

CHAPTER 74  
OFF-TRACK WAGERING AND  
ACCOUNT WAGERING

Authority

N.J.S.A. 5:5-30 and 5:5-127 et seq.

Source and Effective Date

R.2007 d.335, effective September 20, 2007.  
See: 39 N.J.R. 2606(a), 39 N.J.R. 4422(a).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1.c(2), Chapter 74, Off-Track Wagering and Account Wagering, expires on March 19, 2015. See: 46 N.J.R. 2102(a).

Chapter Historical Note

Chapter 74, Off-Track Wagering and Account Wagering, was adopted as R.2002 d.174, effective June 3, 2002. See: 33 N.J.R. 4064(a), 34 N.J.R. 1953(a).

Subchapter 12, "Self-Exclusion List" Rules, was adopted as new rules by R.2004 d.399, effective October 18, 2004. See: 36 N.J.R. 2980(a), 36 N.J.R. 4828(a).

Chapter 74, Off-Track Wagering and Account Wagering, was re-adopted as R.2007 d.335, effective September 20, 2007. See: Source and Effective Date.

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 74, Off-Track Wagering and Account Wagering, was scheduled to expire on September 20, 2014. See: 43 N.J.R. 1203(a).

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## 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, as amended.

"Applicant" means the New Jersey Sports and Exposition Authority or another entity that submits an application to the Commission for a license to establish and conduct an off-track wagering facility pursuant to the Act.

"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.

“Horsemen’s organization” means the New Jersey Thoroughbred Horsemen’s Association, the Standardbred Breeders’ and Owners’ Association of New Jersey, the Thoroughbred Breeders’ Association of New Jersey or another organization or group representing a majority of horsemen who participate in horse race meetings conducted within this State.

“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.

“Internal control procedures” means the written procedures required to be maintained and updated as necessary, for Commission approval, by:

1. The off-track wagering licensee, which sets forth the operational procedures to effectively operate the racing and pari-mutuel wagering aspects of each off-track wagering facility and to protect the fiscal soundness, technical reliability and integrity of wagering;
2. The account wagering licensee, which sets forth the operational procedures to effectively operate the racing and pari-mutuel wagering aspects of the account wagering system and to protect the fiscal soundness, technical reliability and integrity of wagering; and
3. The hub facility, which sets forth the operational procedures to effectively operate the hub facility in connection with off-track wagering, account wagering, any other racing related functions performed by the hub facility, and to protect the fiscal soundness, technical reliability and integrity of wagering.

“Interstate common pool” means a pari-mutuel pool established in this State, in another state or in another country, within which is combined the pari-mutuel pools of one or more receiving tracks located in one or more states or countries, upon a race at an out-of-State sending track or out-of-State host track for purposes of establishing payoff prices to winning pari-mutuel ticket holders in various jurisdictions participating in the interstate common pool.

“Manual merge” means the process used in the event of a systems or communications failure by which the off-track wagering licensee, the account wagering licensee and hub facility transmits to an in-State track or out-of-State track through telephone, facsimile machine, cellular telephone or other means of communication, the off-track wagering licensees or account wagering licensees pari-mutuel information and the process by which the in-State track or out-of-State track includes such pari-mutuel wagers in the common pari-mutuel pool in such event.

“Minus pari-mutuel pool” means a pari-mutuel pool in which insufficient monies have been wagered to permit the minimum payoffs of winnings required by the rules of pari-mutuel wagering governing the race.

“New Jersey Racing Industry Special Fund” means the fund established pursuant to section 27 of the Act, N.J.S.A. 5:5-153.

“Off-time” means when wagering is ceased prior to the start of a horse race by a signal transmitted from an in-State track or out-of-State track to the totalisator, through which the account wagering system or an off-track wagering facility is conducting wagering, or in the event that the transmission of data has been interrupted, by the totalisator in accordance with the internal controls of the hub facility.

“Off-track simulcasting” means the simultaneous video transmission which may include a simultaneous audio transmission, of horse races conducted live at in-State or out-of-State racetracks to off-track wagering facilities and pari-mutuel wagering at those off-track wagering facilities on the results of those races.

“Off-track wagering” means pari-mutuel wagering at an off-track wagering facility within this State.

“Off-track wagering facility” means a licensed facility within this State, other than a racetrack or casino simulcast facility operated within the premises of an Atlantic City casino, where no live racing is conducted.

