

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. - 6. (No change.)

**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) [No casino license shall be issued unless the applicant shall first have paid in full an issuance fee of not less than \$200,000. No initial Internet gaming permit shall be issued unless the applicant shall first have paid in full a permit fee of not less than \$400,000 and a Responsible Internet Gaming Fee of \$250,000. No Internet gaming permit shall be renewed unless the permit holder shall first have paid a renewal fee of not less than \$250,000 and an annual Responsible Internet Gaming Fee of \$250,000. The Responsible Internet Gaming Fee shall be deposited into the State General Fund pursuant to the Act.] **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; and**

**5. \$100,000 for an initial sports wagering license. A minimum of \$100,000 for a sports wagering license renewal, with the final cost to be determined after consideration of the costs for renewal, enforcement and gambling addiction. 50% 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 section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided by the Council on Compulsive Gambling of New Jersey, and including the development and implementation of programs that identify and assist problem gamblers. The percentage of the renewal fee to be directed into the State General Fund for appropriation by the Legislature to the Department of Health to provide funds for evidence-based prevention, education, and treatment programs for**

**compulsive gambling that meet the criteria developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided by the Council on Compulsive Gambling of New Jersey, and including the development and implementation of programs that identify and assist problem gamblers shall be established by the Director on an annual basis after considering the licensure and enforcement costs of regulating sports wagering, but shall not be less than \$100,000 per licensee.**

**(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 and start-up 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.**

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

(a) – (c) (No change.)

(d) Any surplus which 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(e) shall be credited toward the payment of additional fees by casino licensees. The share for each casino licensee shall be the amount which 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.)

13:69D-1.1 Definitions

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

"Alterable media" means any device that contains software that can be reprogrammed. It does not include erasable programmable read-only memory (EPROM) or one-time programmable devices.

...

"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 gaming vouchers, **sports pool vouchers** and winning keno **and sports wagering** tickets, but does not include a 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.

...

"Wire transfer" means a transfer of funds by means of the Federal Reserve Bank wire system in accordance with the requirements of 12 CFR 210.25 et seq.

### 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 herein 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; [and]

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:

i. Gaming vouchers, [and] 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; [and]

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

xiv. Such other areas as the Division designates;

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; [and]

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 herein, 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, **and sports pool ticket writer** windows 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 [facility] **and sports wagering lounge facilities;**

iv. - xix. (No change.)

2. (No change.)

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 [the integrity of] 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, N.J.S.A. 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. 5:12-119a; and

xi. (No change.)

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 herein 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. - iv. (No change.)

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

**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; [and] keno booth; and **sports lounge booth**

(a) - (g) No change.

**(h) Provided that the casino or racetrack has a cashier's main cage which 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 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; **sports wagering lounge 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; [and]

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



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

(k) – (u) (No change.)

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% and remit the remaining 50% 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% and remit the remaining 50% 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% which shall be apportioned among them pursuant to the terms of their operation agreement, and the remaining 50% 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:**

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

**(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.

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 [promotion] **promotional** coupons:

i. Reject the transaction; [or]

ii. Issue an error receipt and [change] **stack** the gaming voucher, **sports pool voucher, sports pool ticket** or [promotion] **promotional** coupon [to a redeemed status] **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 [kiosk or] 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) - (r) (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. The date and time;

2. A description of the transaction;

3. The value of currency dispensed;

4. The value of **gaming** vouchers dispensed;

5. The value of currency inserted; [and]

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.**

(aa) [Each kiosk or kiosk computer system shall be capable of generating an "Access Report," which accurately records the number of times any external doors were opened and the number of times the cash door was opened.

(bb) Each kiosk or kiosk computer system shall be capable of generating additional reports which may be required to accurately calculate revenue, reconcile kiosk balances and to research variances when applicable.] **When used to redeem sports pool tickets and voucher, 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.**

### **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, [or] 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.

...

"Security business" or "casino security service" means any non-governmental enterprise providing physical security services to a casino, a casino licensee, to an approved hotel or to any premises located within a casino hotel complex.

(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, [or] casino simulcasting facility, **or sports pool**;
  - ii. Are needed to conduct an authorized game, [or] simulcast wagering, **sports pool or online sports pool**;
  - iii. Have the capacity to affect the outcome of the play of an authorized game [or simulcast wagering];
  - iv. - v. (No change.)
2. (No change.)
3. Whether the enterprise provides services directly related to the operation, regulation, or management of a casino, [or] 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; [or]

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

[5]6. Whether the enterprise provides such other goods or services determined by the Division to be so utilized in or incident to gaming, casino, [or] 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; [and]

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 pool 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, [and] 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 which 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.**

(Recodify (f) as (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 pool 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) – (d) (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. 5:12-92a 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 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; **[and]**

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.)

