

**SENATE, No. 2417**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

INTRODUCED JANUARY 29, 2024

**Sponsored by:**

**Senator JAMES BEACH**

**District 6 (Burlington and Camden)**

**SYNOPSIS**

Includes electronic sports event as sports wagering; authorizes electronic sports wagering at certain locations.

**CURRENT VERSION OF TEXT**

As introduced.



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2

1 AN ACT concerning electronic sports events and wagering and  
2 amending P.L.2018, c.33.

3

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

6

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

9 1. As used in this act:

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

13 “Commission” means the Casino Control Commission  
14 established pursuant to section 50 of P.L.1977, c.110 (C.5:12-50).

15 “Collegiate sport or athletic event” means a sport or athletic  
16 event offered or sponsored by or played in connection with a public  
17 or private institution that offers educational services beyond the  
18 secondary level.

19 “Division” means the Division of Gaming Enforcement  
20 established pursuant to section 55 of P.L.1977, c.110 (C.5:12-55).

21 “Electronic sports event” means a competition between or  
22 involving teams, individuals, or the operator, using a video game or  
23 games which occur, or are hosted, at a physical location or  
24 exclusively online. Electronic sports events and authorized  
25 wagering on electronic sports events shall not be considered an  
26 “authorized game” or “authorized gambling game” as defined in  
27 section 5 of P.L.1977, c.110 (C.5:12-5).

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

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

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

41 “Operator” means a casino or a racetrack which has elected to  
42 operate a sports pool, either independently or jointly, and any entity  
43 with whom a casino or racetrack licensed to operate a sports pool  
44 contracts to operate a sports pool or online sports pool, including an  
45 Internet sports pool operator, on its behalf.

**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.**

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1       “Professional sport or athletic event” means an event at which  
2 two or more persons participate in sports or athletic events and  
3 receive compensation in excess of actual expenses for their  
4 participation in such event.

5       “Prohibited sports event” means any collegiate sport or athletic  
6 event that takes place in New Jersey or a sport or athletic event in  
7 which any New Jersey college team participates regardless of where  
8 the event takes place. A “prohibited sports event” does not include  
9 the other games of a collegiate sport or athletic tournament in which  
10 a New Jersey college team participates, nor does it include any  
11 games of a collegiate tournament that occurs outside New Jersey  
12 even though some of the individual games or events are held in  
13 New Jersey. A “prohibited sports event” includes all high school  
14 sports events. A “prohibited sports event” includes electronic  
15 sports and competitive video games that are sponsored by or  
16 affiliated with a high school or electronic sports and competitive  
17 video games and tournaments in which a majority of the  
18 competitors are under 18 years of age. A “prohibited sports event”  
19 does not include sports, electronic sports, or competitive video  
20 game events in which persons under age 18 make up a minority of  
21 the participants.

22       “Racetrack” means the physical facility and the land, as of the  
23 effective date of P.L.2018, c.33 (C.5:12A-10 et al.), where a permit  
24 holder conducts a horse race meeting with wagering under a license  
25 issued by the racing commission pursuant to P.L.1940, c.17 (C.5:5-  
26 22 et seq.), and includes any former racetrack.

27       “Racing Commission” means the New Jersey Racing  
28 Commission established by section 1 of P.L.1940, c.17 (C.5:5-22).

29       “Sports event” means any professional sport or athletic event,  
30 any Olympic or international sports competition event and any  
31 collegiate sport or athletic event, or any portion thereof, including,  
32 but not limited to, the individual performance statistics of athletes  
33 in a sports event or combination of sports events, except “sports  
34 event” shall not include a prohibited sports event or a fantasy sports  
35 activity, as defined in section 2 of P.L.2017, c.231 (C.5:20-2). A  
36 “sports event” shall include any live competition or talent contest,  
37 including awards competitions and competitive eating contests.

38       “Sports pool” means the business of accepting wagers on any  
39 sports event by any system or method of wagering, including but  
40 not limited to single-game bets, teaser bets, parlays, over-under,  
41 moneyline, pools, exchange wagering, in-game wagering, in-play  
42 bets, proposition bets, and straight bets.

43       “Sports wagering lounge” means an area wherein a licensed  
44 sports pool is operated located in a casino hotel or racetrack.