“Off-track wagering licensee” means the Authority or its assignee or assignees or another entity to which the Commission has granted its approval to conduct an off-track wagering facility as provided for in the Act.

“Out-of-State host track” means a racetrack in a jurisdiction other than this State, the operator of which is lawfully permitted to conduct a horse race meeting and which

conducts horse races upon which account wagers may be placed.

“Out-of-State sending track” means a racetrack in a jurisdiction other than this State, which is equipped to conduct off-track simulcasting and the operator of which is lawfully permitted to conduct a horse race meeting and to provide simulcast horse races to off-track wagering facilities within this State.

“Out-of-State track” means an out-of-State host track or an out-of-State sending track.

“Outstanding pari-mutuel ticket” means a winning or refundable pari-mutuel ticket that is not claimed within six months of sale, which six month period is to be calculated as set forth in this chapter.

“Pari-mutuel” means any system whereby wagers with respect to the outcome of a horse race are placed with or in a wagering pool conducted by an authorized person, and in which the participants are wagering with each other and not against the person conducting the wagering pool.

“Participation agreement” means the written contract entered into prior to February 23, 2011, the effective date of P.L. 2011, c. 26, that provides for the establishment or implementation of either an off-track wagering facility or facilities or an account wagering system. Each such contract shall set forth the manner in which the off-track wagering facility or facilities or the account wagering system shall be managed, operated and capitalized, as well as how expenses and revenues shall be allocated and distributed by and among the Authority and the other eligible participants subject to the agreement.

“Permit holder” means the holder of an annual permit issued by the Commission to conduct a horse race meeting within this State.

“Phone bank” means a facility located within this State operated by the account wagering licensee or an assignee or assignees, as approved by the Commission, the functions of which facility shall include the processing of all account wagers placed by telephone and, unless otherwise approved by the Commission, such other functions related to account wagering and the administration thereof as set forth in this chapter.

“Racetrack” means the facility within this State where a permit holder conducts a live horse race meeting or meetings with pari-mutuel wagering.

“Racing costs” means the prospective and actual costs for all licensing, investigation, operation, regulation, supervision and enforcement activities and functions performed by the Commission.

“Scratch” means the withdrawal of an entered horse from a race after the closing of overnight entries.

“Self-service pari-mutuel machine” means a mechanical, electrical or other device connected to a totalisator which upon the insertion of a credit voucher, coupon or currency, or any combination thereof, and the selection of a permissible wager, automatically issues a pari-mutuel ticket together with a credit voucher for any balance which may be due; and which, upon the insertion of a winning or refunded pari-mutuel ticket, reads the ticket and automatically issues a credit voucher in the amount of the correct payout; and which, upon the entry of an account wagering account number and correct personal identification number by a patron, allows the patron to access his or her wagering account for the purposes of placing wagers by selecting a permissible simulcast wager in an amount not to exceed the balance of the patron’s account.

“Share” means the number of off-track wagering facilities allocated to the Authority or a permit holder in the participation agreement for off-track wagering required by N.J.S.A. 5:5-130(a), which has been reviewed and approved by the Commission and Attorney General pursuant to N.J.S.A. 5:5-130(b), minus any off-track wagering facility or facilities that are no longer within the number allocated to the Authority or permit holder pursuant to the operation of P.L. 2011, c. 205 (N.J.S.A. 5:5-130(b)(1)).

“Simulcast horse races” means horse races conducted at an in-State sending track or an out-of-State sending track, as the case may be, and transmitted simultaneously by picture to a receiving track or an off-track wagering facility.

“Successor in interest” means:

1. The party to whom, with the prior approval of the Commission, the annual permit to conduct a horse race meeting issued by the Commission has been transferred; or
2. The party to whom, with the prior approval of the Commission and Attorney General, an initial off-track wagering license, renewed off-track wagering license, initial account wagering license, or renewed account wagering license has been transferred or assigned.

“Takeout” means that portion of a wager that is deducted from or not included in the pari-mutuel pool, and which is distributed other than to persons placing wagers.

“Totalisator” means a computer situated within the hub facility which, among other things, directly or indirectly through one or more other totalisators receives pari-mutuel wagering information, calculates payoffs for winning pari-mutuel tickets, generates reports with respect to such information, and in the event that the transmission of data from a sending or host track has been interrupted, automatically ceases wagering in accordance with the internal control procedures of the hub facility.

“Wagering account” means an account through which an account holder may place account wagers through the account wagering system.