

2025

State of New Jersey

# Report to the Governor on Responsible Gaming

Findings of the Responsible Gaming Task Force

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## Executive Summary

Millions of New Jerseyans participate in various forms of gaming. In fact, nearly three out of four New Jerseyans aged 18 and older have participated in gambling in their lifetime.<sup>1</sup> Studies have shown that many New Jerseyans exhibit gaming patterns that are likely associated with problem gambling (“PG”).<sup>2</sup> The State of New Jersey embraces responsible gaming (“RG”) and has made efforts to address PG to protect its residents, including through this Task Force. Since its creation in June 2024, the Task Force has met with numerous stakeholders to explore different areas to strengthen RG in New Jersey. After a thorough review of local and global initiatives, the Task Force makes the following recommendations:

### 1. Standardization & Streamlining

The Task Force recommends several ways to standardize and streamline RG resources statewide across the various forms of gaming. This includes the creation of a board to facilitate all RG grants and funding; a centralized RG website with accessible state resources, which would include links giving individuals the ability to self-exclude from casino gambling, sports wagering, pari-mutuel wagering, and fantasy sports; the standardization of RG rules where applicable; and the creation of standardized RG tools across all forms of gaming. To enable informed decision-making, the Task Force also recommends that annual studies on all forms of gaming be required. In addition, the Task Force recommends statutory changes setting forth advertising rules and requiring operators to provide gamers with the ability to set deposit, loss, and time limits. The Task Force is also supportive of

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<sup>1</sup> MICHAEL SOFIS & MACKENZIE SLADE, *A BRIEF INVESTIGATION ON ILLICIT OR UNREGULATED GAMING IN NEW JERSEY USING EMPIRICAL DATA 3 (2025)* [HEREINAFTER SOFIS & SLADE].

<sup>2</sup> *Id.*; See also, LIA NOWER, JACKIE F. STANMYRE, & VIVIEN (WEN LI) ANTHONY, *THE PREVALENCE OF ONLINE AND LAND-BASED GAMBLING IN NEW JERSEY (2023)*, available at [https://socialwork.rutgers.edu/sites/default/files/2023-10/Prevalence\\_Report\\_2023\\_Final.pdf](https://socialwork.rutgers.edu/sites/default/files/2023-10/Prevalence_Report_2023_Final.pdf). (hereinafter 2023 PREVALENCE STUDY”).

further exploring a uniform gaming age of 21. Finally, the Task Force recommends the State support statutory changes to further prohibit the spread of unregulated and illegal gambling.<sup>3</sup>

## **2. Prevention & Education**

The Task Force recommends actions that are designed to increase prevention and education efforts throughout New Jersey. These recommendations include providing RG education beginning in elementary school; requiring identified underage gamers to complete educational programs; and providing state-funded RG resources.

## **3. Tools & Treatment**

The Task Force recommends standardizing coverage and making gaming addiction services more accessible. This includes a recommendation for statutory changes that would allow licensees of the Alcohol and Drug Counselor (“ADC”) Committee to treat PG without a co-occurring disorder, as well as statutory changes that would eliminate the oral exam for ADC Committee licensees.

## **4. Funding**

The Task Force recommends strategically using existing funding and requiring additional funding through forms of gaming not currently contributing to the State’s RG efforts. This includes reassessing current RG contributions, modernizing decades-old caps on penalties, and dedicating a portion of penalty fees from bingo, raffle, amusement games, lottery, and fantasy sports to RG funding. Further, the Task Force recommends that a portion of the operational fees of fantasy sports operators be dedicated to RG efforts.

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<sup>3</sup> The Task Force recognizes, as discussed in more detail, *infra*, that participating in fantasy sports activities is not considered gambling under New Jersey law. Nevertheless, this report does include PG and RG recommendations that are applicable to fantasy sports.

## Introduction

On June 14, 2024, Governor Phil Murphy signed Executive Order No. 360, which established a Responsible Gaming Task Force to provide advice and offer recommendations for government actions to support RG and to address PG in New Jersey.

The Task Force reviewed all existing RG and PG resources that gaming agencies in New Jersey make available to the public, the obligations and requirements related to RG and PG practices, advertising rules that each agency currently imposes on its regulated entities, and the impact of gaming offerings on underage individuals and vulnerable populations. In this report, the Task Force has developed strategies for how existing and future funding for RG can be most effectively utilized and for making RG resources more uniformly available across multiple forms of gaming. Finally, the Task Force makes recommendations for needed changes to standardize and strengthen existing RG and PG obligations and requirements on regulated entities, as well as additional changes to support RG and address PG.

The Task Force is composed of seven members with the Attorney General serving as Chair. The Office of the Attorney General (“OAG”) supervises the divisions, offices, and commissions within the Department of Law and Public Safety (“LPS”). The New Jersey Division of Consumer Affairs (“DCA”), a division of LPS, regulates and certifies operators to offer permitted fantasy sports activities. DCA also provides investigative and operational support to the Legalized Games of Chance Control Commission (“LGCCC”). LGCCC licenses and regulates bingos, raffles, and amusement games. In addition, DCA, through its professional licensing boards, licenses and regulates mental health professionals who treat gambling disorders. The New Jersey Division of Gaming Enforcement (“DGE”), also a division

of LPS, is responsible for licensing and regulating land-based casino gambling, Internet gaming, and retail and mobile sports wagering. The New Jersey Racing Commission (“NJRC”) is the division of LPS that regulates the sport of horse racing and the pari-mutuel wagering that takes place on horse races.

From the Department of Treasury, the Division of the State Lottery sells lottery tickets through its retail vendors and online through lottery couriers. The New Jersey Casino Control Commission (“CCC”) is an independent commission, “in” but not “of” the Department of Treasury, which licenses casinos and certain casino employees.

The Department of Human Services (“DHS”) through its Division of Mental Health and Addiction Services (“DMHAS”) plans and funds an array of mental health and addiction programs, including prevention, early intervention, treatment, and recovery support services. DMHAS oversees RG funding, now provided by the casino gaming and racing industries, for compulsive gambling<sup>4</sup> treatment, education, and prevention programs.

## Overview of Existing Gaming Regulations in New Jersey

New Jersey has a variety of regulated gaming with existing obligations pertaining to RG. As each form of gaming was enacted pursuant to its own legislation, the Task Force focused on emphasizing those areas most relevant to the discussion here—addressing PG in all forms of gaming in the State. These differences were used to foster dialogue about the various ways to ensure RG is upheld.

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<sup>4</sup> The Task Force acknowledges that “compulsive gambler” is not the preferred terminology, as contemporary clinical and policy discussions favor terms such as “individual with a gambling disorder” to align with the DSM-5 and reduce stigma. However, for consistency with New Jersey’s statutory and regulatory framework, this report retains the term as it appears in existing law.

## *Well-regulated areas*

### Casino gaming and sport wagering

In 1974 and 1976, New Jersey had voter referendum questions related to the creation of casino gaming in the State. On November 5, 1974, New Jersey voters were presented with six public questions. The first question that year was whether to approve a constitutional amendment to authorize casino gambling with State-owned and -operated casinos located in municipalities to be specified. It provided that the entire net proceeds of the gambling houses or casinos had to be paid into the State Treasury. That referendum question failed by a vote of 790,777 (in favor) and 1,202,638 (against). The majority of voters in each county except Atlantic and Hudson voted against the question.

On November 2, 1976, New Jersey voters again were presented with a casino gaming question as one of seven public questions posed on that election day. Public Question No. 1 was entitled, “CONSTITUTIONAL AMENDMENT CASINOS IN ATLANTIC CITY FOR THE BENEFIT OF SENIOR CITIZENS AND DISABLED RESIDENTS OF THE STATE.” The question asked was whether the Constitution should be amended to authorize the Legislature to establish and regulate gambling casinos in Atlantic City with the State’s revenues therefrom applied solely to reduce property taxes, rentals, and telephone, gas, electric, and municipal utility charges of eligible senior citizens and disabled residents of the State. That referendum question passed by a vote of 1,535,249 (in favor) and 1,180,799 (against). It passed in all counties except Hunterdon, Salem, Somerset, Sussex, and Warren. A2366, introduced on November 22, 1976, passed the Assembly on April 25, 1977 and the Senate on May 23, 1977. It became the Casino Control Act, on June 2, 1977, P.L. 1977, c. 110.

The Casino Control Act (“CC Act”) established DGE. Today, DGE is a law enforcement agency, the principal New Jersey gaming authority, and the investigative arm of the casino regulatory system responsible for enforcing the CC Act,<sup>5</sup> the Sports Wagering Act (“SW Act”),<sup>6</sup> and the regulations promulgated thereunder. DGE’s workforce includes attorneys, investigators, analysts, mathematicians, engineers, and accountants, supported by members of the Division of State Police (“DSP”) and the Division of Criminal Justice (“DCJ”) prosecutors and investigators. DGE is fully funded by fees and revenue billings to the gaming industry.

DGE regulates all aspects of casino gaming and sports wagering, encompassing brick-and-mortar **casinos**, **Internet gaming**, and retail and mobile **sports wagering**. This includes oversight of sports wagering activities at racetracks offering both retail and online sports wagering. DGE investigates, issues reports, and, when necessary, challenges the qualifications of corporate and individual applicants for casino and casino-related licenses; reviews and audits casino-hotel operations; investigates and prosecutes all casino-related crimes; and regulates all electronic gaming devices located at brick-and-mortar casinos such as slot machines, casino floor systems, retail sportsbook systems, and online gaming products for Internet gaming and mobile sports wagering platforms, prior to use. It is also responsible for the licensing and regulation of fixed odds wagering. DGE works closely with licensed casinos, online gaming providers, and sports wagering providers to promote RG and protect players. Dedicated resources for RG are managed by DGE.

DGE is comprised of several bureaus. The Casino Licensing Bureau (“CLB”) conducts investigations of casino licensees and racetrack sportsbook operations, their holding and

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<sup>5</sup> N.J.S.A. 5:12-1 et seq.

<sup>6</sup> N.J.S.A. 5:12A-10 et seq.

intermediary companies, entity and individual qualifiers, investors and financial sources, as well as casino key employee license applicants, most of which are of a complex and involved nature. CLB's Office of Financial Investigations analyzes financing, restructuring and reorganization transactions, reviews financial submissions, and addresses the dissemination of public information. The Regulatory Enforcement Bureau conducts investigations regarding revenue certification, internal controls, rules of the games, security, surveillance and other matters related to the daily operation of the casino. The Service Industry Licensing Bureau conducts investigations of entity and individual qualifiers providing goods and services to the casino industry, including those related to Internet gaming and sports wagering. The Records and Identification Bureau conducts investigations of employees seeking registration, obtains background checks, and provides fingerprinting and application services for the casino industry. The Technical Services Bureau (TSB) is responsible for the enforcement of all laws governing electronic gaming equipment under the Act and regulations. TSB not only evaluates all electronic gaming equipment offered by the casino licensees, but it also inspects and approves all electronic gaming equipment prior to public use. TSB also conducts investigations regarding online gaming matters.

DGE is universally recognized as one of the premier gaming regulatory agencies in the world. Many other jurisdictions look to this State in general, but to DGE in particular, for leadership and guidance in establishing and operating their gaming offices. Every year a number of casino regulatory agencies, domestic and foreign, interact with DGE in order to emulate its laws, systems, and practices.

Legislative initiatives since DGE's establishment in 1977 have benefited the Atlantic City gaming industry by streamlining and modernizing the regulatory structure. Under P.L. 2011, c.19, which amended the CC Act, DGE has promulgated initial and revised

regulations, as well as later Internet gaming and sports wagering regulations. Pursuant to DGE's authority, it promulgated regulations and implemented reforms to allow the casinos to operate more efficiently without compromising the integrity of gaming operations. This first phase of promulgating regulations under DGE's authority incorporated a full analysis of all regulatory provisions, not only those impacted by the 2011 change to the CC Act. The industry was directly involved in that review. As a result, New Jersey was transformed from a state with one of the most burdensome regulatory provisions to a model for the rest of the United States, and DGE has been singled out by the American Gaming Association for its extraordinary efforts. This comprehensive "re-regulation" of the casino industry in 2011 carried out the mandate to streamline regulations, remove unnecessary or duplicative regulations, and assist in making the Atlantic City casino industry competitive with casinos in neighboring jurisdictions.

On February 26, 2013, Governor Chris Christie signed legislation permitting Internet gambling in New Jersey. DGE continued its regulatory initiatives, preparing proposed rule changes on a wide range of subjects, consolidating and streamlining the regulatory provisions governing both land-based casinos and Internet operations. In 2018, after lengthy legal proceedings championed by New Jersey, sports wagering was enacted in New Jersey. DGE implemented regulations regarding that additional form of gaming, creating again an entire regulatory construct.

Today, DGE continues to review its existing policies and regulations on an ongoing basis. The regulations are considered to be fluid, with continued review and additional changes under consideration and further changes to be made wherever it is appropriate to do so, including with respect to best practices and advancements in technology.

CCC works statutorily in conjunction with its sister agency, DGE, in the regulation of casino gaming. CCC is charged with the initial licensing of casinos, statements of compliance, the issuance of casino key employee licenses, appeals from certain DGE actions, and parking fee auditing functions.

### **Existing obligations for RG, PG practices, and advertising rules**

DGE provides a comprehensive variety of resources to support RG and address PG. DGE's approach to these areas, as discussed and detailed below, is considered the gold standard<sup>7</sup> not only throughout the United States but internationally, and DGE is seen and relied upon as a leader within the country and in the world.<sup>8</sup>

A key component of DGE's approach is a dedicated Responsible Gaming Coordinator, a position established by DGE in April 2023, whose responsibilities include the development, oversight, and implementation of existing RG programs and future initiatives. The Responsible Gaming Coordinator is DGE's primary point of contact for all RG and PG issues, ensuring a centralized and coordinated approach.

DGE's website features an RG page,<sup>9</sup> offering valuable information to promote public awareness and offer support. That page includes details on common myths about gambling, risks associated with gambling, and potential signs of a gambling problem. It also provides practical tips for RG and links to resources concerning, among others, Internet gaming, sports wagering, and prevalence studies commissioned by DGE and conducted by the Center of Gambling Studies at Rutgers University.<sup>10</sup> Additionally, the page offers contact

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<sup>7</sup> Jessica Welman, *New Jersey DGE expands RG rules and will hire ft, SBC Americas*, SBCAMERICAS, Apr. 21, 2023, <https://sbcamericas.com/2023/04/21/new-jersey-dge-responsible-gambling/>.

<sup>8</sup> Atlantic City Free Public Library, *History of Casino Gambling in Atlantic City*, <https://acfpl.org/ac-history-menu/atlantic-city-heritage-collections/15-heston-archives/68-history-of-casino-gambling-in-atlantic-city.html> (last visited Mar. 14, 2025).

<sup>9</sup> DGE Responsible Gaming, <https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/responsible-gaming-main/> (last visited Mar. 14, 2025).

<sup>10</sup> See, e.g., 2023 PREVALENCE STUDY *supra* note 2.

information for 1-800-GAMBLER, links to DGE-issued best practices, and access to other relevant tools and data.