45 (cf: P.L.2021, c.286, s.2)

46

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

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1           2. a. The division shall issue all sports wagering licenses and  
2 renewals thereof to casinos. The racing commission shall issue all  
3 initial sports wagering licenses to racetracks but the division shall have  
4 responsibility for the renewal thereof. In addition to casino games  
5 permitted pursuant to the provisions of P.L.1977, c.110 (C.5:12-1 et  
6 seq.), a casino which holds a sports wagering license issued by the  
7 division may operate a sports pool in accordance with the provisions  
8 of this act and applicable regulations promulgated pursuant to this act.  
9 A racetrack which holds an initial sports wagering license issued by  
10 the racing commission or a sports wagering license that has been  
11 renewed by the division may operate a sports pool in accordance with  
12 the provisions of this act and applicable regulations promulgated  
13 pursuant to this act.

14           The division may issue a transactional waiver to allow the  
15 continued operation of an established sports wagering lounge and  
16 authorization to conduct up to three online sports wagering operations  
17 when a racetrack that holds a license issued by the racing commission  
18 pursuant to P.L.1940, c.17 (C.5:5-22, et seq.) undergoes a material  
19 change in ownership to a degree such that it would be required to file a  
20 new application with the racing commission in order to continue to  
21 operate pursuant to P.L.1940, c.17 (C.5:5-22 et seq.). A transactional  
22 waiver issued pursuant to this section shall be for an initial period of  
23 up to six months and may be renewed during the pendency of the  
24 racing commission's consideration of a new application for up to three  
25 one-year periods, but the division shall have the right to reexamine and  
26 rescind the grant of the waiver at any time.

27           A racetrack at which a permit holder has scheduled a standardbred  
28 horse race meeting within one year preceding the effective date of  
29 P.L.2018, c.33 (C.5:12A-10 et al.) and that met the definition of a  
30 racetrack under P.L.2018, c.33 (C.5:12A-10 et al.) on the effective  
31 date thereof:

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

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

40           A casino which holds a sports wagering license and a racetrack  
41 which holds a sports wagering license may enter into an agreement to  
42 jointly operate a sports pool at the racetrack, in accordance with the  
43 provisions of this act and applicable regulations promulgated pursuant  
44 to this act. A casino or racetrack that holds a sports wagering license  
45 may conduct an online sports pool or may authorize an internet sports  
46 pool operator licensed as a casino service industry enterprise pursuant  
47 to section 92 of P.L.1977, c.110 (C.5:12-92), or an applicant for such  
48 license, to operate an online sports pool on its behalf provided the

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1 terms of the agreement are approved by the division and, in the case of  
2 a racetrack, the racing commission has been provided with notice of  
3 any such division approval; provided, however, that each sports  
4 wagering licensee may provide no more than three individually  
5 branded websites, each of which may have an accompanying mobile  
6 application bearing the same brand as the website for an online sports  
7 pool **【, those】**. Those websites and mobile applications **【, in the case**  
8 **of a casino being in addition to or, in the discretion of the casino, in**  
9 **conjunction with, any websites】 shall be permitted to offer wagering**  
10 **on traditional sports events and electronic sports events that are**  
11 **approved for wagering by the division. Websites and mobile**  
12 **applications 【that】 authorized by casino licensees may also offer other**  
13 **types of Internet gaming pursuant to P.L.2013, c.27 (C.5:12-95.17 et**  
14 **seq.). In addition, each sports wagering licensee may offer not more**  
15 **than two additional individually branded websites with accompanying**  
16 **mobile applications that offer wagering solely on electronic sports**  
17 **events. No online sports pool shall be opened to the public, and no**  
18 **sports wagering, except for test purposes, may be conducted therein,**  
19 **until an Internet sports pool operator receives 【approval】 from the**  
20 **division a permit to conduct an online sports pool 【on behalf of a**  
21 **casino or racetrack that holds a sports wagering license】. Sports**  
22 **wagering licensees and operators may provide promotional credits,**  
23 **incentives, bonuses, complimentaries, or similar benefits designed to**  
24 **induce sports betters to wager. The division, in consultation with the**  
25 **commission, shall establish by rule standards governing the provision**  
26 **of these measures. The server or other equipment used by a racetrack**  
27 **to accept wagers at a sports pool or online sports pool shall be located**  
28 **in that racetrack or in any location in Atlantic City which conforms to**  
29 **the requirements of section 20 of P.L.2013, c.27 (C.5:12-95.22) and**  
30 **any additional requirements which the division may impose by**  
31 **regulation. The server or other equipment used by a casino to accept**  
32 **wagers at a sports pool or online sports pool shall conform to the**  
33 **requirements of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any**  
34 **additional requirements which the division may impose by regulation.**

