

**CHAPTER 74**

**OFF-TRACK WAGERING AND ACCOUNT WAGERING**

**Authority**

N.J.S.A. 5:5-127.

**Source and Effective Date**

R.2002 d.174, effective June 3, 2002.  
See: 33 N.J.R. 4064(a), 34 N.J.R. 1953(a).

**Chapter Expiration Date**

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 74, Off-Track Wagering and Account Wagering, expires on November 30, 2007. See: 39 N.J.R. 2606(a).

**Chapter Historical Note**

Chapter 74, Off-Track Wagering and Account Wagering, was adopted as R.2002 d.174, effective June 3, 2002. See: Source and Effective Date.

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. GENERAL PROVISIONS**

- 13:74-1.1 Definitions
- 13:74-1.2 Rules of the Racing Commission

**SUBCHAPTER 2. APPLICATION FOR INITIAL OFF-TRACK WAGERING LICENSE; APPLICATION FOR RENEWAL OF OFF-TRACK WAGERING LICENSE**

- 13:74-2.1 Prerequisites to and procedures for grant of initial off-track wagering license
- 13:74-2.2 Prerequisites to and procedures for grant of renewal of an off-track wagering license

**SUBCHAPTER 3. APPLICATION FOR INITIAL ACCOUNT WAGERING LICENSE; APPLICATION FOR RENEWAL OF ACCOUNT WAGERING LICENSE**

- 13:74-3.1 Prerequisites to and procedures for grant of initial account wagering license
- 13:74-3.2 Prerequisites to a grant of renewal of an account wagering license

**SUBCHAPTER 4. ASSIGNMENT OR TRANSFER OF: OFF-TRACK WAGERING LICENSE OR ACCOUNT WAGERING LICENSE; OPERATIONAL ASPECTS OF OFF-TRACK WAGERING OR ACCOUNT WAGERING SYSTEM; PERMIT TO CONDUCT A HORSE RACE MEETING**

- 13:74-4.1 Prerequisites to and procedures for transfer or assignment of off-track wagering license or account wagering license
- 13:74-4.2 Operation of off-track wagering facility, or account wagering system or facility, by person or entity other than the account wagering licensee

**SUBCHAPTER 5. LICENSING; PENALTIES FOR VIOLATIONS; HEARING PROCESS**

- 13:74-5.1 Persons required to have licenses
- 13:74-5.2 Duration of license
- 13:74-5.3 License fee payment
- 13:74-5.4 Collection and dissemination of social security numbers
- 13:74-5.5 Fingerprint and photograph requirement

- 13:74-5.6 Age requirements
- 13:74-5.7 Badges
- 13:74-5.8 Refusal to issue or renew license
- 13:74-5.9 License conditions
- 13:74-5.10 Suspension or revocation of a license; penalties for violations
- 13:74-5.11 Duty to cooperate; knowledge of violations
- 13:74-5.12 Hearing requirement and procedure
- 13:74-5.13 Stay requests and determinations
- 13:74-5.14 Reciprocity

**SUBCHAPTER 6. STANDARDS FOR OFF-TRACK WAGERING FACILITIES**

- 13:74-6.1 Square footage, amenity and safety requirements
- 13:74-6.2 Odds display
- 13:74-6.3 Race information availability
- 13:74-6.4 Commingling and transmission failure notice
- 13:74-6.5 Ticket sales
- 13:74-6.6 Refunds
- 13:74-6.7 Cancellation of tickets issued at off-track wagering facilities
- 13:74-6.8 Ticket claims
- 13:74-6.9 Expiration of pari-mutuel tickets
- 13:74-6.10 No fee to be charged
- 13:74-6.11 Proceeds from off-track wagering; money room requirements
- 13:74-6.12 Testing of equipment and software
- 13:74-6.13 Patron complaints
- 13:74-6.14 Off-track wagering, and maintaining a presence at an off-track wagering facility, by certain persons prohibited

**SUBCHAPTER 7. STANDARDS FOR ACCOUNT WAGERING SYSTEM**

- 13:74-7.1 Establishment of a wagering account
- 13:74-7.2 Review of account wagering application by account wagering licensee, suspension or closure of wagering account
- 13:74-7.3 Restrictions on placing and accepting account wagers
- 13:74-7.4 Credits to a wagering account
- 13:74-7.5 Debits to a wagering account
- 13:74-7.6 Cancellation of account wagers; finalization of account wagers
- 13:74-7.7 Declaration by account wagering licensee to close account wagering system
- 13:74-7.8 Phone bank facility requirement and functions; minimum standards of operation
- 13:74-7.9 Testing of equipment and software
- 13:74-7.10 Facilities at or through which an account holder may place wagers
- 13:74-7.11 Race information availability
- 13:74-7.12 Commingling and transmission failure notice requirements
- 13:74-7.13 Fees to be charged in connection with account wagering
- 13:74-7.14 Proceeds from account wagering
- 13:74-7.15 Dormant accounts
- 13:74-7.16 Account wagering system records maintenance; account disputes
- 13:74-7.17 Account holder complaints to Commission
- 13:74-7.18 Account wagering by certain persons prohibited