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To assist individuals in managing their gaming habits, DGE offers a number of options for patrons, including at-risk individuals, to self-exclude. Patrons can choose to self-exclude from Internet gaming only or from both Internet gaming and brick-and-mortar casinos/sportsbooks.<sup>11</sup> This can be done conveniently through the DGE website,<sup>12</sup> in-person at DGE offices, or via video conference with DGE staff. Additionally, individuals can self-exclude directly through their Internet gaming account with licensed operators. To further enhance accessibility and support, DGE has established a dedicated hotline at 1-833-788-4DGE, providing guidance on all aspects of the self-exclusion program. The introduction of video conferencing options has streamlined the process, allowing individuals to easily enroll in or remove themselves from the self-exclusion list from the comfort of their homes. Moreover, through DGE's continuing efforts to enhance options, online enrollment for self-exclusion is now available not only as to Internet gaming but for combined brick-and-mortar and Internet gaming as well. As depicted in the below table, the increasing numbers of self-excluded individuals demonstrate the impact of DGE's expanded sign-up options.

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<sup>11</sup> DGE Self-Exclusion, <https://www.njoag.gov/about/divisions-and-offices/division-of-gaming-enforcement-home/self-exclusion-program/> (last visited Mar. 14, 2025).

<sup>12</sup> DGE Self-Exclusion Portal, <https://www.njportal.com/dge/selfexclusion> (last visited Mar. 14, 2025).

Year	2021	2022	2023	2024
Internet Only Self-Exclusion	11,135	16,660	21,856	29,125
Internet and Brick-and-Mortar Self-Exclusion	1,972	2,041	2,152	2,280
<b>Total</b>	<b>13,107</b>	<b>18,701</b>	<b>24,008</b>	<b>31,405</b>

DGE collaborates with licensed casinos, Internet gaming operators, and sports wagering operators to promote RG and player protection. DGE’s RG best practices for Internet gaming and sports wagering<sup>13</sup> mandate that each provider has a designated Responsible Gaming Lead and dedicated Responsible Gaming Team to support at-risk patrons by offering critical RG information such as resources available and various RG features offered by the provider. A core element of these best practices is leveraging technology to identify potential problem gamblers. Each operator, at a minimum, is required to implement automated triggers that monitor patron behavior. These triggers are related to both patron account activity (i.e., total deposits over a 24-hour period over a certain amount; total deposits over a 90-day period over a certain amount; accessing the self-exclusion page, but not completing the process; requesting a second cool-off period within a specific time period; a series of changes to increase the deposit or loss limit; and continued cancellations of withdrawals) and patron play behavior (i.e., total turnover over a 90-day period over a certain amount; increase in time spent on the website; evaluation of the patron’s session for the week to determine if multiple sessions ended with the patron having less than \$1 in the account; and evaluation of the patron’s session for the week to determine if multiple sessions had an increase in the amount of wagers).

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<sup>13</sup> DGE’s RG best practices have been formulated into a regulation package which is in the promulgation process.

When such triggers are identified, each operator is required to follow a phased intervention approach. The phased approach is aimed at ensuring intervention occurs at each level as follows:

- **Phase 1 Intervention** - correspond with the patron via email to provide education on available RG features offered by the platform as well as resources available.
- **Phase 2 Intervention** - display a video tutorial to the patron to educate the patron on the availability of the various RG features offered by the platform as well as resources available.
- **Phase 3 Intervention** - a direct intervention by an RG professional from the provider to counsel and advise the patron on corrective actions necessary to address the at-risk behavior.

This process includes proactive monitoring of patron behavior, with the third phase of intervention requiring direct outreach by operators to inform patrons of available RG tools and to guide and advise the patron on corrective actions to address the at-risk behavior. DGE plans to strengthen this requirement by mandating operators contact patrons directly via phone or video call to explain these tools and provide contact information for duly licensed providers in New Jersey with experience treating individuals with a gambling disorder, as well as to assess the matter for further action.

Online operators must comply with established RG statutory provisions<sup>14</sup> and regulations, which include offering patrons the ability to set deposit,<sup>15</sup> spend, and time limits,<sup>16</sup> initiate cool-off periods,<sup>17</sup> and self-exclude.<sup>18</sup> Patrons reaching lifetime deposits of \$2,500 must acknowledge the deposit threshold, the availability of setting RG limits, and 1-

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<sup>14</sup> N.J.S.A. 5:12-95.25.

<sup>15</sup> *Id.* at (b).

<sup>16</sup> N.J.A.C. 13:690-1.4(n).

<sup>17</sup> N.J.S.A. 5:12-95.25(b); N.J.A.C. 13:690-1.4(j).

<sup>18</sup> N.J.A.C. 13:690-1.2(z).

800-GAMBLER resources before continuing play.<sup>19</sup> Clear guidance on account closure and refund procedures must be prominently displayed on the gaming website, and the message “If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER” must be on the login and log off screens, as well as on all advertising.<sup>20</sup> Operators are prohibited from sending gaming-related communications to patrons with suspended accounts<sup>21</sup> and from prompting continued play when patrons are attempting to log off or have won or lost a bet.<sup>22</sup>

Patrons also must be able to access the player protection page at all times<sup>23</sup> and each gaming site is to display a specific RG Logo.<sup>24</sup> When the patron clicks on the RG Logo, they will be presented with certain information as follows.<sup>25</sup> The information displayed requires a specific 1-800-GAMBLER message, a direct link to the Council on Compulsive Gambling of New Jersey, Inc. (“CCGNJ”) website,<sup>26</sup> the RG policy and commitment of the operator, RG information and tips, and the rules of self-imposed RG limits, including cool-off and self-exclusion, as well as the manner in which to enable them.<sup>27</sup>

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<sup>19</sup> *Id.* at -1.4(u).

<sup>20</sup> *Id.* at -1.2(b); see also N.J.S.A. 5:12-70(a)(16).

<sup>21</sup> N.J.A.C. 13:690-1.2(d).

<sup>22</sup> *Id.* at (t).

<sup>23</sup> *Id.* at (u).

<sup>24</sup> *Id.* at (z).

<sup>25</sup> *Id.*

<sup>26</sup> The Council on Compulsive Gambling of New Jersey, Inc. is a nonprofit organization dedicated to educating the public about PG, promoting prevention, and offering support and resources to individuals and families affected by gambling addiction. CCGNJ, <https://800gambler.org/> (last visited Mar. 14, 2025).

<sup>27</sup> N.J.A.C. 13:690-1.2(z).

Additionally, advertisements must comply with DGE’s best practices<sup>28</sup> and regulations.<sup>29</sup> By statute, all advertisements must include RG language that is clear and legible.<sup>30</sup> This requirement applies across all media formats, including radio, broadcast media, television, and digital format.<sup>31</sup> Television advertisements broadcast into New Jersey or targeting New Jersey residents must comply with DGE’s advertising requirements. For example, displaying another State’s RG hotline in all capital letters while the 1-800-GAMBLER hotline is displayed in microscopic font is not acceptable. Similarly, attributing the 1-800-GAMBLER hotline to another state without clarifying its availability for New Jersey residents is also not permitted.<sup>32</sup>

Operators are encouraged to allocate a portion of their advertising budgets to campaigns solely focused on promoting RG. This could include dedicating a predefined number of advertising placements to RG messaging or setting a minimum percentage of the budget for such campaigns. While “RG -only” advertisements are not mandated by current law or regulation, DGE encourages licensees to collaborate with advertising partners and RG professionals to determine appropriate frequency and placement.<sup>33</sup>

Advertisements must not be misleading in any way.<sup>34</sup> Prohibited practices relate to slogans portraying “guaranteed wins” or “risk free” bets<sup>35</sup> when patrons are required to

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<sup>28</sup> *Advertising Standards* (Apr. 20, 2023), available at <https://www.nj.gov/oag/ge/docs/BestPractices/AdvertisingBestPractices.pdf> [hereinafter *Advertising Best Practices*]. See also *Press Release, AG Platkin Announces New Multi-Faceted Efforts to Curb Problem Gambling* (Apr. 20, 2023), <https://www.njoag.gov/ag-platkin-announces-new-multi-faceted-efforts-to-curb-problem-gambling/>,

<sup>29</sup> N.J.A.C. 13:69C-14.

<sup>30</sup> N.J.S.A. 5:12-70(a)(16).

<sup>31</sup> N.J.A.C. 13:69C-14.1(a).

<sup>32</sup> *Advertising Best Practices*, *supra* note 28.

<sup>33</sup> *Ibid.*

<sup>34</sup> N.J.A.C. 13:690-14.2(d).

<sup>35</sup> *Wayne Parry, New Jersey acts to help problem gamblers, sets ad standards, AP NEWS*, Apr. 20, 2023, available at <https://apnews.com/article/new-jersey-gambling-sports-betting-advertising-5ee7504cd263c1596a011d53db51dd7f>.

deposit their own funds and cannot be fully compensated for any losses, in addition to others. Promotions with unrealistic wagering requirements, such as expecting patrons to wager \$150,000 to redeem a \$1,000 bonus, are also not permitted.<sup>36</sup> Additionally, advertisements cannot misrepresent online games by falsely advertising higher odds, guaranteed wins, or the possibility of streaks. All terms and conditions for promotions must be clearly stated upon the patron opting into the promotion, including any wagering and withdrawal requirements.<sup>37</sup>

Operators must provide patrons with an effective way to opt out of all direct advertising materials, including advertisements from contracted vendors.<sup>38</sup> For new customers, this can be achieved by including an opt-out option on the operator's registration page. For current customers, operators must include an opt-out option on the RG page. Operators must also ensure that information pertaining to self-exclusion and all RG features is presented in a clear and unambiguous manner.

All advertisements and promotions, including those conducted by affiliates, must be filed with DGE.<sup>39</sup> Advertisements must not be presented in mediums where the primary demographic is underage. Examples of non-compliant placements include certain social media platforms or events where the primary demographic is youth oriented, such as Zigazoo, the Little League World Series, or the broadcast of high school sports.<sup>40</sup> Likewise, advertisements must not include images, likenesses, or themes that target the underage demographic. Automated systems, as stated, are to be utilized to identify potentially at-risk patrons, such as those who repeatedly access the self-exclusion page but do not complete

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<sup>36</sup> *N.J.A.C. 13:690-14.2(d)*.

<sup>37</sup> *Id. at -1.12(c)*.

<sup>38</sup> *Advertising Best Practices, supra note 28.*

<sup>39</sup> *N.J.A.C. 13:690-14.3(a) to (c)*.

<sup>40</sup> *Advertising Best Practices, supra note 28.*

the process. Operators must avoid sending targeted advertising to at-risk patrons.

Advertising and marketing must not appear on any RG page of the operator’s website or applications.

Operators are required to implement education and training programs for employees involved in advertising or marketing to ensure adherence to these standards.<sup>41</sup> This includes training the executives responsible for marketing and advertising to understand and follow all applicable requirements. Additionally, continued education and training of sports teams, leagues, media, marketing, and broadcasting partners, as well as the general public, are critical. Training should emphasize the differences between a legal, regulated operator and offshore, illegal operators, highlighting the benefits and advantages of wagering with licensed, regulated operators.

All online operators must implement robust Know Your Customer (“KYC”) measures to ensure the proper identification of registered patrons.<sup>42</sup> During account creation, operators are required to authenticate the following data fields using multi-source verification before any patron deposits or other activities are allowed: the patron’s date of birth, Social Security Number, first and last name, and address.<sup>43</sup> To ensure the person creating the account is who they claim to be, operators must implement reasonable measures for authentication.<sup>44</sup> These measures may include answering knowledge-based questions, device verification, government-issued IDs, or other methods approved by DGE. Authentication is mandatory prior to any patron deposit or other patron-initiated activity.

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<sup>41</sup> *Ibid.*

<sup>42</sup> *N.J.A.C. 13:690-1.3(b).*

<sup>43</sup> *Ibid.*

<sup>44</sup> *Ibid.*

DGE actively engages in collaborative efforts to address RG issues, including monthly meetings with other state or federal regulators to discuss RG concerns, facilitating the exchange of information and sharing of best practices. These meetings help regulators stay informed about innovative approaches and solutions for promoting RG. Further, in 2023, along with the OAG, DGE provided and supported a year-long RG campaign focused on digital media to promote RG, discussed *infra*.

In addition, recognizing the New Jersey constitutional limitations upon college sports wagering, including no betting on New Jersey teams and no betting on college play occurring in New Jersey, DGE communicates regularly with sports leagues to address RG and sports integrity concerns. For example, DGE provided guidance to all New Jersey Division-I schools on reporting instances of athlete harassment or match manipulation, reinforcing its commitment to protecting athletes' welfare and maintaining the integrity of sports. As a result, there were no reports of any such negative activities. DGE notes, as well, the existing criminal provisions under New Jersey law which prohibit any such untoward activities.<sup>45</sup>

Finally, the Division allows individuals to sign up for the voluntary self-exclusion list. Self-exclusion can be for a term of either one year, five years, or lifetime. Self-excluded individuals cannot collect winnings or recover losses from any gaming activity.<sup>46</sup> Any money or thing of value obtained by a self-excluded individual from a casino, Internet gaming operator, or retail or mobile sportsbook is subject to forfeiture.<sup>47</sup> Additionally, DGE may bring an action against a casino, Internet gaming operator, or retail or mobile sportsbook for willful violations of the self-exclusion regulations and may order, in addition to any other

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<sup>45</sup> *N.J.S.A. 2C:33-4.*

<sup>46</sup> *N.J.S.A. 5:12-71.3(a).*

<sup>47</sup> *N.J.S.A. 5:12-71.3(b) and (c).*

sanction, the forfeiture of any funds or items of value obtained from a self-excluded individual.<sup>48</sup> Casino licensees must establish procedures to identify and prevent self-excluded individuals from gambling, accessing credit, receiving promotions, or participating in player loyalty programs. These measures include notifying designated employees and DGE representatives when a self-excluded person is identified, refusing wagers, and blocking targeted marketing.<sup>49</sup> Similar procedures apply to Internet gaming and mobile sports wagering operators to ensure self-excluded individuals do not receive promotional materials related to online gaming.<sup>50</sup> Individuals will remain on the self-exclusion list until they submit a formal request for removal, which will only be granted after the selected self-exclusion term has expired.<sup>51</sup> Until the individual is removed from the self-exclusion list, they will continue to be prohibited from all gaming activities regulated by DGE.<sup>52</sup>

## Pari-mutuel wagering

New Jersey is one of 45 states where **pari-mutuel wagering** on horse racing is legal.<sup>53</sup> Like most of these states, New Jersey limits the availability of pari-mutuel wagering to those persons 18 years and older.<sup>54</sup> Both the sport of horse racing and pari-mutuel wagering are regulated by NJRC.<sup>55</sup> By statute, NJRC is a nine-member commission whose members are appointed by the Governor with the advice and consent of the Senate.<sup>56</sup> Among those forms of gaming currently legal in New Jersey, pari-mutuel wagering on horse racing is the oldest.<sup>57</sup>

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<sup>48</sup> *Id.*

<sup>49</sup> N.J.A.C. 13:69G-2.4(a)

<sup>50</sup> N.J.A.C. 13:69G-2.4(b)

<sup>51</sup> N.J.A.C. 13:69G-2.5(a)

<sup>52</sup> *Id.*

<sup>53</sup> *Pari-mutuel wagering on horse racing is prohibited in Alaska, Georgia, Hawaii, South Carolina, and Utah.*

<sup>54</sup> See N.J.S.A. 5:5-65 (*wagering at racetracks*); N.J.S.A. 5:5-131 (*off-track wagering*); N.J.S.A. 5:5-129 and -142 (*account wagering*); and N.J.S.A. 5:5-174 (*exchange wagering*).

