

ASSEMBLY, No. 4397

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 27, 2022

Sponsored by:

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblyman DONALD A. GUARDIAN

District 2 (Atlantic)

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Co-Sponsored by:

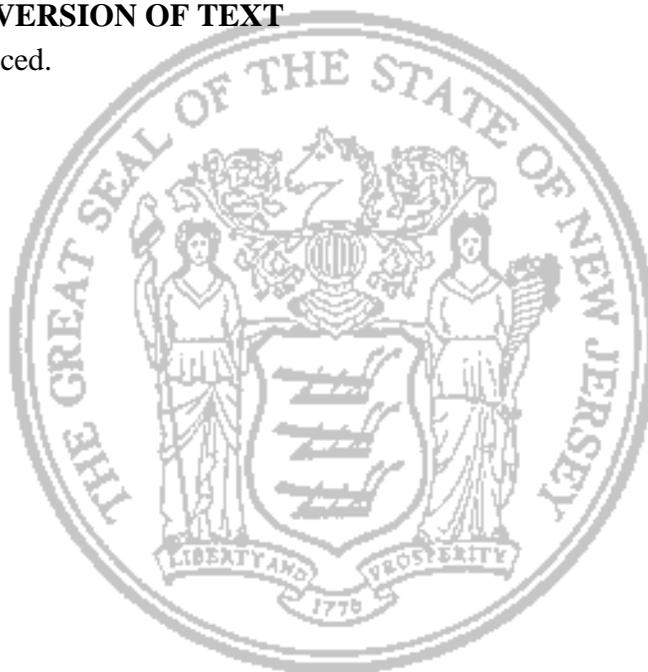
**Assemblyman Sampson, Assemblywoman Chaparro, Assemblyman Moen
and Assemblywoman Swift**

SYNOPSIS

Includes Esports as internet gaming and provides for additional internet gaming permits; permits additional Esports-only permits for sports wagering.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/15/2022)

1 AN ACT concerning internet gaming, sports wagering, and wagering
2 on Esports, and amending various parts of the statutory law and
3 supplementing chapter 12 of Title 5 of the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 5 of P.L.1977, c.110 (C.5:12-5) is amended to read
9 as follows:

10 5. "Authorized Game" or "Authorized Gambling Game"--
11 Roulette, baccarat, blackjack, craps, big six wheel, slot machines,
12 minibaccarat, red dog, pai gow, and sic bo; any variations or
13 composites of such games, provided that such variations or
14 composites are found by the division suitable for use after an
15 appropriate test or experimental period under such terms and
16 conditions as the division may deem appropriate; and any other
17 game which is determined by the division to be compatible with the
18 public interest and to be suitable for casino use after such
19 appropriate test or experimental period as the division may deem
20 appropriate. "Authorized game" or "authorized gambling game"
21 includes gaming tournaments in which players compete against one
22 another in one or more of the games authorized herein or by the
23 division or in approved variations or composites thereof if the
24 tournaments are authorized by the division.

25 "Authorized game" or "Authorized gambling game" shall also
26 include any game that the division may determine by regulation to
27 be suitable for use for wagering through the Internet.

28 "Authorized game" or "Authorized gambling game" shall also
29 include Esports, as defined in section 2 of P.L. _____,
30 c. (C.)(pending before the Legislature as this bill), authorized by
31 the division.

32 (cf: P.L.2013, c.27, s.2)

33
34 2. (New section) "Esports" means an electronic video game,
35 electronic sport, or competitive video game event authorized by the
36 division in which one or more persons participate against each other
37 or the casino in which the outcome is not determined solely on
38 chance, and in which persons under 18 years of age make up a
39 minority of the participants. "Esports" shall not include events that
40 are sponsored by or affiliated with a high school.

41
42 3. Section 5 of P.L.2013, c.27 (C.5:12-28.1) is amended to read
43 as follows:

44 5. "Internet gaming" means the placing of wagers with a casino
45 licensee at a casino located in Atlantic City using a computer

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 network of both federal and non-federal interoperable packet
2 switched data networks through which the casino licensee may offer
3 authorized games to individuals who have established a wagering
4 account with the casino licensee and who are physically present in
5 this State, as authorized by rules established by the division.

