majority of the changes made in the proposed new rules are simply technical changes noting the transfer in jurisdiction from the Commission to the Division. The only substantive changes are found in Subchapter 2 of the proposed new rules, which replaces N.J.A.C. 19:55-2.

The first substantive change in proposed new rules is that N.J.A.C. 13:69M-2.11(a) has been revised to allow for cross-property cashing and redemption of pari-mutuel tickets, meaning a simulcast patron may obtain a pari-mutuel ticket from one casino licensee and redeem that ticket with another casino licensee.

Proposed new rule N.J.A.C. 13:69M-2.11 has been revised to include two new subsections. Subsections (d) and (e) have been added and provide for a procedure to lock and unlock pari-mutuel tickets or

credit vouchers on behalf of a patron in the event that a ticket or voucher is lost or stolen. The new rule requires that the licensee requesting the ticket or voucher to be locked or unlocked submit a two part form to the Supervisor of Mutuels seeking to either lock or unlock the ticket or voucher. One part of the required form would be used to request that the ticket or voucher be locked and the second part would be used to request that the same ticket or voucher be unlocked. The new rule also requires that each casino licensee's internal controls be amended to reflect the regulatory requirements for either locking or unlocking a ticket or voucher.

Proposed N.J.A.C. 13:69M-2.12(b) has been added to require that prior to the expiration of a pari-mutuel ticket, the data pertaining to the ticket's issuance shall not be removed from the totalisator. This change simply requires that all data relating to a simulcast credit voucher be maintained until after the ticket expires.

Finally, the proposed new rules include N.J.A.C. 13:69M-2.12A(a), which requires that all simulcast credit vouchers shall expire one year after its date of issuance. Proposed N.J.A.C. 13:69M-2.12A(a) also requires that notice of the one-year expiration of simulcast credit vouchers be either prominently posted at each casino simulcasting facility, or printed on the credit voucher itself. Proposed N.J.A.C. 13:69M-2.12A(b), similar to the proposed new rule at N.J.A.C. 13:69M-2.12(b) requires that the data pertaining to a simulcast credit voucher's issuance shall not be removed from the totalisator prior to the voucher's expiration.

This notice of proposal is not required to be referenced in a rulemaking calendar since a public comment period of 60 days is being provided. See N.J.A.C. 1:30-3.3(a)5.

Social Impact

Any social impact resulting from casino simulcast wagering is due to the Legislature's decision to authorize the described activities, and not the implementation of these rules. The implementation of casino simulcasting under the Casino Simulcasting Act, N.J.S.A. 5:12-191 et seq., has had a beneficial social impact to the extent that one-half of one percent of all moneys wagered on casino simulcasting is deposited in the Casino Simulcasting Fund to be appropriated exclusively for services to benefit eligible senior citizens. Further, all gross revenues from authorized games which are conducted in casino simulcasting facilities are subject to the eight percent gross revenue tax for deposit into the Casino Revenue Fund, which funds are appropriated for programs to benefit eligible senior citizens and disabled residents.

Economic Impact

Any economic impact resulting from casino simulcast wagering is due to the Legislature's decision to authorize the described activities, and not the implementation of these rules. Pursuant to the Casino Simulcasting Act, N.J.S.A. 5:12-191 et seq., one-half of one percent of all moneys wagered on casino simulcasting is deposited in the Casino Simulcasting Fund to be appropriated exclusively for services to benefit eligible senior citizens. Further, all gross revenues from authorized games which are conducted in casino

simulcasting facilities are subject to the eight percent gross revenue tax for deposit into the Casino Revenue Fund, which funds are appropriated for programs to benefit eligible senior citizens and disabled residents. New Jersey racetracks and horsemen's groups share directly in the revenue from casino simulcasting and indirectly from the increased moneys for purses that result at live race meetings.

Casino licensees have incurred the costs of construction and equipment related to setting up their casino simulcasting facilities. However, the conduct of simulcasting and other permissible gaming in these facilities has generated revenue for casino licensees.

Costs associated with licensure or registration in accordance with the Division's rules have been incurred by those individuals employed in casino simulcasting, as well as those enterprises that are subject to licensure or registration under N.J.S.A. 5:12-92 and Division rules thereunder.

Federal Standards Statement

A Federal standards analysis is not required because the proposed repeal and new rules are authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and are not subject to any Federal requirements or standards.

Jobs Impact

The proposed repeal and new rules are not anticipated to create new jobs in the gaming industry or elsewhere except to the extent they may enable more efficient and cost-effective casino simulcasting operations. If the industry is able to realize these efficiencies and savings, casino operators may be inclined to increase their

workforces. However, any attempt to predict the impact of the proposed repeal and new rules upon the number of jobs in the gaming industry would be speculative at this time. No job loss is anticipated as a result of the proposed repeal and new rules.

