

CHAPTER 69N

SPORTS WAGERING

SUBCHAPTER 1. SPORTS POOL LICENSING AND OPERATIONS

13:69N-1.1 Definitions

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

“Event number” means a set of alpha and/or numeric characters that correspond to specific odds for a sports event or an event ancillary to a sports event.

“Layoff wager” means a wager placed by a New Jersey wagering operator with another New Jersey wagering operator for the purpose of offsetting patron wagers made pursuant to this chapter.

“Odds maker” means a person licensed as a casino key employee or a casino service industry enterprise responsible for the final approval of all odds established on any wager made pursuant to this chapter.

“Operations wagering manager” means a person licensed as a casino key employee or a casino service industry enterprise responsible for the operations of sports wagering as authorized.

“Operator” or “wagering operator” means a party or parties licensed by the Division to accept parimutuel and non-parimutuel wagers on sports events authorized pursuant to this chapter.

“Racetrack” means the physical facility where a permit holder conducts a horse race meeting with pari-mutuel wagering under a license issued by the New Jersey Racing

Commission pursuant to P.L. 1940, c. 17 (N.J.S.A. 5:5-22 et seq.) and includes the site of any former racetrack.

“Sports pool lounge” means an area wherein a sports pool is operated.

“Sports wager” means a wager placed on an authorized sporting event.

“Totalisator” means a computer approved by the Division which, among other things, receives sports wagering information, calculates payoffs for winning wagering tickets, generates reports with respect to such information, automatically prevents wagering after a predetermined time preceding each individual event, and generates all required revenue reports.

“Wagering account” means an electronic account that may be established by a patron for the purpose of wagering pursuant to this chapter, including deposits, withdrawals, wagered amounts, and payouts on winning wagers.

“Wagering station” means hardware and software approved by the Division that allows a patron located within a sports pool lounge to utilize a wagering account.

“Wagering system” means the methodology and equipment approved by the Division including, but not limited to, the totalisator for accepting and recording wagers authorized by this chapter.

“Wagering event” means an occurrence on which a wager authorized pursuant to this chapter may be placed.

“Wagering ticket” means a printed record issued or an electronic record maintained by the wagering system that evidences a sports wager.

13:69N-1.2 License eligibility and issuance; interim permit; Division and Racing Commission approval

(a) Only a casino licensed by the Casino Control Commission or a racetrack licensed by the New Jersey Racing Commission shall be eligible to obtain a sports pool license.

(b) An operator of a sports pool lounge within a casino facility shall obtain a sports pool license issued by the Division. A casino operating pursuant to interim casino authorization which has applied for a sports pool license shall also be issued an interim sports pool permit by the Division. Such interim permit shall terminate if the casino license application is denied by the Casino Control Commission.

(c) Upon the approval of the Division and the Racing Commission, an operator of a sports pool lounge within a racetrack, including a joint operation between a casino licensee and a racetrack, shall obtain a sports pool license issued by the Division.

13:69N-1.3 Application fee; resubmission fee

The initial application fee for a sports pool license shall be \$50,000. Every five years thereafter, an operator shall pay a resubmission fee of \$50,000. All application and resubmission fees are non-refundable. The State of New Jersey and any agency or authority thereof shall be exempt from paying such fees.

13:69N-1.4 Percentage of application fee and resubmission fee for compulsive gambling programs

Fifty percent (50%) of any application fee or resubmission fee paid pursuant to N.J.A.C. 13:69N-1.3 shall be remitted by the Division to the Department of Treasury to be deposited into the State General Fund for appropriation by the Legislature to the Department of Human Services to provide funds for prevention, education, and treatment programs for compulsive gambling programs 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.

13:69N-1.5 Operators responsible for additional costs of regulation

All sports pool wagering applicants or licensees shall be required to pay, in addition to any license fee, the costs of the Division on matters directly related to the applicant or licensee's conduct of wagering operations authorized by this Chapter at hourly rates to be set by the Division in accordance with N.J.A.C. 13:69A, and to reimburse any unusual costs or out of pocket expenses incurred by the Division in regard to such matters.

13:69N-1.6 Non-casino application form

Each non-casino applicant for a sports pool license shall submit to the Division a Business Entity Disclosure Form in accordance with N.J.A.C. 13:69A-5.6.

13:69N-1.7 Non-casino entity

A non-casino entity that an operator contracts with to conduct sports pool wagering shall obtain a casino service industry enterprise license pursuant to N.J.S.A. 5:12-92a and N.J.A.C. 13:69J. Employees of such a non-casino entity shall be licensed or registered consistent with the provisions of N.J.A.C. 13:69N-1.8.

