

[Second Reprint]  
**ASSEMBLY, No. 4111**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED JUNE 4, 2018

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**SYNOPSIS**

Allows wagering at casinos and racetracks on certain professional and collegiate sports or athletic events.

**CURRENT VERSION OF TEXT**

As amended by the General Assembly on June 7, 2018.

**(Sponsorship Updated As Of: 6/8/2018)**

1 AN ACT allowing wagering at casinos and racetracks on the results  
2 of certain professional or collegiate sports or athletic events,  
3 supplementing Title 5 of the Revised Statutes, amending and  
4 repealing various parts of the statutory law.

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

8  
9 1. (New section) 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 event  
16 offered or sponsored by or played in connection with a public or  
17 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 "former racetrack" means any former racetrack where a horse  
22 race meeting was conducted within 15 years prior to the effective  
23 date of P.L.2014, c.62 (C.5:12A-7 et seq.), excluding premises  
24 other than the land contained within the racecourse oval;

25 "Internet sports pool operator" means an entity that is licensed as  
26 a casino service industry enterprise pursuant to section 92 of  
27 P.L.1977, c.110 (C.5:12-92) and that holds a permit issued by the  
28 division to operate an online sports pool;

29 "online sports pool" means a sports wagering operation in which  
30 wagers on sports events are made through computers or mobile or  
31 interactive devices and accepted at a sports wagering lounge  
32 through an online gaming system which is operating pursuant to a  
33 sports wagering permit issued by the division or racing commission  
34 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
35 this bill);

36 "operator" means a casino or a racetrack which has elected to  
37 operate a sports pool, either independently or jointly, and any entity  
38 with whom a casino or racetrack licensed to operate a sports pool  
39 contracts to operate a sports pool or online sports pool, including an  
40 Internet sports pool operator, on its behalf;

41 "professional sport or athletic event" means an event at which  
42 two or more persons participate in sports or athletic events and  
43 receive compensation in excess of actual expenses for their  
44 participation in such event;

**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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AAP committee amendments adopted June 4, 2018.

<sup>2</sup>Assembly floor amendments adopted June 7, 2018.

1 "prohibited sports event" means any collegiate sport or athletic  
2 event that takes place in New Jersey or a sport or athletic event in  
3 which any New Jersey college team participates regardless of where  
4 the event takes place. A "prohibited sports event" does not include  
5 the other games of a collegiate sport or athletic tournament in which  
6 a New Jersey college team participates, nor does it include any  
7 games of a collegiate tournament that occurs outside New Jersey  
8 even though some of the individual games or events are held in  
9 New Jersey. A prohibited sports event includes all high school  
10 sports events, electronic sports, and competitive video games but  
11 does not include international sports events in which persons under  
12 age 18 make up a minority of the participants;

13 "racetrack" means the physical facility and the land, as of the  
14 effective date of P.L. , c. (C. ) (pending before the Legislature  
15 as this bill), where a permit holder conducts a horse race meeting  
16 with wagering under a license issued by the racing commission  
17 pursuant to P.L.1940, c.17 (C.5:5-22 et seq.), and includes any  
18 former racetrack;

19 "racing commission" means the New Jersey Racing Commission  
20 established by section 1 of P.L.1940, c.17 (C.5:5-22);

21 "sports event" means any professional sport or athletic event, any  
22 Olympic or international sports competition event and any  
23 collegiate sport or athletic event, or any portion thereof, including,  
24 but not limited to, the individual performance statistics of athletes  
25 in a sports event or combination of sports events, except "sports  
26 event" shall not include a prohibited sports event or a fantasy sports  
27 activity, as defined in section 2 of P.L.2017, c.231 (C.5:20-2);

28 "sports pool" means the business of accepting wagers on any  
29 sports event by any system or method of wagering, including but  
30 not limited to single-game bets, teaser bets, parlays, over-under,  
31 moneyline, pools, exchange wagering, in-game wagering, in-play  
32 bets, proposition bets, and straight bets; and

33 "sports wagering lounge" means an area wherein a licensed  
34 sports pool is operated located in a casino hotel or racetrack.  
35

36 2. (New section) a. <sup>2</sup>The division shall issue all sports  
37 wagering licenses and renewals thereof to casinos. The racing  
38 commission shall issue all initial sports wagering licenses to  
39 racetracks but the division shall have responsibility for the renewal  
40 thereof.<sup>2</sup> In addition to casino games permitted pursuant to the  
41 provisions of P.L.1977, c.110 (C.5:12-1 et seq.), a casino which  
42 holds a sports wagering license issued by the division may operate a  
43 sports pool in accordance with the provisions of this act and  
44 applicable regulations promulgated pursuant to this act. A racetrack  
45 which holds <sup>2</sup>[a] an initial<sup>2</sup> sports wagering license issued by the  
46 racing commission <sup>2</sup>or a sports wagering license that has been  
47 renewed by the division<sup>2</sup> may operate a sports pool in accordance  
48 with the provisions of this act and applicable regulations