6 “Internet gaming” shall also include the placing of wagers with a
7 casino licensee on Esports, as defined in section 2 of P.L. _____,
8 c. (C. _____)(pending before the Legislature as this bill), by
9 individuals who have established a wagering account with the
10 casino licensee and who are physically present in this State, as
11 authorized by rules established by the division.

12 (cf: P.L.2013, c.27, s.5)

13

14 4. Section 19 of P.L.2013, c.27 (C.5:12-95.21) is amended to
15 read as follows:

16 19. a. No Internet gaming shall be opened to the public, and no
17 gaming, except for test purposes, may be conducted therein, until a
18 casino licensee with a valid operation certificate, or an Internet
19 gaming affiliate thereof that is licensed pursuant to paragraph (5) of
20 subsection b. of section 82 of P.L.1977, c.110 (C.5:12-82), receives
21 from the division a permit to conduct Internet gaming. Such permit,
22 valid for one year, shall be issued by the division upon a finding
23 that the Internet gaming complies in all respects with the
24 requirements of this act, P.L.2013, c.27 and regulations
25 promulgated by the division.

26 b. An Internet gaming permit issued by the division to a casino
27 licensee, or an Internet gaming affiliate, for Esports wagering
28 branded websites shall not be included with other types of Internet
29 gaming permits issued by the division to a casino licensee, or an
30 Internet gaming affiliate, for the purposes of limitations on the total
31 number of branded websites or permits issued to each casino
32 licensee, or Internet gaming affiliate, for Internet gaming.

33 (cf: P.L.2013, c.27, s.19)

34

35 5. Section 1 of P.L.2018, c.33 (C.5:12A-10) is amended to read
36 as follows:

37 1. As used in this act:

38 "Casino" means a licensed casino or gambling house located in
39 Atlantic City at which casino gambling is conducted pursuant to the
40 provisions of P.L.1977, c.110 (C.5:12-1 et seq.).

41 "Commission" means the Casino Control Commission
42 established pursuant to section 50 of P.L.1977, c.110 (C.5:12-50).

43 "Collegiate sport or athletic event" means a sport or athletic
44 event offered or sponsored by or played in connection with a public
45 or private institution that offers educational services beyond the
46 secondary level.

47 "Division" means the Division of Gaming Enforcement
48 established pursuant to section 55 of P.L.1977, c.110 (C.5:12-55).

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

5 "Internet sports pool operator" means an entity that is licensed as
6 a casino service industry enterprise pursuant to section 92 of
7 P.L.1977, c.110 (C.5:12-92).

8 "Online sports pool" means a sports wagering operation in which
9 wagers on sports events are made through computers or mobile or
10 interactive devices and accepted at a sports wagering lounge
11 through an online gaming system which is operating pursuant to a
12 sports wagering license issued by the division or racing
13 commission pursuant to P.L.2018, c.33 (C.5:12A-10 et al.).

14 "Operator" means a casino or a racetrack which has elected to
15 operate a sports pool, either independently or jointly, and any entity
16 with whom a casino or racetrack licensed to operate a sports pool
17 contracts to operate a sports pool or online sports pool, including an
18 Internet sports pool operator, on its behalf.

19 "Professional sport or athletic event" means an event at which
20 two or more persons participate in sports or athletic events and
21 receive compensation in excess of actual expenses for their
22 participation in such event. "Professional sport or athletic event"
23 shall include Esports, as defined in section 2 of P.L. _____,
24 c. (C. _____)(pending before the Legislature as this bill).

25 "Prohibited sports event" means any collegiate sport or athletic
26 event that takes place in New Jersey or a sport or athletic event in
27 which any New Jersey college team participates regardless of where
28 the event takes place. A "prohibited sports event" does not include
29 the other games of a collegiate sport or athletic tournament in which
30 a New Jersey college team participates, nor does it include any
31 games of a collegiate tournament that occurs outside New Jersey
32 even though some of the individual games or events are held in
33 New Jersey. A "prohibited sports event" includes all high school
34 sports events. A "prohibited sports event" includes electronic sports
35 and competitive video games that are sponsored by or affiliated
36 with a high school or electronic sports and competitive video games
37 and tournaments in which a majority of the competitors are under
38 18 years of age. A "prohibited sports event" does not include
39 sports, electronic sports, or competitive video game events in which
40 persons under age 18 make up a minority of the participants.