**SUBCHAPTER 8. CONDUCT OF OFF-TRACK WAGERING AND ACCOUNT WAGERING**

- 13:74-8.1 Parameters of off-track wagering and account wagering; hub facility requirement
- 13:74-8.2 Receipt of races from in-State tracks
- 13:74-8.3 Receipt of races from out-of-State sending tracks
- 13:74-8.4 Formation of pari-mutuel pool for horse races from in-State sending tracks or in-State host tracks

- 13:74-8.5 Formation of pari-mutuel pool for horse races from out-of-State sending tracks or out-of-State host tracks
- 13:74-8.6 Formation of interstate common pool
- 13:74-8.7 Agreements with sending tracks

**SUBCHAPTER 9. MINIMUM STANDARDS FOR HUB FACILITY**

- 13:74-9.1 Presence of Supervisor of Mutuels at hub facility
- 13:74-9.2 Internal control procedures of hub facility
- 13:74-9.3 Testing of equipment and software
- 13:74-9.4 Mechanical breakdowns
- 13:74-9.5 Overpays caused by totalisator or failure
- 13:74-9.6 Transmission failure

**SUBCHAPTER 10. ASSESSMENT FORMULAS FOR RACING COSTS AND FOR THE PREVENTION, EDUCATION AND TREATMENT PROGRAMS FOR THE BENEFIT OF COMPULSIVE GAMBLING**

- 13:74-10.1 Racing costs assessment formula
- 13:74-10.2 Assessment formula for costs related to prevention, education and treatment programs for the benefit of compulsive gambling

**SUBCHAPTER 11. COMMISSION ACCESS TO AND PRESENCE AT OFF-TRACK WAGERING FACILITIES AND PREMISES WHERE ACCOUNT WAGERING IS CONDUCTED; COMMISSION EMPLOYEE AND APPOINTEE PROHIBITED AFFILIATIONS**

- 13:74-11.1 Unrestricted access of Racing Commission
- 13:74-11.2 Provision of parking space and office space by off-track wagering licensee and account wagering licensee
- 13:74-11.3 Commission employees/appointees; prohibited affiliations

**SUBCHAPTER 12. "SELF-EXCLUSION LIST" RULES**

- 13:74-12.1 "Self-exclusion list" rules incorporated herein by reference

**SUBCHAPTER 1. GENERAL PROVISIONS**

**13:74-1.1 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Account holder" means a resident of this State, 18 years of age or older, who establishes an account through which account wagers are placed.

"Account wagering" means a form of pari-mutuel wagering in which an account holder may deposit money in an account with the account wagering licensee and then use the account balance to pay for pari-mutuel wagers by the account holder.

"Account wagering licensee" means the New Jersey Sports and Exposition Authority, provided that the Commission has granted its approval for the Authority to establish an account wagering system.

"Account wagering system" means the system through which account wagers are processed by the account wagering licensee.

"Act" means the Off-Track and Account Wagering Act, P.L. 2001, c.199.

"Authority" means the New Jersey Sports and Exposition Authority created by section 4 of P.L. 1971, c.137 (N.J.S.A. 5:10-4).

"Closed-loop system" means a system of telephone, computer or other electronic based wagering as approved by the Commission, whose key elements shall be located in this State. The key elements shall include, but not be limited to, the hub facility, permanent information databases, banking databases, system monitoring equipment and account information representatives including those situated at the phone bank. The non-key elements of such system, as determined by the Commission upon application to and approval by it, may be located outside this State.

"Commission" means the New Jersey Racing Commission created by section 1 of P.L. 1940, c.17 (N.J.S.A. 5:5-22).

"Delay period" means the time difference between off-time and the start of a simulcast horse race.

"Dormant account" means a wagering account, established pursuant to the Act and this chapter, which has remained inactive for a continuous period of 24 months in that, during such 24-month continuous period, no valid pari-mutuel wagers were made utilizing funds in that account, no valid deposits or credits were made to the wagering account, and no valid debits or withdrawals were made to the wagering account.

"Executive Director" means the Executive Director of the Commission.