Agriculture Industry Impact

The proposed repeal and new rules will have no impact on agriculture in New Jersey.

Regulatory Flexibility Analysis

With respect to casino licensees and applicants for a casino license, none of which qualifies as a small business under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., no regulatory flexibility analysis is required because each casino employs substantially more than 100 people. Likewise, New Jersey racetrack permit holders and the operator of the licensed hub facility are not small businesses as defined in the Regulatory Flexibility Act and no regulatory flexibility analysis is required because they employ more than 100 people.

To the extent that these rules impact on any small businesses, that impact is due to the Legislature's decision to implement casino simulcasting and not to the implementation of these rules.

The rules in N.J.A.C. 13:69M require that suppliers, manufacturers and repairers of simulcast wagering equipment to casino licensees or hub facilities be licensed as gaming related casino service industries. The Division is unaware of any small business that currently would be affected by this requirement. However, even if it were, such licensure is required by the Casino Simulcasting Act to

insure the integrity of simulcasting operations, and the Division thus cannot exempt small businesses from this requirement.

Other enterprises transacting business with a casino licensee or hub facility with respect to casino simulcasting, as well as sending tracks, have vendor registration forms filed with the Division. These vendor registrants are, for the most part, located outside of New Jersey. To the extent that the few registrants located in New Jersey are small businesses, no significant costs of compliance are involved since the vendor registration forms are filed by the casino licensee or hub facility on behalf of the enterprise. The only costs incurred by small businesses would result from them providing the required information for the filing of the vendor registration forms.

However, vendors of the hub facility are also subject to the licensing jurisdiction of the Racing Commission. Some of these vendors may be small businesses. However, since the hub facility houses the totalisator and generates the reports which are used to reconcile the simulcast wagers with sending tracks, conducts manual merges with sending tracks, locks the totalisator, and performs other integral functions, the licensing requirements imposed upon these vendors are vitally necessary to the integrity of casino simulcasting. Thus, it would not be feasible to provide exemptions from licensure or to establish differing licensure standards based upon the size of the business.

The proposed repeal and new rules will have no impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Housing Affordability Impact Analysis

The proposed repeal and new rules will have no impact on the affordability of housing in the State of New Jersey because they affect the regulation of casinos in Atlantic City.

Smart Growth Development Impact Analysis

The proposed repeal and new rules will have no impact on housing production in Planning Areas 1 and 2, or within designated centers, under the State Development and Redevelopment Plan, because they affect the regulation of casinos in Atlantic City.

Full text of the rules proposed for repeal may be found in the New Jersey Administrative Code at N.J.A.C. 19:55.

Full text of the proposed new rules follows:

CHAPTER 69M

CASINO SIMULCASTING

SUBCHAPTER 1. GENERAL PROVISIONS

13:69M-1.1 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates

otherwise:

"Breakage" means the odd cents over a multiple of five or 10 cents arising from the computation of odds and payouts on amounts wagered on a simulcast horse race, as determined by the law governing the sending track.

"Casino Control Act" means the State of New Jersey Casino Control Act approved June 2, 1977, as amended.

"Casino pari-mutuel cashier" means a casino employee who sells pari-mutuel tickets representing simulcast wagers, sells credit vouchers for simulcast wagers, pays cash for credit vouchers, and makes simulcast payouts in a casino simulcasting facility.

"Casino simulcasting" means the simultaneous transmission by picture of running or harness horse races conducted at racetracks to casino licensees and pari-mutuel wagering at casino simulcasting facilities operated by casino licensees on the results of those races.

"Casino Simulcasting Act" means the State of New Jersey Casino Simulcasting Act, P.L. 1992, c. 19, approved June 12, 1992, as amended.

"Casino simulcasting facility" means a facility in an approved hotel operated by a casino licensee which conforms to the provisions of this chapter.

"Credit voucher" means a ticket issued by:

1. A pari-mutuel cashier in exchange for cash, gaming chips, slot tokens or coupons;
2. A credit voucher machine in exchange for cash; or
3. A self-service pari-mutuel machine as a simulcast payout or as

the balance returnable after a simulcast wager has been placed.

"Credit voucher machine" means a mechanical, electrical or other device connected to a totalisator which, upon the insertion of cash, automatically issues a credit voucher of an equal value.

"Dedicated line" means a telephone line which is reserved for the exclusive use of transmitting pari-mutuel wagering data between a casino simulcasting facility and a sending track.