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 [applicant does not have more than three temporary qualifiers as of the date of license issuance] **number of temporary qualifiers has been approved by the Director of the Division**; and

3.- 4. (No change.)

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

**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% annual tax, which shall be paid to the Casino Revenue Fund. The investment alternative tax established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall apply to such revenue, which tax shall be used exclusively for tourism and marketing programs for the City of Atlantic City.**

**(d) Gross revenue from casino online sports pool operations is subject to a 13% annual tax, which shall be paid to the Casino Revenue Fund. The investment alternative tax established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall apply to such revenue, which tax shall be used exclusively for tourism and marketing programs for the City of Atlantic City.**

**(e) Gross revenue from racetrack sports pool operations, including mobile operations, is subject to an 8.5% annual tax, which shall be paid to the State**

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

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

#### **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 pool gross revenue tax, the racetrack sports pool gross revenue tax, the casino online sports pool gross revenue tax, the racetrack online sports pool gross revenue tax** and any investment alternative taxes shall be upon the casino [operator] **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) [In accordance with subsection 148a of the Act, the gross revenue tax] **All gaming gross revenue taxes, including casino, internet, sports pool and online sports pool**, 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 pool and or online sports pool 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 pool, casino online sports pool, racetrack sports pool and racetrack online sports pool** 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 pool gross revenue tax shall be 13 percent. The casino and racetrack online sports pool 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 pool gross revenue tax shall be 8.5 percent. The racetrack sports pool 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 the all sports pool and online sports pool 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.**

**(e) On or before the 10th calendar day of each month, the casino or racetrack licensee shall file a monthly sports pool and online sports pool 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 and sports pool gross revenue, [and] Internet gaming and sports pool 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, [and] Internet gaming gross revenue and sports pool gross revenue. In the event that any records 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, [or] Internet gaming gross revenue or sports pool gross revenue tax deficiencies disclosed during the gross revenue certification process.**

### **CHAPTER 69N**

#### **SPORTS POOL AND ONLINE SPORTS POOL WAGERING AT CASINOS AND RACETRACKS**

##### **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.**

**"Event number" means a set of alpha and/or numeric characters that correspond to a sports event or an event ancillary to a sports event.**

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

**"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 which 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 sport pool participant” means any person who is prohibited pursuant to N.J.A.C. 13:69G, N.J.S.A. 5:12-119 or N.J.S.A. 5:12-100n, any individual whose participation may undermine the integrity of the wagering or the sports event or 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, a player or a referee personnel member, in or on any sports event overseen by that person’s sports governing body based on publicly available information; a person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including but not limited to coaches, managers, handlers, athletic trainers, or horse trainers; a person with access to certain types of exclusive information on any sports event overseen by that person’s sports governing body based on publicly available information, or a person identified by any lists provided by the sports governing body to the division and the racing commission.**

**"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 section 1 of P.L. 1940, c.17 (C.5:5-22.)**

**“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 wagering lounge" means a primary area of at least 1,000 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.**

**"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.**

**“Suspicious betting activity” means unusual betting activity which 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 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, 1.14B;**
- 4. N.J.A.C. 13:69L-1.1, 1.4, 1.5, 1.6, 1.7 and 1.8; and**
- 5. N.J.A.C. 13:69O-1.2, 1.3, 1.4, 1.7 and 1.9.**

**(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, subject to the approval of 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.

(e) 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, 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.

**(f) 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 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 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. s.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**

**To conduct sports pool wagering transactions, a casino or racetrack shall have a cashier's cage which meets the requirements of 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.**

**(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.**

**(h) All information and data received 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 items regarding the sports pool system, 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 AML compliance standards;**

**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 N.J.A.C. 13:69N - 1.18 below.**

**(e) 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. Effect of schedule changes;**

**3. Method of notifying patrons of odds or proposition changes;**

4. Acceptance of wagers at other than posted terms;
5. Expiration of any winning ticket one year after the date of the event;
6. Method of contacting the operator for questions and complaints;
7. Description of prohibited sports pool participants;
8. 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
9. Method of funding a sports wager.