"Hub facility" means a facility located in this State which acts as an intermediary between each off-track wagering facility and an in-State sending track or out-of-State sending track; and which acts as an intermediary between the account wagering licensee and an in-State host track or out-of-State host track, with respect to the transmission of pari-mutuel wagering data. The hub facility shall be responsible for generating all reports necessary for the reconciliation of payments between the off-track wagering licensee or off-track wagering facilities, the account wagering licensee, sending tracks and the Commission. The hub facility may also, but is not required to, perform other functions, including the transmission of pictures of simulcast horse races to off-track wagering facilities and pari-mutuel non-wagering data.

"In-State host track" means a racetrack within this State that is operated by a permit holder which conducts a horse race upon which account wagers are placed.

"In-State sending track" means a racetrack within this State that is operated by a permit holder and is equipped to conduct off-track simulcasting.

"In-State track" means an in-State host track or an in-State sending track.

**SUBCHAPTER 10. ASSESSMENT FORMULAS  
FOR RACING COSTS AND FOR THE  
PREVENTION, EDUCATION AND  
TREATMENT PROGRAMS FOR THE  
BENEFIT OF COMPULSIVE GAMBLING**

**13:74-10.1 Racing costs assessment formula**

(a) The State Treasurer shall certify racing costs annually. The Commission shall submit to the State Treasurer all information pertinent to the certification for the related State fiscal year. Subject to the approval of the State Treasurer, the Racing Commission may adjust the annual assessment amount established pursuant to (b) below to cover costs not anticipated at the time of the certification.

(b) Racing costs shall be reimbursed to the Commission in the following order:

1. All license, permit and application filing fees collected by the Commission including those derived in connection with live thoroughbred racing, live harness racing, simulcasting at permitted racetrack facilities, casino simulcasting, account wagering and off-track wagering;

2. All breakage monies and outstanding ticket monies resulting from wagering at any off-track wagering facility or through account wagering on races conducted by an in-State track, and all breakage monies and outstanding ticket monies resulting from wagering at any off-track wagering facility or through account wagering on races conducted by an out-of-State track in excess of \$300,000 annually, which \$300,000 is to be devoted to the purposes set forth in the Act; and

3. The outstanding pari-mutuel ticket monies due the Racing Commission pursuant to N.J.S.A. 5:5-64a.1 and 5:10-7g(1), comprising 50 percent of the total proceeds of outstanding ticket monies derived from all wagering on live running and live harness races at permitted racetrack facilities in this State.

(c) Where the items in (b) above are not sufficient to reimburse the Racing Commission for racing costs in any State fiscal year, the permit holders and successors in interest shall be assessed for the balance of racing costs not otherwise appropriated to the Commission by law in accordance with the following formula:

1. The dollar amount of the balance shall be divided by the greater of the number of race dates allocated to or actually raced by New Jersey permit holders and successors in interest during the assessment period;

2. The figure derived by performing the calculation in (c)1 above shall be multiplied by the greater of the number of race days allocated to or actually raced by each permit holder or successor in interest;

3. The figure derived by performing the calculation in (c)2 above, as to each permit holder or successor in interest which conducted live racing, shall be reduced by 40 percent each. Subject to any additional amount due, as a result of the application of the calculation in (c)4 above, this figure shall comprise the total amount due for racing costs by each permit holder or successor in interest offering live racing;

4. The cumulative dollar amount derived by performing the 40 percent percentage reduction calculation in (c)3 above shall be allocated for payment amongst each permit holder or successor in interest, the permit holder or successor in interest which holds the account wagering licensee or the off-track wagering licensee, on the following basis:

i. Twenty percent of the total shall be paid on an equal basis by each permit holder who offers live racing but is not subject to the minimum live race date requirements of the Act;

ii. Twenty-five percent shall be paid by the permit holder or successor in interest which holds the off-track wagering licensee, commencing with the opening of the first Commission approved account wagering facility in this State, and the off-track wagering licensee shall not be precluded from obtaining reimbursement for any or all of such costs from other parties to the participation agreement related to off-track wagering; and

iii. Any remaining balance shall be paid by the permit holder or successor in interest that holds the account wagering licensee, which shall not be precluded from obtaining reimbursement for any or all of such costs from other parties to the participation agreement related to account wagering; and

5. Such assessment shall be approved by the State Treasurer.

(d) The Commission shall issue a written invoice to a designated representative of each permit holder or successor in interest, the account wagering licensee, or the off-track wagering licensee as appropriate who is responsible for the payment of racing costs pursuant to (b) or (c) above. If the State Treasurer does not certify racing costs within 30 days of submission of information by the Commission under (a) above, the Commission may issue an interim invoice based on the information submitted. The amount of the invoice or interim invoice shall be paid to the Commission within 21 days of issuance. The Commission shall make a refund or additional assessment, if required, in accordance with the certification by the State Treasurer. Upon receipt of the funds subject to any invoice for racing costs, the Commission shall cause such funds to be deposited into a non-lapsing dedicated account to be used for racing purposes.