"Delay period" means the time between off-time and the start of a simulcast horse race.

"Dial-up line" means a telephone line between a casino simulcasting facility and a sending track which is not reserved for the exclusive use of transmitting pari-mutuel wagering data.

"Division" means the Division of Gaming Enforcement of the New Jersey Department of Law and Public Safety.

"Hub facility" means a facility located in this State which acts as an intermediary between a casino simulcasting facility and a sending track with respect to the transmission of pari-mutuel wagering data and which is responsible for generating all reports necessary for the reconciliation of payments between casino licensees, sending tracks and the Racing Commission. The hub facility may also, but is not required to, perform other functions, including the transmission of pictures of simulcast horse races and pari-mutuel non-wagering data.

"In-State sending track" means a racetrack within the State of New Jersey which is operated by a permit holder and is equipped to conduct casino simulcasting.

"Manual merge" means the process used in the event of a systems or communications failure by which a casino simulcasting facility transmits to a sending track through telephone, facsimile machine, cellular telephone or other means of communication, the casino simulcasting facility's pari-mutuel wagering information and the process by which the sending track includes such pari-mutuel wagers in the common pari-mutuel pool in such event.

"Minus pari-mutuel pool" means a pari-mutuel pool in which insufficient monies have been wagered to permit the minimum pay-offs of winning wagers required by the rules of pari-mutuel wagering governing the race.

"Off-time" means when wagering is ceased prior to the start of a horse race by a signal transmitted from a sending track to the totalisator through which a casino simulcasting facility is conducting wagering or, in the event that the transmission of data from a sending track has been interrupted, by the totalisator in accordance with internal controls.

"Out-of-State sending track" means a racetrack in a jurisdiction other than the State of New Jersey which is equipped to conduct casino simulcasting and the operator of which is lawfully permitted to conduct a horse race meeting and to provide simulcast horse races to a casino licensee.

"Outstanding pari-mutuel ticket" means a winning or refundable pari-mutuel ticket which is not claimed within six months of the date of its sale.

"Pari-mutuel machine" means a mechanical, electrical or other

device which is connected to a totalisator and which generates pari-mutuel tickets and credit vouchers, reads pari-mutuel tickets and receives from the totalisator the amount to be paid for winning, cancelled or refunded pari-mutuel tickets, and reads credit vouchers and calculates the amount to be paid therefor.

"Pari-mutuel ticket" means a ticket issued by a pari-mutuel machine or a self service pari-mutuel machine which represents a wager on a simulcast horse race.

"Permit holder" means the holder of an annual permit issued by the Racing Commission to conduct a horse race meeting.

"Pool definition" means a computer-generated printout, itself generated by a sending track, of the pari-mutuel wagering format and scratch information for that day's racing program.

"Racing Commission" means the New Jersey Racing Commission.

"Receiving track" means a racetrack which is equipped to receive simulcast horse races and to conduct intertrack wagering on those races.

"Scratch" means the withdrawal of an entered horse from a race after the closing of overnight entries.

"Self-service pari-mutuel machine" means a mechanical, electrical or other device connected to a totalisator which, upon the insertion of a credit voucher, coupon or currency, or any combination thereof, and the selection of a permissible simulcast wager automatically issues a pari-mutuel ticket together with a credit voucher for any balance which may be due and which, upon the insertion of a winning or refunded pari-mutuel ticket, reads the ticket and automatically issues

a credit voucher in the amount of the correct payout.

"Sending track" means an in-State or out-of-State sending track.

"Simulcast horse race" means a running or harness horse race conducted at a racetrack which is simultaneously transmitted by picture to a casino licensee.

"Totalisator" means a computer which, among other things, directly or indirectly through one or more other totalisators, receives pari-mutuel wagering information, calculates payoffs for winning pari-mutuel tickets, generates reports with respect to such information, and automatically ceases wagering, in accordance with internal controls, in the event that the transmission of data from a sending track has been interrupted.

13:69M-1.2 Rules of Racing Commission

Except as otherwise provided in the Casino Simulcasting Act or this chapter, the rules of racing and conduct of pari-mutuel wagering in casino simulcasting facilities and hub facilities shall be subject to the rules of the Racing Commission.

SUBCHAPTER 2. CONDUCT OF CASINO SIMULCASTING

13:69M-2.1 Conduct of casino simulcasting

A casino licensee may conduct casino simulcasting in a casino simulcasting facility in accordance with the provisions of the Casino Simulcasting Act and this chapter.

