

Full text of the adoption follows (additions to proposal indicated in boldface with asterisks *thus*; deletions from proposal indicated in brackets with asterisks *[thus]*):

CHAPTER 69A APPLICATIONS

SUBCHAPTER 9. FEES

13:69A-9.4 Casino license fees

(a) For the purposes of this section, the following words and terms shall have the meanings herein ascribed to them unless a different meaning clearly appears from the context:

1.-4. (No change.)

5. "Initial license fee" or "issuance fee" means the total fee, which is required by the Act and this subchapter to be paid prior to consideration or issuance of a plenary casino license to an unlicensed applicant and which is based upon the cost of investigating and considering the application;

6. "Responsible Internet Gaming Fee" means the total fee that is required by the Act and this subchapter to be paid annually to the Department of Human Services and allocated pursuant to N.J.S.A. 5:12-95.29.d; and

7. "Sports wagering license fee" means the total fee that is required by the Act and this subchapter to be paid prior to issuance or renewal of a sports wagering license;

(b) (No change.)

(c) The following fee amounts shall apply:

1. Not less than \$ 200,000 for a casino license or a casino license resubmission;

2. Not less than \$ 400,000 for an initial Internet gaming permit;

3. Not less than \$ 250,000 for the renewal of an Internet gaming permit;

4. A \$ 250,000 Responsible Internet Gaming Fee upon the filing for an initial or renewal of an Internet gaming permit;

5. \$ 100,000 for an initial sports wagering license. Fifty percent of the initial sports wagering license fee paid by casinos and racetracks 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 P.L. 1993, c. 229, section 2 (N.J.S.A. 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; and

6. A minimum of \$ 100,000 for a sports wagering license renewal, with the final cost to be determined by the Director after consideration of the costs for renewal, enforcement, and

gambling addiction. The percentage of the renewal fee to be directed into the State General Fund for [page=1517] 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 P.L. 1993, c. 229, section 2 (N.J.S.A. 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 shall be established by the Director on an annual basis after considering the licensure and enforcement costs of regulating sports wagering.

(d) Pursuant to N.J.S.A. 5:12-141.1, in addition to the license fee for a sports wagering license set forth in (c) above, each initial racetrack and casino sports wagering license applicant shall be required to submit a retainer of \$ 250,000 to the Casino Control Fund to cover initial, start-up, and ongoing operational costs of the Division for the regulation and enforcement of sports pool and online sports pool operations and for law enforcement functions performed by the Division of State Police and the Division of Criminal Justice. Such retainer shall be segregated within the Casino Control Fund and funds not expended during the initial license period shall be refunded to all licensees on a pro rata basis.

Recodify existing (d)-(e) as (e)-(f) (No change in text.)

13:69A-9.5 Fees for testing of gaming and simulcast wagering equipment and related devices and software

(a) Any person seeking to have prototype gaming or simulcast wagering equipment or related devices or software approved pursuant to N.J.A.C. 13:69E shall be required to pay the following fee:

1. (No change.)

2. Payment for the efforts of the Division on matters directly related to the examination, testing and consideration of the prototype at hourly rates to be set by the Division in accordance with N.J.A.C. 13:69A-9.4(e); and

3. (No change.)

13:69A-9.7 Casino hotel alcoholic beverage licenses

(a) (No change.)

(b) The fee for the issuance or retention of a casino hotel alcoholic beverage license for a casino licensee conducting alcoholic beverage activity in a casino hotel shall be assessed as follows:

1. Payment for the efforts of the Division on matters directly related to the casino hotel alcoholic beverage license or application at hourly rates to be set by the Division in accordance with N.J.A.C. 13:69A-9.4(e); and

2. (No change.)

(c)-(e) (No change.)

13:69A-9.8 Casino service industry enterprise license fee

(a)-(b) (No change.)

(c) Persons or entities providing services to casino licensees regarding Internet gaming shall be responsible for the full cost of their licensure, including any investigative costs, at the hourly rate set by the Division pursuant to N.J.A.C. 13:69A-9.4(e).

(d)-(e) (No change.)

13:69A-9.8A Ancillary casino service industry enterprise license fee

(a) (No change.)

(b) In order to recover the cost of the investigation and consideration of license applications by enterprises engaged in these industries, the initial license application and issuance fee for an ancillary casino service industry enterprise license, with the exception of a non-casino applicant or licensee required to hold a casino hotel alcoholic beverage license, shall be assessed as follows:

1.-3. (No change.)

4. An additional application charge, at an hourly rate to be set by the Division in accordance with N.J.A.C. 13:69A-9.4(e), shall be due and payable upon demand by the Division for each hour of Division professional staff time that is expended on matters directly related to the applicant that is in excess of 1,000 total hours; and

5. (No change.)

(c)-(d) (No change.)

13:69A-9.19 Obligation to pay fees; nonrefundable nature of fees; credits

(a)-(b) (No change.)

(c) Payments made by a casino licensee for its estimated share under N.J.A.C. 13:69A-9.4(f) that exceed its actual share as finally determined by the Division for the fiscal year shall be credited toward the payment of additional fees by that casino licensee.

(d) Any surplus that exists in the Casino Control Fund, with a separate accounting for sports pool fees, as of the close of a fiscal year, which is not due to excess payments of estimated shares collected pursuant to N.J.A.C. 13:69A-9.4(f) shall be credited toward the payment of additional fees by casino licensees. The share for each casino licensee shall be the amount that is in the same proportion to the total surplus subject to this subsection as the proportion of the total amount of fees incurred or paid by the casino licensee with respect to the fiscal year is to the total amount of all fees incurred or paid by all casino licensees with respect to the fiscal year.

(e) (No change.)

13:69A-9.20 Fees for services provided to other governmental bodies

(a) Whenever the Division is authorized by law to provide services to any State, county or municipal department, board, bureau, commission, authority or agency, and to receive compensation for the performance of such services, the Division shall assess fees for the cost and expense of providing these services as follows:

1. Payment for the efforts of the Division on matters directly related to other governmental bodies at hourly rates to be set by the Division in accordance with N.J.A.C. 13:69A-9.4(e); and
2. (No change.)

CHAPTER 69D

GAMING OPERATION ACCOUNTING CONTROLS AND STANDARDS

SUBCHAPTER 1. GENERAL PROVISIONS

13:69D-1.1 Definitions

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

...

"Representation of gaming debt" means a document issued by a casino licensee in a form approved by the Division to evidence a specific amount of money owed to a patron by the casino licensee as a result of a gaming transaction, and includes a cashable gaming voucher, sports pool vouchers, and winning keno and sports wagering tickets, but does not include a non-cashable or cashier generated gaming voucher, gaming chip or plaque, slot token, jackpot payout receipt, receipt for table game, tournament or bad beat payout, winning pari-mutuel ticket, simulcast voucher, or any form of electronic credit.

...

13:69D-1.8 Record retention

(a)-(f) (No change.)

(g) All original books, records, and documents shall be retained in accordance with the following retention schedules, unless otherwise authorized by the rules of Division. However, nothing in this subsection shall be construed as relieving a casino licensee or a WAP or MSPS progressive slot system operator from meeting any obligation to maintain any book, record, or document required by any other Federal, State, or local governmental body, authority, or agency.

1.-2. (No change.)

3. Four-year retention:

i.-ii. (No change.)

iii. Except for poker tournaments, documentation supporting the calculation of poker revenue;

iv. Except for keno tickets, documentation supporting the calculation of keno win; and

v. Except for sports pool tickets, documentation supporting the calculation of sports pool win.

4.-8. (No change.)

9. No minimum retention and may be destroyed without the notice required by (e) above:

[page=1518] i. Gaming vouchers, coupons, and sports pool tickets and vouchers redeemed, verified, and electronically cancelled by the gaming voucher or sports pool system.

ii.-xxiv. (No change.)

13:69D-1.10 Closed circuit television system; surveillance department control; surveillance department restrictions

(a) (No change.)

(b) The CCTV system shall be approved by the Division and shall include, at a minimum, the following:

1. Light sensitive cameras, with lenses of sufficient magnification to allow the operator to read information on gaming chips, playing cards, dice, tiles, slot machine reel symbols, slot machine credit meters, and employee credentials, and with 360 degree pan, tilt and zoom capabilities without camera stops to effectively and clandestinely monitor in detail and from various vantage points, the following:

i.-xi. (No change.)

xii. The operation of automated jackpot payout machines, gaming voucher redemption machines, gaming voucher systems, and electronic transfer credit systems;

xiii. The operations associated with the conduct of a sports pool; and

xiv. (No change in text.)

2.-7. (No change.)

(c) (No change.)

(d) A casino licensee's CCTV system shall be required to record, during the times and in the manner indicated below, all transmissions from cameras used to observe the following locations, persons, or transactions:

1.-9. (No change.)

10. Each transaction conducted at an automated bill breaker, voucher/coupon redemption, and jackpot payout machine, as well as each replenishment or other servicing of any such machines;

11. The entrances and exits to the casino, casino simulcasting facility, sports wagering lounge, count rooms, and all critical locations as defined in N.J.A.C. 13:69D-2.1; and

12. Each sports pool ticket writer location, kiosk, booth operations, and other gaming related areas and activities in a sports wagering lounge.

(e) In addition to any other requirements imposed by this section and in accordance with the time parameters specified in this section, a casino licensee's CCTV system shall be required to record transmissions used to observe the face of each patron transacting business at each of its cashiers' cage and satellite cage windows, and sports pool ticket writer stations from the direction of the cashier.

(f)-(l) (No change.)

13:69D-1.11 Casino licensee's organization

(a) (No change.)

(b) In addition to satisfying the requirements of (a) above, each casino licensee's system of internal controls shall include, at a minimum, the following departments and supervisory positions. Each of the departments and supervisors required or authorized by this section (a "mandatory" department or supervisor) shall cooperate with, yet perform independently of, all other mandatory departments and supervisors of the casino licensee. Mandatory departments and supervisory positions are as follows:

1. A surveillance department supervised by a person referred to in this section as the director of surveillance. The director of surveillance shall be subject to the reporting requirements specified in (c) below. The surveillance department monitoring room shall be supervised by a casino key employee who shall be present in the room at all times or, if not present, be within immediate contact and at a known location on the premises. The surveillance department shall be responsible for, without limitation, the following:

i.-ii. (No change.)

iii. The clandestine surveillance of the operation of the casino simulcasting and sports wagering lounge facilities;

iv.-xix. (No change.)

2.-3. (No change.)

4. An IT department comprised of at a minimum an IT department manager, and, if the licensee offers Internet and mobile gaming, an Internet and mobile games manager, all of whom shall be located in New Jersey and licensed as a casino key employee.

i. The IT department manager shall be responsible for all data, as well as the quality, reliability, and accuracy of all computer systems and software used by the casino licensee in accordance with the framework established by the information security officer. This shall apply to the conduct of casino, sports pool, and casino simulcasting facility operations, whether such data and software are located within or outside the casino hotel facility, including, without limitation, specification of appropriate computer software, hardware, and procedures for security, physical integrity, audit, and maintenance of:

(1)-(5) (No change.)

ii. The Internet and/or mobile gaming manager shall report to the IT department manager, or other department manager as approved by the Division, and be responsible for ensuring the proper operation and integrity of Internet and/or mobile gaming and online sports pools and reviewing all reports of suspicious behavior;

5. (No change.)