41 "Racetrack" means the physical facility and the land, as of the
42 effective date of P.L.2018, c.33 (C.5:12A-10 et al.), where a permit
43 holder conducts a horse race meeting with wagering under a license
44 issued by the racing commission pursuant to P.L.1940, c.17 (C.5:5-
45 22 et seq.), and includes any former racetrack.

46 "Racing Commission" means the New Jersey Racing
47 Commission established by section 1 of P.L.1940, c.17 (C.5:5-22).

48 "Sports event" means any professional sport or athletic event,
49 any Olympic or international sports competition event and any

1 collegiate sport or athletic event, or any portion thereof, including,
2 but not limited to, the individual performance statistics of athletes
3 in a sports event or combination of sports events, except "sports
4 event" shall not include a prohibited sports event or a fantasy sports
5 activity, as defined in section 2 of P.L.2017, c.231 (C.5:20-2). A
6 "sports event" shall include any live competition or talent contest,
7 including awards competitions and competitive eating contests.

8 "Sports pool" means the business of accepting wagers on any
9 sports event by any system or method of wagering, including but
10 not limited to single-game bets, teaser bets, parlays, over-under,
11 moneyline, pools, exchange wagering, in-game wagering, in-play
12 bets, proposition bets, and straight bets.

13 "Sports wagering lounge" means an area wherein a licensed
14 sports pool is operated located in a casino hotel or racetrack.
15 (cf: P.L.2021, c.286, s.2)

16

17 6. Section 2 of P.L.2018, c.33 (C.5:12A-11) is amended to read
18 as follows:

19 2. a. The division shall issue all sports wagering licenses and
20 renewals thereof to casinos. The racing commission shall issue all
21 initial sports wagering licenses to racetracks but the division shall
22 have responsibility for the renewal thereof. In addition to casino
23 games permitted pursuant to the provisions of P.L.1977, c.110
24 (C.5:12-1 et seq.), a casino which holds a sports wagering license
25 issued by the division may operate a sports pool in accordance with
26 the provisions of this act and applicable regulations promulgated
27 pursuant to this act. A racetrack which holds an initial sports
28 wagering license issued by the racing commission or a sports
29 wagering license that has been renewed by the division may operate
30 a sports pool in accordance with the provisions of this act and
31 applicable regulations promulgated pursuant to this act.

32 The division may issue a transactional waiver to allow the
33 continued operation of an established sports wagering lounge and
34 authorization to conduct up to three online sports wagering
35 operations when a racetrack that holds a license issued by the racing
36 commission pursuant to P.L.1940, c.17 (C.5:5-22, et seq.)
37 undergoes a material change in ownership to a degree such that it
38 would be required to file a new application with the racing
39 commission in order to continue to operate pursuant to P.L.1940,
40 c.17 (C.5:5-22 et seq.). A transactional waiver issued pursuant to
41 this section shall be for an initial period of up to six months and
42 may be renewed during the pendency of the racing commission's
43 consideration of a new application for up to three one-year periods,
44 but the division shall have the right to reexamine and rescind the
45 grant of the waiver at any time.

46 A racetrack at which a permit holder has scheduled a
47 standardbred horse race meeting within one year preceding the
48 effective date of P.L.2018, c.33 (C.5:12A-10 et al.) and that met the

1 definition of a racetrack under P.L.2018, c.33 (C.5:12A-10 et al.) on
2 the effective date thereof:

3 shall not be permitted to hold a sports wagering license as a
4 former racetrack on or after the effective date of P.L.2021, c.350,
5 and

6 shall, as a condition of holding a sports wagering license after
7 the effective date of P.L.2021, c.350, schedule annually no fewer
8 than 151 standardbred race dates, except that the annual number of
9 scheduled standardbred race dates may be decreased to no fewer
10 than 75 standardbred race dates upon written consent from the
11 Standardbred Breeders' and Owners' Association of New Jersey.