35 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the  
36 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the  
37 Casino Control Commission shall apply to the extent not inconsistent  
38 with the provisions of this act. In addition to the duties specified in  
39 section 76 of P.L.1977, c.110 (C.5:12-76), the division or racing  
40 commission, as required pursuant to this act, shall hear and decide  
41 promptly and in reasonable order all applications for a license to  
42 operate a sports pool. In addition to the duties specified in section 76  
43 of P.L.1977, c.110 (C.5:12-76), the division shall have the general  
44 responsibility for the implementation of this act, except with respect to  
45 the authority to issue sports wagering licenses to a racetrack as  
46 provided by this act, and shall have all other duties specified in that  
47 section with regard to the operation of a sports pool.

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1       The license to operate a sports pool shall be in addition to any  
2 other license required to be issued pursuant to P.L.1977, c.110  
3 (C.5:12-1 et seq.) to operate a casino or pursuant to P.L.1940, c.17  
4 (C.5:5-22 et seq.) to conduct horse racing. The division and the racing  
5 commission shall each have the authority to charge a casino or a  
6 racetrack a fee for the issuance or, in the case of the division renewal,  
7 of a sports wagering license in an amount of \$100,000 for initial  
8 issuance and in the case of a renewal a reasonable fee that is based  
9 upon the expense associated with renewal, enforcement, and gambling  
10 addiction programs. No sports wagering license shall be issued by the  
11 division or racing commission to any entity unless it has established its  
12 financial stability, integrity and responsibility and its good character,  
13 honesty and integrity. No casino or racetrack shall be permitted to  
14 operate a sports pool or accept wagers via an online sports pool unless  
15 a sports wagering lounge is established and has commenced operation  
16 in its facility; provided, however, that an applicant for a sports  
17 wagering license may petition the agency issuing the sports wagering  
18 license pursuant to this act to commence operation of the sports pool at  
19 a temporary facility and/or an online sports pool during the pendency  
20 of construction of a sports wagering lounge in its facility. Such  
21 temporary facility may include, at the discretion of the agency issuing  
22 the sports wagering license pursuant to this act, the utilization of  
23 designated windows at the current casino cage or racetrack betting  
24 window for purposes of placing sports betting wagers and self-service  
25 wagering machines located at the racetrack or casino hotel complex.  
26 No license to operate a sports pool shall be issued to any entity which  
27 is disqualified under the criteria of section 86 of P.L.1977, c.110  
28 (C.5:12-86).

29       No later than five years after the date of the issuance of a license  
30 and every five years thereafter or within such lesser periods as the  
31 agency issuing the sports wagering license pursuant to this act may  
32 direct, a licensee shall submit to the said agency such documentation  
33 or information as the division or racing commission may by regulation  
34 require, to demonstrate to the satisfaction of the agency that the  
35 licensee continues to meet the requirements of the law and regulations.

36       The division and the racing commission following consultation  
37 with the sports wagering licensees shall annually cause a report to be  
38 prepared and distributed to the Governor on the impact of sports  
39 wagering, including Internet wagering on sports events, on problem  
40 gamblers and gambling addiction in New Jersey. The report shall be  
41 prepared by a private organization or entity with expertise in serving  
42 the needs of persons with gambling addictions, which organization or  
43 entity shall be selected jointly by the division and the racing  
44 commission. The report shall be prepared and distributed under the  
45 supervision of, and in coordination with, the division and the racing  
46 commission. Any costs associated with the preparation and  
47 distribution of the report shall be borne by casino and racetrack  
48 licensees who have been authorized by the division or the racing

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1 commission to conduct Internet gaming and the division and the racing  
2 commission shall be authorized to assess a fee against such licensees  
3 for these purposes. The division and the racing commission may also  
4 report periodically to the Governor on the effectiveness of the statutory  
5 and regulatory controls in place to ensure the integrity of gaming  
6 operations through the Internet.