6. A security department supervised by a person referred to in this section as a director of security. The security department shall be responsible for the overall security of the establishment including, without limitation, the following:

i.-vii. (No change.)

viii. The recordation of any and all unusual occurrences within the casino, sports wagering lounge, and casino simulcasting facility for which the assignment of a security department employee is made. Each incident, without regard to materiality, shall be assigned a sequential number and shall be recorded in an unalterable format, which shall include:

(1)-(6) (No change.)

ix. (No change.)

x. The identification and removal of any person who is required to be excluded pursuant to N.J.S.A. 5:12-71 and 5:12-71.2 or N.J.A.C. 13:69G-1.7, or who may be excluded or ejected pursuant to N.J.S.A. 5:12-71.1, or of any person, other than those who are to be detained pursuant to (b)5vi above, who is prohibited from entering a casino, a sports wagering lounge, or a casino simulcasting facility pursuant to N.J.S.A. 5:12-119.a; and

xi. The performance of all duties and responsibilities in accordance with the procedures and controls pursuant to N.J.A.C. 13:69D-1.3(a)3;

7. A casino accounting department supervised by a person referred to in this section as a controller. The controller shall be responsible for all casino, sports wagering lounge, and casino simulcasting facility accounting control functions including, without limitation, the preparation and control of records and data, the control of stored data, the control of unused forms, the accounting for, and comparison of, operational data and forms, and the control and supervision of the cashiers' cage, any satellite cages, the soft count room, and the hard count room. The soft count room and hard count room shall each be supervised by a casino key employee, who shall be responsible for the supervision of the soft count or hard count in accordance with N.J.A.C. 13:69D-1.33 and 1.43, respectively. A casino licensee that operates more than one casino room within its casino hotel facility may be required to maintain a separate main cage in each casino room. A casino key employee referred to in this chapter as a cage manager shall supervise the main cage and any satellite cages within the casino room. The cage manager shall report to the controller and shall be responsible for the control and supervision of cage and slot cashiers, casino clerks, and the cage functions set forth in N.J.A.C. 13:69D-1.14 and 1.15. If a casino licensee elects to operate one or more satellite cages, each satellite cage shall be supervised by a

casino cage supervisor who shall report to a cage manager. A casino licensee may choose, in its discretion, as to each cashier's cage in its casino hotel facility, to:

i.-iii. (No change.)

iv. Make the casino accounting department responsible for the operation and conduct of the simulcast counter*[*; and] **. An entity operating a sports wagering lounge on behalf of a casino or race track shall have an accounting department supervised by a casino key employee that shall be responsible for the accounting control functions enumerated in this subsection as approved by the Division; and*

8. Establish an independent sports pool department for the sports lounge that shall be supervised by a casino key employee referred to in this section as a sports lounge manager who:

[page=1519] i. Shall be responsible for the operation and conduct of the sports wagering lounge;

ii. May be responsible for the operation and conduct of the simulcast counter; and

iii. Shall ensure at least one key employee is present in the sports lounge whenever sports pool wagering is conducted.

(c) -(h) (No change.)

13:69D-1.14 Physical description of cashiers' main cage; satellite cage; master coin bank; coin vault; simulcast booth; slot booth; keno booth; and sports lounge booth

(a)-(g) (No change.)

(h) Provided that the casino or racetrack has a cashier's main cage that meets the requirements of (b) above, sports pool wagering transactions may be conducted from a sports wagering lounge booth located in the sports wagering lounge. Such booth shall be designed and constructed in accordance with (b)1 through 5 above, and access shall be controlled by a supervisor in the *[games]* *sports pool* department or, for a racetrack, a comparable position approved by the Division.

13:69D-1.15 Accounting controls and functions for the cashiers' main cage; satellite cage; master coin bank; coin vault; simulcast booth; slot booth; and chipperson

(a)-(e) (No change.)

(f) The assets for which each general cashier is responsible shall be maintained on an imprest basis. A general cashier shall not permit any other person to access his or her imprest inventory. General cashier functions shall include, but are not limited to, the following:

1.-11. (No change.)

12. Receive gaming vouchers and/or sports wagering tickets or vouchers from patrons or authorized employees in exchange for cash or slot tokens;

13.-16. (No change.)

(g)-(i) (No change.)

(j) Main bank cashiers' functions shall include, but are not limited to, the following:

1. Receive cash, gaming vouchers, cash equivalents, issuance copies of Slot Counter Checks, original copies of Payout Slips, sports wagering tickets and vouchers, personal checks received for non-gaming purposes, slot tokens, prize tokens, gaming chips, and plaques from general cashiers in exchange for cash;

2.-20. (No change.)

21. Process exchanges with master coin cashiers, supported by documentation with signatures thereon, for the effective segregation of functions in the cashiers' cage;

22. Exchange funds with hotel cashiering supported by proper documentation; and

23. Exchange currency, coin, slot tokens, gaming chips, and coupons with the vault in the sports wagering lounge booth in exchange for proper documentation.

(k)-(u) (No change.)

SUBCHAPTER 3. EXPIRATION OF GAMING-RELATED OBLIGATIONS OWED TO PATRONS

13:69D-3.1 Expiration of gaming-related obligations owed to patrons; expiration of sports pool tickets and vouchers; payment to casino revenue fund

(a)-(e) (No change.)

(f) Unclaimed winning sports pool tickets expire one year after the date of the event, at which time the obligation of the sports pool operator to pay the winnings shall expire and the funds shall be distributed as follows:

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

2. For wagers placed with a sports pool operated by or on behalf of a racetrack, the racetrack licensee shall retain 50 percent and remit the remaining 50 percent to the State General Fund; and

3. For wagers placed with a sports pool jointly operated by a casino and a racetrack, the casino and racetrack licensees 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.

(g) Each casino and racetrack licensee shall, on or before the 20th day of each calendar month, report, in a format prescribed by the Division, the total value of sports pool winning tickets owed to its patrons that expired during the preceding calendar month and either:

1. Submit a check to the Division payable to either the Casino Revenue Fund or the State General Fund, as applicable, equal to 50 percent of the total value of the gaming debts owed to its patrons that expired during the preceding month, as stated on the report; or

2. Submit a check to the Division payable to either the Casino Revenue Fund or the State General Fund, as applicable, equal to 50 percent of the total value of the gaming debts owed to its patrons that expired during the preceding month, as apportioned in (f)3 above.

(h) Failure to make the payment to the Casino Revenue Fund or State General Fund, as applicable, by the due date, shall result in the imposition of penalties and interest as prescribed in the State Uniform Tax Procedure Law, N.J.S.A. 54:48-1 et seq.

(i) Nothing shall preclude a casino or racetrack licensee from, in its discretion, issuing a cash complimentary to a patron to compensate a patron for a sports pool ticket that has expired.

(j) Unclaimed sports pool vouchers purchased at a racetrack shall be governed by the provisions of N.J.S.A. 5:5-22.2.

CHAPTER 69E

GAMING EQUIPMENT

SUBCHAPTER 1. GENERAL PROVISIONS

13:69E-1.28O Technical standards for kiosks

(a) Kiosk means all aspects of an automated device that may be used for voucher redemption, coupon redemption, slot machine jackpot processing, ATM debit card transactions, credit card transactions, bill breaking, voucher issuance, sports pool voucher and ticket processing, and other automated functions as approved by the Division.

(b)-(h) (No change.)

(i) Kiosks shall be capable of recognizing payment limitations or payment errors, such as bill out jams and insufficient funds. When a payment limitation or error occurs, the kiosk shall be designed to electronically record the payout limitation or error and perform the following:

1. For gaming vouchers, sports pool tickets and vouchers, or promotional coupons:

i. Reject the transaction;

ii. Issue an error receipt and stack the gaming voucher, sports pool voucher, sports pool ticket, or promotional coupon in the bill validator and change the status to redeemed; or

iii. Issue a replacement sports pool voucher.

2.-3. (No change.)

(j) When an error receipt is issued from a kiosk, the receipt shall advise the patron or employee to see a cashier or sports pool ticket writer for payment. Error receipts shall be designed to include the following, at a minimum:

1.-5. (No change.)

(k)-(y) (No change)

(z) Each kiosk or kiosk computer system shall be capable of generating a "Transaction Report," which documents each attempted and completed transaction. The report shall include, at a minimum:

1.-3. (No change.)

4. The value of gaming vouchers dispensed;
5. The value of currency inserted;
6. The value of gaming vouchers inserted;
7. The value of all sports pool vouchers dispensed;
8. The value of all sports pool vouchers inserted;
9. The value of all sports pool tickets dispensed; and
10. The value of all sports pool tickets inserted.

[page=1520] (aa) When used to redeem sports pool tickets and vouchers, kiosks shall work in conjunction with an approved sports pool system and shall be designed to:

1. Accurately obtain the unique identification number of the item presented for redemption and cause such information to be accurately and securely relayed to the sports pool system for the purpose of redemption;
2. Issue currency and/or a sports pool voucher in exchange for the item presented only if the sports pool system has authorized and recorded the transaction; and
3. Return a sports pool ticket and voucher to the patron when it cannot be validated by the sports pool system or is otherwise unredeemable.

(bb) When used to redeem sports pool vouchers, the kiosk or kiosk computer system shall be capable of generating a "Sports Pool Voucher Redemption Machine Report" for each gaming day. The report shall include the voucher's unique identifier, the date and time of redemption, and the value of the voucher.

(cc) When used to redeem sports pool tickets, the kiosk or kiosk computer system shall be capable of generating a "Sports Pool Ticket Redemption Machine Report" for each gaming day. The report shall include the ticket's unique identifier, the date and time of redemption, and the value of the ticket.

(dd) When used to issue sports pool vouchers, the kiosk or kiosk computer system shall be capable of generating a "Sports Pool Voucher Issuance Report" for each gaming day. The report shall include the voucher's unique identifier, the date and time of issuance, and the value of the voucher.

CHAPTER 69G
EXCLUSION OF PERSONS

SUBCHAPTER 1. PERSONS REQUIRED TO BE EXCLUDED

13:69G-1.1 Definitions

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

...

"Excluded person" means any person who has been placed upon the list by preliminary or final order of the Division and who, pursuant to section 71 of the Act and this chapter, is required to be excluded or ejected from a casino hotel or a sports wagering lounge facility or from participating in Internet gaming.

...

13:69G-1.2 Maintenance and distribution of list

(a) The Division shall maintain a list of persons to be excluded or ejected from a licensed casino or sports wagering lounge establishment or prohibited from Internet gaming.

(b) (No change.)