13:69N-1.8 Individual license or registration

A person directly involved in sports pool wagering shall be licensed by the Casino Control Commission as a casino key employee or registered by the Division as a casino employee, as determined by the Casino Control Commission. A person employed in a sports wagering facility but not directly involved in wagering may also be required to register with the Division as a casino employee, if appropriate, consistent with the registration standards applied to persons not directly involved in casino gaming.

13:69N-1.9 Sports pool lounge; surveillance required

A sports pool operator that conducts sports pool wagering shall establish and maintain a sports pool lounge of sufficient square footage to promote 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 and its transmissions. Nothing in this section shall preclude the Division from permitting a sports pool operator to conduct sports pool wagering, subject to appropriate terms and conditions, in a location other than a sports pool lounge upon petition of a sports pool operator.

13:69N-1.10 Sports pool lounge; cage required

A sports pool operator which wishes to conduct sports pool wagering shall, unless otherwise approved by the Division, establish and maintain a cage or satellite cage in, or immediately adjacent to, its sports pool lounge.

13:69N-1.11 Internal controls

Sports pool operators shall file with the Division internal controls for all aspects of sports pool wagering operations. Sports pool operators shall not commence sports pool wagering until internal controls have been approved by the Division.

13:69N-1.12 Equipment suppliers; license required

All manufacturers, suppliers and repairers of sports pool wagering equipment, including without limitation totalisators, pari-mutuel machines, self-service pari-mutuel machines and credit voucher machines, to sports pool licensees shall be licensed in accordance with the provisions of N.J.S.A. 5:12-92a.

SUBCHAPTER 2. SPORTS POOL WAGERING AND FACILITY REQUIREMENTS

13:69N-2.1 Betting on behalf of another prohibited

Persons shall place a wager at a sports wagering operation only on their own behalf and shall not wager on the account of or for any other person. Any person wagering or attempting to wager on behalf of another person shall be subject to the civil penalties set forth in the Casino Control Act. No licensee shall accept a wager from a person on the account of or for any other person.

13:69N-2.2 Wagering area; required personnel; wagering counter

(a) Sports wagering shall occur in the simulcasting facility or other designated area as approved by the Division. Slot machines shall not be permitted in any area designated for the acceptance of sports wagers located in a racetrack or a casino simulcasting facility. Slot machines may not be located in any other area designated for acceptance of sports wagers without the approval of the Division.

(b) Each wagering operator shall have an:

1. Oddsmaker; and
2. Operations wagering manager.

(c) All wagers pursuant to this chapter shall be placed with a wagering cashier at a wagering counter or approved wagering station. A wager from a laptop computer, cell phone, tablet computer or other mobile device, unless specifically authorized by the Division, shall be prohibited. The wagering counter and the operation thereof shall conform to the requirements for a simulcast counter as set forth at N.J.A.C. 13:69D-1.14(e). Nothing shall preclude a casino simulcast cashier from processing sports wagers, provided that the casino licensee is able to distinguish casino simulcast revenue therefrom and accurately report thereon.

(d) Each wagering operator's accounting internal controls shall detail the reconciliation of assets and documents contained in the wagering cashier drawers. These procedures shall provide for the reporting of any overage or shortage. All such documents shall be forwarded to casino accounting or a racetrack's accounting department on a daily basis.

(e) Each casino licensee and wagering operator shall adopt and conspicuously display, in the area where sports wagers are accepted, comprehensive house rules governing wagering transactions with patrons. The Division reserves the right to reject any house rule. A record of any change to house rules shall be maintained for a period of one year from the date of the change. The house rules shall conform to the provisions of this chapter and shall specify:

1. Amounts paid on winning wagers;
2. Effect of schedule changes;
3. Method of notifying patrons of odds or proposition changes;
4. Acceptance of wagers at other than posted terms; and
5. Expiration of any winning ticket one year after the date of the event.

(f) No one under the age of twenty one (21) years of age may place a wager pursuant to this Chapter in a sports pool lounge.

13:69N-2.3 Patron wagers

(a) A wagering operator shall not accept any wager pursuant to this chapter unless it has provided written notification to the Division of the first time that wagering on a category of wagering event (for example, wagering on a particular type of professional sport) is offered to the public at least two business days prior to accepting a wager on such category of wagering event, provided that notice is not required whenever the odds change on a previously offered wagering event. The Division reserves the right to prohibit the acceptance of wagers, and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the State.

(b) A wagering operator shall only accept wagers on wagering events for which:

1. The outcome can be verified;
2. The outcome can be generated by a reliable and independent process;
3. The outcome would not be affected by any wager placed; and
4. The event is conducted in conformity with all applicable laws.