13:69M-2.2 Hub facility

A casino licensee which conducts casino simulcasting shall, absent approval from the Division and the Racing Commission to do otherwise, utilize a hub facility.

13:69M-2.3 Receipt of races from in-State sending tracks

A casino licensee which conducts casino simulcasting shall, as a condition of continued operation of casino simulcasting, receive all live races which are transmitted by in-State sending tracks. A permit holder which is authorized by the Racing Commission to conduct casino simulcasting shall have discretion to transmit all or some of the live horse races conducted at the racetrack to casino simulcasting facilities; provided, however, any race which is transmitted from an in-State sending track shall be transmitted to all casino simulcasting facilities. A permit holder which wishes to transmit some, but not all, of its live horse races to casino simulcasting facilities shall do so only with the prior approval of the Racing Commission.

13:69M-2.4 Receipt of races from out-of-State sending tracks

A casino licensee may, with the approval of the Division and Racing Commission and subject to the provisions of the Casino Control Act, the Casino Simulcasting Act and this chapter, conduct casino simulcasting on races from an out-of-State sending track which has been approved by the Racing Commission to participate in casino simulcasting. An out-of-State sending track which transmits any race to a casino simulcasting facility shall offer to transmit such race to all casino simulcasting facilities on the same terms.

13:69M-2.5 Agreements with sending tracks

(a) Agreements for casino simulcasting between a casino licensee and a sending track shall be in writing and shall be filed with the Racing Commission and with the Division in accordance with the provisions of N.J.S.A. 5:12-104. Such agreements may be negotiated on behalf of casino licensees by an entity jointly established by casino licensees.

(b) Every agreement between a casino licensee and a sending track shall, in a manner consistent with the provisions of the Casino Simulcasting Act and this chapter, define, and provide for the distribution of, outstanding pari-mutuel tickets, and define, and provide for the allocation of losses in the event of, a minus pari-mutuel pool. Every such agreement shall also provide for manual merging in the event of a systems or communications failure and shall further set forth a procedure, acceptable to the Division and Racing Commission, which shall be followed in the event that manual merging is not possible.

13:69M-2.6 Conduct of authorized games in a casino simulcasting facility

A casino licensee may, subject to the rules of the Division, conduct any authorized game as defined by N.J.S.A. 5:12-5 or by rule of the Division, other than slot machines, in a casino simulcasting facility.

13:69M-2.7 Hours of operation

A casino simulcasting facility may be open during permitted hours of casino operation, and shall be open and operated during such hours whenever simulcast horse races are being transmitted to a casino licensee.

13:69M-2.8 Gaming and simulcast wagering by certain persons

prohibited

It shall be unlawful for any person who is prohibited from wagering at a game in a casino in this State pursuant to N.J.S.A. 5:12-100n to wager in a casino simulcasting facility on either an authorized game or on casino simulcasting.

13:69M-2.9 Wagering limited to casino simulcasting facility

Wagering on simulcast horse races within the premises of a casino licensee shall be conducted only in a casino simulcasting facility. However, pictures and sound of simulcast horse races may be shown in such other areas of the establishment as approved by the Division.

13:69M-2.10 No fee to be charged

No fee shall be charged for placing a wager on a simulcast horse race in addition to the amount wagered.

13:69M-2.11 Ticket claims

(a) Subject to the time limitations imposed by N.J.A.C. 13:69M-2.12 and 2.12A, a winning pari-mutuel ticket or credit voucher

purchased at a casino simulcasting facility shall be presented for cashing at a pari-mutuel window or a self service pari-mutuel machine at that facility or at any simulcasting facility in accordance with internal controls.

(b) No claim shall be considered for tickets which have been discarded, lost, altered, destroyed or mutilated beyond identification.

(c) Payment of wagers shall be made only upon presentation of appropriate pari-mutuel tickets.

(d) A casino licensee may request the Supervisor of Mutuels to authorize a lost or stolen ticket or credit voucher to be locked on behalf of a patron. Locking a ticket or credit voucher will not preclude the ticket or credit voucher from expiring, after which it can no longer be cashed.

(e) To lock or unlock a ticket or credit voucher, a casino licensee's internal controls shall include procedures which provide for the following:

1. The use of a two-section form to request the locking/unlocking of a ticket or credit voucher. One section of the form shall be completed to request the locking of a ticket or credit voucher, and the other section of the form shall be completed to request the unlocking of the same ticket or credit voucher.