(c) Each casino licensee and sports wagering lounge operator shall have the responsibility to distribute copies of the list to its employees. Any additions, deletions, or other updates to the list shall be distributed by each casino licensee or sports wagering lounge operator to its employees within two business days of the casino licensee's or sports wagering lounge operator's receipt of such updates from the Division.

13:69G-1.4 Duties of the Division of Gaming Enforcement

(a) The Division shall, on its own initiative, or upon referral by a casino licensee or sports wagering lounge operator, investigate any individual who would appear to be an appropriate candidate for placement on the exclusion list.

(b)-(c) (No change.)

13:69G-1.7 Duty of casino licensee

(a) A casino licensee or sports wagering lounge operator shall exclude or eject the following persons from its casino hotel or sports wagering lounge facility and prohibit such persons from participation in Internet gaming:

1.-2. (No change.)

(b) If an excluded person enters, attempts to enter, or is in a casino hotel or sports wagering lounge facility and is recognized by the casino licensee or sports wagering lounge operator, or if

an excluded person participates, or attempts to participate, in Internet gaming, the casino licensee or sports wagering lounge operator shall immediately notify the Division of such fact.

(c) It shall be the continuing duty of a casino licensee or sports wagering lounge operator to inform the Division in writing of the names of persons it believes are appropriate for placement on the exclusion list.

CHAPTER 69I

CASINO HOTEL ALCOHOLIC BEVERAGE CONTROL

SUBCHAPTER 1. GENERAL PROVISIONS

13:69I-1.1 Definitions

(a)-(b) (No change.)

(c) For the purposes of this chapter, the following definitions shall apply:

...

"Casino hotel alcoholic beverage (CHAB) licensee" means a person licensed to serve, sell, or store alcoholic beverages pursuant to N.J.S.A. 5:12-103 and this chapter. CHAB licensees shall include holders of and applicants for a casino license, sports wagering lounge operators, and vendor registrants who will operate a CHAB license on a casino licensed premise.

...

13:69I-1.4 Classification of authorized locations

(a) Authorized locations shall be classified as follows:

1. All locations authorized pursuant to N.J.S.A. 5:12-103.g(1) shall be classified as Type I (casino/casino simulcasting facility or sports wagering lounge) locations.

2.-5. (No change.)

(b) The activities permitted in each type of authorized location, subject to applicable laws, rules, and regulations, are as follows:

1. In a Type I location, a CHAB licensee shall be entitled to sell any alcoholic beverage by the glass or other open receptacle including, but not limited to, an original container, for on-premises consumption within a casino or casino simulcasting facility or sports wagering lounge.

2. In a Type II location, a CHAB licensee shall be entitled to sell any alcoholic beverage by the glass or other open receptacle for on-premises consumption within a casino hotel but not in a casino or casino simulcasting facility, sports wagering lounge or from fixed locations outside a casino hotel, but on a casino hotel premises. Examples of Type II locations include, without limitation, showrooms, cabarets, restaurants, meeting rooms, pubs, and lounges.

3. In a Type III location, a CHAB licensee shall be entitled to sell any alcoholic beverage in original containers from an enclosed package goods room, not in a casino or casino simulcasting facility or sports wagering lounge, for consumption outside the authorized location.

4. In a Type IV location, a CHAB licensee shall be entitled to sell any alcoholic beverage from a room service location within an enclosed room, not in a casino or casino simulcasting facility or sports wagering lounge, for delivery to a guest room or to any other room in the premises authorized by the Division, other than a Type I, III, or V location.

5. In a Type V location, a CHAB licensee shall be entitled to possess or to store in a fixed location on the premises, not in a casino or casino simulcasting facility or sports wagering lounge, alcoholic beverages intended but not actually exposed for sale.

(c)-(d) (No change.)

SUBCHAPTER 3. CONDITIONS OF OPERATION IN AUTHORIZED LOCATIONS

13:69I-3.1 Conditions of operation in Type I (casino/casino simulcasting facility and sports wagering lounge) locations

(a) No alcoholic beverage shall be sold or given for consumption, delivered or otherwise brought to a patron within a casino room, sports wagering lounge, or casino simulcasting facility, unless so requested by the patron.

(b)-(d) (No change.)

(e) Alcoholic beverages may be served in a Type I location only when the casino room, sports wagering lounge or casino simulcasting facility is open for gaming activity as provided in Section 97a of the Act, but shall [page=1521] not be served later than 15 minutes prior to the closing of the casino room, sports pool lounge or casino simulcasting facility.

CHAPTER 69J

PERSONS DOING BUSINESS WITH CASINO LICENSEES

SUBCHAPTER 1. GENERAL PROVISIONS

13:69J-1.1 Definitions

(a) The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

"Gaming equipment" means any mechanical, electrical, or electronic contrivance or machine used in connection with gaming, any game, or sports pool and includes, without limitation, roulette wheels, big six wheels, slot machines, multi-player slot machine systems, slot tokens, prize tokens, cards, dice, chips, plaques, match play coupons, card dealing shoes, drop boxes, and other devices, machines, equipment, items, or articles determined by the Division to be so utilized in gaming as to require licensing of the manufacturers, distributors, or servicers, or as to require Division approval in order to contribute to the integrity of the gaming industry or to facilitate the operation of the Division. "Gaming equipment" shall also include a computer

network of both interstate and intrastate interoperable packet switched data networks and the hardware, software, or systems associated therewith, used in connection with Internet gaming or the conduct of any game or sports pool conducted through the Internet.

...

(b) (No change.)

13:69J-1.2 Casino service industry enterprise license requirements

(a) No enterprise shall provide goods or services directly related to casino, simulcast wagering, gaming activity, sports pools, online sports pools, or Internet wagering activity to, or otherwise transact business directly related to casino, simulcast wagering, gaming activity, or Internet wagering activity with, a casino applicant or licensee, its employees, or agents unless licensed in accordance with N.J.S.A. 5:12-92.a(1) or (2).

(b) In determining whether an enterprise shall be licensed pursuant to this section, the Division shall consider, without limitation, whether the enterprise satisfies one or more of the following criteria:

1. Whether the enterprise manufactures, supplies, or distributes devices, machines, equipment, items, or articles that:

i. Are specifically designed for use in the operation of a casino, casino simulcasting facility, or sports pool;

ii. Are needed to conduct an authorized game, simulcast wagering, sports pool, or online sports pool;

iii. Have the capacity to affect the outcome of the play of an authorized game;

iv.-v. (No change.)

2. (No change.)

3. Whether the enterprise provides services directly related to the operation, regulation, or management of a casino, casino simulcasting facility, sports pool, or online sports pool;

4. Whether the enterprise manages, controls, or administers Internet games or wagers associated with such games;

5. Whether the enterprise manages, controls, or administers sports pools or online sports pools or wagers associated with such games; or

6. Whether the enterprise provides such other goods or services determined by the Division to be so utilized in, or incident to, gaming, casino, simulcast wagering, sports pool, or online sports pool activity as to require licensing in order to contribute to the public confidence and trust in the credibility and integrity of the gaming industry in New Jersey.

(c) Enterprises required to be licensed in accordance with N.J.S.A. 5:12-92.a(1) and (2) and (a) above shall include, without limitation, the following:

1. (No change.)

2. Casino credit reporting services, casino simulcasting hub facilities, and suppliers of casino security services;

3. Companies providing Internet gaming software or systems, vendors who manage, control, or administer games and associated wagers conducted through the Internet, and providers of customer lists of persons who have placed wagers through the Internet; and

4. Companies providing sports pool or online sports pool software or systems, sports wagering kiosks, or that accept wagers from patrons and vendors who manage, control, or administer associated wagers.

(d) Junket enterprises, junket representatives, and enterprises providing other services including, but not limited to, payment processing and related money-transmitting services with direct contact with patrons' casino gaming or online sports pool accounts or the Internet gaming system itself, customer identity, age verification, geo-location verification used in the conduct of Internet and mobile gaming, and entities that determine what wagers to accept or the odds to be offered for a wager for a sports pool manager or operator, regardless of any such enterprise's contractual relationship with an Internet gaming permit holder, shall be licensed as an ancillary casino service industry enterprise.

(e) (No change.)

(f) An entity that offers information or recommendations to a sports pool manager or operator as to what wagers to accept, the odds to be offered for such wagers, or the results of a wager, when such information is not available to the general public, shall register as a vendor with the Division.

(g) (No change in text.)

13:69J-1.2B Permission to conduct business prior to issuance of a casino service industry enterprise license

(a) Notwithstanding any other provision contained in this chapter:

1. (No change.)

2. The Division may, upon the petition of an applicant for a casino service industry enterprise license that intends to engage in the manufacture, sale, distribution, testing, or repair of slot machines or sports wagering kiosk, permit such applicant to conduct a business transaction with persons other than a casino licensee or applicant, provided that the requirements of (a)1i through iii above are satisfied.

(b)-(e) (No change.)

13:69J-1.3B Filing of Resubmission Form every five years

(a) The entity shall demonstrate that it continues to meet the requirements for licensure pursuant to N.J.S.A. 5:12-92.a and b and, in furtherance thereof, shall submit, every five years after initial licensure, such information and documentation as the Division may require, including, but not limited to, the information required pursuant to N.J.A.C. 13:69A-5.11A.

(b) Following notification to a licensee or qualifier of such license by the Division of the obligation to file for resubmission and the expiration of the license five years after the license was issued, the Division may administratively revoke this license or qualification of the licensee or any qualifier of such licensee that fails to timely file such information and documentation or notifies the Division of its intention to not file.

(c) An entity or individual whose license or qualification is administratively revoked pursuant to (b) above shall not be permitted to reapply for any license or qualification status issued by the Division for a period of one year from the date of administrative revocation, except that the Director may, for good cause shown, permit reapplication at an earlier date.

13:69J-1.14 Persons required to be qualified

(a)-(b) (No change.)

(c) Notwithstanding (a) and (b) above, the Division may require a casino service industry enterprise applicant or licensee to establish the qualifications of any person, if the Division determines that the qualification of such person would further the policies of the Act. In making such determination, the Division shall consider, without limitation, the following:

1.- 8. (No change.)

9. Role in compliance and association or affiliation with the applicant company;

10. Role in Internet gaming and association or affiliation with the applicant company; and

11. Role in sports pools or online sports pools and association or affiliation with the applicant company.

(d) (No change.)

[page=1522] 13:69J-1.14B Temporary qualification at license issuance; pendent qualifiers during term of license; permission to exercise powers and perform duties prior to Division finding of plenary qualification

(a) Notwithstanding the provisions of N.J.A.C. 13:69J-1.14(a), a casino service industry enterprise license or ancillary casino service industry enterprise license may be issued by the Division without the applicant having first established the plenary qualification of each natural person otherwise required to qualify pursuant to N.J.A.C. 13:69J-1.14(a) or (c) provided that:

1. (No change.)

2. The number of temporary qualifiers has been approved by the Director of the Division; and

3.-4. (No change.)

(b)-(g) (No change.)

