

SENATE, No. 3080

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED APRIL 11, 2024

Sponsored by:

Senator KRISTIN M. CORRADO

District 40 (Bergen, Essex and Passaic)

Senator JOSEPH P. CRYAN

District 20 (Union)

Co-Sponsored by:

Senators Zwicker and Diegnan

SYNOPSIS

Prohibits sports wagering licensees from offering player-specific proposition bets on college sports.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/13/2024)

1 AN ACT prohibiting sports wagering licensees from offering player-
2 specific proposition bets on college sports, and amending
3 P.L.2018, c.33.

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

7
8 1. Section 2 of P.L.2018, c.33 (C.5:12A-11) is amended to read
9 as follows:

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

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

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

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

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

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

44 With regard to this act, P.L.2018, c.33 (C.5:12A-10 et al.), the
45 duties specified in section 63 of P.L.1977, c.110 (C.5:12-63) of the
46 Casino Control Commission shall apply to the extent not
47 inconsistent with the provisions of this act. In addition to the duties
48 specified in section 76 of P.L.1977, c.110 (C.5:12-76), the division

1 or racing commission, as required pursuant to this act, shall hear
2 and decide promptly and in reasonable order all applications for a
3 license to operate a sports pool. In addition to the duties specified
4 in section 76 of P.L.1977, c.110 (C.5:12-76), the division shall have
5 the general responsibility for the implementation of this act, except
6 with respect to the authority to issue sports wagering licenses to a
7 racetrack as provided by this act, and shall have all other duties
8 specified in that section with regard to the operation of a sports
9 pool.

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

39 No later than five years after the date of the issuance of a license
40 and every five years thereafter or within such lesser periods as the
41 agency issuing the sports wagering license pursuant to this act may
42 direct, a licensee shall submit to the said agency such
43 documentation or information as the division or racing commission
44 may by regulation require, to demonstrate to the satisfaction of the
45 agency that the licensee continues to meet the requirements of the
46 law and regulations.

47 The division and the racing commission following consultation
48 with the sports wagering licensees shall annually cause a report to

1 be prepared and distributed to the Governor on the impact of sports
2 wagering, including Internet wagering on sports events, on problem
3 gamblers and gambling addiction in New Jersey. The report shall
4 be prepared by a private organization or entity with expertise in
5 serving the needs of persons with gambling addictions, which
6 organization or entity shall be selected jointly by the division and
7 the racing commission. The report shall be prepared and distributed
8 under the supervision of, and in coordination with, the division and
9 the racing commission. Any costs associated with the preparation
10 and distribution of the report shall be borne by casino and racetrack
11 licensees who have been authorized by the division or the racing
12 commission to conduct Internet gaming and the division and the
13 racing commission shall be authorized to assess a fee against such
14 licensees for these purposes. The division and the racing
15 commission may also report periodically to the Governor on the
16 effectiveness of the statutory and regulatory controls in place to
17 ensure the integrity of gaming operations through the Internet.

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

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

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

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

47 f. (1) Any person who is:

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

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

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

7 a person who holds a position of authority or influence sufficient
8 to exert influence over the participants in a sporting contest,
9 including but not limited to coaches, managers, handlers, athletic
10 trainers, or horse trainers;

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

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

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

21 Any employee of a sports governing body or its member teams
22 who is not prohibited from wagering on a sports event shall,
23 nevertheless, provide notice to the division prior to placing a wager
24 on a sports event. The direct or indirect legal or beneficial owner of
25 10 percent or more of a sports governing body shall not place or
26 accept any wager on a sports event in which any member team of
27 that sports governing body participates. The direct or indirect legal
28 or beneficial owner of 10 percent or more of a member team of a
29 sports governing body shall not place or accept any wager on a
30 sports event in which that member team participates. Any person
31 who violates this paragraph shall be guilty of a disorderly persons
32 offense and shall be fined not less than \$500 and not more than
33 \$1,000.