12 A casino which holds a sports wagering license and a racetrack
13 which holds a sports wagering license may enter into an agreement
14 to jointly operate a sports pool at the racetrack, in accordance with
15 the provisions of this act and applicable regulations promulgated
16 pursuant to this act. A casino or racetrack that holds a sports
17 wagering license may conduct an online sports pool or may
18 authorize an internet sports pool operator licensed as a casino
19 service industry enterprise pursuant to section 92 of P.L.1977, c.110
20 (C.5:12-92), or an applicant for such license, to operate an online
21 sports pool on its behalf provided the terms of the agreement are
22 approved by the division; provided, however, that each sports
23 wagering licensee may provide no more than three individually
24 branded websites, each of which may have an accompanying mobile
25 application bearing the same brand as the website for an online
26 sports pool, those websites and mobile applications, in the case of a
27 casino being in addition to or, in the discretion of the casino, in
28 conjunction with, any websites and mobile applications that also
29 offer other types of Internet gaming pursuant to P.L.2013, c.27
30 (C.5:12-95.17 et seq.). No online sports pool shall be opened to the
31 public, and no sports wagering, except for test purposes, may be
32 conducted therein, until an Internet sports pool operator receives
33 approval from the division to conduct an online sports pool on
34 behalf of a casino or racetrack that holds a sports wagering license.
35 Sports wagering licensees and operators may provide promotional
36 credits, incentives, bonuses, complimentaries, or similar benefits
37 designed to induce sports betters to wager. The division, in
38 consultation with the commission, shall establish by rule standards
39 governing the provision of these measures. The server or other
40 equipment used by a racetrack to accept wagers at a sports pool or
41 online sports pool shall be located in that racetrack or in any
42 location in Atlantic City which conforms to the requirements of
43 section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
44 requirements which the division may impose by regulation. The
45 server or other equipment used by a casino to accept wagers at a
46 sports pool or online sports pool shall conform to the requirements
47 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional
48 requirements which the division may impose by regulation.

1 A casino or racetrack that holds a sports wagering license may
2 conduct an online sports pool exclusively for Esports or may
3 authorize an internet sports pool operator licensed as a casino
4 service industry enterprise pursuant to section 92 of P.L.1977, c.110
5 (C.5:12-92), or an applicant for such license, to operate an online
6 sports pool exclusively for Esports on its behalf provided the terms
7 of the agreement are approved by the division; provided, however,
8 that each sports wagering licensee may provide no more than two
9 individually branded websites exclusively for Esports, each of
10 which may have an accompanying mobile application bearing the
11 same brand as the website for an online sports pool, those websites
12 and mobile applications, in the case of a casino being in addition to
13 or, in the discretion of the casino, in conjunction with, any websites
14 and mobile applications that also offer other types of Internet
15 gaming pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.).

16 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the
17 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the
18 Casino Control Commission shall apply to the extent not
19 inconsistent with the provisions of this act. In addition to the duties
20 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division
21 or racing commission, as required pursuant to this act, shall hear
22 and decide promptly and in reasonable order all applications for a
23 license to operate a sports pool. In addition to the duties specified
24 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have
25 the general responsibility for the implementation of this act, except
26 with respect to the authority to issue sports wagering licenses to a
27 racetrack as provided by this act, and shall have all other duties
28 specified in that section with regard to the operation of a sports
29 pool.