CHAPTER 69L
TAXES

SUBCHAPTER 1. GROSS REVENUE TAX; INTERNET GAMING GROSS REVENUE TAX;
TAXES ON SPORTS WAGERING

13:69L-1.1 Description of taxes

(a)-(b) (No change.)

(c) Gross revenue from casino sports pool operations, including mobile operations, is subject to an 8.5 percent annual tax, which shall be paid to the Casino Revenue Fund. An additional tax of 1.25 percent shall apply to such revenue, which tax shall be remitted by the State Treasurer to the Casino Reinvestment Development Authority for marketing and promotion of the City of Atlantic City.

(d) Gross revenue from casino online sports pool operations is subject to a 13 percent annual tax, which shall be paid to the Casino Revenue Fund. An additional tax of 1.25 percent shall apply to such revenue, which tax shall be remitted by the State Treasurer to the Casino Reinvestment Development Authority for marketing and promotion of the City of Atlantic City.

(e) Gross revenue from racetrack sports wagering operations, including mobile operations, is subject to an 8.5 percent annual tax, which shall be paid to the State General Fund. An additional 1.25 percent tax on such revenue shall be paid to the Department of the Treasury, pursuant to P.L. 2018, c. 130.

(f) Gross revenue from racetrack online sports wagering operations is subject to a 13 percent annual tax, which shall be paid to the State General Fund. An additional 1.25 percent tax on such revenue shall be paid to the Department of the Treasury, pursuant to P.L. 2018, c. 130.

13:69L-1.4 Tax payer

(a) The obligation to file returns and reports and to pay the gross revenue tax, the Internet gaming gross revenue tax, the casino sports wagering gross revenue tax, the racetrack sports wagering gross revenue tax, the casino online sports wagering gross revenue tax, the racetrack online sports wagering gross revenue tax, and any investment alternative taxes shall be upon the casino or racetrack licensee who shall be primarily liable therefor. In the event of a transfer of operations to a different casino operator, the transferor-operator will be obligated to file a return and to pay all taxes based upon the revenues derived by the said transferor during the tax year in which the transfer occurred. The appointment of a conservator under the Act shall not be deemed a transfer to a different casino operator but, for the duration of the conservatorship, the conservator shall file all returns and pay all taxes on behalf of the former or suspended casino licensee who shall remain primarily liable therefor.

(b)-(d) (No change.)

13:69L-1.5 Payment of taxes

(a) All gaming gross revenue taxes, including casino, internet, sports wagering, and online sports wagering, shall be due and payable annually on or before the 15th calendar day of March except that if the 15th calendar day of March is a Saturday, Sunday, or legal holiday, the due date shall be advanced to the next regular business day. The gross revenue tax shall be based upon the gross revenue derived by the casino operator during the previous tax year.

(b)-(e) (No change.)

(f) The Internet gaming gross revenue tax for each month shall be due and payable monthly on or before the 10th calendar day of the next month in such depository as shall be prescribed by the Division, except that if the 10th calendar day is a Saturday, Sunday, or legal holiday, the due date shall be advanced to the next regular business day.

(g) The sports wagering and/or online sports wagering gross revenue tax, including for either a casino or racetrack, for each month shall be due and payable monthly on or before the 10th calendar day of the next month in such depository as shall be prescribed by the Division, except that if the 10th calendar day is a Saturday, Sunday, or legal holiday, the due date shall be advanced to the next regular business day.

(h) Nothing in this section shall limit the authority of the Division under the "State Tax Uniform Procedure Law," Section 9 of Title 54 of the Revised Statutes, to require payments of penalties and interest on the insufficiency of any Internet gaming, casino sports wagering, casino online sports wagering, racetrack sports wagering, and racetrack online sports wagering gross revenue tax deposit or to allow or disallow any claim for refund due to an overpayment of such taxes. Interest shall be calculated from the date the tax was originally due through the actual date of payment provided, however, that if the deficiency is paid within 10 business days from the date of the Division's tax deficiency notice, interest shall be calculated through the date of such notice.

13:69L-1.6 Computation of taxes

(a)-(e) (No change.)

(f) The casino and racetrack online internet sports wagering gross revenue tax shall be 13 percent. The casino and racetrack online sports wagering gross revenue for the tax year, or portion thereof, shall be the amount obtained from the total of all sums received by a casino or racetrack licensee from online sports pool operations, less only the total of all sums actually paid out as winnings to patrons.

(g) The racetrack sports wagering gross revenue tax shall be 8.5 percent. The racetrack sports wagering gross revenue for the tax year, or portion thereof, shall be the amount obtained from the total of all sums received by a racetrack licensee from sports pool operations, less only the total of all sums actually paid out as winnings to patrons.

(h) Nothing in this section shall be construed to limit the authority of the Division to re-determine the amount of Internet gaming gross revenue tax liability or any sports pool-related tax

liability or to require adjustments or corrections to the accounts of the casino operator or racetrack licensee.

13:69L-1.7 Return and reports

(a)-(e) (No change.)

(f) The casino or racetrack licensee shall file with the Division a summary report of all sports wagering and online sports wagering gaming revenue for each weekly period of Saturday through Friday, no later than the Monday of the succeeding week. If such Monday is a legal holiday, the summary report shall be made on the next business day. In the event that the weekly period includes gaming days from two calendar months, the casino or racetrack licensee shall report separately the amount of revenue attributable to the gaming days of each month.

(g) On or before the 10th calendar day of each month, the casino or racetrack licensee shall file a monthly sports wagering and online sports wagering gross revenue tax return with the Division, which shall reflect the amount of revenue derived during the preceding month and the associated tax paid.

13:69L-1.8 Examination of accounts and records

(a) The Division may perform audits of the books and records of a casino and racetrack licensee, at such times and intervals as it deems appropriate, in order to certify gross revenue, sports wagering gross revenue, and Internet gaming gross revenue and online sports wagering gross revenue.

(b) The casino or racetrack operator shall permit duly authorized representatives of the Division to examine the operator's accounts and records for the purpose of certifying gross revenue, Internet gaming gross revenue, and sports wagering gross revenue. In the event that any records [page=1523] or documents deemed pertinent by a Division examiner are in the possession of another licensee or entity, the casino or racetrack operator shall be responsible for making those records or documents available to the examiner. Further, the casino or racetrack operator shall be individually and severally liable for any relevant accounts, records, or documents maintained or required to be maintained by any other licensee or entity with regard to the casino or racetrack licensee.

(c) (No change.)

(d) The Division shall notify the casino or racetrack operator of any gross revenue, Internet gaming gross revenue, or sports wagering gross revenue tax deficiencies disclosed during the gross revenue certification process.

CHAPTER 69N

SPORTS POOL AND ONLINE SPORTS POOL WAGERING AT CASINOS AND RACETRACKS

SUBCHAPTER 1. CASINO SPORTS WAGERING LICENSES; CASINO AND RACE TRACK SPORTS WAGERING OPERATIONS

13:69N-1.1 Definitions

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

"Canceled wager" means a wager that has been canceled by the system due to any issue with an event that prevents its completion.

"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 (N.J.S.A. 5:12A-7 et seq.), excluding premises other than the land contained within the racecourse oval.

"Integrity monitoring provider" means a vendor approved by the Division to receive reports of unusual betting activity from sports pool operators for the purpose of assisting them in identifying "suspicious activity."

"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 in Atlantic City through an online gaming system approved by the Division or are accepted through an online gaming system that is located within the physical location of a racetrack that has been issued approval by the Division to operate an online sports pool.

"Operator" or "sports pool operator" means a casino or a racetrack licensee that has elected to operate a sports pool, either independently or jointly; and any entity with whom a sports wagering licensee contracts to operate a sports pool or online sports pool on its behalf; or a party or parties licensed by the Division to accept parimutuel and non-parimutuel wagers on sports events.

"Prohibited sports event" means any single collegiate sports or athletic event that takes place in New Jersey or a single sports or athletic event in which any New Jersey college or university team participates, regardless of where the event takes place. A "prohibited sports event" does not include the other games of a collegiate sports or athletic tournament in which a New Jersey college or university team participates, nor does it include any games of a collegiate tournament that occur outside New Jersey even though some of the individual games or events are held in New Jersey. A "prohibited sports event" includes all amateur sports events, including all high school sports events, but does not include international sports events in which persons under age 18 make up a minority of the participants. A "prohibited sports event" includes all high school sports events, including high school electronic sports events and high school competitive video game events, and any electronic sports event in which any participant is 17 years old or younger.

"Prohibited sports pool participant" means any person who is prohibited pursuant to N.J.A.C. 13:69G or N.J.S.A. 5:12-119 or 5:12-100.n, any individual whose participation may undermine the integrity of the wagering or the sports event, or any person who is prohibited for other good cause, including, but not limited to: any individual placing a wager as an agent or proxy; any person who is an athlete, coach, referee, 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.

"Racetrack" means the physical facility where a permit holder conducts a horse race meeting with pari-mutuel wagering pursuant to 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 a former racetrack.

"Racing Commission" means the New Jersey Racing Commission established by P.L. 1940, c. 17, section 1 (N.J.S.A. 5:5-22).

"Resettled wager" means a wager where the original settled wager result is modified due to an error or change in the result of the underlying event.

"Settled wager" means a wager that has been resolved with a result of either a win, loss, or push to the patron.

"Sports event" means any sport, athletic contest, or athletic event not prohibited by the Director, including all professional electronic sports and competitive video game events that are not sponsored by high schools, do not include high school teams, and do not include any participant under the age of 18 years.

"Sports pool" means the business of accepting wagers on any sports event by any system or method of wagering.

"Sports pool manager" means a key employee of a casino licensee or racetrack permit holder, or a qualified employee of a casino service industry enterprise, responsible for the operations of sports wagering and final approval of all odds established on any wager made pursuant to this chapter.

"Sports pool system" means all equipment and software used in conjunction with the operation of a sports pool.

"Sports pool ticket" means a printed record issued or an electronic record maintained by the sports pool system that evidences a sports wager.

"Sports pool voucher" means a printed record issued by a sports pool system that may be used to fund a sports wager.

"Sports wagering lounge" means a primary area of at least 2,500 square feet where a sports pool is operated within a casino or racetrack.

"Sports wagering satellite lounge" means one or more secondary areas approved by the Division where a sports pool is operated within a casino or racetrack.

"Suspicious betting activity" means unusual betting activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.

"Temporary sports pool facility" means an area approved by the Division for use in sports pool operations during the construction of a sports pool lounge and include the utilization of designated windows at the current casino cage or racetrack betting window for purposes of placing sports betting wagers and also includes self-service wagering machines located at the racetrack or casino hotel complex.

"Unusual betting activity" means abnormal wagering activity exhibited by patrons and deemed by the sports pool operator as a potential indicator of suspicious activity. Abnormal wagering activity may include the size of a patron's wager or increased wagering volume on a particular event or wager type.

"Voided wager" means a wager voided by a ticket writer with supervisor approval or by a sports pool system for a specific event.