1 promulgated pursuant to this act. A casino which holds a sports  
2 wagering license and a racetrack which holds a sports wagering  
3 license may enter into an agreement to jointly operate a sports pool  
4 at the racetrack, in accordance with the provisions of this act and  
5 applicable regulations promulgated pursuant to this act. A casino or  
6 racetrack that holds a sports wagering license may conduct an  
7 online sports pool or may authorize an internet sports pool operator  
8 licensed as a casino service industry enterprise pursuant to section  
9 92 of P.L.1977, c.110 (C.5:12-92), or an applicant for such license,  
10 to operate an online sports pool on its behalf provided the terms of  
11 the agreement are approved by the division, in the case of a casino,  
12 or the racing commission, in the case of a racetrack; provided,  
13 however, that each sports wagering licensee may provide no more  
14 than three individually branded websites, each of which may have  
15 an accompanying mobile application bearing the same brand as the  
16 website for an online sports pool, those websites and mobile  
17 applications, in the case of a casino being in addition to or, in the  
18 discretion of the casino, in conjunction with, any websites and  
19 mobile applications that also offer other types of Internet gaming  
20 pursuant to P.L.2013, c.27 (C.5:12-95.17 et seq.). No online sports  
21 pool shall be opened to the public, and no sports wagering, except  
22 for test purposes, may be conducted therein, until an Internet sports  
23 pool operator receives from the division a permit to conduct an  
24 online sports pool. Sports wagering licensees and operators may  
25 provide promotional credits, incentives, bonuses, complimentaries,  
26 or similar benefits designed to induce sports betters to wager. The  
27 division, in consultation with the commission, shall establish by  
28 rule standards governing the provision of these measures. <sup>1</sup>The  
29 server or other equipment used by a racetrack to accept wagers at a  
30 sports pool or online sports pool shall be located in that racetrack or  
31 in any location in Atlantic City which conforms to the requirements  
32 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional  
33 requirements which the division may impose by regulation. The  
34 server or other equipment used by a casino to accept wagers at a  
35 sports pool or online sports pool shall conform to the requirements  
36 of section 20 of P.L.2013, c.27 (C.5:12-95.22) and any additional  
37 requirements which the division may impose by regulation.<sup>1</sup>

38 With regard to this act, P.L. , c. (C. ) (pending before the  
39 Legislature as this bill), the duties specified in section 63 of  
40 P.L.1977, c.110 (C.5:12-63) of the Casino Control Commission  
41 shall apply to the extent not inconsistent with the provisions of this  
42 act. In addition to the duties specified in section 76 of P.L.1977,  
43 c.110 (C.5:12-76), the division or racing commission, as required  
44 pursuant to this act, shall hear and decide promptly and in  
45 reasonable order all applications for a license to operate a sports  
46 pool. In addition to the duties specified in section 76 of P.L.1977,  
47 c.110 (C.5:12-76), the division shall have the general responsibility  
48 for the implementation of this act, except with respect to the

1 authority to issue sports wagering licenses to a racetrack as  
2 provided by this act, and shall have all other duties specified in that  
3 section with regard to the operation of a sports pool.

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

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

43 The division and the racing commission following consultation  
44 with the sports wagering licensees shall annually cause a report to  
45 be prepared and distributed to the Governor on the impact of sports  
46 wagering, including Internet wagering on sports events, on problem  
47 gamblers and gambling addiction in New Jersey. The report shall

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

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

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

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

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

44 f. (1) Any person who is an athlete, coach, referee, <sup>2</sup>direct  
45 or indirect legal or beneficial owner of 10 percent or greater, <sup>2</sup>or  
46 director of a sports governing body or any of its member teams, a  
47 sports governing body or any of its member teams, a player or a  
48 referee personnel member, in or on any sports event overseen by

1 that person's sports governing body based on publicly available  
2 information <sup>1</sup> [;] <sup>1</sup> a person who holds a position of authority or  
3 influence sufficient to exert influence over the participants in a  
4 sporting contest, including but not limited to coaches, managers,  
5 handlers, athletic trainers, or horse trainers <sup>1</sup> [;] <sup>1</sup> a person with  
6 access to certain types of exclusive information on any sports event  
7 overseen by that person's sports governing body based on publicly  
8 available information, or a person identified by any lists provided  
9 by the sports governing body to the division and the racing  
10 commission shall not be permitted to have any ownership interest  
11 in, control of, or otherwise be employed by an operator, a sports  
12 wagering licensee, or a facility in which a sports wagering lounge is  
13 located or place a wager on a sports event that is overseen by that  
14 person's sports governing body based on publicly available  
15 information. Any employee of a sports governing body or its  
16 member teams who is not prohibited from wagering on a sports  
17 event shall, nevertheless, provide notice to the division prior to  
18 placing a wager on a sports event. <sup>2</sup>The direct or indirect legal or  
19 beneficial owner of 10 percent or more of a sports governing body  
20 or any of its member teams shall not place or accept any wager on a  
21 sports event in which any member team of that sports governing  
22 body participates.<sup>2</sup> Any person who violates this paragraph shall be  
23 guilty of a disorderly persons offense and shall be fined not less  
24 than \$500 <sup>1</sup> [.] and<sup>1</sup> not more than \$1,000.

25 (2) The prohibition set forth in <sup>1</sup> [section f (1)] paragraph (1) of  
26 this subsection<sup>1</sup> shall not apply to any person who is a direct or  
27 indirect owner of a specific sports governing body member team  
28 and (i) has less than 10 percent direct or indirect ownership interest  
29 in a casino or racetrack or (ii) the shares of such person are  
30 registered pursuant to section 12 of the Securities Exchange Act of  
31 1934, as amended (15 U.S.C. s.781), and the value of the ownership  
32 of such team represents less than one percent of the person's total  
33 enterprise value.

34 (3) <sup>2</sup> [To the extent a person does not qualify for the exemption  
35 set forth in <sup>1</sup> [section f (2)] paragraph (2) of this subsection<sup>1</sup>, the  
36 agency issuing the sports wagering license pursuant to this act <sup>1</sup> [.]<sup>1</sup>  
37 may grant a sports wagering license to a person that is a direct or  
38 indirect legal or beneficial owner of 10 percent or greater of a  
39 sports governing body's member team or teams provided that such  
40 person divests of the disqualifying asset within one year of its  
41 application for a sports wagering license. Any person who fails to  
42 divest of the disqualifying asset shall be required to immediately  
43 surrender their sports wagering license and any profits derived from  
44 the operation of the sports pool during the period of operation shall  
45 be paid to the State.

46 (4) <sup>2</sup> An operator shall adopt procedures to prevent persons from  
47 wagering on sports events who are prohibited from placing sports

1 wagers. An operator shall not accept wagers from any person  
2 whose identity is known to the operator and:

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

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

8 who is the operator, director, officer, owner, or employee of the  
9 operator or any relative thereof living in the same household as the  
10 operator;

11 who has access to nonpublic confidential information held by the  
12 operator; or

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

14 <sup>2</sup>[(5)] (4)<sup>2</sup> An operator shall adopt procedures to obtain  
15 personally identifiable information from any individual who places  
16 any single wager in an amount of \$10,000 or greater on a sports  
17 event while physically present in a racetrack facility or a casino.