30 The license to operate a sports pool shall be in addition to any
31 other license required to be issued pursuant to P.L.1977, c.110
32 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17
33 (C.5:5-22 et seq.) to conduct horse racing. The division and the
34 racing commission shall each have the authority to charge a casino
35 or a racetrack a fee for the issuance or, in the case of the division
36 renewal, of a sports wagering license in an amount of \$100,000 for
37 initial issuance and in the case of a renewal a reasonable fee that is
38 based upon the expense associated with renewal, enforcement, and
39 gambling addiction programs. No sports wagering license shall be
40 issued by the division or racing commission to any entity unless it
41 has established its financial stability, integrity and responsibility
42 and its good character, honesty and integrity. No casino or
43 racetrack shall be permitted to operate a sports pool or accept
44 wagers via an online sports pool unless a sports wagering lounge is
45 established and has commenced operation in its facility; provided,
46 however, that an applicant for a sports wagering license may
47 petition the agency issuing the sports wagering license pursuant to
48 this act to commence operation of the sports pool at a temporary
49 facility and/or an online sports pool during the pendency of

1 construction of a sports wagering lounge in its facility. Such
2 temporary facility may include, at the discretion of the agency
3 issuing the sports wagering license pursuant to this act, the
4 utilization of designated windows at the current casino cage or
5 racetrack betting window for purposes of placing sports betting
6 wagers and self-service wagering machines located at the racetrack
7 or casino hotel complex. No license to operate a sports pool shall
8 be issued to any entity which is disqualified under the criteria of
9 section 86 of P.L.1977, c.110 (C.5:12-86).

10 No later than five years after the date of the issuance of a license
11 and every five years thereafter or within such lesser periods as the
12 agency issuing the sports wagering license pursuant to this act may
13 direct, a licensee shall submit to the said agency such
14 documentation or information as the division or racing commission
15 may by regulation require, to demonstrate to the satisfaction of the
16 agency that the licensee continues to meet the requirements of the
17 law and regulations.

18 The division and the racing commission following consultation
19 with the sports wagering licensees shall annually cause a report to
20 be prepared and distributed to the Governor on the impact of sports
21 wagering, including Internet wagering on sports events, on problem
22 gamblers and gambling addiction in New Jersey. The report shall
23 be prepared by a private organization or entity with expertise in
24 serving the needs of persons with gambling addictions, which
25 organization or entity shall be selected jointly by the division and
26 the racing commission. The report shall be prepared and distributed
27 under the supervision of, and in coordination with, the division and
28 the racing commission. Any costs associated with the preparation
29 and distribution of the report shall be borne by casino and racetrack
30 licensees who have been authorized by the division or the racing
31 commission to conduct Internet gaming and the division and the
32 racing commission shall be authorized to assess a fee against such
33 licensees for these purposes. The division and the racing
34 commission may also report periodically to the Governor on the
35 effectiveness of the statutory and regulatory controls in place to
36 ensure the integrity of gaming operations through the Internet.

37 b. A sports pool shall be operated in a sports wagering lounge
38 located at a casino or racetrack. A sports wagering lounge may be
39 located at a casino simulcasting facility. The lounge shall conform
40 to all requirements concerning square footage, design, equipment,
41 security measures and related matters which the division shall by
42 regulation prescribe. The space required for the establishment of a
43 lounge shall not reduce the space authorized for casino gaming
44 activities as specified in section 83 of P.L.1977, c.110 (C.5:12-83).

45 c. No sports pool or online sports pool shall be offered or made
46 available for wagering to the public by any entity other than a sports
47 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.),
48 an applicant for such license, operating such pool on behalf of a
49 licensee, or an Internet sports pool operator, on behalf of a sports

1 wagering licensee. Any person who offers a sports pool or an
2 online sports pool without approval of the division or racing
3 commission to do so is guilty of a crime of the fourth degree and
4 notwithstanding the provisions of N.J.S.2C:43-3, shall be subject to
5 a fine of not more than \$25,000 and in the case of a person other
6 than a natural person, to a fine of not more than \$100,000 and any
7 other appropriate disposition authorized by subsection b. of
8 N.J.S.2C:43-2.

9 d. The operator shall establish or display the odds at which
10 wagers may be placed on sports events.

11 e. An operator shall accept wagers on sports events only from
12 persons physically present in the sports wagering lounge; through
13 self-service wagering machines located in its facility as authorized
14 by the agency issuing the sports wagering license; or through an
15 online sports pool. A person placing a wager on a sports event shall
16 be at least 21 years of age.