13:69N-1.2 General requirements for sports pools and online sports pools

(a) A racetrack authorized to conduct a sports pool or online sports pool shall comply with all applicable requirements of:

1. N.J.A.C. 13:69D-1.1, 1.8, 1.10, 1.11, 1.14, 1.15, 2.1, 2.2, 2.3, 2.4, 2.5, and 3.1;
2. N.J.A.C. 13:69E-1.28O and 1.28R;
3. N.J.A.C. 13:69J-1.1, 1.2, 1.2B, 1.3B, 1.14, and 1.14B;
4. N.J.A.C. 13:69L-1.1 and 1.4 through 1.8; and
5. N.J.A.C. 13:69O-1.2, 1.3, 1.4, 1.7, and 1.9.

[page=1524] (b) 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; and
2. Casino and racetrack sports wagering may commence upon the approval of the Director in a temporary sports pool facility for a period not to exceed nine months if the lounge is under construction. The Director may extend the use of the temporary facility for good cause.

(c) An internet gaming affiliate may commence online sports wagering if an associated casino has commenced operation in a sports wagering lounge, except that online 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.

(d) A casino or racetrack offering a sports pool or online sports pool shall maintain a cash reserve of not less than the greater of \$ 500,000 or the amount necessary to ensure the ability to cover the outstanding sports pool and online sports pool liability.

(e) Each sports pool operator shall, prior to commencing operations, and annually thereafter, perform a system integrity and security assessment conducted by an independent professional selected by the licensee. The party performing the assessment and the scope of the assessment shall be approved by the Division. The independent professional's report on the assessment shall be submitted to the Division and shall include:

1. Scope of review;
2. Name and company affiliation of the individual(s) who conducted the assessment;
3. Date of the assessment;
4. Findings;
5. Recommended corrective action, if applicable; and
6. The operator's response to the findings and recommended corrective action.

(f) A sports pool operator shall investigate each patron complaint and provide a response to the patron within five calendar days. For complaints that cannot be resolved to the satisfaction of the patron and which are related to patron accounts, settlement of wagers, and/or illegal activity, a copy of the complaint and licensee's response, including all relevant documentation, shall be provided to the Division or New Jersey Racing Commission, as applicable.

(g) An online sports pool operator shall only accept wagers from patrons that have been affirmatively located as being physically present in the State of New Jersey at the time of their wager.

13:69N-1.3 Sports pool license eligibility and approval

(a) Only a casino licensed by the Casino Control Commission, or operating pursuant to an interim casino authorization, a racetrack, or former racetrack shall be eligible to obtain a sports wagering license. Casino sports wagering licenses shall be issued by the Division. Initial sports wagering licenses for racetracks shall be issued by the Racing Commission. Renewals of sports wagering licenses for racetracks shall be issued by the Division.

(b) A casino sports wagering license shall be valid for one year.

(c) All agreements to operate a sports pool or online sports pool shall be approved by the Division for a casino licensee and by the Racing Commission for a racetrack licensee.

(d) A prohibited sports pool participant 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. This prohibition shall not apply to any person who is a direct or indirect owner of a specific sports governing body member team and:

1. Has less than 10 percent direct or indirect ownership interest in a casino or racetrack; or
2. 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, as reflected on the most recent financial statements.

(e) Any person who is a direct or indirect legal or beneficial owner of 10 percent or greater of a sports governing body or any of its member teams, shall not place or accept wagers on a sports event in which any member team of that sports governing body participates.

(f) Any employee of a sports governing body or its member teams who is not prohibited from wagering on a sports event shall, nevertheless, register with the Division prior to placing a wager on a sports event.

13:69N-1.4 Sports pool wagering in a casino or racetrack

(a) To conduct sports pool wagering transactions, a casino or racetrack shall have a cashier's cage that meets the requirements of N.J.A.C. 13:69D-1.14(b). Sports pool wagering transactions shall be conducted from:

1. A sports wagering lounge booth (lounge booth) located in the sports wagering lounge or other window locations as approved by the Division;
2. Kiosks in locations as approved by the Division; or
3. When the lounge booth is closed, a designated window in the cashier's cage for the redemption of winning tickets only.

13:69N-1.5 Individual license or registration

A person directly involved in sports pool or online sports pool wagering shall either be licensed as a casino key employee or registered by the Division as a casino employee as determined by the Casino Control Commission. All other persons employed by a sports pool operator 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-1.6 Sports pool and online sports pool integrity; confidential information

(a) Sports pool operators shall have controls in place to identify unusual betting activity and report such activity to an integrity monitoring provider.

(b) All integrity monitoring providers shall share information with each other and shall disseminate all reports of unusual activity to all participating sports pool operators. All sports pool operators shall review such reports and notify the integrity monitoring provider of whether or not they have experienced similar activity.

(c) If an integrity monitoring provider finds that previously reported unusual betting activity rises to the level of suspicious activity, they shall immediately notify all other integrity monitoring

providers, their member sports pool operators, the Division, the appropriate sports governing authority, and all other regulatory agencies as directed by the Division. All integrity monitoring providers receiving a report under this subsection shall share such report with their member sports pool operators.

(d) A sports pool operator receiving a report of suspicious activity shall be permitted to suspend wagering on events related to the report, but may only cancel related wagers after Division approval.

(e) Integrity monitoring providers shall provide the Division with remote access to their monitoring system, which shall provide at a minimum:

1. All reports of unusual betting activity;
2. If the activity was determined to be suspicious; and
3. The actions taken by the integrity monitoring provider.

(f) The Division and sports governing bodies shall be authorized to share information regarding the integrity of events conducted on a sports pool or online sports pool. The Division may use information received from a sports governing body to determine whether wagering shall be permissible on a particular event or bet type. A sports governing body's request for wagering information, or its recommendation that a particular event or bet type should not be offered for wagering, shall be granted at the discretion of the Director upon a demonstration of good cause. Where a sports governing body's recommendation concerns a particular event, the Director shall address and respond to the recommendation before the start of the event, or, where that is not feasible, as expeditiously as possible.

(g) The Division may require a sports pool or online sports pool operator or licensee to provide any hardware necessary to the Division for evaluation of its sports pool or online sports pool offering or to conduct further monitoring of data provided by its system.

[page=1525] (h) All information and data received or distributed pursuant to this chapter by the Division related to unusual or suspicious activity shall be considered confidential and shall not be revealed in whole or in part, except upon the lawful order of a court of competent jurisdiction or, with any law enforcement entity, team, sports governing body, or regulatory agency that the Division deems appropriate.

13:69N-1.7 Internal controls; house rules

(a) Sports pool operators shall file with the Division internal controls for all aspects of sports pool and/or online sports pool wagering operations prior to commencing operations.

(b) In the event of a failure of the sports pool system's ability to pay winning wagers, the licensee shall have internal controls detailing the method of paying winning wagers. The licensee shall also file an incident report for each system failure and document the date, time, and reason for the failure along with the date and time the system is restored with the Division.

(c) The internal controls shall address the following, at a minimum:

1. User access controls for all sports pool personnel;
2. Segregation of duties;
3. Automated and manual risk management procedures;
4. Procedures for identifying and reporting fraud and suspicious conduct;
5. Procedures to prevent wagering by patrons prohibited from wagering pursuant to this chapter;
6. Description of anti-money laundering compliance standards including, but not limited to, filing of CTRs, SARs, and procedures for detecting structuring to avoid reporting requirements;
7. Description of all types of wagers available to be offered by the system; and
8. Description of all integrated third-party systems.

(d) The internal controls shall detail the reconciliation of assets and documents contained in a sports wagering lounge ticket writer's drawer and sports pool kiosks pursuant to N.J.A.C. 13:69N-*[1.17 and 1.18]* *1.15 and 1.14*.

(e) The internal controls shall detail the procedures to redeem lost tickets or vouchers, which shall include a supervisor's approval and documentation of the:

1. Date and time of the redemption;
2. Employee responsible for redeeming the ticket or voucher;
3. Supervisor authorizing the redemption;
4. Patron identification;
5. Unique ticket or voucher identifier; and
6. Location of the redemption.

(f) The internal controls shall detail procedures to reprint tickets and vouchers that fail to print at either a ticket station or kiosk. Such procedures shall include a requirement of supervisory authorization for the reprint.

(g) Sports pool and online sports pool operators shall adopt comprehensive house rules, which shall be approved by the Division that include the following, at a minimum:

1. Method for calculation and payment of winning wagers;
2. Description of the process for handling incorrectly posted events, odds, wagers, or results;
3. Effect of schedule changes;
4. Method of notifying patrons of odds or proposition changes;
5. Acceptance of wagers at other than posted terms;
6. Expiration of any winning ticket one year after the date of the event;

7. Method of contacting the operator for questions and complaints;
8. Description of prohibited sports pool participants;
9. A statement regarding the policy and methods for limiting the maximum amount that a patron can win on any particular wager; however, such policy will not preclude a patron from collecting a payout in excess of the purported amount if the system allows the patron to place a valid wager that pays more than the stated maximum amount;
10. Method of the process for any employee of a sports governing body or member team who is not prohibited from wagering to register with the Division prior to placing a sports wager; and
11. Method of funding a sports wager.

(h) 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.

13:69N-1.8 Sports wagering lounge requirements

- (a) The holder of a sports pool license shall be required to establish and maintain a first-class sports wagering lounge as approved by the Division.
- (b) The sports wagering lounge shall be a single area with, at a minimum, 2,500 square feet of dedicated public space with clearly established walls or clearly defined borders. Satellite lounges shall also be permitted with Division approval.
- (c) Each lounge shall include a sports wagering lounge booth that:
 1. Shall be designed and constructed to provide maximum security for the materials stored and the activities performed therein. Such design and construction shall be approved by the Division;
 2. Includes manually triggered silent alarm systems, which shall be connected directly to the monitoring rooms of the casino or racetrack surveillance and the casino or racetrack security departments;
 3. Includes one or more ticket writer stations, each of which shall contain:
 - i. A writer's drawer and terminal through which financial transactions related to sports wagering will be conducted;
 - ii. A permanently affixed number, which shall be visible to the CCTV surveillance system;
 - iii. Manually triggered silent alarm systems, which shall be connected directly to the monitoring rooms of the casino or racetrack surveillance and the casino or racetrack security departments; and
 - iv. Full enclosures, unless funds in excess of \$ 30,000 are either secured in a drop safe approved by the Division or transferred to the sports pool vault or casino cage;

4. Includes closed circuit television cameras capable of accurate visual monitoring and taping of any activities, including the capturing of the patron's facial image when conducting transactions at the counter;

5. Has an alarm for each emergency exit door that is not a mantrap; and

6. Include a secure location, such as a vault, for the purpose of storing funds issued by a cage to be used in the operation of a sports pool. The vault shall:

i. Be a fully enclosed room, located in an area not open to the public;

ii. Have a metal door with a locking mechanism that shall be maintained and controlled by the sports wagering lounge booth supervisor;

iii. Have an alarm device that signals the surveillance department whenever the door to the vault is opened; and

iv. Have closed circuit television cameras capable of accurate visual monitoring and taping of all activities in the vault.