<sup>55</sup> N.J.S.A. 5:5-22.

<sup>56</sup> *Id.*

<sup>57</sup> See P.L. 1940, c. 17, effective March 18, 1940.

Opportunities and methods for placing pari-mutuel wagers have evolved and expanded over time. Pari-mutuel wagering became available to New Jersey residents following a voter referendum on June 20, 1939 and the passage of the Racing Act of 1940.<sup>58</sup> The first expansion of pari-mutuel wagering occurred in the late twentieth century as a result of simulcasting. Simulcasting allows bets to be taken on horse races taking place simultaneously at other tracks both within and outside of New Jersey. Wagering on simulcast horse races became available upon the passage of the Simulcasting Racing Act of 1985.<sup>59</sup> In 1990, New Jersey voters approved a constitutional amendment to permit horse races to be simulcast to casinos in Atlantic City and to allow wagering on those races. The Casino Simulcasting Act was enacted in 1992.<sup>60</sup>

Pari-mutuel wagering underwent a further expansion in the early twenty-first century. Following a voter referendum, the New Jersey Legislature enacted the Off-Track and Account Wagering Act of 2001.<sup>61</sup> That legislation legalized the offering of pari-mutuel wagering at off-track wagering facilities (“OTWs”) and through the account wagering system.<sup>62</sup> The account wagering system allows bettors to deposit money in an account and use that money to pay for pari-mutuel wagers that are placed in-person, by telephone, or “by communication through other electronic media.”<sup>63</sup> Exchange wagering was legalized in 2011.<sup>64</sup> Exchange wagering allows bettors to market their bets to other bettors through an exchange.<sup>65</sup>

Today, pari-mutuel wagering is available in New Jersey at two permitted racetracks, Meadowlands Racetrack and Monmouth Park; three OTWs, Winners in Bayonne, the

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<sup>58</sup> See L. 1940, c. 17.

<sup>59</sup> N.J.S.A. 5:5-111 to -121; see L. 1985, c. 269.

<sup>60</sup> N.J.S.A. 5:12-191 to -210; see L. 1992, c. 19.

<sup>61</sup> N.J.S.A. 5:5-127 to -160; see L. 2001, c. 199.

<sup>62</sup> *Ibid.*

<sup>63</sup> *Id.* at -144e.

<sup>64</sup> See L. 2011, c. 15.

<sup>65</sup> See N.J.S.A. 5:5-170.

Favorites in Woodbridge, and the Favorites in Hillsborough; and through the account wagering system, 4njbets.com. While 4njbets.com is the only account wagering platform currently operating in New Jersey, NYRAbets, LLC (“NYRAbets”) was recently issued a vendor license which will allow it to offer nyrabets.com to New Jersey residents, subject to certain conditions. In addition, NYRAbets was approved to act as the managing vendor of the account wagering system as a whole. In that capacity, NYRAbets is expected to recruit other operators to make additional account wagering platforms available in New Jersey.

### **Pari-Mutuel Wagering RG Efforts**

Shortly after the Off-Track and Account Wagering Act was enacted, *N.J.S.A. 5:5-65.1* was passed to require the establishment of a self-exclusion list.<sup>66</sup> Persons who voluntarily sign up for self-exclusion are excluded from entry into racetracks and OTW facilities and from access to the account wagering system.<sup>67</sup> The list is confidential and not accessible to the public.<sup>68</sup> Pursuant to NJRC regulations, individuals who sign up for self-exclusion must remain on the list for a minimum of one year, after which they may seek to be removed from the list by filing a written removal application.<sup>69</sup> Permitted racetracks, OTW licensees, and the account wagering licensee are required to develop written internal control procedures related to the self-exclusion process.<sup>70</sup> NJRC regulations further require each permit-holder and licensed OTW facility to post information about the New Jersey self-exclusion at their facilities and on their websites.<sup>71</sup>

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<sup>66</sup> See *L. 2002, c. 89*.

<sup>67</sup> *N.J.S.A. 5:5-65.1*.

<sup>68</sup> *Ibid.*

<sup>69</sup> *N.J.A.C. 13:74A-4.1*.

<sup>70</sup> *N.J.S.A. 5:5-65.1*.

<sup>71</sup> *N.J.A.C. 13:74A-5.1*.

A person placed on the self-exclusion list cannot collect winnings or recover losses resulting from wagering.<sup>72</sup> The NJRC Executive Director is authorized to enter an order for the forfeiture of any money or thing of value obtained by a self-excluded person after the person is given notice and an opportunity to be heard.<sup>73</sup> In addition, NJRC is authorized to order the forfeiture of any money or thing of value obtained by a permit-holder, OTW licensee, account wagering licensee, or fixed odds wagering licensee from a self-excluded person.<sup>74</sup>

## Bingos, Raffles, and Amusement Games

LGCCC, which is staffed by employees and investigators from DCA,<sup>75</sup> regulates and administers the laws regarding the following forms of legalized gambling: **bingos**, pursuant to the Bingo Licensing Law<sup>76</sup> enacted in 1954, and associated regulations;<sup>77</sup> **raffles**, pursuant to the Raffle Licensing Law<sup>78</sup> enacted in 1954, and associated regulations;<sup>79</sup> and **amusement games**, though the Amusement Game Licensing Law<sup>80</sup> and associated regulations.<sup>81,82</sup>

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<sup>72</sup> N.J.S.A. 5:5-65.2.

<sup>73</sup> *Ibid.*

<sup>74</sup> *Ibid.*

<sup>75</sup> LGCCC was created in 1954 (see N.J.S.A. 5:8-1 to -23) and was transferred to LPS in 1972. *Id.* at -1.1.

<sup>76</sup> N.J.S.A. 5:8-24 to 8-49.11.

<sup>77</sup> See generally N.J.A.C. 13:47.

<sup>78</sup> N.J.S.A. 5:8-50 to 8-77.

<sup>79</sup> See generally N.J.A.C. 13:47.

<sup>80</sup> N.J.S.A. 5:8-78 to 8-130.

<sup>81</sup> See generally N.J.A.C. 13:47.

<sup>82</sup> The Amusement Games Licensing Law was submitted to the voters of this State in a referendum at the general election in 1959, at which time it was approved. The referendum was necessary due to the Constitutional prohibition against gambling that has not been approved by the voters. N.J. Const. art. IV, § 7, ¶ 2. Bingos and raffles have also been added to the Constitution by referenda. See N.J. Const. art. IV, § 7, ¶ 2(A) to (B).

Responsibility for enforcement of the Amusement Games Licensing Law initially rested with the Amusement Games Control Commission (“AGCC”), with the director of the Division of Alcoholic Beverage Control serving as the AGCC Commissioner. See N.J.S.A. 5:8-78 (repealed 2022). In 1992, the powers of the AGCC were “abolished” and the office of its Commissioner was “terminated.” The functions, powers and duties of the AGCC were “continued and transferred to the [LGCCC] in the Division of Consumer Affairs in the Department of Law and Public Safety,” where they reside today. See Governor’s Reorganization Plan Department of Law and Public Safety A.1.a (filed Nov. 30, 1992, eff. Jan. 29, 1993),

The Bingo and Raffle Licensing Laws, among other things, require nonprofit organizations with an authorized purpose (charitable, educational, religious, patriotic, public spirited) and senior citizen associations and volunteer fire companies that wish to operate a bingo or raffle event to register with LGCCC. An LGCCC registration is valid for two years from the date of issuance and may be renewed prior to the expiration date. During the period of active registration, the organization may then apply for a bingo or raffle license with the municipality where the event will occur.<sup>83</sup> This must be done for each event. The application is presented to the municipal governing body for approval. If approved, the application and fees are forwarded to LGCCC staff to confirm the organization has an active registration and that their proposed event meets all applicable bingo or raffle rules and regulations (e.g., proper fees are paid, equipment from certified providers is used, no prohibited prizes are offered, such as firearms, etc.). Net proceeds obtained from bingo or raffle events must be used to support the organization’s purposes or the organizations themselves.<sup>84</sup> The organizations are required to complete and submit a Report of Operations to LGCCC staff following each event.

Under the Amusement Game Licensing Law (“AGLL”), the owners and operators of amusement games, meaning a game “of skill or chance, or both” that is “played for amusement or entertainment, in which the person or player actively participates and the

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available at <https://dSPACE.njstatelib.org/server/api/core/bitstreams/d83bcbc6-d749-4c42-bea1-c6f713c14d6a/content>.

<sup>83</sup> There are currently 12 variations of raffles which may be approved for licensure: on premises 50/50, off premises 50/50, on premise merchandise, off premise merchandise, duck races, casino nights, carnival games, instant raffle tickets, one-in-one events, punch boards, armchair races, and calendar raffles.

<sup>84</sup> Prior to the passage of a Constitutional amendment approved by voters in 2021, only veterans and senior citizen organizations were allowed to use proceeds from bingo or raffle events to support their operations. Following passage of the referendum, all organizations permitted to run bingo and raffle events may now choose to use some or all of the proceeds of the events to support themselves. This includes charitable, educational, religious, and fraternal organizations; civic and service clubs; and volunteer fire companies and volunteer first-aid and rescue squads.

outcome of which is not in the control of the operator, and which is so conducted that the sale of a right to participate [currently a maximum \$20 fee can be charged], the event which determines whether a player wins or loses and the award of the prize, all occur as a continuous sequence at the time when and place where the player or players are all present [e.g. an arcade, a midway game, or a boardwalk game],” may be licensed to operate such games at recognized amusement parks or at a seashore or other resort.<sup>85</sup>

The AGLL and accompanying regulations also require:

- amusement games only offer merchandise prizes, not cash prizes;<sup>86</sup> and
- amusement games receive a certification of permissibility from LGCCC prior to being offered to play in the State.<sup>87</sup>

Provided an amusement game operator meets the above requirements, an operator must follow a two-step procedure for licensing. An operator must first obtain a municipal license from the municipality where the games will occur and then the operator must obtain a license certificate from LGCCC.<sup>88</sup> Once a year, on May 15, each amusement game licensee must complete and submit a “Report of Conduct” disclosing information relating to type of games, the number of days each game was operated, the fees charged and income derived from the games, the type and total cost of prizes awarded, and the licensee’s operating expenses for the preceding year.<sup>89</sup>

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<sup>85</sup> N.J.S.A. 5:8-101. In addition to amusement parks and resorts, under a 1961 amendment to the law, amusement game licenses may also be issued to “agricultural fairs and exhibitions.” See *id.* at -121. Furthermore, in 2015 a law was passed allowing amusement game licenses to be issued to the holders of plenary retail consumption licenses that met certain requirements. See *id.* at -78.1. And in 2017, bowling alleys, *id.* at -78.2, and the post-security checkpoint areas of the departure level of an international airport terminal, *id.* at -101.1, were also added to the list of locations eligible for amusement game licensure under certain conditions.

<sup>86</sup> N.J.S.A. 5:8-102 to -103.

<sup>87</sup> N.J.S.A. 5:8-79; N.J.A.C. 13:3-7.1.

<sup>88</sup> See N.J.A.C. 13:3-2.1, -1.1.

<sup>89</sup> *Id.* at -4.3.

## Bingo and Raffle RG Efforts

Bingo and raffle operators must post a conspicuous notice for 1-800-GAMBLER at the location of bingo and raffle events.<sup>90</sup> Also, no person under the age of 18 may participate in any bingo event or in certain raffle events with cash prizes.<sup>91</sup> Furthermore, advertising for raffles with cash prizes must include a statement or announcement that “No one under the age of 18 years is permitted to participate,” and all raffle advertisements must have a statement or announcement that “If gambling is a problem for you or someone in your family, Dial 1-800-GAMBLER.”<sup>92</sup>

## Fantasy Sports Activities

DCA also regulates **fantasy sports activities**,<sup>93</sup> pursuant to *N.J.S.A. 5:20-1 et seq.* (commonly referred to as the “Fantasy Sports Act” or “FSA”), which was enacted in 2017, and the associated regulations.<sup>94</sup> The New Jersey Legislature has found and declared, in the FSA itself, that participating in fantasy sports activities “cannot be considered gambling under New Jersey laws because fantasy sports activities are contests in which the relative skill of the participants predominates to a degree that chance plays no material role in determining the outcome of the activities.”<sup>95,96</sup>

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<sup>90</sup> See *N.J.A.C. 13:47-6.6(b)*, *-6.14*, *-7.7(e)*.

<sup>91</sup> *Id.* at *-6.10*.

<sup>92</sup> *Id.* at *-6.14(h)*. It should be noted that bingo advertisements do not require such a statement or announcement.

<sup>93</sup> In relevant part, a “fantasy sports activity” under the FSA is defined as any “simulated activity or contest with an entry fee in which a participant owns or manages an imaginary team and competes against other participants or a target score for a predetermined prize...” *N.J.S.A. 5:20-2(a)*. This expressly excludes contests “in which no entry fee is paid to the fantasy sports operator or in which a prize is not collected, managed, or awarded by the operator.” *Id.* Thus, “free-to-play” fantasy sports contests, like those commonly found on websites like *yahoo.com* or *espn.com*, or contests “for entertainment only” where no prizes are awarded, are not the type of regulated fantasy sports activities contemplated by the FSA.

<sup>94</sup> See *N.J.A.C. 13:45A-36.1 to -36.19*.

<sup>95</sup> *N.J.S.A. 5:20-1(3)*.

<sup>96</sup> Thus, although participating in fantasy sports activities is not considered gambling by law, the Task Force recognizes that many of the characteristics of fantasy sports activities resemble gambling or sports wagering and that many concerns raised by or associated with gambling are applicable to fantasy sports activities as well. The same is true for resources available to address RG and PG. Accordingly, while fantasy sports activities are not gambling, and nothing in this report

To operate as a fantasy sports operator in New Jersey, an operator must apply for certification from DCA. Upon receiving an application to become a certified fantasy sports operator, DCA investigates each application to ensure it meets the requirements of the law. That includes, among other things, ensuring that the proposed contests meet the definition of fantasy sports activity and, as discussed further in this report, ensuring that applicants have the required policies in place, including those relevant to RG, such as policies to prevent minors from participating and policies to offer individuals the ability to self-exclude from participating in fantasy sports activities.<sup>97</sup> Presently, there are 14 fantasy sports operators certified in New Jersey.