**13:74-10.2 Assessment formula for costs related to prevention, education and treatment programs for the benefit of compulsive gambling**

Beginning on July 1, 2003, the Commission by written invoice and on an annual basis shall assess each permit holder, or successor in interest to each permit holder if applicable, on an equal basis a total sum of \$200,000 in the aggregate. Each permit holder or successor in interest shall make the required payment within 15 days of the date of the issuance of the invoice by the Commission. The Commission shall cause or direct that the related funds be paid into the General Treasury, no later than August 1 of year of the assessment, for appropriation by the legislature to the Department of Health and Senior Services for use by that Department within the same fiscal year when collected, for prevention and education and treatment programs for compulsive gambling consistent with the Act.

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**SUBCHAPTER 11. COMMISSION ACCESS TO AND PRESENCE AT OFF-TRACK WAGERING FACILITIES AND PREMISES WHERE ACCOUNT WAGERING IS CONDUCTED; COMMISSION EMPLOYEE AND APPOINTEE PROHIBITED AFFILIATIONS**

**13:74-11.1 Unrestricted access of Racing Commission**

(a) The Commission, its agents and representatives in furtherance of its regulatory responsibilities shall have unrestricted access to:

1. All off-track wagering facilities; and
2. All premises utilized by the account wagering licensee, its agents or assignees for the purposes of directly or indirectly offering or accepting or processing accounts wagers.

**13:74-11.2 Provision of parking space and office space by off-track wagering licensee and account wagering licensee**

(a) The off-track wagering licensee shall, in furtherance of the Commission's regulatory responsibilities, provide the Commission with two designated parking spaces, as approved by the Commission, at each off-track wagering facility where employee or patron parking is offered.

(b) The account wagering licensee shall, in furtherance of the Commission's regulatory responsibilities, provide the Commission with two designated parking locations, as approved by the Commission, at the phone bank facility utilized in connection with account wagering, or at each such facility in the event the Commission approves the establishment of more than one phone bank.

(c) The Commission, in its discretion and in furtherance of its regulatory responsibilities, may require, as a condition of licensure, that the off-track wagering licensee provide the Commission with reasonable office space, as approved by the Commission, at no more than four off-track wagering facilities within geographic regions as selected by the Commission.

(d) The Commission, in its discretion and in furtherance of its regulatory responsibilities, may require, as a condition of licensure, that the account wagering licensee provide the Commission with reasonable office space, as approved by the Commission, at each phone bank utilized in connection with account wagering. Nothing contained in this section shall be construed to disallow a phone bank utilized in connection with account wagering from being situated at the same premises as a licensed off-track wagering facility, including at such a facility where the Commission is allocated reasonable office space by the off-track wagering licensee, in which case that combined office space shall be deemed to satisfy any condition imposed on the off-track wagering facility pursuant to (c) above, and any such condition imposed upon the account wagering licensee as to that phone bank pursuant to this subsection.

(e) Nothing contained in this section shall be construed to disallow a phone bank utilized in connection with account wagering from being situated at the same premises as a permitted racetrack premises at which the Commission is allocated reasonable office space by the permit holder, in which case that office space shall be deemed to satisfy any such condition imposed on the account wagering licensee as to that phone bank pursuant to (d) above.

**13:74-11.3 Commission employees/appointees; prohibited affiliations**

No employee or appointee of the Commission shall provide any services to the account wagering licensee or off-track wagering licensee, including to the account wagering system or any off-track wagering facility, whether or not for compensation where those services are outside the scope of his or her duties on behalf of the Commission.

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**SUBCHAPTER 12. "SELF-EXCLUSION LIST" RULES**

**Authority**

N.J.S.A. 5:5-30, 5:5-65.1 and 5:5-65.2.

**Source and Effective Date**

R.2004 d.399, effective October 18, 2004.  
See: 36 N.J.R. 2980(a), 36 N.J.R. 4828(a).

**13:74-12.1 "Self-exclusion list" rules incorporated herein by reference**

The Racing Commission rules, at N.J.A.C. 13:74A, Self-Exclusion List, sets forth rules and procedures allowing for individuals to voluntarily place themselves on a list of persons to be: excluded from thoroughbred racetracks licensed pursuant to N.J.A.C. 13:70, Horse Racing; excluded

from standardbred or harness racetracks licensed pursuant to N.J.A.C. 13:71, Harness Racing; excluded from off-track wagering facilities licensed pursuant to this chapter (N.J.A.C. 13:74, Off-Track and Account Wagering); and excluded from opening or maintaining a wagering account with the account wagering licensee as authorized pursuant to this chapter. All rules in N.J.A.C. 13:74A are applicable to this chapter and are incorporated herein by reference.