2. The form shall be prepared by a simulcast supervisor or simulcast manager and shall include, at a minimum, the following:

- i. To lock a ticket or credit voucher:

- (1) The date lock is requested;

- (2) The time lock is requested;
 - (3) The reason for the request;
 - (4) The issuance date of the ticket or credit voucher;
 - (5) The issuance time of the ticket or credit voucher;
 - (6) The ticket or credit voucher number;
 - (7) The amount of the ticket or credit voucher;
 - (8) The location from where the ticket or credit voucher was issued;
 - (9) The patron name;
 - (10) The patron signature;
 - (11) The name of the employee preparing the form;
 - (12) The signature of the employee preparing the form;
 - (13) An indication that the lock has been approved or rejected;
 - (14) The name of the Supervisor of Mutuels approving the lock; and
 - (15) The date lock approved or rejected by the Racing Commission; and
- ii. To unlock a ticket or credit voucher:
- (1) The date unlock is requested;
 - (2) The time unlock is requested;
 - (3) The reason for the request, such as ticket or credit voucher found;

- (4) The patron name;
- (5) The patron signature;
- (6) The name of the employee preparing the form;
- (7) The signature of the employee preparing the form;
- (8) The name of the Supervisor of Mutuels approving the unlock; and
- (9) The date unlock approved.

3. To request that a ticket or credit voucher be locked, a simulcast manager or supervisor shall complete the lock section of the form required in (e)1 and 2i above, and e-mail or fax the completed form to the Supervisor of Mutuels located at the hub facility. The Supervisor of Mutuels will review the form and notify the casino licensee that the request has been approved or denied. The simulcast supervisor or simulcast manager shall note the decision of the Supervisor of Mutuels on the form and record the Supervisor of Mutuels name, and the date of the decision, on the form. If the Supervisor of Mutuels approves the request, the Supervisor of Mutuels will instruct the hub to lock the ticket or credit voucher.

4. To request that a ticket or credit voucher be unlocked, a simulcast manager or supervisor shall complete the form required in (e)1 and 2ii above, and e-mail or fax the completed form to the Supervisor of Mutuels located at the hub facility. As required by the Racing Commission, the request to unlock a ticket or credit voucher must be accompanied by either a Uncontested Pari-Mutuel Ticket or Credit Voucher Certification Form if the patron information is the

same in the lock and unlock sections of the Request, or a Contested Pari-Mutuel Ticket or Credit Voucher Certification Form if the patron information is different in the lock and unlock sections of the form. The Supervisor of Mutuels will notify the casino licensee that ticket or credit voucher has been unlocked and the request has been approved. The simulcast manager or supervisor shall record the Supervisor of Mutuels name and date of notification on the form.

5. All completed request forms and Uncontested Pari-Mutuel Ticket or Credit Voucher Certification Forms or Contested Pari-Mutuel Ticket or Credit Voucher Certification Forms shall be retained by the casino licensee for a period of one year from the date of the initial request.

13:69M-2.12 Expiration of pari-mutuel tickets

(a) A pari-mutuel ticket shall be claimed within six months of the date of its sale, after which it becomes an outstanding pari-mutuel ticket to be paid to the Racing Commission and deposited in the Casino Simulcasting Special Fund for distribution in accordance with the provisions of the Casino Simulcasting Act. Notice of this expiration provision shall be prominently posted in a casino simulcasting facility or printed on the pari-mutuel tickets sold at the casino simulcasting facility.

(b) Prior to the expiration of an unredeemed ticket, data pertinent to its issuance shall not be removed from the totalisator.

13:69M-2.12A Expiration of credit vouchers

(a) A credit voucher shall be redeemed within one year of the date of its issuance, after which it is to be paid to the Racing Commission and deposited in the Casino Simulcasting Special Fund for distribution in accordance with the provisions of the Casino Simulcasting Act. Notice of this expiration provision shall be prominently posted in a casino simulcasting facility or printed on the credit voucher issued at the casino simulcasting facility.

(b) Prior to the expiration of a credit voucher, data pertinent to its issuance shall not be removed from the totalisator.

SUBCHAPTER 3. CASINO SIMULCASTING FACILITY

13:69M-3.1 Location

A casino simulcasting facility shall be one or more locations or rooms within an approved hotel operated by a casino licensee as approved by the Division for the conduct of simulcasting.

13:69M-3.2 Space not to reduce space authorized for casino gaming

The space required to establish and maintain a casino simulcasting facility shall not reduce the space authorized for casino gaming pursuant to N.J.S.A. 5:12-83.