### **Fantasy Sports RG Efforts**

Certified fantasy sports operators are required to maintain several policies and procedures aimed at encouraging responsible play. For example, they must offer individuals the ability to self-exclude from participating in fantasy sports activities, take steps to prevent such individuals from participating in fantasy sports activities, and adopt procedures to ensure those under the age of 18 do not participate.<sup>98</sup> Operators must also establish policies to permit parents or guardians to exclude individuals under the age of 18 from accessing any fantasy sports activity and adopt policies to determine the true identity, date of birth, and address of each individual seeking to open an account.<sup>99</sup> Further, fantasy sports operators are required to establish policies that preclude advertising aimed exclusively at juveniles, or from advertising at elementary and high schools, or at sporting venues used exclusively for elementary or high school sports activities.<sup>100</sup>

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*should be read to suggest otherwise, the Task Force has considered fantasy sports activities in preparing this report and includes recommendations, where applicable, addressed to participants in fantasy sports activities.*

<sup>97</sup> See *id.* at -2(f). There is no minimum period of time that certified fantasy sports operators must offer to allow participants to self-exclude. Some operators allow participants to choose any amount of time they wish to exclude themselves for, while other operators offer set periods of time, ranging from 1 month to a permanent ban. Most often, operators offer choices of 1 month, 3 months, 6 months, 1 year, 2 years, 5 years or lifetime.

<sup>98</sup> See N.J.A.C. 13:45A-36.9(a) to (b).

<sup>99</sup> See *id.* at -36.12(6) to (7).

<sup>100</sup> See *id.* at -36.12(a)9(i) to (iii).

## Lottery

New Jersey voters approved the establishment of a State **lottery** as part of the general election of 1969. The 81.4% majority in favor of the lottery was one of the largest ballot initiative margins in New Jersey political history.<sup>101</sup> New Jersey was the third state to establish a lottery in the United States, following New Hampshire (1964) and New York (1966).

The Division of the State Lottery was established in 1970 pursuant to the State Lottery Law.<sup>102</sup> The New Jersey Lottery Commission is a seven-member board, appointed by the Governor, authorized and empowered to promulgate rules and regulations governing the operation of the New Jersey Lottery.<sup>103</sup> Together, the Division of the State Lottery and the Lottery Commission have control and oversight over the operations of the statewide **lottery** program (the “New Jersey Lottery”) that sells various lottery-style games. The New Jersey Lottery is operated for the benefit of the citizens of New Jersey. The Lottery Enterprise Contribution Act, L. 2017, c. 98 (“LECA”), states the New Jersey Lottery must contribute its proceeds to certain eligible pension plans for 30 years from enactment. The LECA furthers the viability of the State’s retirement system by authorizing the contribution from the Lottery Enterprise to the Teacher’s Pension and Annuity Fund, the Public Employees’ Retirement System, and the Police and Firemen’s Retirement Systems.<sup>104</sup> Under the LECA, 30% of the New Jersey Lottery’s net proceeds are contributed to the eligible pension plans each year until 2047.<sup>105</sup>

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<sup>101</sup> *Results of the General Election Held November 4, 1969, New Jersey Secretary of State Robert J. Burkhardt (1969) State of New Jersey General Election Results*, pg. 10 <https://nj.gov/state/elections/assets/pdf/election-results/1920-1970//1969-general-election.pdf>

<sup>102</sup> N.J.S.A. 5:9-1 to -25.

<sup>103</sup> *Id.* at -7.

<sup>104</sup> *Id.* at -22.6(f).

<sup>105</sup> *Id.* at -7a(11), -22.8(a).

The Division of the State Lottery oversees approximately 6,800 retailers and couriers and works with its primary partners, Northstar NJ, International Game Technology (“IGT”), and Scientific Games, to market and provide games. New Jersey Lottery products include multi-state jackpot games like Powerball and Mega Millions; in-state jackpot games, Pick-6 and Jersey Cash 5; the numbers games, Pick-3 and Pick-4; lottery terminal games like Quick Draw, Fast Play, and Cash Pop; and instant or scratch-off games.

The Division of the State Lottery and Northstar have not established a separate budget for the RG program. An RG team, including both State and Northstar employees, manages initiatives, addresses stakeholder surveys, and works to continuously improve the New Jersey Lottery’s RG endeavors. The program relies on resources supported in part by other budget allocations, such as salaries, operations, marketing, and advertising. In fiscal year 2024, the Division of State Lottery and Northstar collectively spent approximately \$2.2 million on RG activities.

The New Jersey Lottery has achieved the highest-level certification, Level 4 of the World Lottery Association (“WLA”) RG Framework, the leading organization in promoting RG practices across lotteries.<sup>106</sup> This commitment protects the public and ensures that revenues are sustained for the public good. Recertification occurs every three years and requires applicants to show continuous improvement in their RG program and initiatives. In addition, the Division of the State Lottery’s Executive Director sits on the Board of Directors of CCGNJ.<sup>107</sup> The Division of the State Lottery has maintained a seat on the CCGNJ board since 1999.

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<sup>106</sup> WLA Certified Lotteries, <https://www.world-lotteries.org/services/industry-standards/responsible-gaming-framework/certified-lotteries?q=New+Jersey> (last visited Mar. 14, 2025); NJ Lottery - Responsibility, <https://www.njlottery.com/en-us/playingresponsibly.html#:~:text=Playing%20Responsibly,-The%20New%20Jersey&text=The%20New%20Jersey%20Lottery%20has,among%20lotteries%20in%20the%20industry> (last visited Mar. 14, 2025).

<sup>107</sup> For purposes of this Task Force, the Executive Director has recused himself from matters involving CCGNJ.

Since the time of its enactment in 1969, the State Lottery Law has required that New Jersey Lottery tickets shall not be sold to persons under the age of 18.<sup>108</sup> Forty out of 45 state lotteries operating across the United States have an age requirement of 18 to play. The Nebraska Lottery's age requirement is 19; the Arizona, Iowa, Louisiana, and Mississippi lotteries require players to be 21. While the 2023 Prevalence Study found that lottery play was the most popular gaming activity in New Jersey, the study also found that younger (18-24) gamers prefer other forms of gaming to the lottery.<sup>109</sup>

Specific resources utilized by the New Jersey Lottery for the promotion of RG are listed below.

- **Research:**
  - The New Jersey Lottery conducts RG research to identify the strengths and opportunities of its RG program.
- **Employee Program:**
  - The New Jersey Lottery distributes a quarterly RG eNewsletter to all Division of the State Lottery, Northstar, and IGT NJ employees, which informs all staff of ongoing RG activities and initiatives.
  - All New Jersey employees of the Division of the State Lottery, Northstar, and IGT must successfully complete the Lottery Employee RG Training Video and pass an accompanying test on a triennial basis.
- **Game Design:**
  - New Jersey Lottery games must go through two analyses to confirm that the risk of each game is minimized with regard to vulnerable populations<sup>110</sup> and for the potential appeal to underage persons. These two risk analyses are:
    1. Evaluation by a third-party software that evaluates the psychology behind the structural and situational characteristics of each game ensuring a lower level of risk; and

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<sup>108</sup> N.J.S.A. 5:9-15.

<sup>109</sup> 2023 PREVALENCE STUDY, *supra* note 2.

<sup>110</sup> The WLA RGF: Strengthening our commitment to corporate social responsibility, 5 38 WORLD LOTTERY ASSOCIATION MAGAZINE 5 (Summer 2013), available at [https://www.world-lotteries.org/volumes/downloads/Download\\_Center/Magazine/wla\\_mag\\_38.pdf](https://www.world-lotteries.org/volumes/downloads/Download_Center/Magazine/wla_mag_38.pdf).

2. An RG Product Development RG Assessment that evaluates the visual appeal and messaging of each game to ensure it is compliant with the Lottery's confidential Game Design Code of Conduct.
- Submissions for second chance drawings, opportunities for VIP Club members to submit non-winning New Jersey Lottery Scratch-Offs and/or winning or non-winning New Jersey Lottery Draw Games to win prizes (depending on the second chance promotion), have a capped limit depending on the particular promotion to encourage casual play and discourage problematic/risky play styles.
- **Advertising and Marketing Communications:**
    - The New Jersey Lottery has a Marketing Code of Conduct, as well as advertising legal language parameters for each marketing channel. Northstar ensures that all advertising and marketing communications comply with the Marketing Code of Conduct and include RG messaging and the appropriate odds statement, which shall be the web address and/or hyperlink to the specific game's odds webpage. All New Jersey Lottery advertising and marketing communications are reviewed by the RG team and approved when the project meets the standards set in the Marketing Code of Conduct, advertising legal language parameters, and are determined to be age-appropriate and socially responsible.
  - **Player Education:**
    - The New Jersey Lottery protects its players by providing education that Lottery products are offered as a form of entertainment. In doing so, the Lottery provides players with RG tips and information, and it provides contact information for treatment providers when needed.
    - **Quarterly:** Publishing RG advertisements statewide via newspapers, digital advertisements, and social media posts.
    - **Monthly:** Posting RG messages to the New Jersey Lottery's social media platforms and additional messages during March, September, the holiday season, and when jackpots are greater than \$500 million.
    - **Campaigns:** RG messages at local live events, in VIP Club emails informing the VIP Club members of the Lottery's PG Awareness Month, *Not 18 Yet? No Bet.* and *Gift Responsibly* campaigns. Dedicating drawing broadcast resources for messaging. During some campaigns the New Jersey Lottery will receive a value-added advertising in order to share RG messages through radio live reads.
    - The New Jersey Lottery and CCGNJ collaborate annually in March for PG Awareness Month, September for its "Not 18 Yet? No Bet." and November and December for its "Gift Responsibly" campaigns.

- In March 2024, the New Jersey Lottery and CCGNJ created a video series of “Crucial Conversations,” in which the CCGNJ educated the public on how to have difficult conversations regarding gambling. The four-video series can be found at the New Jersey Lottery’s webpage and provide advice on how to conduct crucial conversations about PG.

## Messaging

RG gaming messaging is printed on the front of Draw Games tickets (during Lottery RG campaigns, high jackpots, etc.). All Lottery advertising and marketing communications include the following standard RG messages, in addition to the Lottery’s “Not 18 Yet? No Bet.” logo:



**Must be 18 or older to buy a lottery ticket. Please play responsibly.**  
If you or someone you know has a gambling problem, call [1-800-GAMBLER®](tel:1-800-GAMBLER).

During the holiday season, mid-November through December the Lottery includes its “Gift Responsibly” logo with the above-mentioned standard RG messages, but also includes the following message:



**Must be 18 or older to buy a lottery ticket. Please play responsibly.**  
If you or someone you know has a gambling problem, call [1-800-GAMBLER®](tel:1-800-GAMBLER).  
**Parents are urged to think twice about gifting lottery tickets to children.**

RG messaging produced by the New Jersey Lottery adheres to industry best practices and can be found on their website, social media platforms, in statewide newspapers, and on NJ.com. There are four RG advertisements that the Lottery publishes quarterly: “Dream Big. Play Responsibly,” “Pool Rules,” “Not 18 Yet? No Bet,” and “Gift Responsibly.” During the fall of 2024, the New Jersey Lottery partnered with minor league baseball teams to share an

RG message during at least two live games. In addition, Division of the State Lottery played RG messaging on the electronic stadium boards at two home games of the New York Jets during the 2024 season.

## **Public Resources**

The New Jersey Lottery provides treatment referral resources to the public via its website<sup>111</sup> and other public-facing platforms. The Lottery provides contact information for the following treatment referral resources: CCGNJ, National Council on Problem Gambling (“NCPG”), GamTalk, Gamblers Anonymous®, and NJ DHS’s DHMAS. Retailers are equipped with the Lottery’s “Not 18 Yet? No Bet.” and “It’s Only a Game” brochures and have the ability to print out CCGNJ’s helpline number on Lottery ticket paper when requested. Additionally, the 1-800-GAMBLER® number is included in all Lottery advertising and marketing communications as part of its standard RG messaging.

## **PG Practices for Retailers**

All of the nearly 6,800 New Jersey Lottery retailers have a crucial responsibility to understand and adhere to the Lottery’s Retailer Code of Conduct,<sup>112</sup> which includes RG requirements. Additionally, retailers are provided with resources to share with players and/or loved ones as needed. For example, retailers are required to:

- Fulfill their RG requirements to maintain their retail licenses, including by watching the New Jersey Lottery Retailer RG Training Video and reviewing the Retailer Code of Conduct. These obligations also apply during ownership changes, as well as during biennial license renewals where all retailers must renew their licenses by watching the New Jersey Lottery Retailer RG Training Video and completing the renewal application. Once the application is approved, they receive a license renewal packet that includes a copy of the Marketing Code of Conduct.
- Verify the age of customers, ensuring they are 18 years of age old or older.

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<sup>111</sup> NJ Lottery – Problem Gambling Resources, <https://www.njlottery.com/en-us/playingresponsibly/rg-resources.html> (last visited Mar. 14, 2025).

<sup>112</sup> New Jersey Lottery Retailer Code of Conduct (February 2016), available at [https://w.njlottery.com/content/dam/portal/pdfs/retailer/NJLottery\\_Retailer-Code-of-Conduct.pdf](https://w.njlottery.com/content/dam/portal/pdfs/retailer/NJLottery_Retailer-Code-of-Conduct.pdf)

- Ensure that any employees selling New Jersey Lottery tickets are at least 18 years old.
- Enable remote control intervention of Lottery vending machines to prevent problematic purchases away from the sales counter. Retailers who observe concerning behaviors at the vending machine, such as underage play or excessive spending, can use the remote to temporarily disable the machine and halt transactions.
- Provide RG messaging through brochures and ticket messaging.
- Ensure that retailers remain vigilant for problematic play. They can discretely print a 1-800-GAMBLER® message on Lottery ticket paper and hand it to a player with or without engaging in a conversation.

Additionally, Lottery couriers, which allow players to purchase Lottery Draw Games tickets online, are required to offer various RG tools, including voluntary self-exclusion and spending and deposit limits. Additionally, all Lottery couriers must display the RG message: “If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER®” on their website and mobile application.