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

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

28 h. If any provision of this act, P.L. , c. (C. ) (pending  
29 before the Legislature as this bill), or its application to any person  
30 or circumstance, is held invalid, the invalidity shall not affect other  
31 provisions or applications of this act which can be given effect  
32 without the invalid provision or application, and to this end the  
33 provisions of this act are severable.

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

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

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

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

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

47 The division is authorized to share any information under this  
48 section with any law enforcement entity, team, sports governing



1 body, or regulatory agency the division deems appropriate.

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

5 k. <sup>2</sup>~~l.~~ Notwithstanding any law to the contrary or any  
6 restrictions, the holder of a sports wagering license, or the operator,  
7 at no cost to the entity, shall be entitled to receive a plenary retail  
8 consumption license for the sale of alcoholic beverages in, on or  
9 about any premises licensed as a sports lounge, pursuant to the  
10 provisions of R.S.33:1-12.

11 ~~l.~~<sup>2</sup> A sports wagering licensee may, in addition to having a  
12 sports wagering lounge, conduct wagering on authorized sports  
13 events through one or more kiosks or self-service wagering stations  
14 located within its facility. Such self-service wagering stations  
15 located at a casino may offer any game authorized under rules  
16 established by the division. Such self-service wagering stations  
17 located at a racetrack may offer wagering only on authorized sports  
18 events and horse races.

19 <sup>2</sup>~~m.~~ ~~l.~~<sup>2</sup> All wagers on sports events authorized under this  
20 provision shall be initiated, received and otherwise made within this  
21 State unless otherwise determined by the division in accordance  
22 with applicable federal and state laws. Consistent with the intent of  
23 the United States Congress as articulated in the Unlawful Internet  
24 Gambling Enforcement Act of 2006 (31 U.S.C. s.5361 et seq.), the  
25 intermediate routing of electronic data relating to a lawful intrastate  
26 wager authorized under this provision shall not determine the  
27 location or locations in which such wager is initiated, received or  
28 otherwise made.

29  
30 3. (New section) a. Corporate applicants for and holders of a  
31 sports wagering license shall be required to disclose the identity of  
32 the following: each board appointed officer of the corporation; each  
33 director of the corporation; each person who directly holds any  
34 voting or controlling interest of 5 percent or more of the securities  
35 issued by such applicant or holder; each person who directly holds  
36 any non-voting or passive ownership interest of 25 percent or more  
37 of the securities issued by such applicant or holder; and each  
38 holding or intermediary company of an applicant for or holder of an  
39 operator.

40 b. As to each holding, intermediary and subsidiary company of  
41 an applicant for or holder of a sports wagering license, such  
42 applicants and holders shall be required to establish and maintain  
43 the qualifications of the following: each board appointed officer of  
44 the corporation; each director of the corporation; each person who  
45 directly holds any voting or controlling interest of 5 percent or more  
46 of the securities issued by such applicant or holder; and each person  
47 who directly holds any non-voting or passive ownership interest of  
48 25 percent or more in such holding or intermediary company.

1 c. The racing commission or the division shall have the  
2 authority to waive any or all of the qualification requirements for  
3 any person listed in subsections a. or b. of this section.

4 d. All persons employed directly in wagering-related activities  
5 conducted within a casino or a racetrack in a sports wagering  
6 lounge and an online sports pool shall be licensed as a casino key  
7 employee or registered as a casino employee, as determined by the  
8 commission, pursuant to the provisions of P.L.1977, c.110 (C.5:12-  
9 1 et seq.). All other employees who are working in the sports  
10 wagering lounge may be required to be registered, if appropriate, in  
11 accordance with regulations of the division promulgated in  
12 consultation with the commission.

13 e. Each operator shall designate one or more casino key  
14 employees who shall be responsible for the operation of the sports  
15 pool. At least one such casino key employee shall be on the  
16 premises whenever sports wagering is conducted.

17

18 4. (New section) a. Except as otherwise provided by this act,  
19 the division shall have the authority to regulate sports pools, online  
20 sports pools, and the conduct of sports wagering under this act to  
21 the same extent that the division regulates casino games. No casino  
22 or racetrack shall be authorized to operate a sports pool or online  
23 sports pool unless it has produced, to the satisfaction of the agency  
24 issuing the sports wagering license, information, documentation,  
25 and assurances concerning its financial background and resources,  
26 including cash reserves, that are sufficient to demonstrate that it has  
27 the financial stability, integrity, and responsibility to operate a  
28 sports pool or online sports pool. In developing rules and  
29 regulations applicable to sports wagering, the division may examine  
30 the regulations implemented in other states where sports wagering  
31 is conducted and may, as far as practicable, adopt a similar  
32 regulatory framework. The division, in consultation with the  
33 commission, shall promulgate regulations necessary to carry out the  
34 provisions of this act, including, but not limited to, regulations  
35 governing the:

36 (1) amount of cash reserves to be maintained by operators to  
37 cover winning wagers;

38 (2) acceptance of wagers on a series of sports events;

39 (3) maximum wagers which may be accepted by an operator  
40 from any one patron on any one sports event;

41 (4) type of wagering tickets which may be used;

42 (5) method of issuing tickets;

43 (6) method of accounting to be used by operators;

44 (7) types of records which shall be kept;

45 (8) use of credit and checks by patrons;

46 (9) type of system for wagering;

47 (10) protections for a person placing a wager; and

48 (11) display of the words, "If you or someone you know has a

1 gambling problem and wants help, call 1-800 GAMBLER," or some  
2 comparable language approved by the division, which language  
3 shall include the words "gambling problem" and "call 1-800  
4 GAMBLER," in all print, billboard, sign, online, or broadcast  
5 advertisements of a sports pool and online sports pool and in every  
6 sports wagering lounge.