(f) 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, 1,000 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 one or more ticket writer windows, 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. **Windows, as approved by the Division, which shall be fully enclosed and designed to prevent direct access to the materials stored and activities performed therein if a ticket writer is cashing a winning ticket of more than \$20,000. Such windows shall be physically secured from any other ticket writer locations within the booth; and**
  - iv. **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 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;**
- 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. **An alarm device that signals the surveillance department whenever the door to the vault is opened; and**
  - iv. **Closed circuit television cameras capable of accurate visual monitoring and taping of any activities in the vault.**
- (d) A sports wagering lounge booth shall have an operating balance of no more than \$1,000,000. Whenever a booth accumulates funds in excess of the \$1,000,000, the excess funds shall be transferred to the cage no later than at the end of each shift. The funds will be transferred with appropriate documentation in a locked container by an employee of the sports wagering lounge booth. The employee and container shall be 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.**

- (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 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.**

#### **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 which conforms to the requirements of section 20 of P.L.2013, c.27 (C.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 section 20. In creating wagers which 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 AML 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 ten 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. Event number;
3. Wager selection;
4. Type of wager;
5. Amount of wager;
6. Date and time of wager;
7. Unique wager identifier;
8. 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;**
- 4. Expiration date of the voucher;**
- 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;**
- 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. Voiding wagers;**



- 4. Cancelling wagers; and**
  - 5. Preventing the acceptance of wagers from patrons prohibited from wagering pursuant to this Chapter.**
- (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 system 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, at a minimum, shall immediately notify the casino licensee's ISO and the Division 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 90 days.**
- (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, 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:**
- a. Description of the event;**
  - b. Event number;**
  - c. Wager selection;**
  - d. Type of wager;**
  - e. Amount of wager;**
  - f. Amount of potential payout or an indication that it is a pari-mutuel wager;**
  - g. Date and time of wager;**
  - h. Identity of the cashier accepting the wager;**
  - i. Unique ticket identifier;**
  - j. Expiration date of ticket;**
  - k. Patron name, if known;**
  - l. Date, time, amount and description of the settlement;**
  - m. Location where wager was made**
  - n. Location of redemption; and**
  - o. 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:**
- a. Date and time of redemption;**
  - b. Employee responsible for redeeming the ticket;**
  - c. Name of patron redeeming the wager;**
  - d. Unique ticket identifier; and**
  - e. Location of the redemption.**

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

**No licensee shall accept a wager from a person on the account of or for any other 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 ten percent or more of a sports governing body or any of its member teams, shall not be permitted to wager on any event governed by the league or sports governing body with which they are affiliated. 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 be 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 CCTV system. The display shall include the event number, odds, and a brief description of the event.**

**(g) The maximum wager which 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 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) A patron may redeem by mail a winning wagering ticket to the address provided thereon in accordance with the wagering operator's internal controls.**

**(j) 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**

**(a) Prior to accepting any sports pool wager in excess of \$10,000 or making a payout in excess of \$10,000 on a sports pool winning wager, the sports pool operator shall:**

- 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.

(b) A sports pool operator shall monitor all wagering transactions to ensure patrons are not circumventing the identification requirements of (a) above.

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

(a) The sports pool system shall be designed to generate the following daily reports 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. Sports pool voucher issued;
  - v. Sports pool voucher redeemed; and
  - vi. Over or short amount to cashier's drawer.
2. A Sports Pool Intake Summary Report which includes totals for each transaction type detailed in (a) above for each cashiering location.
3. A Sports Pool Results Detail Report shall include the following for each event type:
  - i. Ticket sales;
  - ii. Tickets paid;
  - iii. Tickets voided;

- iv. **Tickets canceled;**
  - v. **Expired tickets; and**
  - vi. **Net sports pool gross revenue.**
4. **A Sports Pool Results Summary Report which shall include a summary of the Sports Pool Results Detail Report.**
5. **A Sports Pool Ticket Expiration Detail Report shall list the following for each expired ticket:**
- i. **Ticket number;**
  - ii. **Date and time of issuance;**
  - iii. **Event;**
  - iv. **Wager description;**
  - v. **Bet amount; and**
  - vi. **Payout amount.**
6. **A Sports Pool Voucher Expiration Detail Report shall list the following for each expired ticket:**
- i. **Voucher number;**
  - ii. **Date and time of issuance; and**
  - iii. **Amount.**
7. **A Sports Pool Voided Ticket Report which shall include the following:**
- i. **Ticket number;**
  - ii. **Date and time of issuance;**
  - iii. **Event;**
  - iv. **Wager description;**
  - v. **Bet amount;**
  - vi. **Cashier name or identification number; and**
  - vii. **Reason for void.**
8. **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 cancelation.
9. A Sports Pool Ticket Liability Report 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 (e.g. pending or complete.)
10. A Sports Pool Voucher Liability Report 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 generated pursuant to this chapter 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.**

#### **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;**
- 3. Redeem a ticket with a value of more than \$3,000.**

**(c) On a daily basis, an operator of a sports pool shall remove the bill validator boxes in the sports pool kiosks (the sports pool kiosk drop). 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. Time the drop is scheduled to commence; and**
- 2. Number and locations of sports pool kiosks.**

**(d) A security department member and a cage cashier 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 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;**
- 3. Number of empty boxes placed into the secured cart;**
- 4. Signature of the cage cashier 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 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 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; and**

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

**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 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 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.