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

15 c. No sports pool or online sports pool shall be offered or made  
16 available for wagering to the public by any entity other than a sports  
17 wagering licensee, pursuant to P.L.2018, c.33 (C.5:12A-10 et al.), an  
18 applicant for such license, operating such pool on behalf of a licensee,  
19 or an Internet sports pool operator, on behalf of a sports wagering  
20 licensee. Any person who offers a sports pool or an online sports pool  
21 without approval of the division or racing commission to do so is  
22 guilty of a crime of the fourth degree and notwithstanding the  
23 provisions of N.J.S.2C:43-3, shall be subject to a fine of not more than  
24 \$25,000 and in the case of a person other than a natural person, to a  
25 fine of not more than \$100,000 and any other appropriate disposition  
26 authorized by subsection b. of N.J.S.2C:43-2.

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

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

35 f. (1) Any person who is:  
36 an athlete, coach, referee, or director of a sports governing body or  
37 any of its member teams;  
38 a sports governing body or any of its member teams;  
39 a player or a referee personnel member, in or on any sports event  
40 overseen by that person's sports governing body based on publicly  
41 available information;  
42 a person who holds a position of authority or influence sufficient to  
43 exert influence over the participants in a sporting contest, including  
44 but not limited to coaches, managers, handlers, athletic trainers, or  
45 horse trainers;  
46 a person with access to certain types of exclusive information on  
47 any sports event overseen by that person's sports governing body  
48 based on publicly available information; or

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1 a person identified by any lists provided by the sports governing  
2 body to the division and the racing commission,  
3 shall not be permitted to have any ownership interest in, control of,  
4 or otherwise be employed by an operator, a sports wagering licensee,  
5 or a facility in which a sports wagering lounge is located or place a  
6 wager on a sports event that is overseen by that person's sports  
7 governing body based on publicly available information.

8 Any employee of a sports governing body or its member teams  
9 who is not prohibited from wagering on a sports event shall,  
10 nevertheless, provide notice to the division prior to placing a wager on  
11 a sports event. The direct or indirect legal or beneficial owner of 10  
12 percent or more of a sports governing body shall not place or accept  
13 any wager on a sports event in which any member team of that sports  
14 governing body participates. The direct or indirect legal or beneficial  
15 owner of 10 percent or more of a member team of a sports governing  
16 body shall not place or accept any wager on a sports event in which  
17 that member team participates. Any person who violates this  
18 paragraph shall be guilty of a disorderly persons offense and shall be  
19 fined not less than \$500 and not more than \$1,000.

20 (2) The prohibition set forth in paragraph (1) of this subsection  
21 shall not apply to any person who is a direct or indirect owner of a  
22 specific sports governing body member team and (i) has less than 10  
23 percent direct or indirect ownership interest in a casino or racetrack or  
24 (ii) the shares of such person are registered pursuant to section 12 of  
25 the Securities Exchange Act of 1934, as amended (15 U.S.C. s.78l),  
26 and the value of the ownership of such team represents less than one  
27 percent of the person's total enterprise value.

28 (3) An operator shall adopt procedures to prevent persons from  
29 wagering on sports events who are prohibited from placing sports  
30 wagers. An operator shall not accept wagers from any person whose  
31 identity is known to the operator and:  
32 whose name appears on the exclusion list maintained by the  
33 division pursuant to section 71 of P.L.1977, c.110 (C.5:12-71);  
34 whose name appears on any self-exclusion list maintained by the  
35 division pursuant to sections 1 and 2 of P.L.2001, c.39 (C.5:12-71.2  
36 and C.5:12-71.3, respectively);  
37 who is the operator, director, officer, owner, or employee of the  
38 operator or any relative thereof living in the same household as the  
39 operator;  
40 who has access to nonpublic confidential information held by the  
41 operator; or  
42 who is an agent or proxy for any other person.

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

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

4 g. The holder of a sports wagering license may contract with an  
5 entity to conduct that operation, in accordance with the regulations of  
6 and approval by the division. That entity shall obtain a license as a  
7 casino service industry enterprise prior to the execution of any such  
8 contract, and such license shall be issued pursuant to the provisions of  
9 P.L.1977, c.110 (C.5:12-1 et seq.) and in accordance with the  
10 regulations promulgated by the division in consultation with the  
11 commission. That entity shall, upon approval of the division, expand  
12 on any initial license granted by the division prior to entering into any  
13 such contract. The approval shall be in accordance with the terms and  
14 conditions set forth by the division.