13:69M-3.3 Square footage requirements

(a) A casino licensee which wishes to conduct casino simulcasting shall establish and maintain a casino simulcasting facility of sufficient square footage to promote:

1. Maximum comfort for patrons and efficient operation of

the facility;

2. Viewing of simulcast horse races by patrons in a comfortable manner which is not obtrusive to the conduct of authorized games within the facility; and

3. Optimum security of the facility, which shall include the installation and maintenance of security and surveillance equipment, including closed circuit television equipment, according to specifications approved by the Division. The Division shall have direct access to the system or its signal.

13:69M-3.4 Satellite cage

A casino licensee which wishes to conduct casino simulcasting shall, unless otherwise approved by the Division, establish and maintain a satellite cage in, or immediately adjacent to, its casino simulcasting facility.

SUBCHAPTER 4. PARI-MUTUEL POOLS

13:69M-4.1 Horse races from in-State sending tracks

Sums wagered in a casino simulcasting facility on horse races at an in-State sending track shall be included in the appropriate pari-mutuel pool generated at the in-State sending track for the race being transmitted, and the pari-mutuel pool shall be divided in accordance with the provisions of the Casino Simulcasting Act. Pari-mutuel payoffs at casino simulcasting facilities shall be made in accordance with the odds generated at the in-State sending track.

13:69M-4.2 Horse races from out-of-State sending tracks

(a) Except as provided in this section, sums wagered in a casino simulcasting facility on horse races at an out-of-State sending track shall be combined with comparable pari-mutuel pools at the out-of-State sending track, and the types of wagering, takeout, distribution of winnings, rules of racing and percentage of deposits remaining undistributed from pari-mutuel pools after payment is made to winning ticket holders shall be determined in accordance with the law or policy applicable to the out-of-State sending track.

(b) With the prior approval of the Racing Commission and the concurrence of an out-of-State sending track, a casino licensee may form an interstate common pool with receiving tracks or entities in other states other than the state in which the sending track is located.

(c) In any event, however, monies resulting from breakage on amounts wagered on horse races in a casino simulcasting facility and outstanding pari-mutuel tickets sold at a casino simulcasting facility shall in all instances be paid to the Racing Commission and deposited in the Casino Simulcasting Special Fund for distribution in accordance with the provisions of the Casino Simulcasting Act.

13:69M-4.3 Transmission data line

A transmission data line shall be a dedicated line. There shall be a minimum of one back-up line, which may be a dial-up line. In addition, each out-of-State sending track shall maintain a cellular phone in its totalisator room. The dedicated line requirement may be

waived for good cause shown with the prior written approval of the Division and Racing Commission.

13:69M-4.4 Facsimile machines and telephone lines

A simulcast counter, hub facility and the totalisator room at a sending track shall each contain a facsimile machine and a direct dial-up telephone line, the numbers of which shall be provided to the Division and Racing Commission.

13:69M-4.5 Pool definition

Prior to the opening of wagering on a simulcast horse race, a sending track shall transmit a pari-mutuel pool definition to a casino simulcasting facility. Upon receipt of the pool definition, pari-mutuel machines at a casino simulcasting facility may be opened for wagering.

13:69M-4.6 Scratches

A sending track shall at all times inform a casino simulcasting facility of scratches and pool change information, and any scratch from a simulcast horse race after wagering has commenced shall be verified immediately by facsimile from the sending track to the casino simulcasting facility.

13:69M-4.7 Locking of pari-mutuel machines

All pari-mutuel machines in a casino simulcasting facility shall be locked at off-time.

13:69M-4.8 Ticket sales

No ticket may be issued after the totalisator has been locked or wagering has ceased, whichever occurs first.

13:69M-4.9 Cease wagering

Wagering shall cease not later than off-time.

13:69M-4.10 Cancellation of tickets

(a) Except as provided in this section, no pari-mutuel ticket shall be cancelled.

(b) A pari-mutuel ticket with a total value of \$500.00 or less may be cancelled at any time prior to off-time.

(c) A pari-mutuel ticket of any value may be cancelled prior to the end of the delay period if the patron has not left the pari-mutuel window at which the ticket was purchased or if the patron left the window without paying for or accepting the ticket.

(d) A pari-mutuel ticket of any value may be cancelled prior to off-time if the ticket is on a wager (such as trifecta) where probable payoffs or odds are not displayed to the public.

(e) A pari-mutuel ticket of any value may be cancelled if the ticket is on an advance race and the race immediately preceding the race for which the cancellation has been requested has not been declared official.