17 f. (1) Any person who is:

18 an athlete, coach, referee, or director of a sports governing body
19 or any of its member teams;

20 a sports governing body or any of its member teams;

21 a player or a referee personnel member, in or on any sports event
22 overseen by that person's sports governing body based on publicly
23 available information;

24 a person who holds a position of authority or influence sufficient
25 to exert influence over the participants in a sporting contest,
26 including but not limited to coaches, managers, handlers, athletic
27 trainers, or horse trainers;

28 a person with access to certain types of exclusive information on
29 any sports event overseen by that person's sports governing body
30 based on publicly available information; or

31 a person identified by any lists provided by the sports governing
32 body to the division and the racing commission,

33 shall not be permitted to have any ownership interest in, control
34 of, or otherwise be employed by an operator, a sports wagering
35 licensee, or a facility in which a sports wagering lounge is located
36 or place a wager on a sports event that is overseen by that person's
37 sports governing body based on publicly available information.

38 Any employee of a sports governing body or its member teams
39 who is not prohibited from wagering on a sports event shall,
40 nevertheless, provide notice to the division prior to placing a wager
41 on a sports event. The direct or indirect legal or beneficial owner of
42 10 percent or more of a sports governing body shall not place or
43 accept any wager on a sports event in which any member team of
44 that sports governing body participates. The direct or indirect legal
45 or beneficial owner of 10 percent or more of a member team of a
46 sports governing body shall not place or accept any wager on a
47 sports event in which that member team participates. Any person
48 who violates this paragraph shall be guilty of a disorderly persons

1 offense and shall be fined not less than \$500 and not more than
2 \$1,000.

3 (2) The prohibition set forth in paragraph (1) of this subsection
4 shall not apply to any person who is a direct or indirect owner of a
5 specific sports governing body member team and (i) has less than
6 10 percent direct or indirect ownership interest in a casino or
7 racetrack or (ii) the shares of such person are registered pursuant to
8 section 12 of the Securities Exchange Act of 1934, as amended (15
9 U.S.C. s.781), and the value of the ownership of such team
10 represents less than one percent of the person's total enterprise
11 value.

12 (3) An operator shall adopt procedures to prevent persons from
13 wagering on sports events who are prohibited from placing sports
14 wagers. An operator shall not accept wagers from any person
15 whose identity is known to the operator and:

16 whose name appears on the exclusion list maintained by the
17 division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);

18 whose name appears on any self-exclusion list maintained by the
19 division pursuant to sections 1 and 2 of P.L.2001, c.39 (C.5:12-71.2
20 and C.5:12-71.3, respectively);

21 who is the operator, director, officer, owner, or employee of the
22 operator or any relative thereof living in the same household as the
23 operator;

24 who has access to nonpublic confidential information held by the
25 operator; or

26 who is an agent or proxy for any other person.

27 (4) An operator shall adopt procedures to obtain personally
28 identifiable information from any individual who places any single
29 wager in an amount of \$10,000 or greater on a sports event while
30 physically present in a racetrack facility or a casino.

31 Sections 1 and 2 of P.L.2002, c.89 (C.5:5-65.1 and C.5:5-65.2,
32 respectively) shall apply to the conduct of sports wagering under
33 this act.

34 g. The holder of a sports wagering license may contract with an
35 entity to conduct that operation, in accordance with the regulations
36 of and approval by the division. That entity shall obtain a license as
37 a casino service industry enterprise prior to the execution of any
38 such contract, and such license shall be issued pursuant to the
39 provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and in accordance
40 with the regulations promulgated by the division in consultation
41 with the commission. That entity shall, upon approval of the
42 division, expand on any initial license granted by the division prior
43 to entering into any such contract. The approval shall be in
44 accordance with the terms and conditions set forth by the division.

45 h. If any provision of this act, P.L.2018, c.33 (C.5:12A-10 et
46 al.), or its application to any person or circumstance, is held invalid,
47 the invalidity shall not affect other provisions or applications of this
48 act which can be given effect without the invalid provision or
49 application, and to this end the provisions of this act are severable.