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

20 i. An operator shall promptly report to the division:

21 any criminal or disciplinary proceedings commenced against the  
22 operator or its employees in connection with the operations of the  
23 sports pool or online sports pool;

24 any abnormal betting activity or patterns that may indicate a  
25 concern about the integrity of a sports event or events;

26 any other conduct with the potential to corrupt a betting outcome  
27 of a sports event for purposes of financial gain, including but not  
28 limited to match fixing; and

29 suspicious or illegal wagering activities, including the use of funds  
30 derived from illegal activity, wagers to conceal or launder funds  
31 derived from illegal activity, use of agents to place wagers, or use of  
32 false identification.

33 The division is authorized to share any information under this  
34 section with any law enforcement entity, team, sports governing body,  
35 or regulatory agency the division deems appropriate.

36 j. An operator shall maintain records of sports wagering  
37 operations in accordance with regulations promulgated by the division.

38 k. A sports wagering licensee may, in addition to having a sports  
39 wagering lounge, conduct wagering on authorized sports events  
40 through one or more kiosks or self-service wagering stations located  
41 within its facility. Such self-service wagering stations located at a  
42 casino may offer any game authorized under rules established by the  
43 division. Such self-service wagering stations located at a racetrack  
44 may offer wagering only on authorized sports events and horse races.

45 l. All wagers on sports events authorized under this provision  
46 shall be initiated, received and otherwise made within this State unless  
47 otherwise determined by the division in accordance with applicable  
48 federal and State laws. Consistent with the intent of the United States

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1 Congress as articulated in the Unlawful Internet Gambling  
2 Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the intermediate  
3 routing of electronic data relating to a lawful intrastate wager  
4 authorized under this provision shall not determine the location or  
5 locations in which such wager is initiated, received or otherwise made.

6 m. A sports wagering licensee shall not accept any wager on any  
7 sports event unless the sports event has been approved for wagering by  
8 the director. Except as otherwise provided in this subsection, no sports  
9 event shall be approved for wagering unless the director has certified  
10 that the sports event has appropriate policies and procedures to  
11 monitor the integrity of the athletes or competitors. In the absence of  
12 such certification, the director shall impose a wager limit of not more  
13 than \$100 or a win limit of \$500, whichever is greater, on the amount  
14 permitted to be wagered or won on such competitions or contests by  
15 any individual.

16 n. Notwithstanding any other provision of P.L.2018, c.33 (C.5:  
17 12A-10 et al.), P.L.1977, c.110 (C.5:12-1 et seq.), or P.L.2013, c. 27  
18 (C.5:12-95.17 et seq.) to the contrary, the division may authorize  
19 wagers on electronic sports events to be accepted in a sports wagering  
20 lounge or by an internet sports wagering operator operating in  
21 partnership with a sports wagering licensee.

22 (1) For electronic sports events which occur within the physical  
23 facilities of a casino licensee, within a racetrack that has a sports  
24 wagering license, or within a facility located in Atlantic City that has  
25 been approved by the division as suitable for hosting electronic sports  
26 events, and which events are sponsored by one or more casino  
27 licensees, racetracks or their authorized internet sports wagering  
28 providers or online internet gaming affiliates:

29 (a) the division may authorize competitors in such events who are  
30 otherwise eligible to make sports wagers to make wagers on  
31 themselves or their own team with regard to an individual electronic  
32 sports contest;

33 (b) the division may authorize the casino or other authorized  
34 facility in which the electronic sports event takes place, or the provider  
35 or affiliate which sponsors the event, to be the exclusive operator for  
36 the placing of wagers on the outcome of such electronic sports event;  
37 and

38 (c) a casino, racetrack or the sponsor of the electronic sports event  
39 may accept wagers on such event provided a third party such as a  
40 game publisher certifies that the electronic sports event meets all  
41 integrity requirements of the division for being an authorized wagering  
42 event.

43 (2) For electronic sports events which occur at physical facilities  
44 within the State but do not meet the criteria set forth in paragraph (1)  
45 of this subsection:

46 (a) the division may authorize competitors in such events who are  
47 otherwise eligible to make sports wagers to make wagers on

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1 themselves or their own team with regard to an individual electronic  
2 sports contest; and

3 (b) a casino, racetrack or the sponsor of the electronic sports event  
4 may accept wagers on such event provided that a third party, such as a  
5 game publisher, certifies that the electronic sports event meets all  
6 integrity requirements of the division for being an authorized wagering  
7 event.