### *Underregulated areas*

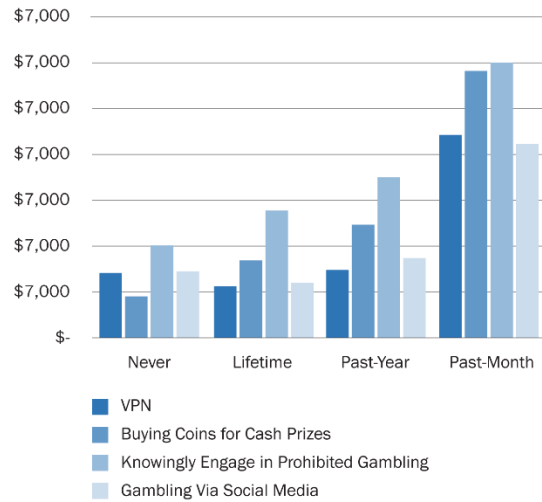
The Task Force also reviewed gaming products that are not regulated by the State and are not subject to any RG requirements or funding obligations. Notably, the Sofis Report found that 28% of New Jerseyans have reported engaging in one or more forms of unregulated or illicit gambling in the past 24 months.<sup>113</sup> These include participating in sweepstakes (purchasing coins for cash prizes); using a virtual private network (“VPN”) to place online bets; intentionally using a “proxy”-style app to place a bet that would otherwise be prohibited due to factors like location, age, or self-exclusion; and placing bets through social media platforms (e.g., DMs and channels with unauthorized bookkeepers or proxies).<sup>114</sup>

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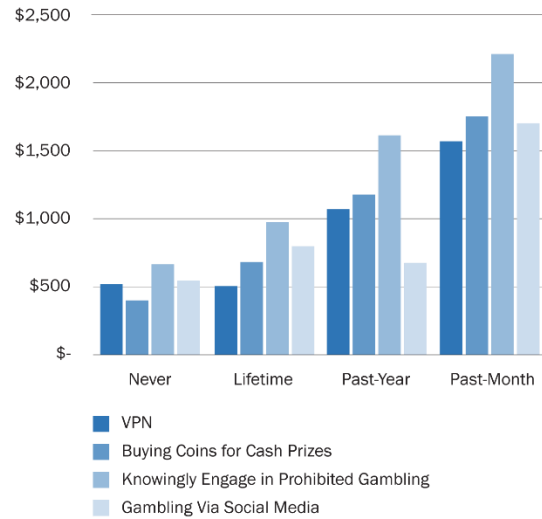
<sup>113</sup>Sofis & Slade, *supra* note 1.

<sup>114</sup>*Id.*

**Total Reported Past-Year Dollars Gambled by Prevalence of Unregulated/Illicit Form of Gambling in New Jersey**



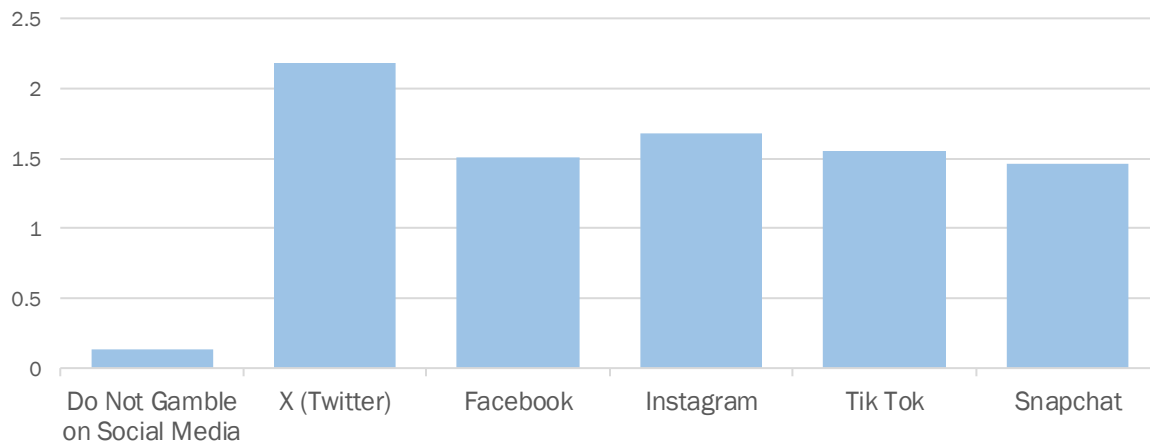
**Reported Single Largest Gamble Amount by Prevalence of Unregulated/Illicit Form of Gambling in New Jersey**



Source: Gaming Public Policy Consulting, Regularity Determinants of Gaming and Gambling Outcomes Survey, February 2025

Further, the Sofis Report found that directly gambling via social media platforms was the most impactful predictor of problem gambling.<sup>115</sup> Moreover, X (Twitter) users were more likely to engage in unregulated/illicit gambling.<sup>116</sup>

**Average # of Forms of Unregulated/Illicit Gambling by Preferred Social Media Platform for Gambling**



Source: Gaming Public Policy Consulting, Regulatory Determinants of Gaming and Gambling Outcomes Survey, February 2025

<sup>115</sup> *Id.*

<sup>116</sup> *Id.*

Currently, four main areas of unauthorized gaming generate complaints to State agencies: sweepstakes; event-based contracts (elections and all other events, especially sports); wagering on purported skill-based games; and illegal casinos/sportsbooks.

## Sweepstakes

The exponential increase in sweepstakes and social casino operations based on a sweepstakes model has drawn the attention of numerous state gaming regulators in recent years. While traditional sweepstakes and horse racing sweepstake activity are legal under federal law and the laws of many states, including in New Jersey, recently operators have introduced new types of sweepstakes that allow participants to have the same experience as they do with actual gambling. The predominant difference is that sweepstakes operators are not required to obtain a license. Even the traditional sweepstakes that resemble raffles are not required to be licensed by LGCCC because participants can obtain an entry into the sweepstakes free of charge (i.e. “no purchase necessary”) and raffle licenses are only issued to qualified non-profit organizations. There is no specific regulatory scheme governing sweepstakes (both the traditional brand and the newer offering, including “social casinos”), other than in horse racing.

The problems posed by the proliferation in the United States of sweepstakes casinos continue to be the subject of extensive focus and discourse in the gaming space.<sup>117</sup> Sweepstakes or social casino operators offer traditional casino games in which players ostensibly participate for free or through purchased virtual currency or credits which are exchanged for cash or prizes. Sweepstakes casinos maintain that because real money is

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<sup>117</sup> Daniel Wallach, *Legality In Doubt, Sweepstakes Casinos Could Be Targeted By State Attorneys General*, FORBES, Feb. 24, 2025, available at <https://www.forbes.com/sites/danielwallach/2025/02/24/legality-in-doubt-sweepstakes-casinos-could-be-targeted-by-state-attorneys-general/>.

allegedly not used in actual gameplay, they are not offering gambling under the letter of the law, although funds are involved both in anticipation of, and after, gameplay.<sup>118</sup>

The essence of a legitimate sweepstakes is that it lacks one or more elements of actual gambling. Pursuant to *N.J.S.A. 2C:37-1(b)*, “gambling” means “staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the actor's control or influence, upon an agreement or understanding that the individual will receive something of value in the event of a certain outcome.” In a legitimate sweepstakes, there is no element of consideration. It will be free to enter, and if there are alternative methods of a paid entry to win, the paid method of entry has the same odds of winning a prize as the free entry method. Federal law also requires that the odds of winning a prize must be disclosed.

Certain sweepstakes operators have blurred and likely crossed the line into actual gambling by allowing prizes to be awarded in return for "tokens" that are won only by entering the "sweepstakes" through a payment.<sup>119</sup> For participants, they pay money and play a simulated card game, slot game, or other casino-type game and are awarded tokens that can be redeemed for prizes. The experience is the same as playing a regulated gambling game.

The Task Force notes that sweepstakes and social casino operators that are not licensed in any jurisdiction and are offering unregulated or unlawful gaming activities present serious issues, including the potential to undermine RG efforts, as they permit customers from New Jersey to illegally gamble on their platforms. While traditional

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<sup>118</sup> *Id.*

<sup>119</sup> Matthew Waters, *VGW Target Of New York Lawsuit Alleging Illegal Gambling*, *LEGAL SPORTS REPORT*, Dec. 5, 2024, <https://www.legalsportsreport.com/214658/lawsuit-targets-sweeps-operator-vgw-apple-google-for-alleged-illegal-gambling/>.

sweepstakes entries are legal in New Jersey, the new forms of online sweepstakes are not addressed expressly and are unregulated.

Similarly, when entering the US market, these new operators generally do not commence activity in seven states—Ohio, Nebraska, Montana, North Dakota, Michigan, Idaho, and Washington—because those states explicitly prohibit social casinos. Idaho, Michigan, Connecticut, Montana, and Washington sent cease and desist letters and filed cases alleging illegal gambling.<sup>120</sup> A class action lawsuit<sup>121</sup> has been filed under a Mississippi law that allows gamblers to recover all losses from an illegal gambling operation. Class action lawsuits also have been filed in California,<sup>122</sup> Colorado,<sup>123</sup> and Georgia<sup>124</sup> to recover what are seen as gambling losses to an illegal operation. The American Gaming Association (“AGA”) brought attention<sup>125</sup> to this growing problem through a call to action for gaming regulators and State Attorneys General, urging efforts against sweepstakes operators at both the federal and state levels. To address the plethora of serious issues affecting legalized gaming in New Jersey, a recently introduced bill proposes legislation to clarify the definition of gambling.<sup>126</sup> Under the proposal, sweepstakes would be defined as unlawful gambling, and thus explicitly illegal, unless they meet certain requirements, e.g., getting a free ticket on your drink cup when you purchase a beverage would be allowed. Sweepstakes where entries are truly free would also continue to be permitted (i.e., “enter to

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<sup>120</sup> Wallach, *supra* note 117.

<sup>121</sup> *Saulny v. VGW Holdings Ltd. et al.*, No. 3:24-cv-000619 (S.D. Miss. filed Oct. 9, 2024).

<sup>122</sup> *Boyle v. Yellow Soc. Interactive Ltd.*, No. 8:25-cv-00063 (C.D. Cal. filed Jan. 14, 2025).

<sup>123</sup> *Lavery v. VGW Luckyland Inc.*, No. 1:24-cv-02843 (D. Colo. filed Oct. 15, 2024).

<sup>124</sup> *Kennedy v. VGW Holdings Ltd.*, No. 1:24-CV-2184-TWT (N.D. Ga. filed Oct. 15, 2024).

<sup>125</sup> *Regulatory Vigilance Critical to Ensure “Sweepstakes” Don’t Threaten Consumers and Undermine Gaming Regulation* (2024), available at <https://www.americangaming.org/wp-content/uploads/2025/02/Sweepstakes-Memo-Final.pdf> [hereinafter AGA Sweepstakes Memo]; see also *DGE Director’s Advisory Bulletin 2019-01* (Nov. 26, 2019), available at <https://www.nj.gov/oag/ge/docs/Bulletins/DABMediaReportingAdvertising112619.pdf>.

<sup>126</sup> A. 5447 (2025).

win two concert tickets” by clicking a link or filling out a form on a radio station’s website). The operations of major casino sweepstakes entities such as VGW, however, would be defined as gambling. DCA and DGE would be provided with civil enforcement authority and powers to address this area as well. The New Jersey casino industry and the AGA have urged executive or legislative action<sup>127</sup> to combat competition from entities which pay no taxes or regulatory fees and which offer no player protection to participants, especially RG protections.

DCA has received complaints about social casinos and certain other sweepstakes. The complaints include allegations that the operators of these contests are refusing to pay out prizes, are not being transparent about a contest’s rules or gameplay, or are blocking customers’ access to their accounts, including, critically, the ability to withdraw their funds.

Likewise, online gaming operators, which are licensed by DGE, are required, pursuant to regulations, to implement controls and procedures related to the functionality of their systems, anti-money laundering (“AML”), fraud, collusion, RG, underage gambling, self-exclusion, various other consumer protection policies, geolocation, KYC, and testing protocols. These safeguards ensure consumer protection, system integrity, and public safety. In contrast, sweepstakes casinos lack any legal age restrictions, independent software testing, or licensing requirements for their owners and employees, leaving their backgrounds and operations unchecked and raising concerns about potential ties to organized crime or other illicit activities. Additionally, these platforms often lack robust integrity controls, offering no guarantees for consumers regarding winnings, payouts or

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<sup>127</sup> AGA Sweepstakes Memo, *supra* note 125.

refunds, further exposing players to significant risks. Moreover, they also are not subject to any controls on advertising.

Furthermore, unlicensed operators do not contribute to RG or PG resources and do not pay license fees, investigative costs, or gaming taxes; nor do they offer any protections against PG. These platforms provide no protections against gambling harm, creating significant risks for consumers, particularly for individuals under 21. The games offered by sweepstakes casinos, which often mimic real-money casino games, slots, and poker, expose young people to gambling mechanics, risk and loss, at an impressionable age. This early exposure can normalize gambling behaviors, increase susceptibility to addiction, and pave the way for problem gaming once they reach legal age.<sup>128</sup> Furthermore, the lack of stringent age verification processes in sweepstakes casinos allows underage individuals to participate unchecked, compounding the potential harm.<sup>129</sup>

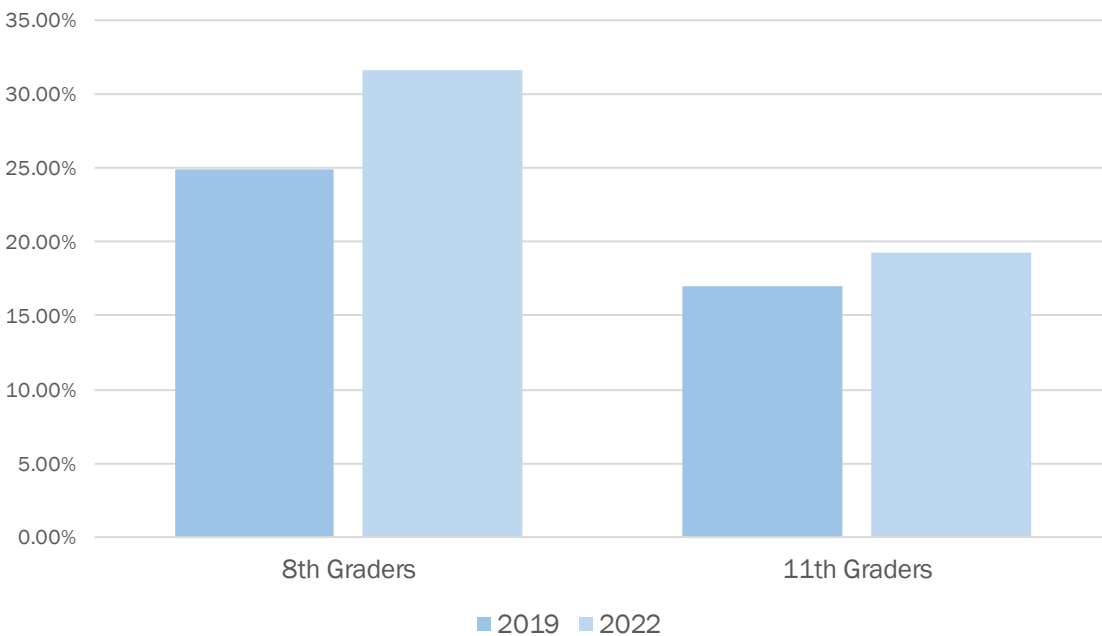
Loot boxes in video games raise similar concerns as they introduce gambling-like elements of chance and reward to players, often minors. By spending real money or in-game currency for a chance to win desirable virtual items, players are drawn into addictive spending cycles resembling gambling behaviors. Loot boxes expose young players to practices that may lead to PG later in life. The thrill of unpredictable rewards and peer competition exploits youthful psychological vulnerabilities, making minors particularly

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<sup>128</sup> IPSOS MORI ON BEHALF OF GAMBLEAWARE, FINAL SYNTHESIS REPORT: THE IMPACT OF GAMBLING MARKETING AND ADVERTISING ON CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS FINAL SYNTHESIS REPORT THE EFFECT OF GAMBLING MARKETING AND ADVERTISING ON CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS (2020), available at <https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-03/gambling-marketing-advertising-effect-young-people-final-report.pdf>; Christine Emba, Gambling Enters the Family Zone, THE ATLANTIC, July 8, 2024, available at <https://www.theatlantic.com/family/archive/2024/07/gambling-everywhere-phone-addiction/678913/>.