34 (2) The prohibition set forth in paragraph (1) of this subsection
35 shall not apply to any person who is a direct or indirect owner of a
36 specific sports governing body member team and (i) has less than
37 10 percent direct or indirect ownership interest in a casino or
38 racetrack or (ii) the shares of such person are registered pursuant to
39 section 12 of the Securities Exchange Act of 1934, as amended (15
40 U.S.C. s.78l), and the value of the ownership of such team
41 represents less than one percent of the person's total enterprise
42 value.

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

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

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

4 who is the operator, director, officer, owner, or employee of the
5 operator or any relative thereof living in the same household as the
6 operator;

7 who has access to nonpublic confidential information held by the
8 operator; or

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

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

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

17 g. The holder of a sports wagering license may contract with an
18 entity to conduct that operation, in accordance with the regulations
19 of and approval by the division. That entity shall obtain a license as
20 a casino service industry enterprise prior to the execution of any
21 such contract, and such license shall be issued pursuant to the
22 provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and in accordance
23 with the regulations promulgated by the division in consultation
24 with the commission. That entity shall, upon approval of the
25 division, expand on any initial license granted by the division prior
26 to entering into any such contract. The approval shall be in
27 accordance with the terms and conditions set forth by the division.

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

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

34 any criminal or disciplinary proceedings commenced against the
35 operator or its employees in connection with the operations of the
36 sports pool or online sports pool;

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

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

42 suspicious or illegal wagering activities, including the use of
43 funds derived from illegal activity, wagers to conceal or launder
44 funds derived from illegal activity, use of agents to place wagers, or
45 use of false identification.

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

1 j. An operator shall maintain records of sports wagering
2 operations in accordance with regulations promulgated by the
3 division.

4 k. A sports wagering licensee may, in addition to having a
5 sports wagering lounge, conduct wagering on authorized sports
6 events through one or more kiosks or self-service wagering stations
7 located within its facility. Such self-service wagering stations
8 located at a casino may offer any game authorized under rules
9 established by the division. Such self-service wagering stations
10 located at a racetrack may offer wagering only on authorized sports
11 events and horse races.

12 l. All wagers on sports events authorized under this provision
13 shall be initiated, received and otherwise made within this State
14 unless otherwise determined by the division in accordance with
15 applicable federal and State laws. Consistent with the intent of the
16 United States Congress as articulated in the Unlawful Internet
17 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the
18 intermediate routing of electronic data relating to a lawful intrastate
19 wager authorized under this provision shall not determine the
20 location or locations in which such wager is initiated, received or
21 otherwise made.

22 m. A sports wagering licensee shall not accept any wager on
23 any sports event unless the sports event has been approved for
24 wagering by the director. Except as otherwise provided in this
25 subsection, no sports event shall be approved for wagering unless
26 the director has certified that the sports event has appropriate
27 policies and procedures to monitor the integrity of the athletes or
28 competitors. In the absence of such certification, the director shall
29 impose a wager limit of not more than \$100 or a win limit of \$500,
30 whichever is greater, on the amount permitted to be wagered or won
31 on such competitions or contests by any individual.

32 n. A sports wagering licensee shall not offer or accept any
33 wager on a player-specific proposition bet on any collegiate sport or
34 athletic event.

35 As used in this subsection, a “proposition bet” means a side
36 wager on a part of a sport or athletic event that does not concern the
37 final outcome of the sport or athletic event.

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

39

40 2. This act shall take effect immediately.

41

42

43

STATEMENT

44

45 This bill prohibits sports wagering licensees in this State from
46 offering or accepting wagers on player-specific proposition bets on
47 collegiate sports or athletic events.

S3080 CORRADO, CRYAN

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1 The President of the National Collegiate Athletics Association
2 has recently called on all states to adopt measures to address the
3 rise in the harassment of student-athletes that compete in these
4 games and events, and to maintain the integrity of college sports.

5 Under the bill, a proposition bet is defined as a side wager on a
6 part of a sport or athletic event that does not concern the final
7 outcome of the sport or athletic event. Player-specific proposition
8 bets may include the particular statistical performance lines of
9 certain players and which player will score first.