8 (3) Wagering in this State on electronic sports events occurring at  
9 physical facilities outside the State shall be permitted only upon the  
10 approval of the division and upon such terms and limitations as the  
11 division may impose.

12 (4) An operator may accept wagers on electronic sports events  
13 which occur, or are hosted, exclusively on an online gaming system  
14 upon the approval of the division and upon such terms and limitations  
15 as the division may impose.

16 (5) An operator may offer payouts to competitors in electronic  
17 sports events upon such terms and limitations as the division may  
18 impose.

19 (cf: P.L.2021, c.350, s.1)

20

21 3. This act shall take effect immediately.

22

23

24

STATEMENT

25

26 This bill includes electronic sports events as sports wagering and  
27 authorizes electronic sports wagering at certain locations.

28 The bill defines “electronic sports event” to mean a competition  
29 between or involving teams, individuals, or the operator, using a video  
30 game or games which occur, or are hosted, at a physical location or  
31 exclusively online. Electronic sports events and authorized wagering  
32 on electronic sports events are not considered an “authorized game” or  
33 “authorized gambling game” as defined in section 5 of P.L.1977, c.110  
34 (C.5:12-5).

35 Under the bill, the Division of Gaming Enforcement (division) in  
36 the Department of Law and Public Safety may authorize wagers on  
37 electronic sports events to be accepted in a sports wagering lounge or  
38 by an internet sports wagering operator operating in partnership with a  
39 sports wagering licensee.

40 For electronic sports events which occur within the physical  
41 facilities of a casino licensee, within a racetrack that has a sports  
42 wagering license, or within a facility located in Atlantic City that has  
43 been approved by the division as suitable for hosting electronic sports  
44 events, and which events are sponsored by one or more casino  
45 licensees, racetracks or their authorized internet sports wagering  
46 providers or online internet gaming affiliates:

47 • the division may authorize competitors in such events who are  
48 otherwise eligible to make sports wagers to make wagers on

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1 themselves or their own team with regard to an individual electronic  
2 sports contest;

3 • the division may authorize the casino or other authorized  
4 facility in which the electronic sports event takes place, or the provider  
5 or affiliate which sponsors the event, to be the exclusive operator for  
6 the placing of wagers on the outcome of such electronic sports event;  
7 and

8 • a casino, racetrack or the sponsor of the electronic sports event  
9 may accept wagers on such event provided a third party such as a  
10 game publisher certifies that the electronic sports event meets all  
11 integrity requirements of the division for being an authorized wagering  
12 event.

13 For electronic sports events which occur at physical facilities  
14 within the State but do not meet the previous criteria:

15 • the division may authorize competitors in such events who are  
16 otherwise eligible to make sports wagers to make wagers on  
17 themselves or their own team with regard to an individual electronic  
18 sports contest; and

19 • a casino, racetrack or the sponsor of the electronic sports event  
20 may accept wagers on such event provided that a third party, such as a  
21 game publisher, certifies that the electronic sports event meets all  
22 integrity requirements of the division for being an authorized wagering  
23 event.

24 Under the bill, wagering in New Jersey on electronic sports events  
25 occurring at physical facilities outside the State are permitted only  
26 upon the approval of the division and upon such terms and limitations  
27 as the division may impose.

28 The bill provides that an operator: (1) may accept wagers on  
29 electronic sports events which occur, or are hosted, exclusively on an  
30 online gaming system upon the approval of the division and upon such  
31 terms and limitations as the division may impose; and (2) may offer  
32 payouts to competitors in electronic sports events upon such terms and  
33 limitations as the division may impose.

34 The bill provides that websites and mobile applications are  
35 permitted to offer wagering on traditional sports events and electronic  
36 sports events that are approved for wagering by the division. Websites  
37 and mobile applications authorized by casino licensees may also offer  
38 other types of Internet gaming. In addition, each sports wagering  
39 licensee may offer not more than two additional individually branded  
40 websites with accompanying mobile applications that offer wagering  
41 solely on electronic sports events.

42 Under the bill, the division maintains its ability to oversee and  
43 approve sports wagering agreements involving either a casino or a  
44 racetrack. Where the agreement involves a racetrack, the New Jersey  
45 Racing Commission will be informed of the approval of such  
46 agreements.