<sup>129</sup> Daniel Wallach, Sweepstakes Casinos Face Long Legal Odds To Survive “Substance-Over-Form” Court Scrutiny, FORBES, Dec. 11, 2024, available at <https://www.forbes.com/sites/danielwallach/2024/12/11/sweepstakes-casinos-face-long-legal-odds-to-survive-substance-over-form-court-scrutiny/>.

susceptible.<sup>130</sup> Based on a Delaware School Survey administered by the University of Delaware Center for Drug and Health Studies, loot box purchasing rates by middle school and high school students have increased which is concerning to the Task Force.<sup>131</sup> Like sweepstakes casinos, loot boxes lack regulatory safeguards, leaving young players vulnerable to financial and emotional harm while normalizing gambling behaviors from an early age. The table below depicts the rate changes from 8<sup>th</sup> and 11<sup>th</sup> graders based on the Delaware School Survey.



Source: Decamp et al. *Loot Box Consumption in Delaware Adolescents Pre- and Post- Pandemic Lockdown*

<sup>130</sup>Luis C. Farhat, Jeremy Wampler, Marvin A. Steinberg, Suchitra Krishnan-Sarin, Rani A. Hoff, & Marc N. Potenza, *Excitement-Seeking Gambling in Adolescents: Health Correlates and Gambling-Related Attitudes and Behaviors*, 37 *J. GAMBLING STUD.* 43 (2021), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC7854802/#SM1>.

<sup>131</sup> Whitney DeCamp & Kevin Daly, *Loot box consumption by adolescents pre- and post- pandemic lockdown*, . 11 *PEER J.* 1 (2023).

## Event-Based Contracts

Event-based contracts are based on the occurrence or non-occurrence of a specific event, rather than ownership in an asset. Legitimate event-based contracts are considered derivative contracts and are governed by the Commodity Exchange Act and are regulated exclusively by the United States Commodities Futures Trading Commission (“CFTC”).<sup>132</sup> Rather than using traditional sports betting methods like a point spread or a money line, event-based contracts are structured similar to a commodities option. Recently, however, event-based contracts tied to political, economic, and entertainment outcomes have gained increased attention, particularly in the context of recent offerings on Congressional and Presidential elections.<sup>133</sup> For instance, in elections contracts, the price of a political party’s contract would fluctuate based on its perceived likelihood of winning control of the Senate or House of Representatives.<sup>134</sup> When election results are known, the losing party’s contract, in this case the Democratic Party, would be priced at zero, causing those who purchased it to lose their funds. Meanwhile, the Republican Party’s contract would be priced at the maximum amount, allowing buyers to “sell” it back for a profit equal to the difference between the final price and their purchase price. In this way, an event-based contract can be functionally equivalent to a proposition bet. The Task Force notes, however, that election wagering is prohibited in New Jersey.<sup>135</sup>

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<sup>132</sup> See Commodity Futures Trading Commission, *Contracts & Products*,

<https://www.cftc.gov/IndustryOversight/ContractsProducts/index.htm> (last visited Mar. 17, 2025).

<sup>133</sup> Jess Marquez, *After election boom, Kalshi gets creative in new markets, including sports*, iGB, Jan. 13, 2025, available at <https://igamingbusiness.com/tech-innovation/product/kalshi-election-growth/>.

<sup>134</sup> Dan Mangan, *Kalshi resumes taking bets on U.S. election after appeals court lifts freeze*, CNBC, <https://www.cnbc.com/2024/10/02/bets-on-congressional-races-allowed-cftc-appeals-court.html>.

<sup>135</sup> N.J.S.A. 19:24-34.

In 2023, the CFTC ruled against a company offering such “commodities” holding that it was illegal and ordered the termination of purchases and trades of such “commodities.”<sup>136</sup> The company appealed, and while the United States District Court for the District of Columbia initially enjoined the company from proceeding,<sup>137</sup> it later dissolved the injunction and allowed them to proceed with the “commodities” trading, pending further proceedings.<sup>138</sup> Thereafter, similar “commodities” were introduced.<sup>139</sup>

As a result of the interest in, and volume of wagering on, the recent elections, events-based contracts have expanded wagering markets to include hundreds of events, such as Grammy winners and sports markets, including wagering on the 2025 Super Bowl, the 2025 NCAA men’s college basketball championship, the 2025 NBA Finals, and the 2025 Masters.<sup>140,141</sup>

These sites have also offered markets on controversial issues, including how many acres would burn during the Los Angeles wildfires, whether the Titan submarine would be found before it ran out of oxygen, the number of federal government employees cut in 2025, and the legal fate of Luigi Mangione as the suspect arrested in the shooting of the UnitedHealth Group executive.

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<sup>136</sup> Press Release, Commodity Futures Trading Commission, CFTC Disapproves KalshiEX LLC’s Congressional Control Contracts (Sept. 22, 2023), <https://www.cftc.gov/PressRoom/PressReleases/8780-23>; see also Press Release, Commodity Futures Trading Commission, CFTC Orders Event-Based Binary Options Markets Operator to Pay \$1.4 Million Penalty (Jan. 3, 2022), <https://www.cftc.gov/PressRoom/PressReleases/8478-22>.

<sup>137</sup> *KalshiEX LLC v. CFTC*, No.23-3257 (D.D.C. Sept. 12, 2024)

<sup>138</sup> *Kalshix LLC v. CFTC*, [119 F.4th 58 \(D.C. Cir. 2024\)](https://www.courts.dcmayor.gov/2024/09/11/119F.4th58(D.C.Cir.2024)).

<sup>139</sup> Marquez, *supra* note 133.

<sup>140</sup> Robert Linnehan, *Kalshi Files for New Sports Event Trading Contracts After Super Bowl*, SPORTS BETTING DIME, Feb. 12, 2025, <https://www.sportsbettingdime.com/news/betting/kalshi-files-for-new-sports-event-trading-contracts-after-super-bowl/>.

<sup>141</sup> Geoff Zochodne, *Robinhood Pushing for ‘Regulatory Clarity’ After Sports Betting Pause*, COVERS.COM, Feb. 13, 2025, <https://www.covers.com/industry/robinhood-sports-event-contracts-betting-clarity-push-february-2025#:~:text=The%20chief%20executive%20officer%20of,contracts%2C%20including%20those%20involving%20sports.>

The AGA has expressed concerns over markets which circumvent state regulatory frameworks.<sup>142</sup> Further, in line with the policy set forth in *N.J.S.A. 19:34-24*, DGE has never authorized licensed entities to offer election-based wagers. While *N.J.S.A. 19:34-24* specifically prohibits wagering on the outcome of an election, enforcement is limited to voiding such wagers. Strengthening enforcement mechanisms, including sanctions and penalties, is necessary. Permitting such wagers could further undermine confidence in the voting process, increase risks of vote manipulation, and incentivize technological interference if gambling funds were at stake. By placing wagers, well-monied interests could influence and manipulate the outcome of elections, including by wash trading.

### Skill-Based Games Wagering

As the use of smartphones and mobile applications has exploded in recent years, and especially as mobile gaming has become more commonplace in New Jersey, regulators in New Jersey have also noticed an increase in the offering of so-called “skill-based” online games, where users deposit real cash and play these games for real cash prizes. A typical example of these types of contests are online solitaire tournaments, where users pay entry fees, which come from accounts that the users fund with their own money, to participate in a tournament against other players and where the company offering the tournament pays out real cash prizes to the winner(s) but also takes a cut of the entry fees for themselves.

To the extent these contests are not considered gambling, because the outcome of the contests is based on the skill of the players and their performance is based on events within their own control, the operators are not required to be licensed by DGE, DCA, or any

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<sup>142</sup>Letter from Christopher Cylke, Senior Vice President, Government Relations, AGA to Hon. Caroline Pham, Acting Chair, and Commissioners, CFTC (Feb. 20, 2025), available at [file:///C:/Users/ellenf/Downloads/AmericanGamingAssociation022025%20\(3\).pdf](file:///C:/Users/ellenf/Downloads/AmericanGamingAssociation022025%20(3).pdf).

other regulator.<sup>143</sup> Nevertheless, as the gameplay closely resembles gambling in many aspects, and as participants are staking their own money to participate in the contests for the chances to win monetary prizes, the participants may still benefit from RG and PG resources, and recommendations in this report may be relevant to skill-based gaming.

## Illegal Operators

DCA has previously issued social media notifications and press releases warning consumers about using unregulated fantasy sports websites. For example, on September 1, 2023, the Office of the Attorney General, DGE, and DCA issued a joint press release reminding New Jerseyans to steer clear of illegal sites when betting on professional and college football or engaging in fantasy sports activities related to those sports. The press release explained that using licensed sports wagering sites and authorized fantasy sports sites is the only way to ensure that the operators are doing business under regulatory oversight and are abiding by the laws that protect consumers against fraud, deceit, and other illegal conduct. It also explained that offering fantasy sports activities falls under the regulatory authority of DCA. Any fantasy sports operator that is collecting an entry fee and offering prizes to participants must be certified to do so by DCA. DCA regularly monitors the contests offered by certified operators to ensure no prohibited contests are played. Operators of websites that host fantasy games to assist groups of friends or co-workers to keep score and make trades in a fantasy league do not need to obtain permits from the State, as long as the operator is not collecting an entry fee or paying prizes.<sup>144</sup>

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<sup>143</sup> *The operators of the games are, like all businesses operating in New Jersey, subject to the general anti-fraud requirements of the Consumer Fraud Act. In other words, just because a license is not required to offer these products, the games must still be fair to play and the operators' marketing cannot contain misrepresentations, among other things mandated or prohibited by the CFA.*

<sup>144</sup> *LGCCC also puts out annual notices reminding charities and other organizations eligible to conduct raffles, that offering contests such as NCAA bracket pools or Super Bowl squares as fundraisers is not permitted.*

With respect to bingos, raffles, and amusement games, as discussed in this report, any organization or business running such activities must be licensed by DCA in advance. DCA investigators regularly inspect these activities to ensure compliance. For example, on any given week throughout the year, DCA investigators visit bingo halls, inspect casino night fundraisers, stop by local fairs and carnivals, and go to arcades and bowling alleys to ensure the equipment used is certified and that the organization or business operating the games is licensed to do so. In addition, each summer, DCA conducts several sweeps at boardwalks along the Jersey Shore to ensure all games offered are in compliance with the law. When violations are found, the matters are presented to LGCCC, which can assess penalties or revoke or suspend licenses.

Likewise, DGE regularly conducts investigations into illegal gaming operators and their suppliers. Illegal gaming operators permit customers from New Jersey to gamble on their platforms without obtaining licensure from DGE, in violation of New Jersey law. Illegal gaming operators pose a significant threat to legal gaming and to the regulation of lawful gaming. Online gaming operators which are licensed by DGE are subject to a thorough investigation regarding their backgrounds and operations. Licensed operators are required, pursuant to regulation, to implement controls and procedures related to AML, fraud, KYC, collusion, RG, underage gambling, geolocation, and various other consumer protection policies. Illegal sites are not subject to any of these requirements or testing protocols and therefore are lacking important integrity and public safety standards. Moreover, they do not contribute to RG or PG resources and do not pay taxes. Should an illegal gaming operator choose to apply for licensure with DGE, it would raise serious suitability concerns as operating outside the regulated market signals a disregard for regulations, casting doubt on

the applicant's good character, honesty, and integrity. This could ultimately lead to denial of licensure to protect the integrity of the State's gaming industry.

When an investigation of an apparently illegal operation commences, DGE first determines the company's offerings and whether it accepts New Jersey customers. Once those factors are determined, DGE has a range of tools to consider, including issuing a cease-and-desist letter, notifying regulators and/or law enforcement in the jurisdiction where the operator is located, referring the matter to DSP or federal law enforcement, and working with regulated operators and suppliers to ensure that none of them do business with the illegal operator.

In a related matter, DGE has obtained certifications from New Jersey gaming providers averring that each is not transacting business with any illegal operators. DGE reviewed, assessed, and as appropriate followed up on the certifications. DGE intends to require the submission of that information on an annual basis. These efforts utilize DGE's authority over gaming licensees to terminate business arrangements with persons operating illegally to ensure the integrity of the regulated gaming industry and to thwart illegal operations.

## **Overview of Responsible Gaming in Other Jurisdictions**

The Task Force reviewed numerous sources related to RG resources globally. The Task Force also invited stakeholders to present on proven methods of RG actions and considered those as discussed herein. The Task Force has broken down this discussion into two main groups: well-regulated and under-regulated areas.

## Well-regulated areas

### Casino Gaming including Online

Some form of gaming is currently offered in 48 states, with 27 states offering land-based commercial casinos.<sup>145</sup> Seven states currently offer online casinos with 38 states providing sports wagering.<sup>146</sup> The industry itself through the AGA has invested in the development and execution of RG programs in conjunction with the respective regulatory structures in each state.<sup>147</sup> Moreover, the NCPG has promulgated common areas of best practice that mirror those of the AGA.<sup>148</sup> Among the many gaming jurisdictions in the United States, the Task Force chose the States of Massachusetts, Pennsylvania, Nevada, New York, and Ohio, as well as the United Kingdom, for comparison purposes as a result of their presence and efforts in RG areas.

Among the more common elements throughout state mandates are the ability for players to exclude themselves from retail or online gaming, or both.<sup>149</sup> Also prevalent are mandates for operators to make RG / PG information easily accessible for players.<sup>150</sup> RG / PG laws and regulations are different throughout the country but generally encompass the following areas:<sup>151</sup>

- **Governance and policy implementation at operator level**  
*Includes corporate RG policy and strategy.*
- **Self-exclusion**  
*Set-up/implementation of self-exclusion programs.*

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<sup>145</sup> *Responsible Gaming Regulations and Statutes Guide - American Gaming Association*, <https://www.americangaming.org/resources/responsible-gaming-regulations-and-statutes-guide/> [hereinafter AGA RG Guide].

<sup>146</sup> *VIXIO REGULATORY INTELLIGENCE, U.S. STATES' ONLINE SPORTS BETTING REGULATIONS – AN EVALUATION AGAINST NATIONAL COUNCIL ON PROBLEM GAMBLING STANDARDS (2024)*, available at [NCPG\\_Vixio-U.S.-States-Online-Sports-Betting-Regulations.pdf](#) [hereinafter *VIXIO EVALUATION*].

<sup>147</sup> AGA RG Guide, *supra* note 145.