(c) Upon accepting a wager pursuant to this chapter, a wagering cashier shall cause the wagering system to generate a wagering ticket. The wagering ticket shall include, at a minimum, the following:

1. Operator's name;
2. Address at which a winning ticket may be redeemed by mail;
3. Event number;
4. Description of event;
5. Unique wagering ticket identifier;

6. For paper tickets, a barcode or similar symbol or marking, as approved by the Division, corresponding to the unique wagering ticket number;
7. Date and time of issuance;
8. Cashier identifier;
9. Location of issuance;
10. Amount of the wager;
11. Payout odds; and
12. The date of the event.

(d) A wagering operator shall not unilaterally rescind any wager pursuant to this chapter without the prior written approval of the Division.

(e) Patron wagers pursuant to this chapter shall be made in cash and, if authorized by the Division, vouchers and gaming chips.

(f) The available wagers shall be displayed in a manner visible to the public and the operator's CCTV system. The display shall include the event number, odds and a brief description of the event.

(g) Wagers on the following are prohibited:

1. Any collegiate sport or athletic event that takes place in New Jersey or any individual sporting or athletic event in which any New Jersey college team directly participates regardless of where the event takes place; and
2. Any event which the Division deems to be contrary to public policy.

(h) Winning wagering tickets shall be redeemed by a wagering cashier after verifying the validity of the wagering ticket through the wagering system. The cashier shall cause the system to electronically redeem and cancel the wagering ticket upon redemption.

(i) A patron may redeem by mail a winning wagering ticket to the address provided thereon. Upon receipt, the wagering ticket shall be forwarded to the accounting department where a member of the accounting department with no incompatible function shall record on a log the name of the patron, the date the wagering ticket was received, the date the ticket was issued, the ticket number and the event number. The ticket shall then be forwarded to the wagering counter or, if applicable, the simulcast counter where a cashier shall cause the electronic cancellation of the ticket and the issuance of a check to the patron in the amount of the winning wager in accordance with the wagering operator's internal controls.

(j) Any unclaimed winning ticket expires one year after the date of the event. Expired tickets shall be subject to provisions of N.J.S.A. 5:12-141.2b.

(k) No wagering ticket shall be voided after the start of the wagering event on which a wager has been placed.

13:69N-2.4 Layoff wagers

A wagering operator may, in its discretion, accept a layoff wager from another New Jersey wagering operator. A wagering operator placing a layoff wager shall disclose its identity to the wagering operator accepting the wager. A layoff wager and, if applicable, a resultant payout shall not be included in the calculation of gross revenue.

13:69N-2.5 Operator reserve requirements

Operators shall maintain adequate cash reserves, as determined by the Division, to cover winning wagers.

SUBCHAPTER 3. REQUIRED REPORTS; RECONCILIATION

13:69N-3.1 Totalisator reports; wagering revenue; reconciliation

(a) The totalisator shall be required to generate the following reports as approved by the Division. Such reports shall distinguish by type and status where applicable:

1. Sports Wagering Intake Detail Report used to detail and support the totals reported on the Sports Wagering Intake Summary Report;
2. Sports Wagering Intake Summary Report used to report gross revenue in accordance with Division rules;
3. Sports Wagering Ticket Redemption Detail Report used to detail and support the totals reported on the Sports Wagering Ticket Redemption Summary Report;
4. Sports Wagering Ticket Redemption Summary Report used to reconcile cashier redemptions and to summarize the daily amounts paid out for winning wagers;
5. Sports Wagering Ticket Expiration Detail Report used to detail and support the totals reported on the Sports Wagering Expiration Summary Report;
6. Sports Wagering Ticket Expiration Summary Report used to report expired sports wagering tickets in accordance with Division rules;
7. Sports Wagering Ticket Voided Detail Report used to provide a record for voided sports wagers;

8. Sports Wagering Ticket Liability Detail Report used to detail and support the totals reported on the Sports Wagering Ticket Liability Summary Report; and
9. Sports Wagering Ticket Liability Summary Report used to summarize the outstanding sports wagering liability.

(b) Wagering revenue generated pursuant to this chapter shall equal the total of all wagers received less voided wagers less amounts paid out for winning wagers.

(c) For sports wagering operations, an accounting department member shall determine the daily win amount by comparing a win report from the totalisator to the reconciliation of the sports wagering drawers. The wagering operator shall be required to report sports wagering revenue as the higher amount unless otherwise authorized by the Division.

(d) The wagering operator shall permit duly authorized representatives of the Division to examine the operator's accounts and records for the purpose of certifying gross revenue.