7 b. Notwithstanding any other provision of P.L. c. (C. )  
8 (pending before the Legislature as this bill) or of the Administrative  
9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
10 contrary, during the 90-day period following the effective date of  
11 this act, the division and the racing commission may, after notice  
12 provided in accordance with this subsection, summarily adopt,  
13 amend, or repeal any order, rule, or regulation for a period not to  
14 exceed 270 days for the purpose of ensuring the expeditious and  
15 effective implementation of sports wagering at casinos or racetracks  
16 in accordance with this act. Any summary rulemaking authorized  
17 by this subsection shall be subject to such terms and conditions as  
18 the division and the racing commission may deem appropriate.  
19 Such rules shall be effective when published by the division and the  
20 racing commission on their respective websites and shall allow for  
21 the immediate application of <sup>1</sup>~~any~~ <sup>1</sup>racetrack licensed by the  
22 racing commission, or casino licensed by the division, to the  
23 respective agency by which they are <sup>1</sup>~~currently~~ <sup>1</sup>licensed or  
24 permitted, for a transactional waiver to immediately commence  
25 sports wagering. Upon the filing of such application, these rules  
26 shall further provide that, upon a showing therein that the applicant  
27 is <sup>1</sup>~~presently~~ <sup>1</sup>licensed or permitted by the appropriate agency  
28 <sup>1</sup>~~that~~ <sup>1</sup>a sports wagering license shall immediately be issued to  
29 the respective applicant allowing for its immediate commencement  
30 of sports wagering subject to the condition that it conform to the  
31 entity and individual or other licensing, facility and any other  
32 requirements set forth in the respective rules of each within 270  
33 days. In the event such rules are not complied with within such time  
34 period, the non-complying racetrack or casino will not thereafter be  
35 eligible to conduct sports wagering until such compliance is  
36 achieved. Notice of any emergency rulemaking action taken by the  
37 division or the racing commission pursuant to this subsection shall  
38 be published in the New Jersey Register, and provided to the  
39 newspapers designated by the division and racing commission  
40 pursuant to subsection d. of section 3 of P.L.1975, c.231 (C.10:4-8),  
41 not later than 30 days subsequent to the implementation of the  
42 emergency rules. The text of any emergency rule adopted by the  
43 division and the racing commission pursuant to this section shall be  
44 available in each racetrack, casino, sports wagering lounge, and  
45 simulcasting facility implementing the provisions of emergency  
46 rulemaking.

47 c. Any person employed on the effective date of this act,  
48 P.L. , c. (C. ) (pending before the Legislature as this bill), by

1 a permitholder in the admissions department or parimutuel clerk  
2 department of a racetrack operated by the permitholder shall be  
3 given a one-time right of first refusal offer of employment at the  
4 sports pool, including an online sports pool, that opens at that  
5 racetrack, for the then available positions of similar employment in  
6 that sports pool, or with any vendor contracting with the licensee to  
7 operate the sports pool.

8  
9 5. (New section) Each operator shall adopt comprehensive house  
10 rules governing sports wagering transactions with its patrons which  
11 shall be approved by the division. The rules shall specify the amounts  
12 to be paid on winning wagers and the effect of schedule changes. The  
13 house rules, together with any other information the division deems  
14 appropriate, shall be conspicuously displayed in the sports wagering  
15 lounge, posted on the operator's Internet website, and included in the  
16 terms and conditions of the account wagering system, and copies shall  
17 be made readily available to patrons.

18  
19 6. (New section) Whenever a casino licensee and a racetrack  
20 permit holder enter into an agreement to jointly establish a sports  
21 wagering lounge, and to operate and conduct sports wagering under  
22 this act, the agreement shall specify the distribution of revenues  
23 from the joint sports wagering operation among the parties to the  
24 agreement.

25  
26 7. (New section) The sums received by the casino from sports  
27 wagering or from a joint sports wagering operation, less only the  
28 total of all sums actually paid out as winnings to patrons<sup>1, 1</sup> shall not  
29 be taxed as gross revenue as specified under section 24 of P.L.1977,  
30 c.110 (C.5:12-24) but shall be subject to an 8.5 percent tax, except  
31 that sums received from Internet wagering on sports events <sup>1</sup>, less  
32 only the total of all sums actually paid out as winnings to patrons,<sup>1</sup>  
33 shall be subject to a 13 percent tax, which shall be paid to the  
34 Casino Revenue Fund and the investment alternative tax established  
35 by section 3 of P.L.1984, c.218 (C.5:12-144.1) which investment  
36 alternative tax funds shall be used exclusively for <sup>2</sup>**[the Meet]**  
37 tourism and marketing for the City of<sup>2</sup> Atlantic City <sup>2</sup>**[marketing**  
38 **program]**<sup>2</sup>, provided, however, that the cash equivalent value of  
39 any merchandise or thing of value included in a jackpot or payout  
40 shall not be included in the total of all sums paid out as winnings to  
41 patrons for purposes of determining revenue under this paragraph.

42 The sums actually received by the horse racing permit holder  
43 from any sports wagering operation, either jointly established with a  
44 casino or established independently or with non-casino partners,  
45 less only the total of all sums actually paid out as winnings to  
46 patrons, shall be subject to an 8.5 percent tax <sup>1, 1</sup> except <sup>1</sup>that<sup>1</sup> sums  
47 received from Internet wagering on sports events <sup>1</sup>, less only the  
48 total of all sums actually paid out as winnings to patrons,<sup>1</sup> shall be

1 subject to a 13 percent tax, to be collected by the division and paid  
2 to the State General Fund and to an additional tax of 1.25 percent  
3 on amounts actually received from a sports wagering operation  
4 ~~'[with 0.75 percent paid]~~ , less only the total of all sums actually  
5 paid out as winnings to patrons, to be paid to the Division of Local  
6 Government Services in the Department of Community Affairs for  
7 distribution, upon application by a municipality or county,<sup>1</sup> to the  
8 municipality and ~~'[0.5 percent paid]~~<sup>1</sup> to the county in which the  
9 sports wagering lounge is located or to an economic development  
10 authority of that municipality and county ~~'[~~, as determined by the  
11 governing body of the municipality or county,~~']~~<sup>1</sup> with those amounts  
12 used for economic development purposes, provided, however, that  
13 the cash equivalent value of any merchandise or thing of value  
14 included in a jackpot or payout shall not be included in the total of  
15 all sums paid out as winnings to patrons for purposes of  
16 determining revenue under this paragraph.