(f) A pari-mutuel ticket with a total value exceeding \$500.00 which is not otherwise cancelable pursuant to this section may be

cancelled by a simulcast counter shift supervisor or supervisor thereof at any time prior to off-time if he or she determines that the cancellation will not significantly alter a pari-mutuel pool. The factors to be considered before approving or disapproving a cancellation request include the size of the mutuel pool, the reason for the requested cancellation, current odds, minutes to post time, and any late changes such as track conditions or jockey (driver) changes. Any request to cancel such a ticket shall be reported to the Racing Commission on a form approved by the Racing Commission within 48 hours.

13:69M-4.11 Refunds

A pari-mutuel ticket on a horse that is scratched may be refunded. Pari-mutuel tickets representing wagers where a patron must select more than one horse may be refunded only as to the combinations including the scratched horse.

13:69M-4.12 Odds display

A casino licensee which conducts casino simulcasting shall prominently display in its casino simulcasting facility the approximate odds for each horse in a simulcast horse race for the purpose of informing patrons of the actual wagering on each horse.

13:69M-4.13 Pari-mutuel machines closed

(a) If, for any reason, pari-mutuel machines are closed during the wagering on a simulcast race before off-time, they shall remain

closed until after the race. Wagering shall cease on that race, and the pay-offs for that race shall be computed on the sums then wagered in each pari-mutuel pool.

(b) In the event that pari-mutuel ticket issuing machines are inadvertently closed for any reason, said machines shall be opened only by the Supervisor of Mutuels at the hub facility.

13:69M-4.14 Overpays caused by totalisator error

Overpays caused by totalisator error shall be borne by the operator of the totalisator equipment causing the error.

13:69M-4.15 Mechanical breakdowns

(a) In the event of an irreparable breakdown of the totalisator or all pari-mutuel and self-service pari-mutuel machines during the wagering on a race, the wagering on that race shall be declared closed, and the pay-off for that race shall be computed on the sums wagered in each pari-mutuel pool at the time of the breakdown.

(b) In the event of a totalisator malfunction requiring the operator of the totalisator equipment to purchase any non-issued ticket "lost" in the totalisator computer, the operator of the totalisator equipment shall be permitted to credit losing tickets so purchased to the extent of winning tickets similarly purchased. The proceeds of such winning tickets which exceed any credit for losing tickets shall be paid to the Racing Commission and deposited in the Casino Special Simulcasting Fund for distribution in accordance with the provisions of the Casino Simulcasting Act. For example, if the

"lost" tickets on a race cost \$1,000 and pay off \$800.00, the operator of the totalisator equipment must pay \$200.00. However, if the "lost" tickets cost \$1,000 and pay off \$1,200, the operator of the totalisator equipment need pay nothing and \$200.00 shall be paid to the Racing Commission and deposited in the Casino Simulcasting Special Fund.

13:69M-4.16 Emergencies not covered by this chapter

In the event that an emergency arises with respect to simulcast wagering in a casino simulcasting facility which is not covered by this chapter and an immediate decision is necessary, the simulcast shift supervisor or above shall make a good faith effort to contact and consult with the Supervisor of Mutuels prior to taking action, and shall promptly render a written report regarding the incident to the Division and Racing Commission.

13:69M-4.17 Transmission failure

In the event of failure to transmit pari-mutuel information to a sending track, no further wagers shall be accepted in a casino simulcasting facility until and unless the failure has been corrected. The casino simulcasting facility and sending track shall attempt to manually merge any wagers which have already been accepted but which have not been transmitted to the sending track due to the failure. Notice of this procedure and any backup procedure established in accordance with N.J.A.C. 13:69M-2.5(b) shall be posted in a prominent location in the casino simulcasting facility. In any instance where

manual merging or recourse to the backup procedure is required, actual notice thereof shall be publicly announced in the casino simulcasting facility.

13:69M-4.18 Commingling notice

A casino licensee shall display prominently in its casino simulcasting facility notice that it is commingling wagers as required by the Casino Simulcasting Act. Such notice shall further provide that this procedure may result in changes in pools and pari-mutuel odds during the running of a simulcast race.

SUBCHAPTER 5. LICENSING OF EMPLOYEES

13:69M-5.1 Employees of casino simulcasting facilities

All employees of a casino simulcasting facility shall be licensed pursuant to the Casino Control Act or registered in accordance with the rules of the Division.

SUBCHAPTER 6. LICENSING AND REGISTRATION ENTITIES AND THEIR
EMPLOYEES

13:69M-6.1 Sending tracks

All sending tracks shall be registered in accordance with the provisions of N.J.S.A. 5:12-92c. Each sending track shall have on file with the Division a vendor registration form, any updates to which shall be filed with the Division within 10 days of the

occurrence of any changes.