(d) A sports wagering lounge booth shall have an operating balance not to exceed an amount described in the internal controls. Funds in excess of the operating balance shall be transferred to the cage in a secured container by an employee of the booth accompanied by a security officer. Prior to transporting the funds, security shall notify surveillance that the transfer will take place. Surveillance shall monitor the transfer. The funds will be transferred with appropriate documentation.

(e) A sports wagering lounge located in a casino may have slot machines or other authorized games with the approval of the Division. Slot machines within a sports wagering lounge shall be included in the calculation of casino floor space.

(f) Nothing in this section shall preclude a casino simulcast cashier or racetrack cashier from processing sports wagers, provided that the casino licensee is able to distinguish casino simulcast revenue therefrom and accurately report thereon.

(g) A sports pool operator shall include signage in the sports wagering lounge that displays "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," or comparable language approved by the Division, which language shall include the words "gambling problem" and "call 1-800 GAMBLER." A sports pool operator shall ensure this language is included on all print, billboard, sign, online, or broadcast advertisements of a sports pool or online sports pool.

[page=1526] 13:69N-1.9 Sports pool system requirements

(a) Prior to operating a sports pool pursuant to this chapter, all equipment and software used in conjunction with its operation shall be submitted to the Division's Technical Services Bureau pursuant to N.J.A.C. 13:69E-1.28R for review and approval.

(b) The server or other equipment to accept wagers at a sports pool shall be located in a racetrack or in any location in Atlantic City that conforms to the requirements of P.L. 2013, c. 27, section 20 (N.J.S.A. 5:12-95.22). 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 N.J.S.A. 5:12-95.22. In creating wagers that will be offered to the public, a sports pool manager may receive advice and recommendations from any source or entity in other jurisdictions and may take into consideration information regarding odds and wagers placed on sports events.

(c) A sports pool system submission shall contain a description of the risk management framework including, but not limited to:

1. User access controls for all sports pool personnel;
2. Information regarding segregation of duties;
3. Information regarding automated risk management procedures;
4. Information regarding fraud detection;
5. Controls ensuring regulatory compliance;
6. Description of anti-money laundering compliance standards;
7. Description of all software applications that comprise the system;
8. Description of all types of wagers available to be offered by the system;
9. Description of all integrated third-party systems; and
10. Description of the method to prevent past posting.

(d) A sports pool system shall maintain all transactional betting data for a period of 10 years.

(e) The house rules that apply to wagers placed on a sports pool system shall be readily available to the patron.

(f) A sports pool system shall be capable of recording the following information for each wager made:

1. Description of event;
2. Wager selection;
3. Type of wager;
4. Amount of wager;
5. Date and time of wager;
6. Unique wager identifier, which shall be masked on all system menus, printed reports, and displays for all unredeemed and unexpired wagers; and
7. An indication of when the ticket expires.

(g) In addition to the information in (f) above, all tickets generated by a cashier or at a kiosk shall include the following:

1. Name and address of the party issuing the ticket;
2. A barcode or similar symbol or marking as approved by the Division, corresponding to the unique wager identifier;
3. Method of redeeming winning ticket via mail; and
4. Cashier or kiosk generating the ticket.

(h) If the sports pool system issues and redeems a sports pool voucher, the system shall be capable of recording the following information for each voucher:

1. Amount of voucher;
2. Date, time, and location of issuance;
3. Unique voucher identifier used for redemption, at least three digits of which shall be masked on all system menus, printed reports, and displays for all unredeemed and unexpired vouchers;
4. Expiration date of the voucher; and
5. Date, time, and location of redemption, if applicable.

(i) Sports pool vouchers issued by a sports pool system shall contain the following information:

1. Date, time, and location of issuance;
2. Amount of the voucher;
3. Unique voucher identifier;
4. Expiration date of the voucher;
5. Name of permit holder; and
6. An indication that the voucher can only be redeemed in exchange for a sports wager or cash.

(j) A sports pool system that offers in-play wagering shall be capable of the following:

1. The accurate and timely update of odds for in-play wagers;
2. The ability to notify the patron of any change in odds after a wager is attempted that is not beneficial to the patron;
3. The ability for the patron to confirm the wager after notification of the odds change; and
4. The ability to freeze or suspend the offering of wagers, when necessary.

(k) A sports pool system shall be capable of performing the following functions:

1. Creating wagers;

2. Settling wagers;
3. Reprinting sports pool tickets;
4. Resettling wagers;
5. Voiding wagers;
6. Cancelling wagers; and
7. Preventing the acceptance of wagers on prohibited sports events.

(l) A sports pool system shall be capable of processing lost, destroyed, or expired wagering tickets.

(m) When a sports pool wager is voided or cancelled, the sports pool operator shall clearly indicate that the ticket is voided or cancelled, render it nonredeemable, and make an entry in the system indicating the void or cancellation and identity of the cashier or automated process.

(n) A sports pool system shall prevent past posting of wagers and the voiding or cancellation of wagers after the outcome of an event is known.

(o) In the event a patron has a pending sports pool wager and then self-excludes, the wager shall be canceled and the funds returned to the patron according to the licensee's internal controls.

(p) A sports pool system shall, at least once every 24 hours, perform a self-authentication process on all software used to offer, record, and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, the sports pool system operator shall notify the casino licensee's Internet security officer (ISO) using an automated process. The ISO shall notify the Division of the authentication failure within 24 hours. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than one year.

(q) A sports pool system shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs that results in a loss of communication with data feeds used to offer or redeem wagers, such error shall be recorded in a log capturing the date and time of the error, duration of the error, the nature of the error, and a description of its impact on the system's performance. Such information shall be maintained for a period of not less than six months.

(r) The licensee operating a sports pool system shall provide access to wagering transaction and related data as deemed necessary by the Division in a manner approved by the Division.

(s) A sports pool system shall be capable of preventing any sports pool wager in excess of \$ 10,000 or making a payout in excess of \$ 10,000 until authorized by a supervisor.

(t) A sports pool system shall be capable of maintaining the following:

1. Description of the event;

2. Wager selection;
3. Type of wager;
4. Amount of wager;
5. Amount of potential payout or an indication that it is a pari-mutuel wager;
6. Date and time of wager;
7. Identity of the cashier accepting the wager;
8. Unique ticket identifier;
9. Expiration date of ticket;
10. Patron name, if known;
11. Date, time, amount, and description of the settlement;
12. Location where the wager was made;
13. Location of redemption; and
14. Identity of cashier settling the wager if applicable.

(u) For all lost tickets that are redeemed, a sports pool system shall record and maintain the following information:

- [page=1527] 1. Date and time of redemption;
2. Employee responsible for redeeming the ticket;
 3. Name of patron redeeming the wager;
 4. Unique ticket identifier; and
 5. Location of the redemption.

(v) A sports pool system shall be capable of recognizing valid sports pool tickets and vouchers that contain a duplicate unique wager identifier used for redemption and require the redemption by a ticket writer.

(w) A sports pool system shall be capable of preventing the redemption of any vouchers or tickets when the data related to the vouchers or tickets has been manually altered outside of the approved system procedures.

13:69N-1.10 Wagering on behalf of another prohibited

No licensee shall knowingly accept a wager from a person on behalf of any other person. No licensee shall knowingly allow a person to make a wager utilizing the account of another person.

13:69N-1.11 Patron wagers

(a) A sports pool operator shall not accept any wager on a sports event, 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) or type of wager (for example an in play wager or exchange wager) is offered to the public. Such notice shall be submitted prior to accepting a wager on such category of wagering event and shall include the name of the sports governing body and a description of its policies and procedures regarding event integrity. 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 prohibited sports pool participant, or the direct or indirect legal or beneficial owner of 10 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. 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.

(c) Pursuant to (a) above, 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 is not affected by any wager placed; and
4. The event is conducted in conformity with all applicable laws.

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

(e) Patron wagers pursuant to this chapter shall be made with:

1. Cash;
2. Cash equivalent;
3. Credit or debit card;
4. Promotional funds;
5. Sports pool vouchers;
6. Value gaming chips; and
7. Any other means approved the Division.

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

(g) The maximum wager that may be accepted by any sports pool operator from a patron on any one sports event shall be limited to \$ 5,000,000.

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

(i) Winning wagering tickets of \$ 30,000 or more presented at the sports pool lounge shall be redeemed at a fully enclosed ticket writer station or at the casino cage.

(j) A patron may redeem, by mail, a winning wagering ticket to the address provided thereon in accordance with the wagering operator's internal controls.

(k) A sports pool operator may, in its discretion, accept a layoff wager from another sports pool operator. A sports pool operator placing a layoff wager shall disclose its identity to the sports pool operator accepting the wager.

13:69N-1.12 Wagers and payouts greater than \$ 10,000; suspicious activity

(a) 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.

(b) In order to prevent structuring and to ensure compliance with (a) above, a sports pool operator shall, prior to accepting any sports pool wager in excess of \$ 3,000 or making a payout in excess of \$ 3,000 on a sports pool winning wager:

1. Create a patron identification file and identify the patron in accordance with N.J.A.C. 13:69-1.5A;

2. Obtain and record the patron's Social Security number in the patron identification file; and

3. Record, on a log, the following information, at a minimum:

i. Date of the wager or payout;

ii. Name of the patron;

iii. Name and signature of the sports pool operator employee authorizing the acceptance of the wager; and

iv. Name and signature of the ticket writer identifying the patron and generating the ticket or making the payout.

(c) A sports pool operator shall monitor for and report all suspicious activity related to sports wagering transactions.

13:69N-1.13 Sports pool reports; wagering revenue; reconciliation

(a) The sports pool system shall generate the following daily reports for retail operations, which shall include the gaming date, in a format approved by the Division's Revenue Certification Unit:

1. A Sports Pool Intake Summary Report, which includes the following transaction information for each cashiering location:

- i. Tickets sold;
- ii. Tickets paid;
- iii. Tickets voided;
- iv. Each ticket cancelled;
- v. Sports pool voucher issued;
- vi. Sports pool voucher redeemed;
- vii. Over or short amount to cashier's drawer; and
- viii. Grand total of each transaction type for all cashiers;

2. A Sports Pool Results Detail Report, which shall include the following for each event type (for example, NFL, NBA, MLB, NCAA by sports, parlay, etc.):

- i. Ticket sales;
- ii. Tickets paid;
- iii. Tickets voided;
- iv. Tickets canceled;
- v. Expired tickets;
- vi. Net sports pool gross revenue; and
- vii. Grand total of each transaction type for all events;

3. A Sports Pool Ticket Expiration Detail Report, which shall list the following for each expired ticket:

- i. Ticket identification number;
- ii. Date and time of issuance;
- iii. Event;
- iv. Wager description;
- v. Bet amount; and
- vi. Payout amount;

4. A Sports Pool Voucher Expiration Detail Report, which shall list the following for each expired ticket:

- i. Voucher number;
- ii. Date and time of issuance; and
- iii. Amount;

5. A Sports Pool Voided Ticket Report, which shall include the following:

- i. Ticket number;
- ii. Date and time of issuance;
- iii. Event;
- [page=1528] iv. Wager description;
- v. Bet amount;
- vi. Cashier name or identification number; and
- vii. Reason for void;

6. A Sports Pool Canceled Ticket Report, which shall include the following:

- i. Ticket number;
- ii. Date and time of issuance;
- iii. Event;
- iv. Wager description;
- v. Bet amount; and
- vi. Reason for cancellation;

7. A Sports Pool Ticket Liability Report, which shall list the following for each outstanding ticket:

- i. Ticket number;
- ii. Date and time of issuance;
- iii. Event;
- iv. Wager description;
- v. Amount; and
- vi. Status (for example, pending or complete); and

8. A Sports Pool Voucher Liability Report, which shall list the following for each unpaid voucher:

- i. Voucher number;
- ii. Date and time of issuance; and
- iii. Amount.