**(i) An accounting 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 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 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 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.**

**(l) The casino 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. 13:72-1.1 et seq. provided that such transactions are separately reconciled; or**
- 7. In exchanges with the cashiers' cage, a satellite cage or sports wagering lounge booth vault supported by proper documentation which documentation shall be sufficient for accounting reconciliation purposes.**

(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 window 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 window shall count and verify the sports wagering inventory at the sports wagering vault, 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 window by the ticket writer.

(e) At the conclusion of a ticket writer's shift, the ticket writer's drawer and its contents shall be transported directly to a designated area 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 any exchanges;
5. The total amount in the drawer; and
6. The signature of the ticket writer.

(f) The sports wagering lounge booth shift supervisor shall compare the ticket writer window net for the shift as generated by the terminal and if it agrees with the sports wagering count sheet total plus the sports wagering inventory, shall agree the count to the sports wagering count sheet and sign the sports wagering count sheet attesting to the accuracy.

(g) If the sports wagering window net for the shift as generated by the system does not agree with the sports wagering count sheet total plus the sports wagering inventory, the sports wagering shift supervisor shall record any overage or shortage. If the count does not agree, 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 by the ticket writer and the

sports wagering shift supervisor, such discrepancy shall be reported in writing to the sports wagering manager, or department supervisor in charge at such time. Any discrepancy in excess of \$500 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. Window number; and
6. Amount of the discrepancy.

### **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 (C.5:12-95.17 et seq.).

### **13:69N-1.17 Transactional waiver to immediately commence sports pool or online sports pool operations**

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

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

(c) A casino receiving a transactional waiver shall be permitted to commence sports pool wagering or online sports pool wagering operations for a period of 270 days from the date of the enactment of P.L. 2018, c. 33. Any sports pool wagering operation or online sports pool wagering operation not in compliance with all regulations relating to sports wagering shall cease operations at that time and shall remain inactive until compliance is achieved.

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

**(e) Any third party operating a sports wagering pool or online sports wagering pool must have a casino service industry enterprise license or have a transactional waiver to conduct business prior to receiving such license.**

**(f) All sports pool wagering and online sports pool wagering conducted under authority of a transactional waiver shall comply with the operator's House Rules.**

#### 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:

"Authentication process" means a method used by a system to verify the validity of software. Such method requires the calculation of an output digest, which is compared to a secure embedded value. The output digest shall be of 128-bit complexity, at a minimum. Software shall be deemed to have been authenticated if the calculated digest equals the secure embedded value.

...

"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** 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.

...

["Pending wager account" means the account maintained by a server-based gaming system that holds the total balance of all wagers pending disposition and all other funds attributable to uncompleted games.]

...

"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 standalone system or integrated within another part of the Internet or mobile gaming system.

...

"Table game simulcasting system" means all hardware, software, and communications that comprise a system used to simulcast table games.

#### 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; [and]

x. Date of verification[.] ;**and**

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

(c) (No change.)

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

1. – 6. (No change.)

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

**8. A transaction at a sports pool kiosk; or**

(Recodify existing 8. as 9.) (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; [or]

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

(Recodify existing 7. as 8.) (No change in text)

(h) – (m) (No change.)

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

(a) The online gaming system shall be designed to generate the reports required by this section in a format approved by the Division's Revenue Certification Unit.

(b) All required reports shall be generated by the system, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(c) Gaming systems shall provide a mechanism to export the data generated for any report to a format approved by the Division.

(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;**

(Recodify viii. – xi. as x. – xiii.) (No change in text.)

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

(Recodify xii. – xiii. as xv. – xvi.) (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;**

(Recodify iii. – vii. as v. – ix.) (No change in text.)

**x. 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.)

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

(a) Each RGS that provides game content **or a sports pool** to another Internet gaming operator **or racetrack online sports wagering permit holder** shall:

1. – 6. (No change.)

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

(h) Each RGS shall generate and distribute to each casino licensee; **racetrack online sports wagering permit holder**; 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. - 3. (No change.)

**4. If applicable, a Sports Pool Summary report which shall include total online sports pool wagers, wins and net win or loss.**