<sup>148</sup> *NATIONAL COUNCIL ON PROBLEM GAMBLING, INTERNET RESPONSIBLE GAMBLING STANDARDS (rev. Dec. 2023)*, available at <https://www.ncpgambling.org/wp-content/uploads/2024/01/Internet-Responsible-Gambling-Standards-Rev.-12-2023-FINAL.pdf>.

<sup>149</sup> *Ibid.*

<sup>150</sup> *VIXIO EVALUATION*, *supra* note 146.

<sup>151</sup> *Ibid.*

- **Training**  
*Description of annual training content and continuing education.*
- **Time and budget management**  
*Includes providing easily-accessible account information, limit setting and frequency of withdrawals.*
- **Customer Support**  
*Clear access points for customer service and response regarding policies/procedures.*
- **Marketing & Advertising policy/restrictions**  
*Includes policies/procedures for a responsible marketing, targeting of advertising and the frequency of communications.*
- **KYC**  
*Policies/procedures to deter underage gambling/minimum age, knowledge of duplicate accounts and payment methods/credit.*
- **Education & Treatment**  
*Including providing support and public health messaging.*

Massachusetts,<sup>152</sup> Pennsylvania,<sup>153</sup> New York,<sup>154</sup> and Ohio<sup>155</sup> all require operators in their respective jurisdictions to conduct a review and/or audit of their RG policies and the effectiveness of those policies in identifying and mitigating PG behavior, as well as encouraging RG behavior.

Ohio gaming regulators offer a user-friendly website and social media content which feature “catchy” names like “Time Out Ohio” and “Pause Before You Play.” Moreover, they encompass all forms of gaming such as casinos, lottery, fantasy sports, racetracks, and sports gaming.<sup>156</sup> Ohio also provides its residents with free subscriptions to the following services: (1) GamBan which blocks access to gambling websites and apps, (2) GamFin which provides financial counselling services to individuals when financial questions arise in

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<sup>152</sup> 205 MASS. CODE REGS. 238.19(2), 239.03 (2025).

<sup>153</sup> 58 PA. CODE § 814a.1 (2024).

<sup>154</sup> N.Y. COMP. CODES R. & REGS. tit. 9, § 5325.4 (2025).

OHIO ADMIN. CODE 3772:12-06 (2025).

<sup>156</sup> Responsible Gambling – Ohio Casino Control Commission, available at <https://casinocontrol.ohio.gov/responsible-gambling> (last visited Mar. 17, 2025).

gambling disorder treatment and recovery, and (3) RecoverMe which is an app that uses cognitive behavioral theory to help individuals with gambling-related harm.<sup>157</sup> These programs are at a cost to the State of Ohio. Ohio for Responsible Gambling<sup>158</sup> is an initiative aimed at promoting RG in Ohio. Four state agencies in Ohio are working together in this effort: The Ohio Lottery Commission, the Ohio Casino Control Commission, the Ohio State Racing Commission, and the Ohio Department of Mental Health and Addiction Services (“OhioMHAS”). OhioMHAS serves as the resource partner for the initiative and the lead agency responsible for prevention and treatment of PG.

As part of its RG Framework, Massachusetts regulators offer a “one-stop shop” approach that provide RG resources for all aspects of gambling. It is, like Ohio’s, a very user friendly and attractive source of information. “Play My Way” is this state’s name for a tool that provides budgeting and time limitations.<sup>159</sup> Massachusetts also established a Gaming Policy Advisory Committee, a permanent RGTF, that meets at least once a year to review policies and regulations in this quickly evolving public policy area. It is made up of representatives of the Governor and Legislature, public members and the industry.<sup>160</sup>

PG and the need for more emphasis on RG has been a big public issue in the United Kingdom for several years<sup>161</sup> and the government – through the United Kingdom Gambling Commission (“UKGC”) – has enacted reforms being rolled out based upon the government-commissioned “White Paper” issued in April, 2023.<sup>162</sup> Much of the emphasis has been

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<sup>157</sup>Time Out Ohio, <https://timeoutohio.com/support/> (last visited Mar. 17, 2025).

<sup>158</sup> Ohio for Responsible Gambling, <https://ohio.gov/responsible-gambling> (last visited Mar. 17, 2025).

<sup>159</sup> Commitment to Responsible Gaming – Massachusetts Gaming Commission, <https://massgaming.com/about/commitment-responsible-gaming/> (last visited Mar. 17, 2025).

<sup>160</sup> Gaming Policy Advisory Committee – Massachusetts Gaming Commission, <https://massgaming.com/about/gaming-policy-advisory-committee/>.

<sup>161</sup> Safer Gambling - United Kingdom Gambling Commission, <https://www.gamblingcommission.gov.uk/public-and-players/safer-gambling> (last visited Mar. 17, 2025).

<sup>162</sup> *Ibid.*

upon updating plans and programs because of the proliferation and popularity of Internet gaming and sports.<sup>163</sup> These reforms, which mirror many of the same areas of focus US jurisdictions, include:

- **Financial Risk Checks**

Rolling out “vulnerability checks” that would require operators to use public record information to check for “significant indicators of potential” risk including any bankruptcies and court judgments is part of its “Light Touch vulnerability checks” that also look at financial risk red flags.

- **Increased Assessments on industry**

Rolling out increased assessments/fines for operators to fund PG research, prevention and treatment.

- **Game Design**

Various bans/prohibitions on speed of play, simultaneous play, time spent playing and net positions, for example.

- **Age verification**

- **Marketing/Advertising restrictions**

The Task Force notes, however, that some of these areas have been the subject of extensive debate and even criticism.

Pertaining to educational components of RG, Virginia has statutorily mandated public-school instruction and curriculum on the addictive nature of gambling.<sup>164</sup> In 2022, school instruction on gambling addiction was added to the existing curriculum on drug and alcohol abuse.<sup>165</sup> The instructional guidelines and protocols were developed under the direction of the Virginia Department of Education and are being “rolled out” or disseminated through the Virginia Board of Education.<sup>166</sup> However, it has been reported that the intent of

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<sup>163</sup> *Ibid.*

<sup>164</sup> VA. CODE ANN. § 22.1-206 (2024); VIRGINIA BOARD OF EDUCATION, GUIDELINES FOR INSTRUCTION ON PROBLEM GAMBLING AND THE ADDICTIVE POTENTIAL THEREOF (Dec. 12, 2023), available at [https://townhall.virginia.gov/L/GetFile.cfm?File=C:/TownHall/docroot/GuidanceDocs\\_Proposed/201/GDoc\\_DOE\\_6899\\_20240103.pdf](https://townhall.virginia.gov/L/GetFile.cfm?File=C:/TownHall/docroot/GuidanceDocs_Proposed/201/GDoc_DOE_6899_20240103.pdf).

<sup>165</sup> *Ibid.*

<sup>166</sup> See *ibid.*

the statute is limited, at least in the short term, as no specific funding was appropriated to the Department of Education, the Board of Education or to local school divisions.<sup>167</sup>

Alternatively, and by way of example, North Carolina has adopted a non-mandatory program called “Stacked Deck” as part of its PG Program that incentivizes school districts to offer instruction at the school level.<sup>168</sup> Housed in the North Carolina Department of Health and Human Services, it offers grants of up to \$5,000 to middle schools, high schools and community-based organizations for training on instructional modules (in-person and virtual).

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Many states, including New Jersey, have proposed legislation that would require public school instruction on risks for compulsive gambling. In New Jersey, Senator Beach (LD-6) and Assemblywoman Hall (LD-28) currently have pending bills that would require school districts to provide instruction on the risks of compulsive gambling as part of Health and Physical Education curriculum.<sup>170</sup> The Task Force recommends further pursuing legislative changes to require RG education later in the Recommendations section.

## Horse Racing

For pari-mutuel wagering, the Task Force reviewed RG and PG policies under the laws and regulations of the neighboring states of New York, Pennsylvania, and Delaware as well as Kentucky and the Model Rules of the Association of Racing Commissioners International (“ARCI”).

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<sup>167</sup> Adam Carter, *States Propose Student Education to Curb Problem Gambling*, *GAMING TODAY* May 8, 2023, <https://www.gamingtoday.com/news/states-propose-student-education-curb-problem-gambling/>.

<sup>168</sup> Teen/Youth Problem Gambling Program, <https://www.ncdhhs.gov/divisions/mental-health-developmental-disabilities-and-substance-use-services/nc-problem-gambling-program> (last visited Mar. 17, 2025); NORTH CAROLINA PROBLEM GAMBLING PROGRAM, *YOUTH PREVENTION EDUCATION GRANT PROGRAM GUIDELINES* (May 2024), available at [https://morethanagame.nc.gov/wp-content/uploads/YPE\\_Grant-Guidelines\\_Problem-Gambling-Gaming-and-Digital-Media-Overuse.pdf](https://morethanagame.nc.gov/wp-content/uploads/YPE_Grant-Guidelines_Problem-Gambling-Gaming-and-Digital-Media-Overuse.pdf).

<sup>169</sup> *Ibid.*

<sup>170</sup> S. 3666, 221st Leg., Sess. 2024-2025 (N.J. 2024).

In New York, pari-mutuel wagering is available at 11 racetracks and 170 off-track betting (“OTB”) facilities as well as through an account wagering system. Pari-mutuel wagering is regulated by the New York State Gaming Commission (“NYSGC”).<sup>171</sup> New York state racing law and regulations contain requirements related to self-exclusion, RG limits, signage, and advertising. Racetracks and OTB facilities must exclude from their premises any person who signs up for the self-exclusion program.<sup>172</sup> They are further prohibited from sending coupons, marketing, or advertising to self-excluded persons.<sup>173</sup> The account wagering licensee must refuse an account to any person on the self-exclusion list.<sup>174</sup> New York state racing law also requires RG limits to be available in the account wagering system, specifically “limits on the amounts of his or her wagers or potential wagers on a daily or weekly basis.”<sup>175</sup> Signs must be posted on the premises of racetracks and OTB facilities and online advising patrons where to get help for compulsive gambling and containing other information required by New York’s Mental Hygiene Law.<sup>176</sup> In addition, “all advertisements for gaming activity [must] clearly and conspicuously state a PG hotline number.”<sup>177</sup> It should be noted that NYSGC through its various divisions regulates multiple forms of gaming. With respect to self-exclusion, state law imposes an obligation on the NYSGC to ensure, “to the extent practicable, that there is consistency in the process followed under each division in which an individual may voluntarily exclude themselves.”<sup>178</sup>

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<sup>171</sup> N.Y. RACING, PARI-MUTUEL WAGERING AND BREEDING LAW § 104 (McKinney 2025) [hereinafter PML].

<sup>172</sup> *Id.* at § 111

<sup>173</sup> *Ibid.*

<sup>174</sup> N.Y. COMP. CODES R. & REGS. tit. 9, § 4500.7 (2025) [hereinafter NYCRR].

<sup>175</sup> PML, *supra* note 186, § 171.

<sup>176</sup> *Ibid.*; see also NYCRR, *supra* note 174, tit. 9, § § 4204.14, 4003.54, 4404.17, 4101.40.

<sup>177</sup> PML, *supra* note 186, § 171.

<sup>178</sup> *Ibid.*

To the extent a racetrack also has a casino, additional requirements apply pursuant to state gaming laws and regulations. New York gaming law requires all casinos to develop a PG plan and comply with advertising requirements.<sup>179</sup> Requirements for the PG plan are set forth in a regulation promulgated by the NYSGC.<sup>180</sup> By regulation, NYSGC also requires all casinos to develop an employee training program, submit annual reports, and comply with requirements pertaining to signage and advertising.<sup>181</sup>

Pennsylvania has six racetracks, three OTB facilities, and an account wagering system. Pari-mutuel wagering is regulated by the Pennsylvania State Horse Racing Commission.<sup>182</sup> All six racetracks have casinos. As a result, RG requirements are imposed primarily through state casino laws which require racetracks with slot machines or table games to include in their daily racing programs a statement similar to the following: “If you or someone you know has a gambling problem, help is available. Call (Toll-free telephone number).”<sup>183</sup> State casino law also requires compliance with a self-exclusion list and certain RG limits for iGaming.<sup>184</sup> Similar to NYSGC, the Pennsylvania Gaming Control Board has regulations requiring all casinos to develop a compulsive gambling and PG plan, implement an employee training program, submit annual reports, and comply with requirements pertaining to signage and advertising.<sup>185</sup> Outside of state gaming law, Pennsylvania state racing law does require “secondary pari-mutuel wagering organizations” to publicize and provide “a sufficient program for customer self-exclusion and wagering limitation.”<sup>186</sup> Based

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<sup>179</sup> See *id.* at §§ 1362 to 1363.

<sup>180</sup> NYCRR, *supra* note 174, tit. 9, § 5325.2.

<sup>181</sup> NYCRR, *supra* note 174, tit. 9, § 5325.1 to .6.

<sup>182</sup> 3 PA. CONS. STAT. §9311 (2025) [hereinafter PCS].

<sup>183</sup> *Id.* at § 1509(c)(2).

<sup>184</sup> *Id.* at §§ 1516, 1509(c)(2.1)(ii); see also *id.* at tit.4, § 13B02(a)(3).

<sup>185</sup> 58 PA. CODE § 501a.1 to .7 (2024).

<sup>186</sup> PCS, *supra* note 197, tit. 3, § 9322(a)(4).

on the definition, “secondary pari-mutuel wagering organizations” include OTB facilities and the account wagering system.<sup>187</sup>

Delaware has three racetracks, three OTB facilities, and an account wagering system. Pari-mutuel wagering is regulated by the Delaware Thoroughbred Racing Commission and the Delaware Harness Racing Commission.<sup>188</sup> Similar to Pennsylvania, all racetracks in Delaware have casinos. Accordingly, RG is captured under state casino laws. Delaware state law requires compliance with a self-exclusion list.<sup>189</sup> In addition, the Delaware Division of Gaming Enforcement (“DDGE”) is authorized to promulgate regulations regarding “the display and presentation of messages concerning RG and the regulations, procedures and training for identification of and assistance to compulsive gamblers.”<sup>190</sup> DDGE also has the authority to set standards regarding advertising, marketing, and promotional materials as well as RG limits.<sup>191</sup> By regulation, DDGE requires all advertising, marketing, and promotional materials to be submitted for approval.<sup>192</sup>

Kentucky has eight racetracks and an account wagering system. Pari-mutuel wagering is regulated by the Kentucky Horse Racing and Gaming Corporation (“KHRGC”), a municipal corporation.<sup>193</sup> Kentucky state racing law was amended in 2022 to require the establishment of a self-exclusion list.<sup>194</sup> As amended, the law specifically authorizes KHRGC to issue regulations establishing a self-exclusion list. *Ibid.* It also requires KHRGC to collect self-exclusion information from the racetracks and compile a comprehensive list.<sup>195</sup> Before

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<sup>187</sup> *Id.* at § 9301.

<sup>188</sup> DEL. CODE ANN. tit. 3, §§ 10162, 10053 [hereinafter DEL. CODE].

<sup>189</sup> *Id.* at tit. 29, §§ 4834 to 4836; see also 10-200-203 DEL. CODE REGS. § 7.0 [hereinafter DEL. REGS.].