17 A percentage of the fee paid for a license to operate a sports pool  
18 shall be deposited into the State General Fund for appropriation by  
19 the Legislature to the Department of Health ~~'[and Senior~~  
20 ~~Services]~~<sup>1</sup> to provide funds for ~~'[evidenced based]~~ evidence-  
21 based<sup>1</sup> prevention, education, and treatment programs for  
22 compulsive gambling ~~'[programs]~~<sup>1</sup> that meet the criteria developed  
23 pursuant to section 2 of P.L.1993, c.229 (C.26:2-169), such as those  
24 provided by the Council on Compulsive Gambling of New Jersey,  
25 and including the development and implementation of programs  
26 that identify and assist problem gamblers. The percentage shall be  
27 determined by the division.

28

29 8. (New section) Sports wagering lounges at which a sports  
30 pool is operated shall be a permitted use in all commercial, retail,  
31 industrial, non-residential and mixed-use zoning districts of a  
32 municipality.

33

34 9. (New section) If a patron does not claim a winning sports  
35 pool wager within one year from the time of the event, the  
36 obligation of the operator to pay the winnings shall expire and the  
37 funds shall be distributed as follows:

38 for wagers placed with a sports pool operated by or on behalf of  
39 a casino, the casino shall retain 50 percent and remit the remaining  
40 50 percent to the Casino Revenue Fund;

41 for wagers placed with a sports pool operated by or on behalf of  
42 a racetrack, the racetrack shall retain 50 percent and remit the  
43 remaining 50 percent to the State General Fund; and

44 for wagers placed with a sports pool jointly operated by a casino  
45 and a racetrack, the casino and racetrack shall retain a total of 50  
46 percent which shall be apportioned among them pursuant to the  
47 terms of their operation agreement, and the remaining 50 percent

1 shall be apportioned in the same manner, with the casino percentage  
2 being deposited in the Casino Revenue Fund and the racetrack  
3 percentage being deposited in the State General Fund.

4  
5 10. (New section) Notwithstanding any other provision of  
6 P.L.2013, c.27 (C.5:12-95.17 et al.), wagers may be accepted  
7 thereunder or pooled with wagers from persons who are not  
8 physically present in this State if the division determines that such  
9 wagering is not inconsistent with federal law or the law of the  
10 jurisdiction, including any foreign nation, in which any such person  
11 is located, or such wagering is conducted pursuant to a reciprocal  
12 agreement to which the State is a party that is not inconsistent with  
13 federal law.

14  
15 11. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to  
16 read as follows:

17 24. "Gross Revenue"-- The total of all sums actually received by  
18 a casino licensee from gaming operations, less only the total of all  
19 sums actually paid out as winnings to patrons; provided, however,  
20 that the cash equivalent value of any merchandise or thing of value  
21 included in a jackpot or payout shall not be included in the total of  
22 all sums paid out as winnings to patrons for purposes of  
23 determining gross revenue. "Gross Revenue" shall not include any  
24 amount received by a casino from casino simulcasting pursuant to  
25 the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.) or  
26 from sports wagering pursuant to P.L. , c. (C. ) (pending  
27 before the Legislature as this bill).  
28 (cf: P.L.2014, c.62, s.3)

29  
30 12. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to  
31 read as follows:

32 104. a. Unless otherwise provided in this subsection, no  
33 agreement shall be lawful which provides for the payment, however  
34 defined, of any direct or indirect interest, percentage or share of:  
35 any money or property gambled at a casino or simulcasting facility;  
36 any money or property derived from casino gaming activity or  
37 wagering at a simulcasting facility; or any revenues, profits or  
38 earnings of a casino or simulcasting facility. Notwithstanding the  
39 foregoing:

40 (1) Agreements which provide only for the payment of a fixed  
41 sum which is in no way affected by the amount of any such money,  
42 property, revenues, profits or earnings shall not be subject to the  
43 provisions of this subsection; and receipts, rentals or charges for  
44 real property, personal property or services shall not lose their  
45 character as payments of a fixed sum because of contract, lease, or  
46 license provisions for adjustments in charges, rentals or fees on  
47 account of changes in taxes or assessments, cost-of-living index

1 escalations, expansion or improvement of facilities, or changes in  
2 services supplied.

3 (2) Agreements between a casino licensee and a junket  
4 enterprise or junket representative licensed, qualified or registered  
5 in accordance with the provisions of P.L.1977, c.110 (C.5:12-1 et  
6 seq.) and the regulations of the division which provide for the  
7 compensation of the junket enterprise or junket representative by  
8 the casino licensee based upon the actual casino gaming or  
9 simulcast wagering activities of a patron procured or referred by the  
10 junket enterprise or junket representative shall be lawful if filed  
11 with the division prior to the conduct of any junket that is governed  
12 by the agreement.

13 (3) Agreements between a casino licensee and its employees  
14 which provide for casino employee or casino key employee profit  
15 sharing shall be lawful if the agreement is in writing and filed with  
16 the division prior to its effective date. Such agreements may be  
17 reviewed by the division under any relevant provision of P.L.1977,  
18 c.110 (C.5:12-1 et seq.).

19 (4) Agreements to lease an approved casino hotel or the land  
20 thereunder and agreements for the complete management of all  
21 casino gaming operations in a casino hotel shall not be subject to  
22 the provisions of this subsection but shall rather be subject to the  
23 provisions of subsections b. and c. of section 82 of this act.

24 (5) Agreements which provide for percentage charges between  
25 the casino licensee and a holding company or intermediary  
26 company of the casino licensee shall be in writing and filed with the  
27 division but shall not be subject to the provisions of this subsection.