(b) Sports pool gross revenue for retail operations shall equal the total of all wagers received less voided or canceled wagers and amounts paid out for winning wagers, as reported on the Sports Pool Results Summary Report.

(c) An accounting department employee shall reconcile the Sports Pool Results Summary Report to the Sports Pool Intake Summary Report. Any discrepancy shall be reported to the Division's Revenue Certification Unit.

(d) A casino accounting department employee shall increase sports pool revenue for any overages identified on the Sports Pool Intake Summary Report, unless otherwise authorized by the Division's Revenue Certification Unit.

(e) The sports pool system shall generate the following daily reports for each retail and online operation, including the gaming date, in a format approved by the Division's Revenue Certification Unit:

1. A Sports Pool Wagering Detail Report, which includes the following transaction information:

- i. Transaction time;
- ii. Patron account identifier (for online operations);
- iii. Wager identification number;
- iv. Event type;
- v. Wager description;
- vi. Event date;
- vii. Wager placed amount;
- viii. Wager paid amount;
- ix. Voided wager amount;
- x. Canceled wager amount;
- xi. Resettled wager adjustment amount; and
- xii. Transaction impact on sports pool revenue;

2. A Sports Pool Voided Wager Report, which shall include the following:

- i. Transaction time;
- ii. Patron account identifier (for online operations);
- iii. Ticket wager identification number;
- iv. Date and time of issuance;
- v. Time of void;
- vi. Event type;
- vii. Wager description;
- viii. Event date;
- ix. Wager amount;
- x. Cashier employee name or identification number; and
- xi. Reason for void;

3. A Sports Pool Canceled Wager Report, which shall include the following:

- i. Transaction time;
- ii. Patron account identifier (for online operations);
- iii. Ticket wager identification number;
- iv. Date and time of issuance;
- v. Event type;
- vi. Wager description;
- vii. Event date;
- viii. Wager amount; and
- ix. Reason for cancelation; and

4. A Sports Pool Resettlement Report, which shall include the following:

- i. Patron account identifier (for online operations);
- ii. Wager identification number;
- iii. Event type;
- iv. Wager description;
- v. Date and time of initial settlement;
- vi. Date and time of resettlement;

- vii. Unsettled amount;
- viii. Resettled amount; and
- ix. Net adjustment.

(f) The sports pool system shall generate, on a monthly basis, both a retail Sports Pool Wager Liability Report and an Online Sports Pool Wager Liability Report, as applicable, in a format approved by the Division's Revenue Certification Unit. The report(s) shall be generated for the last day of each month and shall also be produced upon demand, as requested by either the Division or the affiliated casino or race track. The report(s) shall include the:

1. Date generated;
2. Patron account identifier (for online operations);
3. Wager identification number;
4. Event type;
5. Wager description;
6. Date and time of issuance;
7. Event date;
8. Amount; and
9. Status (for example, pending or complete).

13:69N-1.14 Sports pool kiosks

(a) The operator of a sports pool may utilize sports pool kiosks for wagering transactions in conjunction with an approved sports pool system in a location approved by the Division. Each sports pool kiosk shall have signage or a screen display that any employee of a sports governing body or its member teams not prohibited from sports pool wagering shall register with the Division prior to wagering.

(b) A sports pool kiosk used in accordance with this section shall not:

1. Issue or redeem a sports pool voucher with a value of more than \$ 3,000;
2. Issue a ticket with a potential payout of more than \$ 10,000; and
3. Redeem a ticket with a value of more than \$ 3,000.

(c) *[On a daily basis, an]* *An* operator of a sports pool shall remove the bill validator boxes in the sports pool kiosks (the sports pool kiosk drop) *, pursuant to a schedule that has been submitted to and approved by the Division*. The sports pool kiosk drop shall be monitored and recorded by surveillance. The operator of a sports pool shall submit the sports pool kiosk drop schedule to the Division, which shall include:

1. The time the drop is scheduled to commence *, which shall be performed at least once every seven days*; and

2. The number and locations of sports pool kiosks.

(d) A security department member and a cage cashier *, soft count person, or sports pool employee* shall obtain the keys necessary to perform the sports pool kiosk drop and/or currency cassette replacement in accordance with the permit holder's key sign-out and sign-in procedures.

(e) A cage cashier *, soft count person, or sports pool employee* with no incompatible functions shall place empty bill validator boxes needed for the sports pool kiosk drop into a secured cart and prepare a Sports Pool Kiosk Bill Validator drop form, which shall include the following:

1. Gaming date;

2. Identification number of the secured cart;

[page=1529] 3. Number of empty boxes placed into the secured cart;

4. Signature of the cage cashier *, soft count person, or sports pool employee* documenting that the number of empty boxes equals the number of kiosks utilized by the permit holder.

(f) In the presence of a security department member, a cage cashier *, soft count person, or sports pool employee* shall complete the sports pool kiosk drop at each kiosk as follows:

1. Unlock the cabinet(s) housing the bill validator boxes;

2. Remove the bill validator boxes and place the removed bill validator boxes into a secured cart and insert the empty bill validator boxes and reject bins;

3. Lock the cabinet(s) housing the bill validator boxes; and

4. Transport the secured cart to a count room or other location approved by the Division for the count of the sports pool kiosk drop.

(g) The contents of the bill validator boxes shall be counted by one or more accounting *or sports pool* department employees with no incompatible function who shall:

1. Document the contents, by item and amount, for each box on a Balance Receipt;

2. Prepare or generate a Sports Pool Kiosk Drop Totals report that summarizes the total currency, sports pool tickets, and sports pool vouchers counted;

3. Verify that the number of bill validator boxes counted equals the number of empty boxes initially recorded on the Sports Pool Kiosk Bill Validator drop form. Any exceptions encountered during the drop and count process shall be documented on this form;

4. Transfer the currency to a main bank cashier with a copy of the Sports Pool Kiosk Drop Totals report;

5. Transport the sports pool tickets and vouchers to a secured location approved by the Division for storage until destroyed pursuant to N.J.A.C. 13:69D-1.8(g); and

6. Transport the Balance Receipts, the Sports Pool Kiosk Drop Totals report, and Sports Pool Kiosk Bill Validator drop form to the casino or racetrack accounting department.

(h) On a daily basis, an operator of a sports pool shall replenish the currency cassettes in the sports pool kiosks. A cashier *, soft count person, or sports pool employee* with no incompatible functions shall prepare the currency cassettes to replenish the sports pool kiosks, which shall be documented on a two-part Sports Pool Kiosk Cassette Fill form. One copy of the form shall be retained by the cashier *, soft count person, or sports pool employee* and the duplicate shall be used to document the completion of the transaction. The form shall include:

1. Designation of the kiosk to which the fill is to be performed;
2. For each denomination, the number of bills and total value;
3. The total value of all currency cassettes;
4. Date and time prepared; and
5. Signature of the cashier *, soft count person, or sports pool employee*.

(i) An accounting *or sports pool* department employee shall place the replacement currency cassettes and empty reject bins into a secured cart.

(j) In the presence of a security department member, the accounting *or sports pool* department employee shall complete the sports pool currency cassette replenishment at each sports pool kiosk as follows:

1. Unlock the cabinet(s) housing the currency cassettes and reject bins;
2. Remove all currency cassettes and the reject bin, which shall be placed in a secure cart and generate a Credit Receipt that, at a minimum, includes:
 - i. An identification number of the sports pool kiosk;
 - ii. The date and time;
 - iii. The denomination of each currency cassette; and
 - iv. The total value of the total number of bills per denomination remaining in each currency cassette being replenished and the reject bin;
3. Insert the replacement currency cassettes and currency cassette reject bin; and
4. Enter data into the sports pool kiosk that describes the fill, and generate Fill Receipt that, at a minimum, includes:
 - i. An identification number of the sports pool kiosk;
 - ii. The date and time the fill was performed;

- iii. The denomination of currency for each currency cassette inserted into the machine; and
- iv. The total value of the total number of bills per denomination, for each currency cassette being inserted into the machine.

5. Lock the cabinet and sign the duplicate copy of the Sports Pool Kiosk Cassette Fill attesting that the fill was completed. The Fill Receipt and the Credit Receipt shall be deposited in a locked accounting box.

6. Return all removed currency cassettes and reject bins in a secured cart to the count room or other location approved by the Division.

(k) One or more accounting *or sports pool* department employees with no incompatible function shall count and document the value of the contents of each removed currency cassette and currency cassette reject bin as follows:

1. Document the count of each currency cassette and reject bin on a Balance Receipt by sports pool kiosk;

2. Prepare or generate a Sports Pool Currency Cassette Replenishment Totals report that summarizes the total currency counted;

3. Transfer the currency to a main bank cashier with a copy of the Currency Cassette Replenishment Totals report; and

4. Transport the Balance Receipts and Currency Cassette Replenishment Totals report to the casino or racetrack accounting department * or to the accounting department of the sports pool operator, as applicable.*

(l) The casino *, sports pool operator,* or racetrack accounting department shall reconcile the sports pool kiosks on a daily basis pursuant to internal controls. Any variance of \$ 500.00 or more shall be documented by the accounting department and reported in writing to the Division within 72 hours of the end of the gaming day during which the variance was discovered. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

13:69N-1.15 Accounting controls for the sports wagering lounge booth

(a) The assets for which each ticket writer is responsible shall be maintained on an imprest basis. A ticket writer shall not permit any other person to access his or her imprest inventory.

(b) A ticket writer shall begin a shift with an imprest amount of currency and coin to be known as the "sports wagering inventory." No funds shall be added to, or removed from, the sports wagering inventory during such shift, except:

1. In collection of sports wagering wagers;

2. In order to make change for a patron buying a sports wagering ticket;

3. In collection for the issuance of sports wagering vouchers;

4. In payment of winning or properly cancelled or refunded sports wagering tickets;
5. In payment for sports wagering vouchers;
6. To process simulcast transactions pursuant to N.J.A.C. 13:72, provided that such transactions are separately reconciled;
7. To process deposits or withdrawals to or from a patron's Internet or mobile gaming account; or
8. In transfers with the sports wagering lounge booth vault.

