

SENATE STATE GOVERNMENT, WAGERING, TOURISM &  
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR  
SENATE, No. 2986

**STATE OF NEW JERSEY**

DATED: DECEMBER 18, 2023

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably a Senate Committee Substitute for Senate Bill No. 2986.

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

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

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

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

- the division may authorize competitors in such events who are otherwise eligible to make sports wagers to make wagers on themselves or their own team with regard to an individual electronic sports contest;
- the division may authorize the casino or other authorized facility in which the electronic sports event takes place, or the provider or affiliate which sponsors the event, to be the exclusive operator for the placing of wagers on the outcome of such electronic sports event; and
- a casino, racetrack or the sponsor of the electronic sports event may accept wagers on such event provided a third party such as a

game publisher certifies that the electronic sports event meets all integrity requirements of the division for being an authorized wagering event.

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

- the division may authorize competitors in such events who are otherwise eligible to make sports wagers to make wagers on themselves or their own team with regard to an individual electronic sports contest; and
- a casino, racetrack or the sponsor of the electronic sports event may accept wagers on such event provided that a third party, such as a game publisher, certifies that the electronic sports event meets all integrity requirements of the division for being an authorized wagering event.

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

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

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

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