28 (6) Agreements relating to simulcast racing and wagering  
29 between a casino licensee and an in-State or out-of-State sending  
30 track licensed or exempt from licensure in accordance with section  
31 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with  
32 the division, and be lawful and effective only if expressly approved  
33 as to their terms by the division and the New Jersey Racing  
34 Commission, except that any such agreements which provide for a  
35 percentage of the parimutuel pool wagered at a simulcasting facility  
36 to be paid to the sending track shall not be subject to the provisions  
37 of this subsection.

38 (7) Agreements relating to simulcast racing and wagering  
39 between a casino licensee and a casino service industry enterprise  
40 licensed pursuant to the provisions of subsection a. of section 92 of  
41 P.L.1977, c.110 (C.5:12-92) as a hub facility, as defined in joint  
42 regulations of the Division of Gaming Enforcement and the New  
43 Jersey Racing Commission, shall be in writing, be filed with the  
44 commission, and be lawful and effective only if expressly approved  
45 as to their terms by the commission and the New Jersey Racing  
46 Commission, except that any such agreements which provide for a  
47 percentage of the casino licensee's share of the parimutuel pool

1 wagered at a simulcasting facility to be paid to the hub facility shall  
2 not be subject to the provisions of this subsection.

3 (8) Agreements relating to simulcast racing and wagering  
4 between a casino licensee and a casino service industry enterprise  
5 licensed pursuant to the provisions of subsection a. of section 92 of  
6 P.L.1977, c.110 (C.5:12-92) to conduct casino simulcasting in a  
7 simulcasting facility shall be in writing, be filed with the  
8 commission, and be lawful and effective only if expressly approved  
9 as to their terms by the commission, except that any such  
10 agreements which provide for a percentage of the casino licensee's  
11 share of the parimutuel pool wagered at a simulcasting facility to be  
12 paid to the casino service industry enterprise shall not be subject to  
13 the provisions of this subsection.

14 (9) Written agreements relating to the operation of multi-casino  
15 or multi-state progressive slot machine systems between one or  
16 more casino licensees and a casino service industry enterprise  
17 licensed pursuant to the provisions of subsection a. of section 92 of  
18 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such  
19 license, which provide for an interest, percentage or share of the  
20 casino licensee's revenues, profits or earnings from the operation of  
21 such multi-casino or multi-state progressive slot machines to be  
22 paid to the casino service industry enterprise licensee or applicant  
23 shall not be subject to the provisions of this subsection if the  
24 agreements are filed with and approved by the division.

25 (10) A written agreement between a casino licensee and a casino  
26 service industry enterprise licensed pursuant to subsection a. of  
27 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant  
28 for such license, relating to the construction, renovation or  
29 operation of qualifying sleeping units, as defined in section 27 of  
30 P.L.1977, c.110 (C.5:12-27), or of non-gaming amenities, as  
31 defined by the division, within the limits of the city of Atlantic  
32 City, regardless of whether such qualifying sleeping units or non-  
33 gaming amenities are connected to a casino hotel facility, which  
34 provides for an interest, percentage or share of the casino licensee's  
35 revenues, profits or earnings, not to exceed 5% of the casino  
36 licensee's revenues, to be paid to the casino service industry  
37 enterprise licensee or applicant in return for the construction,  
38 renovation or operation of such qualifying sleeping units or non-  
39 gaming amenities shall not be subject to the provisions of this  
40 subsection provided that: (i) the agreement requires a capital  
41 investment, at least 10% of which shall be made by the casino  
42 service industry enterprise licensee or applicant over the term of the  
43 agreement, of not less than \$30 million, which minimum amount  
44 shall be adjusted periodically by the division for inflation; (ii) the  
45 division finds that the total amount of casino revenues, profits or  
46 earnings that can be paid to the casino service industry enterprise  
47 licensee or applicant pursuant to this agreement is commercially



1 reasonable under the circumstances; and (iii) the agreement is filed  
2 with and approved by the division.

3 (11) A written agreement between a casino licensee holding an  
4 Internet gaming permit and a casino service industry enterprise  
5 licensed pursuant to subsection a. of section 92 of P.L.1977, c.110  
6 (C.5:12-92), or an eligible applicant for such a license, in  
7 connection with the conduct of Internet gaming under P.L.2013,  
8 c.27 (C.5:12-95.17 et al.), which provides for a percentage of the  
9 casino licensee's Internet gaming gross revenue to be paid to the  
10 casino service industry enterprise licensee shall not be subject to the  
11 provisions of this subsection, provided that the agreement shall be  
12 in writing, filed with the division, and shall be lawful and effective  
13 only if the terms thereof are expressly approved by the division.

14 (12) A written agreement between a casino licensee and a casino  
15 service industry enterprise licensed pursuant to subsection a. of  
16 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant  
17 for such a license, in connection with the conduct of mobile gaming  
18 under section 100 of P.L.1977, c.110 (C.5:12-100), or mobile sports  
19 pool operations within a casino hotel facility in areas in which  
20 mobile gaming under section 100 of P.L.1977, c.110 (5:12-100) is  
21 authorized, which provides for a percentage of the casino licensee's  
22 gross revenue from mobile gaming to be paid to the casino service  
23 industry enterprise licensee shall not be subject to the provisions of  
24 this subsection, provided that the agreement shall be in writing,  
25 filed with the division, and shall be lawful and effective only if the  
26 terms thereof are expressly approved by the division.

27 (13) A written agreement between a casino licensee and a casino  
28 service industry enterprise licensed pursuant a. of  
29 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant  
30 for such a license, in connection with the conduct of a sports pool,  
31 including an online sports pool, mobile sports pool operations  
32 within a casino hotel facility in areas in which mobile gaming under  
33 section 100 of P.L.1977, c.110 (5:12-100) is authorized, or both,  
34 which provides for a percentage of the casino licensee's gross  
35 revenue from the operations of a sports pool, including online  
36 sports pool and mobile operations, to be paid to the casino service  
37 industry enterprise licensee shall not be subject to the provisions of  
38 this subsection, provided that the agreement shall be in writing,  
39 filed with the division, and shall be lawful and effective only if the  
40 terms thereof are expressly approved by the division.