(c) A "sports wagering count sheet" shall be completed and signed by the sports wagering shift supervisor, and the following information, at a minimum, shall be recorded thereon at the commencement of a shift:

1. The date, time, and shift of preparation;
2. The denomination of currency and coin in the sports wagering inventory issued to the ticket writer;
3. The total amount of each denomination of currency and coin in the sports wagering inventory issued to the ticket writer;
4. The sports wagering station number to which the ticket writer is assigned; and
5. The signature of the sports wagering shift supervisor.

(d) A ticket writer assigned to a ticket writer station shall count and verify the sports wagering inventory at the sports wagering vault or other approved location, and shall agree the count to the sports wagering count sheet. The ticket writer shall sign the count sheet attesting to the accuracy of the information recorded thereon. The sports wagering inventory shall be placed in a ticket writer's drawer and transported directly to the appropriate sports wagering lounge booth station by the ticket writer.

[page=1530] (e) Whenever funds are transferred from the vault to a ticket writer, the sports wagering lounge supervisor responsible for the vault shall prepare a two-part Writer Transfer-Out form. Upon completion of the form, the original shall be retained by the vault supervisor and the duplicate shall be retained by the ticket writer. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location;
3. Ticket writer station to where the funds are being transferred to;
4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the preparer of the transfer;
7. Signature of the supervisor verifying and issuing the funds; and

8. Signature of the ticket writer verifying and receiving the funds.

(f) Whenever funds are transferred from the ticket writer to a vault, a two-part Writer Transfer-In form shall be prepared. Upon completion of the form, the original shall be retained by the ticket writer and the duplicate shall be immediately returned with the funds to the vault. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location where the funds are being transferred to;
3. Ticket writer station to where the funds are being transferred from;
4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the ticket writer verifying and sending the funds to the vault; and
7. Signature of the supervisor verifying and receiving the funds.

(g) At the conclusion of a ticket writer's shift, the ticket writer's drawer and its contents shall be transported directly to the vault or to a location approved by the Division in the sports wagering lounge booth, where the ticket writer shall count the contents of the drawer and record the following information, at a minimum, on the sports wagering count sheet:

1. The date, time, and shift of preparation;
2. The denomination of currency, coin, gaming chips, where applicable, and coupons in the drawer;
3. The total amount of each denomination of currency, coin, gaming chips, and coupons in the drawer;
4. The total of the Writer Transfer-Out forms;
5. The total of the Writer Transfer-In forms;
6. The total amount in the drawer; and
7. The signature of the ticket writer.

(h) The sports wagering lounge booth shift supervisor shall compare the ticket writer system closing balance to the sports wagering count total, record any over or short amount, and sign the sports wagering count sheet.

(i) If the sports wagering count sheet lists an overage or shortage, the ticket writer and the sports wagering shift supervisor shall attempt to determine the cause of the discrepancy in the count. If the discrepancy cannot be resolved, such discrepancy shall be reported to the surveillance department and the sports wagering manager or department supervisor in charge at such time.

Any discrepancy in excess of \$ 500.00 shall be reported to the Division. The report shall include the following:

1. Date;
2. Shift;
3. Name of the ticket writer;
4. Name of the supervisor;
5. Station number; and
6. Amount of the discrepancy.

(j) Whenever funds are transferred from the vault to the cashier's cage, the sports wagering lounge supervisor responsible for the vault shall prepare a two-part Vault Transfer-Out form. Upon completion of the form, the original shall be retained by the vault supervisor and the duplicate shall be transferred with the funds to the cashier's cage. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location;
3. Designation of the cage location;
4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the preparer of the transfer;
7. Signature of the vault supervisor verifying and issuing the funds; and
8. Signature of the cage cashier verifying and receiving the funds.

(k) Whenever funds are transferred from the cashier's cage to a vault, a two-part Vault Transfer-In form shall be prepared. Upon completion of the form, the original shall be retained by the cage cashier and the duplicate shall be transferred with the funds to the vault. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location where the funds are being transferred to;
3. Cashier location where the funds are being transferred from;
4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the cage cashier verifying and sending the funds to the vault; and

7. Signature of the vault supervisor verifying and receiving the funds.

13:69N-1.16 Limitation on number of sports pools and online sports pools

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 (N.J.S.A. 5:12-95.17 et seq.).

CHAPTER 69O

INTERNET AND MOBILE GAMING

SUBCHAPTER 1. GENERAL PROVISIONS

13:69O-1.1 Definitions

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

...

"Funds on game" means the sum of all non-online sports pool pending wagers and funds transferred to a game not yet wagered less pending wins.

...

"Internet gaming" means the placing of wagers through a server-based gaming system with a casino licensee at a casino located in Atlantic City using a computer network of both Federal and non-Federal interoperable packet switched data networks through which the casino licensee may offer an online sports pool or authorized Internet games to a patron who has established an Internet gaming account with the casino licensee.

...

"Internet gaming operator" means a party or parties permitted by the Division to operate an Internet gaming system or online sports pool.

"Internet gaming system" means all hardware, software, and communications that comprise an online sports pool or a type of server-based gaming system for the purpose of offering authorized Internet games.

"Mobile gaming" means the placing of wagers with a casino licensee through a server-based gaming system at a casino located in Atlantic City using a computer network through which the casino licensee may offer an online sports pool or authorized games to individuals who have established a wagering account with the casino licensee and who are physically present within the property boundaries of an approved hotel facility.

...

"Mobile gaming operator" or "mobile operator" means a party or parties licensed by the Division to operate a mobile gaming system or online sports pool.

"Mobile gaming system" means all hardware, software, and communications that comprise an online sports pool or a type of server-based gaming system for the purpose of offering electronic versions of authorized casino games to be played on client terminals within the property boundaries of an approved casino facility.

...

"Remote gaming system" (RGS) means hardware and software used to provide an online sports pool or authorized games to patrons in conjunction with an Internet or mobile gaming system, which may be a [page=1531] standalone system or integrated within another part of the Internet or mobile gaming system.

...

13:69O-1.3 Internet or mobile gaming accounts

(a) (No change.)

(b) In order to establish an Internet or mobile gaming account, a casino licensee shall:

1. Create an electronic patron file, which shall include at a minimum:

i.-viii. (No change.)

ix. The method used to verify the patron's identity;

x. Date of verification; and

xi. For sports wagering only, the patron shall disclose if he or she is an employee of a sports governing body or member team who is not prohibited from wagering.

2.-9. (No change.)

(c) (No change.)

(d) A patron's Internet or mobile gaming account may be funded through the use of:

1.-7. (No change.)

8. ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud pursuant to (e) below;

9. A transaction at a sports wagering kiosk; or

10. (No change in text.)

(e)-(f) (No change.)

(g) Funds may be withdrawn from a patron's Internet or mobile gaming account for the following:

1.-5. (No change.)

6. A cash-out transfer directly to the patron's individual account with a bank or other financial institution (banking account) provided that the licensee verifies the validity of the account with the financial institution;

7. A cash withdrawal from a sports wagering kiosk up to \$ 3,000; or

8. (No change in text.)

(h)-(n) (No change.)

13:69O-1.4 Internet or mobile gaming system standards and operational controls

(a)-(g) (No change.)

(h) Internet and mobile gaming systems shall prevent any patron from wagering or withdrawal activity when sufficient funds are not present in their Internet or mobile gaming account.

(i)-(j) (No change.)

(k) When an Internet or mobile gaming account is in a suspended mode, the system shall:

1. (No change.)

2. Prevent the patron from depositing funds, unless the deposit is for the purpose of remedying a negative balance;

3.-6. (No change.)

(l)-(w) (No change.)

13:69O-1.9 Required reports; reconciliation; test accounts

(a)-(c) (No change.)

(d) An Internet gaming system and a mobile gaming system shall generate the following daily reports, at a minimum, for each gaming day in order to calculate the taxable revenue or to ensure the integrity of operations:

1. A Patron Account Summary Report, which shall include transaction information for each patron account as follows:

i.-vii. (No change.)

viii. Total amount of sports pool wagers;

ix. Total amount of sports pool winnings;

x. Total amount of canceled sports pool wagers;

xi. Total amount of voided sports pool wagers;

xii. Total amount of resettled sports pool wagers;

Recodify existing viii.-xi. as xiii.-xvi. (No change in text.)

xvii. Sports pool win or loss calculated as the amount of wagers less winnings;

Recodify existing xii.-xiii. as xviii.-*[xxi.]* *xix.* (No change in text.)

2. A Wagering Summary Report, which shall include the following by authorized game and poker variation, as applicable:

i.-ii. (No change.)

iii. Total amount of sports pool wagers;

iv. Total amount of sports pool winnings;

v. Total amount of canceled sports pool wagers;

vi. Total amount of voided sports pool wagers;

vii. Total amount of resettled sports pool wagers;

Recodify existing iii.-v. as viii.-x. (No change in text.)

xi. Total amounts due to or from an Internet gaming network;

xii. Win or loss calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake, or vigorish, guaranteed funds, and amounts due to or from an Internet gaming network; and

xiii. Sports pool win or loss calculated as the amount of wagers less winnings;

3.-4. (No change.)

(e) (No change.)

(f) A casino licensee and racetrack online sports wagering permit holder shall utilize the Wagering Summary Report to calculate mobile gaming gross revenue and Internet gaming gross revenue on a daily basis for reporting purposes. In addition, the casino licensee and racetrack online sports wagering permit holder shall:

1.-4. (No change.)

(g)-(k) (No change.)

(l) An Internet gaming system shall generate a report on a weekly basis identifying potential problem gamblers, including those patrons who self-report. The casino licensee and racetrack online sports wagering permit holder shall review the report and document any action taken.

(m) (No change.)

(n) On a monthly basis, a casino licensee and racetrack online sports wagering permit holder shall submit to the Division a copy of the bank statement that reflects the balance of the

restricted account maintained to protect patron funds required pursuant to N.J.A.C. 13:69O-1.3(k).

(o)-(p) (No change.)

SUBCHAPTER 3. REMOTE GAMING SYSTEMS

13:69O-3.1 Remote gaming systems (RGS)

(a) Each RGS that provides game content to another Internet gaming operator shall:

1.-6. (No change.)

(b)-(g) (No change.)

(h) Each RGS shall generate and distribute to each casino licensee and the Division the following reports in order to verify the taxable revenue reported pursuant to N.J.A.C. 13:69O-1.9:

1. (No change.)

2. Pending Transaction Report, which shall be generated on a monthly basis and separately itemize all outstanding pending transactions for each Internet gaming authorized site and include the following:

i.-vii. (No change.)

viii. Amount of the win, if known; and

3. Void Transaction Report, which shall be generated on a daily basis and separately itemize all voided transactions for each Internet gaming authorized site and include the following:

i.-ix. (No change.)

x. Reason for the void.