- 1 i. An operator shall promptly report to the division:
2 any criminal or disciplinary proceedings commenced against the
3 operator or its employees in connection with the operations of the
4 sports pool or online sports pool;
5 any abnormal betting activity or patterns that may indicate a
6 concern about the integrity of a sports event or events;
7 any other conduct with the potential to corrupt a betting outcome
8 of a sports event for purposes of financial gain, including but not
9 limited to match fixing; and
10 suspicious or illegal wagering activities, including the use of
11 funds derived from illegal activity, wagers to conceal or launder
12 funds derived from illegal activity, use of agents to place wagers, or
13 use of false identification.
14 The division is authorized to share any information under this
15 section with any law enforcement entity, team, sports governing
16 body, or regulatory agency the division deems appropriate.
17 j. An operator shall maintain records of sports wagering
18 operations in accordance with regulations promulgated by the
19 division.
20 k. A sports wagering licensee may, in addition to having a
21 sports wagering lounge, conduct wagering on authorized sports
22 events through one or more kiosks or self-service wagering stations
23 located within its facility. Such self-service wagering stations
24 located at a casino may offer any game authorized under rules
25 established by the division. Such self-service wagering stations
26 located at a racetrack may offer wagering only on authorized sports
27 events and horse races.
28 l. All wagers on sports events authorized under this provision
29 shall be initiated, received and otherwise made within this State
30 unless otherwise determined by the division in accordance with
31 applicable federal and State laws. Consistent with the intent of the
32 United States Congress as articulated in the Unlawful Internet
33 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the
34 intermediate routing of electronic data relating to a lawful intrastate
35 wager authorized under this provision shall not determine the
36 location or locations in which such wager is initiated, received or
37 otherwise made.
38 m. A sports wagering licensee shall not accept any wager on
39 any sports event unless the sports event has been approved for
40 wagering by the director. Except as otherwise provided in this
41 subsection, no sports event shall be approved for wagering unless
42 the director has certified that the sports event has appropriate
43 policies and procedures to monitor the integrity of the athletes or
44 competitors. In the absence of such certification, the director shall
45 impose a wager limit of not more than \$100 or a win limit of \$500,
46 whichever is greater, on the amount permitted to be wagered or won
47 on such competitions or contests by any individual.
48 (cf: P.L.2021, c.350, s.1)

1 7. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill includes Esports as internet gaming for the purposes of
7 wagering and provides for additional internet gaming permits for
8 licensed casinos or internet gaming affiliates and permits additional
9 Esports-only permits for sports wagering.

10 Under current law, certain Esports events are considered a sports
11 event and wagers can be accepted from individuals by licensed
12 sports wagering operators. Esports events that are sponsored by or
13 affiliated with a high school or Esports in which a majority of the
14 competitors are under 18 years of age are not permitted to be
15 wagered on.

16 This bill includes Esports as a type of internet gaming and adds a
17 definition of Esports. Esports is defined as an electronic video
18 game, electronic sport, or competitive video game event authorized
19 by the division in which one or more persons participate against
20 each other or the casino in which the outcome is not determined
21 solely on chance, and in which persons under 18 years of age make
22 up a minority of the participants. Esports would still not include
23 events that are sponsored by or affiliated with a high school.

24 The Division of Gaming Enforcement (DGE) would classify
25 Esports as an authorized game or authorized gambling game and
26 internet gaming would include the placing of wagers with a casino
27 licensee on Esports. Wagering would only be permitted by
28 individuals who have established a wagering account with the
29 casino licensee and who are physically present in the State. Esports
30 permits issued by the DGE to casino licensees or their affiliates
31 would not count towards the total number of traditional internet
32 gaming permits. DGE regulations currently allow five internet
33 gaming permits per casino licensee.

34 This bill also provides additional Esports-only sports wagering
35 permits for casino licensees or racetracks, or their affiliates. A
36 casino licensee or racetrack would be permitted two additional
37 permits for Esports-only sports wagering operations. Nothing in
38 this bill would prohibit a traditional sports wagering operator from
39 offering Esports wagering, which is currently permitted. The bill
40 also clarifies that Esports would be considered a professional sport
41 or athletic event by adding it to the existing definition.