41 b. Each casino applicant or licensee shall maintain, in  
42 accordance with the rules of the division, a record of each written or  
43 unwritten agreement regarding the realty, construction,  
44 maintenance, or business of a proposed or existing casino hotel or  
45 related facility. The foregoing obligation shall apply regardless of  
46 whether the casino applicant or licensee is a party to the agreement.  
47 Any such agreement may be reviewed by the division on the basis  
48 of the reasonableness of its terms, including the terms of

1 compensation, and of the qualifications of the owners, officers,  
2 employees, and directors of any enterprise involved in the  
3 agreement, which qualifications shall be reviewed according to the  
4 standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86).  
5 If the division disapproves such an agreement or the owners,  
6 officers, employees, or directors of any enterprise involved therein,  
7 the division may require its termination.

8 Every agreement required to be maintained, and every related  
9 agreement the performance of which is dependent upon the  
10 performance of any such agreement, shall be deemed to include a  
11 provision to the effect that, if the commission shall require  
12 termination of an agreement pursuant to its authority under  
13 P.L.1977, c.110 (C.5:12-1 et seq.), such termination shall occur  
14 without liability on the part of the casino applicant or licensee or  
15 any qualified party to the agreement or any related agreement.  
16 Failure expressly to include such a provision in the agreement shall  
17 not constitute a defense in any action brought to terminate the  
18 agreement. If the agreement is not maintained or presented to the  
19 commission in accordance with division regulations, or the  
20 disapproved agreement is not terminated, the division may pursue  
21 any remedy or combination of remedies provided in this act.

22 For the purposes of this subsection, "casino applicant" includes  
23 any person required to hold a casino license pursuant to section 82  
24 of P.L.1977, c.110 (C.5:12-82) who has applied to the division for a  
25 casino license or any approval required under P.L.1977, c.110  
26 (C.5:12-1 et seq.).

27 c. Nothing in this act shall be deemed to permit the transfer of  
28 any license, or any interest in any license, or any certificate of  
29 compliance or any commitment or reservation.

30 (cf: P.L.2013, c.27, s.14)

31

32 13. Section 1 of P.L.2008, c.12(C.5:12-38a) is amended to read  
33 as follows:

34 1. "Promotional gaming credit" - A slot machine credit, sports  
35 wagering credit or other item approved by the division that is issued  
36 by a licensee to a patron for the purpose of enabling the placement  
37 of a wager at a slot machine or in a sports pool in the licensee's  
38 casino or through the licensee's Internet gaming system. No such  
39 credit shall be reported as a promotional gaming credit unless the  
40 casino licensee can establish that the credit was issued by the casino  
41 licensee and received from a patron as a wager at a slot machine or  
42 in a sports pool in the licensee's casino or Internet gaming system.

43 (cf: P.L. 2013, c.27, s.34)

44

45 14. Section 3 of P.L.2016, c.5 (C.52:27BBBB-20) is amended to  
46 read as follows:

47 3. a. As used in P.L.2016, c.5 (C.52:27BBBB-18 et al.):

1 "Atlantic City" means the City of Atlantic City, in Atlantic  
2 County;

3 "Base amount" means the amount of the payment in lieu of taxes  
4 as determined by subparagraph (d) of paragraph (3) of subsection c.  
5 of this section;

6 "Casino gaming property" means one or more parcels of real  
7 property located in Atlantic City, and any adjacent property utilized  
8 in connection with such property, upon which there is located a  
9 facility licensed to be used for casino gaming in 2014 or thereafter,  
10 whether or not in actual operation, which has more than 500 guest  
11 hotel rooms, and is not subject to recorded covenants prohibiting  
12 casino gaming;

13 "Division" means the Division of Gaming Enforcement in the  
14 Department of Law and Public Safety;

15 "Gross gaming revenue" (GGR) means the total amount of  
16 revenue raised through casino gaming, including revenue from  
17 sports pool operations, from all of the casino gaming properties  
18 located in Atlantic City as determined by the division;

19 "Local Finance Board" means the Local Finance Board in the  
20 Division of Local Government Services in the Department of  
21 Community Affairs; and

22 "Treasury" means the Department of the Treasury.

23 b. Beginning with calendar year 2017, and for the next  
24 succeeding nine calendar years, casino gaming properties located in  
25 Atlantic City shall be exempt from local property taxation on real  
26 property and improvements, including accessory hotels, conference  
27 centers, parking garages, and other appurtenant facilities, except  
28 that any new improvement developed on a casino gaming property  
29 that is made outside of the perimeter footprint of any improvement  
30 existing as of the effective date of this act and any real property, not  
31 formerly qualified as casino gaming property, acquired after such  
32 date by an owner of casino gaming property shall not be exempt  
33 from local property taxation in any calendar year and shall be  
34 subject to local property taxation annually at Atlantic City's general  
35 property tax rate. The provisions of this section shall not apply to  
36 any casino property that operates under a small scale casino facility  
37 license or a staged casino facility license pursuant to section 1 of  
38 P.L.2010, c.115 (C.5:12-80.1).

39 c. (1) In exchange for the property tax exemption granted in  
40 subsection b. of this section, each owner of each casino gaming  
41 property shall sign a 10-year financial agreement with Atlantic City  
42 for each casino gaming property promising to make quarterly  
43 payments to the city of its allocated portion of the annual amount of  
44 the payment in lieu of taxes as determined by this section. The  
45 owner of each casino gaming property shall be responsible for the  
46 payments allocated to that property and shall be subject to the lien  
47 provisions of R.S.54:5-6 if those payments are not made.

1 (2) Any new owner of a casino gaming property following the  
2 effective date of P.L.2016, c.5 (C.52:27BBBB-18 et al.) shall  
3 immediately become responsible for signing a financial agreement  
4 with Atlantic City promising to make payments consistent with this  
5 section.

