

SPORTS WAGERING

FREQUENTLY ASKED QUESTIONS

1. Will a casino or race track be required to have a brick and mortar sports book presence or can they simply have an online presence?

Answer: The holder of a sports pool license shall be required to establish and maintain a first-class sports wagering lounge. No casino or racetrack licensee shall operate or accept wagers from either a sports pool or online sports pool unless the licensee has commenced operation in a sports wagering lounge except that:

1. Online sports wagering may commence for a period not to exceed nine months upon the approval of the Director if the lounge is under construction;
2. Casino and racetrack sports wagering may commence in a temporary sports pool facility for a period not to exceed nine months upon the approval of the Director if the lounge is under construction.

2. Will sports wagering customers be required to make initial deposits or register in person for sports wagering?

Answer: Customers of online sports books will not be required to register or fund their accounts in person. Customers in a land based sports book do not have to register unless they are placing a wager over \$10,000.

3. Is there a limit on the number of online sports pools that can be offered by a sports wagering licensee?

Answer: Each sports wagering licensee may provide no more than three individually branded sports wagering websites.

4. Will there be restrictions on the types of wagers that are permitted for sports wagering (i.e. various in-game wagers and high risk wagers)?

Answer: A sports pool operator shall not accept any wager on a sports event unless it has provided written notification to the Division of Gaming Enforcement of the first time that wagering on a category of wagering event (for example, wagering on a particular type of professional sport) or type of wager (for example, an in-play wager or exchange wager) is offered to the public. 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.

5. Will there be any new mandatory positions?

Answer: Yes, the regulations call for an independent sports pool department for the sports lounge that shall be supervised by a sports lounge manager responsible for the operation and conduct of the sports wagering lounge. Sports books are required to ensure that at least one key employee is present in the sports lounge whenever sports pool wagering is conducted.

6. What will the licensing requirements be for the vendors involved in sports wagering and integrity services?

Answer: Any entity providing goods and or services to a sports wagering operation will require either a vendor license or vendor registration in accordance with the provisions of the Casino Control Act.

7. Will the Division consider the use of transactional waivers to expedite the commencement of sports betting operations?

Answer: Yes, a casino may submit a request to the Division for the immediate commencement of sports pool or online sports pool operations. Such request shall include the initial license fee of \$100,000, payable to the Casino Control Fund.

Upon receiving a request for a transactional waiver, the Director shall review the request. If the Director determines that the casino requesting the transactional waiver holds a valid casino license, has paid the sports wagering license fee, and is in compliance with this section, the Division shall issue a sports wagering license. Such license shall be valid for one year.

A casino receiving a transactional waiver shall be permitted to commence sports pool wagering or online sports pool wagering operations for a period of 270 days from the

date of the enactment of P.L. 2018, c. 33. Any sports pool wagering operation or online sports pool wagering operation not in compliance with all regulations relating to sports wagering shall cease operations at that time and shall remain inactive until compliance is achieved.

No transactional waiver to commence online sports pool operations shall be granted prior to July 12, 2018.

8. What sports wagering equipment is required to be located in Atlantic City?

Answer: The server or other equipment used to accept wagers at a sports pool shall be located in a racetrack or in an Atlantic City casino or casino controlled data center in accordance with section 20 of P.L.2013, c.27 (C.5:12-95.22).

9. What is the tax rate on sports wagering?

Answer: The Rate depends on the source of the gross revenue generated.

Gross revenue from casino sports pool operations, including mobile operations is subject to an 8.5% annual tax, which shall be paid to the Casino Revenue Fund. Additionally, an investment alternative tax of 1.25% will be used exclusively for tourism and marketing programs for the City of Atlantic City.

Gross revenue from casino online sports pool operations is subject to a 13% annual tax, which shall be paid to the Casino Revenue Fund. Additionally, an investment alternative tax of 1.25% will be used exclusively for tourism and marketing programs for the City of Atlantic City.

Gross revenue from racetrack sports pool operations, including mobile operations, is subject to an 8.5% annual tax, which shall be paid to the State General Fund. An additional 1.25% tax on such revenue shall be paid to the Division of Local Government Services in the Department of Community Affairs for distribution, upon application by a municipality or county, to the municipality and to the county in which the sports wagering lounge is located or to an economic development authority of that municipality and county.

Gross revenue from racetrack online sports pool operations is subject to a 13% annual tax, which shall be paid to the State General Fund. An additional 1.25% tax on such revenue shall be paid to the Division of Local Government Services in the Department of Community Affairs for distribution, upon application by a municipality or county, to the municipality and to the county in which the sports wagering lounge is located or to an economic development authority of that municipality and county.

10. Who will regulate sport book operations?

Answer: The Division of Gaming Enforcement will be responsible for approving sports book technology and for regulating the operation of sports books in the casinos and at race tracks.

11. Can employees and athletes of a sports team or governing body gamble on sports in New Jersey?

Answer: A prohibited sports pool participant as defined by N.J.A.C. 13:69N-1.1, or the direct or indirect legal or beneficial owner of ten percent or more of a sports governing body or any of its member teams, shall not be permitted to wager on any event governed by the league or sports governing body with which they are affiliated. Additionally, the sports wagering statute requires that any employee of a sports governing body, or one of its member teams, who is not a prohibited sports pool participant, shall register with the Division prior to placing a sports pool wager. Registration forms are available at the sports book and from the Division's website.

12. How do sports pool operators notify the Division of new events or new types of wagers they want to offer?

Answer: Pursuant to N.J.A.C. 13:69N-1.11, sports pool operators shall email SBEventNotification@njdge.org at least 72 hours prior to offering the event or wager to the public. This notice must include (1) the name of the sports governing body in charge of administering the event or wager and (2) a description of the policies and procedures regarding the event or wager's integrity.

13. Who do I contact if I have a question about sports wagering regulations?

Answer: The Division of Gaming Enforcement's Public Information Officer, Kerry Langan is the designated point of contact for all sports wagering policy questions. She can be reached via e-mail at kerry.langan@njdge.org or by phone at (609) 317-6201. The list of FAQ's will be updated as needed.