13:69M-6.2 Simulcast wagering equipment

All manufacturers, suppliers and repairers of simulcast wagering equipment, including totalisators, pari-mutuel machines, self-service pari-mutuel machines and credit voucher machines, to casino licensees or hub facilities shall be licensed in accordance with the provisions of N.J.S.A. 5:12-92a.

13:69M-6.3 Hub facility

A hub facility shall be licensed in accordance with the provisions of N.J.S.A. 5:12-92a, and all employees of the hub facility shall be licensed pursuant to the Casino Control Act or registered in accordance with the rules of the Division. Additionally, a hub facility shall submit for Division approval a description of its security procedures and accounting controls. A hub facility and its employees, and vendors of a hub facility other than casino licensees, shall further be subject to the licensure jurisdiction of the Racing Commission.

13:69M-6.4 Other enterprises

Any other enterprise transacting business with a casino licensee or hub facility with respect to casino simulcasting shall be subject to the vendor registration and casino service industry licensing requirements applicable to any enterprise which transacts business with a casino licensee.

SUBCHAPTER 7. RECONCILIATION WITH SENDING TRACKS AND PAYMENTS TO
RACING COMMISSION

13:69M-7.1 Reconciliation with sending tracks

Each casino licensee which conducts casino simulcasting shall, in conformance with information provided by the hub facility, reconcile all simulcast wagers with sending tracks on at least a weekly basis unless the casino licensee and a sending track agree to a different term of payment, which shall be set forth in the agreement between the casino licensee and sending track.

13:69M-7.2 Outstanding pari-mutuel tickets

Each casino licensee which conducts casino simulcasting shall deposit all funds for outstanding pari-mutuel tickets in a separate account and maintain an ongoing, daily record of such tickets.

13:69M-7.3 Payments to Racing Commission

Each casino licensee which conducts casino simulcasting shall, after the reconciliation of wagers, payment of fees to sending tracks, and retention of monies to which it is entitled under the provisions of the Casino Simulcasting Act, transmit to the Racing Commission all underpays and moneys due it pursuant to this chapter and in accordance with the provisions of the Casino Simulcasting Act.

SUBCHAPTER 8. RACE INFORMATION

13:69M-8.1 Race information availability

A casino licensee which conducts casino simulcasting shall make available to patrons of its casino simulcasting facility the following information for each simulcast race: the names of entrants, their sires, dams and maternal grandsires, their wagering numbers, post positions, jockeys or drivers, assigned weight, morning line odds, owners and owners' colors or drivers' colors, trainers, sex, color, year of birth; the distance and number of the race; amount of purse; and conditions and claiming price, if any. For harness races, the performance lines for at least the last six races of each entrant shall also be available. The availability of such information, and the procedures for obtaining same, shall prominently be displayed in the casino simulcasting facility. Nothing in this chapter shall preclude a casino licensee from charging patrons a fee for providing such information.

SUBCHAPTER 9. SUPERVISORS OF MUTUELS

13:69M-9.1 Supervisors of Mutuels

A Supervisor of Mutuels shall be present at a hub facility at all times when casino simulcasting is being conducted. The Supervisor of Mutuels shall be an employee or designee of the Racing Commission whose compensation shall be reimbursed to the Racing Commission by the hub facility, or, if a designee, paid directly by the hub facility. If a Supervisor of Mutuels is not an employee of the Racing Commission, he or she shall be licensed as a casino key employee.

13:69M-9.2 Duties of Supervisor of Mutuels

(a) The duties of a Supervisor of Mutuels at the hub facility shall include:

1. Overseeing the pari-mutuel-related activities of the hub facility;
2. Determining calculations, overpays, underpays and directing any necessary adjustments to race totals;
3. Verifying machine computation of all daily double, exacta and other multiple wagering pools;
4. Reviewing all necessary computer sheets and test checking the machine calculations of payouts, breakage, and commissions of each pool;
5. Verifying cancellation reports as transmitted from casino simulcasting facilities;
6. Preparing and submitting to the Racing Commission a daily summary result of the pari-mutuel operations, with a copy to the Division;
7. Preparing and submitting to the Racing Commission a seven-day financial report and a seven-day comparative statistic report, with a copy to the Division;
8. Daily reconciliation of the daily pari-mutuel sales with the hub facility's daily statement thereof and the Racing Commission's daily summary of results from pari-mutuel wagering; and
9. Reporting all discrepancies and irregularities to the Racing Commission and Division.

13:69M-9.3 Continued access to hub facility by Racing Commission

The Racing Commission, its employees and agents shall at all times have access to the hub facility in order to maintain the integrity of horse racing and, together with the Division, to effectuate the purposes of the Casino Simulcasting Act.