6 (3) (a) The total amount of the payment in lieu of property  
7 taxes owed to Atlantic City for calendar year 2017 shall be \$120  
8 million. To the extent that any owner of a casino gaming property  
9 has paid property taxes for calendar year 2017 prior to the date  
10 P.L.2016, c.5 (C.52:27BBBB-18 et al.) becomes operative, the  
11 amount of property taxes so paid shall be credited toward that  
12 owner's allocated share of the \$120 million total payment in lieu of  
13 property taxes.

14 (b) For calendar year 2018 and for each calendar year thereafter,  
15 the amount of the payment in lieu of property taxes owed to  
16 Atlantic City shall increase by two percent per year in every year in  
17 which there is no upward adjustment to the base amount of the  
18 payment in lieu of taxes from the previous calendar year as  
19 determined by subparagraph (d) of this paragraph.

20 (c) For calendar year 2018 and for each calendar year thereafter,  
21 the total amount of the payment in lieu of property taxes owed to  
22 Atlantic City shall be the base amount as determined by  
23 subparagraph (d) of this paragraph and the total amount of the  
24 annual increases to date as determined by subparagraph (b) of this  
25 paragraph.

26 (d) For calendar year 2018 and for each calendar year thereafter,  
27 the base amount of the payment in lieu of taxes shall be determined  
28 as follows:

29 If the amount of the GGR in the preceding calendar year is  
30 between \$3.4 billion and \$3.8 billion, the base amount shall be \$165  
31 million, or in the case of an upward adjustment, \$15 million more  
32 than the PILOT in the previous year, whichever is greater;

33 If the amount of the GGR in the preceding calendar year is  
34 between \$3.0 billion and \$3.4 billion, the base amount shall be \$150  
35 million, or in the case of an upward adjustment, \$20 million more  
36 than the PILOT in the previous year, whichever is greater;

37 If the amount of the GGR in the preceding calendar year is  
38 between \$2.6 billion and \$3.0 billion, the base amount shall be \$130  
39 million, or in the case of an upward adjustment, \$10 million more  
40 than the PILOT in the previous year, whichever is greater;

41 If the amount of the GGR in the preceding calendar year is  
42 between \$2.2 billion and \$2.6 billion, the base amount shall be \$120  
43 million, or in the case of an upward adjustment, \$10 million more  
44 than the PILOT in the previous year, whichever is greater;

45 If the amount of the GGR in the preceding calendar year is  
46 between \$1.8 billion and \$2.2 billion and the aggregate gross  
47 revenues from all of the casino gaming properties located in  
48 Atlantic City from all revenue streams, excluding GGR, have not

1 increased compared to the prior calendar year by more than the  
2 amount by which GGR is less than \$2.2 billion, as determined by  
3 the division, the base amount shall be \$110 million, or in the case of  
4 an upward adjustment, \$20 million more than the PILOT in the  
5 previous year, whichever is greater;

6 If the amount of the GGR in the preceding calendar year is \$1.8  
7 billion or less and the aggregate gross revenue from all of the casino  
8 gaming properties located in Atlantic City from all revenue streams,  
9 excluding GGR have not increased compared to the prior calendar  
10 year by more than the amount by which GGR is less than \$1.8  
11 billion as determined by the division, the base amount shall be \$90  
12 million.

13 (4) The amount of the payment in lieu of property taxes owed  
14 pursuant to this subsection shall be calculated annually each  
15 calendar year for each casino gaming property using a formula  
16 implemented by the Local Finance Board, in consultation with the  
17 division, using the following criteria:

18 The geographic footprint of the real property, expressed in acres,  
19 owned by each casino gaming property;

20 The number of hotel guest rooms in each casino gaming  
21 property; and

22 The gross gaming revenue of the casino in each casino gaming  
23 property from the prior calendar year.

24 Each of these three criteria shall bear equal weight in the formula  
25 implemented by the Local Finance Board, in consultation with the  
26 division, pursuant to this paragraph, provided that during calendar  
27 years 2017, 2018, 2019, 2020, and 2021, if the formula results in  
28 any individual casino gaming property being allocated an amount  
29 that is in excess of the total real property taxes due and payable by  
30 the casino gaming property in calendar year 2015, then that casino  
31 gaming property shall receive a credit against the obligation of the  
32 operator of that property under paragraph (2) of subsection a. of  
33 section 3 of P.L.1984, c.218 (C.5:12-144.1) in the amount of such  
34 excess. If, after that credit against the obligation of the operator of  
35 that property under paragraph (2) of subsection a. of section 3 of  
36 P.L.1984, c.218 (C.5:12-144.1), that casino gaming property would  
37 still be liable for a payment in lieu of property taxes in excess of the  
38 total real property taxes due and payable by the casino gaming  
39 property in calendar year 2015, the casino gaming property shall not  
40 be required to make any additional payment in lieu of property tax  
41 payment. Instead, any additional amount that would have been  
42 owed by that casino gaming property shall be added, by  
43 proportional share, to the payment in lieu of property taxes to be  
44 paid by every other casino gaming property in order to provide  
45 Atlantic City the total amount of the payment in lieu of property  
46 taxes due and owing for that calendar year.

47 d. When a new casino gaming property is added or when an  
48 existing casino gaming property no longer qualifies as a casino

1 gaming property as defined in subsection a. of this section, Atlantic  
2 City's financial agreement with each owner of each casino gaming  
3 property shall be amended to reflect the change and the allocation  
4 of the payment in lieu of property taxes between the casino gaming  
5 properties.

6 e. The provisions of R.S.54:5-6 shall apply to any amount  
7 required to be paid under this section, and the municipality shall  
8 have the same rights against any casino gaming property for such  
9 unpaid amounts relating to that property as if such amounts were  
10 unpaid property taxes.

11 (cf: P.L.2016, c. 5, s.3)

12

13 15. Sections 1, 2, and 4 of P.L.2014, c.62 (C.5:12A-7 through  
14 C.5:12A-9) are repealed.

15

16 16. This act shall take effect immediately <sup>1</sup>, except that  
17 provisions allowing online or Internet sports wagering shall take  
18 effect 30 days thereafter<sup>1</sup>.