<sup>190</sup> DEL. CODE, *supra* note 188, tit. 29, § 4805(a)(29).

<sup>191</sup> *Id.* at §§ 4805(a)(18), 4826(c)(5).

<sup>192</sup> DEL. REGS., *supra* note 189, 10-200-203, § 11.0.

<sup>193</sup> KY. REV. STAT. ANN. § 230.260 (LexisNexis 2025).

<sup>194</sup> *Id.* at (15).

<sup>195</sup> *Ibid.*

the above amendment, the racetracks had self-exclusion programs which they implemented and maintained voluntarily.

In 2023, Kentucky, which has a legal gambling age of 18 years old, legalized sports wagering at racetracks.<sup>196</sup> As a result, RG is now addressed primarily through sports wagering requirements. KHRGC's sports wagering regulations give the racetracks the discretion to develop their own self-exclusion policies which may include identification and verification, forfeiture of prizes, security personnel, technology, employee training, contractual obligations, or collaboration with other licensees.<sup>197</sup> KHRGC sports wagering regulations also require all racetracks to develop a RG program (which must include signage on the premises and information posted online) and to comply with advertising and marketing requirements.<sup>198</sup> In addition, KHRGC requires sports wagering accounts to offer RG limits and wagering breaks.<sup>199</sup>

The ARCI Model Rules would require “secondary pari-mutuel wagering organizations” to publicize and provide “a sufficient program for customer self-exclusion and wagering limitation.”<sup>200</sup> As identified above, Pennsylvania has adopted this rule.

## Lottery

In the lottery industry, individual states collaborate and do not compete against each other. Lotteries share resources and ideas for continuous improvement in the RG space. Other lotteries and industry organizations offer RG resources:

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<sup>196</sup> 2023 Ky. Acts H.B. 551.

<sup>197</sup> *Ibid.*

<sup>198</sup> *Ibid.*

<sup>199</sup> 809 KY. ADMIN. REGS. 10:004 (2025).

<sup>200</sup> See MODEL RULES OF RACING 004-044 (Ass'n of Racing Comm'rs Int'l 2023).

- The Pennsylvania Lottery’s website<sup>201</sup> provides links to the Pennsylvania Compulsive Gambling Hotline, the Council on Compulsive Gambling of Pennsylvania, the NCPG, and the NCPG’s free screening tool.
- The New York Lottery’s website<sup>202</sup> provides links to a voluntary self-exclusion site, the HOPE NY hotline for information and referrals, and the New York Council on Problem Gambling. It also references the New York State Office of Addiction Services and Supports. The New York Lottery’s website also offers free financial counseling via GamFin, community support meetings and a PG survey.
- The Colorado Lottery’s website provides links to the NCPG, Kindbridge Behavioral Health, Colorado Gambler’s Anonymous resources, Gam-Anon, Debtors Anonymous, GamTalk, Birches Health, Evive, and Bet Blocker.
- The Rhode Island Lottery uses a social media influencer to share healthy play tips and information on self-exclusion.
- The World Lottery Association’s Project RED, which stands for Responsible, Ethical, and Dynamic, is a collaborative initiative led by the World Lottery Association. Its goal is to enhance the impact of lotteries worldwide in the areas of RG and the environment through shared learning, best practices, and strategic tools.

## Raffles, Bingo, Amusement Games

While raffles, bingos, and amusement games are not a focal point of RG initiatives in New Jersey, other states have some protections for raffles and bingos. For example, Virginia’s voluntary exclusion program includes prohibition from charitable gaming, such as bingo and raffles.<sup>203</sup> Florida prohibits organizations from conducting bingo (other than instant bingo) more than two days per week.<sup>204</sup> New York prohibits extending credit to a person playing a game of chance or cashing checks for the use of games of chance funds, other than accepting personal checks.<sup>205</sup>

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<sup>201</sup> Pennsylvania Lottery Responsibility, <https://www.palottery.pa.gov/About-PA-Lottery/Footer/Please-Play-Responsibly.aspx> (last visited Mar. 19, 2025).

<sup>202</sup> New York Lottery Responsible Gaming, <https://gaming.ny.gov/responsible-gaming> (last visited Mar. 19, 2025).

<sup>203</sup> VA. CODE ANN., *supra* note 164 § 58.1-4015.1.

<sup>204</sup> FLA. STAT. § 849.0931 (2025).

<sup>205</sup> See NYCRR, *supra* note 174 tit.9, § 4622.21.

## Fantasy Sports

Other states have taken various approaches to promoting RG in the fantasy sports context. Massachusetts, New York, Ohio, and Pennsylvania have adopted RG rules specifically targeted to fantasy sports, with some combination of (1) restrictions on entries or deposits; (2) age restrictions; (3) the ability of players to self-exclude; (4) prohibitions on issuing credit to players; (5) restrictions on advertising; and (6) a requirement that operators prominently display helplines and problem gaming resources.<sup>206</sup>

However, in Nevada, fantasy sports are considered to be gambling and are therefore folded into Nevada's efforts to encourage RG more broadly.<sup>207</sup> The Nevada Division of Public and Behavioral Health within the Nevada Department of Health and Human Services offers resources to Nevadans struggling with any form of gambling (including but not limited to fantasy sports), including links to platforms where they can receive free or low-cost treatment.

## Impact of Gaming on Underage and Vulnerable Populations

The Task Force explored many characteristics associated with PG in preparing its recommendations. Notably, an estimated 96% of individuals with a gambling disorder have one or more co-occurring psychiatric disorders, and more than 60% of individuals with gambling disorder having at least three psychiatric disorders.<sup>208</sup>

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<sup>206</sup> See 940 MASS. CODE REGS. 34; NYCRR, *supra* note 152, tit. 58, §5600; OHIO ADMIN. CODE *supra* note 154, 3772:74-10 to -16; PCS, *supra* note 197, § 1201(a).

<sup>207</sup> See Nevada Division of Public and Behavioral Health Problem Gambling Services, [https://dpbh.nv.gov/Programs/ProblemGambling/Problem\\_Gambling\\_Services\\_\(PGS\)/](https://dpbh.nv.gov/Programs/ProblemGambling/Problem_Gambling_Services_(PGS)/) (last visited Mar. 19, 2025).

<sup>208</sup> EVERGREEN COUNCIL ON PROBLEM GAMBLING, PROBLEM GAMBLING AND MENTAL HEALTH DISORDERS 5, available at [tana\\_russell\\_maureen\\_greeley\\_sarah\\_sense-wilson\\_handout\\_1.pdf](#) (citing R. C. Kessler, I. Hwang, R. LaBrie, M. Petukhova, N. A. Sampson, K. C. Winters, & H. J. Shaffer, DSM-IV Pathological Gambling in the National Comorbidity Survey Replication. 38 PSYCHOL. MED. 9, 1351-1360 (2008), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2293303>; Carla J. Rash, Jeremiah Weinstock, & Ryan Van Patten, A review of gambling disorder and substance use disorders. 7 SUBSTANCE ABUSE & REHABILITATION 3 (2016), available at [SAR-83460-pathological-gambling-and-substance-abuse-links-and-risks](#)).

In addition, the 2023 Prevalence Study<sup>209</sup> revealed that Black/African Americans had the highest gambling participation rate at 62.2%, surpassing Whites at 61.6% and those categorized as “Mixed/Other” race at 60.1%, with Asian American/Pacific Islanders at 57.2%. Among non-White gamblers, 37% to 39% indicated some degree of gambling-related problems, with Black/African Americans as the most represented category in the high-risk group. Furthermore, approximately 63% of individuals identifying as Hispanic reported gambling, with 15% showing signs of high-risk PG.

Category	Gambling Participation Rate (%)	High-Risk Problem Gambling (%)
Hispanic	63.0	14.7
Black/African Americans	62.2	15.9
Whites	61.6	7.5
Mixed/Other	60.1	10.5
Asian American/Pacific Islanders	57.2	10.5

Based on the findings of the 2023 Prevalence Study, an additional prevalence study, provided for under the currently existing MOAs between DGE and Rutgers, will be conducted and will include an assessment of the impact of gaming on underage individuals and various vulnerable populations, i.e. male gamblers ages 18 to 24 and Black/African American, Hispanic, and active military/veteran gamblers. These areas of focus will provide valuable data on the extent of gambling among these groups and help to shape future policies and RG initiatives.

The Task Force also notes there is an overlap in these vulnerable populations with regard to participation in unregulated/illicit gambling. The Sofis Report provides a breakdown of New Jerseyans and the average number of forms of gaming and unregulated/illicit gaming, along with their gaming score.<sup>210</sup>

<sup>209</sup> See 2023 PREVALENCE STUDY, *supra* note 2.

<sup>210</sup> Sofis & Slade, *supra* note 1.

Average Number of Forms of Gambling, Average SOGS Problem Gambling Score Range, Average Number of Forms of Unregulated/Illicit Gambling by Demographic Variable Among New Jersey Lifetime Gambling Population

Source: Gaming Public Policy Consulting, Regulatory Determinants of Gaming and Gambling Outcomes Survey, February 2026  
 \*Insufficient sample size to make population inferences

Demographic Variables	Average # of Forms of Gambling (out of 21)	Average Problem Gambling Score (3+ = Problem Gambling)	Average # of Forms of Unregulated/Illicit Gambling (out of 4)
<b>Race</b>			
American Indian, Native American, or Alaskan Native	11.1	3.1	1.1
Asian	11.1	2.1	1.8
Black or African American	14.5	2.3	1.8
White	12.3	1.5	1.3
Native Hawaiian or other Pacific Islander*	N/A	N/A	N/A
Other	9.4	1.8	1.7
<b>Ethnicity</b>			
Not Hispanic of Latino	12.2	1.6	1.3
Hispanic or Latino	15.2	2.5	1.7
<b>Age Groups</b>			
18 to 24	11.7	2.5	1.6
25 to 34	15.0	2.4	1.9
35 to 44	15.2	2.3	1.7
45 to 54	14.9	2.0	1.7
55 to 64	12.0	1.4	0.9
65 and older	8.5	0.6	0.4
<b>Gender</b>			
Male	14.8	2.0	1.6
Female	9.1	1.2	0.9
Transgender Male*	N/A	N/A	N/A
Transgender Female*	N/A	N/A	N/A
Prefer Not To Answer*	N/A	N/A	N/A

In 2022, Twitter/X, in a partnership with ESPN, released findings on their internal survey, “#GamblingTwitter.”<sup>211</sup> The #GamblingTwitter Study found that 62% of Twitter bettors place wagers weekly and spend 15% more on bets annually than bettors on other social media platforms.<sup>212</sup> Further, 72% of bettors check Twitter to follow the status of their live bets and 65% said they are more motivated to place a bet on a big event that everyone is talking about on social media.<sup>213</sup> This data suggests that Twitter influence is strongly correlated with gambling decisions and that the platform can be further used as a tool for monitoring gaming activities.<sup>214</sup> While there are few studies that analyze social media activities of gamers in New Jersey, a study conducted at the University of Bristol in England found that there is “a high volume of gambling ads on social media” in the United States, averaging to 237 per day.<sup>215</sup> Of the sample, 81% of the ads were organic,<sup>216</sup> with 52% of those focused on shareable content, with no reference to the actual product.<sup>217</sup> This shift towards more engaging content marketing may be misleading, especially to younger audiences.<sup>218</sup> This sample consisted of 1,353 organic ads which generated over 1.1 million likes, 60,447 shares, and 29 million views in one week.<sup>219</sup> Moreover, only 25% of these

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<sup>211</sup> David Purdum, *The rise of Gambling Twitter: Social media and the popularity of sports betting*, ESPN.COM (Sept. 7, 2022), [https://www.espn.com/chalk/story/\\_/id/34539260/the-rise-gambling-twitter-new-social-media-data-shows-exploding-popularity-sports-betting](https://www.espn.com/chalk/story/_/id/34539260/the-rise-gambling-twitter-new-social-media-data-shows-exploding-popularity-sports-betting).

<sup>212</sup> *Ibid.*

<sup>213</sup> *Ibid.*

<sup>214</sup> Sofis & Slade, *supra* note 1.

<sup>215</sup> RAFFAELLO ROSSI, JAMIE WHEATON, AGNES NAIRN, SAEID MORADIPOUR, & EDOARDO TOZZI, *BETTING ON SOCIAL MEDIA: A STUDY OF THE VOLUME, CONTENT, AND REGULATORY COMPLIANCE OF SPORTS BETTING ADVERTISING IN THE U.S.* (2024), available at [https://bristol.ac.uk/media-library/sites/business-school/documents/Bristol\\_SM\\_Research\\_Report.pdf](https://bristol.ac.uk/media-library/sites/business-school/documents/Bristol_SM_Research_Report.pdf).

<sup>216</sup> Organic advertising is an umbrella term that refers to a marketing strategy that promotes a brand or product through natural, unpaid methods, like content creation, social media engagement, and search engine optimization (SEO), rather than relying on paid advertising or promotions.

<sup>217</sup> *Id.* at 4, 10, 18.

<sup>218</sup> *Id.* at 4.

<sup>219</sup> *Id.* at 4, 10-12.

organic ads adhered to the AGA codes requiring the inclusion of safer gaming messages and help hotlines.<sup>220</sup>

As access to gambling has expanded, psychologists and other experts have become concerned that more people will develop gambling problems.<sup>221</sup> While it is still too soon to know what the long-term effects will be, evidence is growing to suggest that young people, especially boys and men, are among those particularly vulnerable to gambling addiction—the same demographic most often participating in the newest forms of gaming: sports wagering and video game-based gambling.<sup>222</sup>

People in their early 20s are the fastest-growing group of gamblers, according to recent research.<sup>223</sup> In fact, as a pipeline to that activity, nearly two-thirds of adolescents, ages 12 to 18, said they had gambled or played gambling-like games in the previous year, according to a 2018 Canadian survey of more than 38,000 youth funded by the government of British Columbia.<sup>224</sup>

Adolescents are particularly vulnerable to the risks of gambling due to their ongoing cognitive and emotional development, which makes them more susceptible to impulsive decision making and risk-taking behaviors.<sup>225</sup> Early exposure to gambling and gambling-like activities has been linked to an increased likelihood of developing PG behaviors later in

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<sup>220</sup> *Id.* at 4, 11, 13, 18.

<sup>221</sup> Emily Sohn, *How gambling affects the brain and who is most vulnerable to addiction*, *MONITOR ON PSYCHOL.*, July 1, 2023, at 64, available at <https://www.apa.org/monitor/2023/07/how-gambling-affects-the-brain>.

<sup>222</sup> *Ibid.*

<sup>223</sup> *Ibid.*

<sup>224</sup> *Ibid.* (citing ANNIE SMITH, COLLEEN POON, GARRETT JONES, & ZAINAB THAWER, *UNDERSTANDING THE ODDS: GAMBLING AMONG BC YOUTH AGED 12-18 (2021)*, available at [https://mcs.bc.ca/pdf/understanding\\_the\\_odds.pdf](https://mcs.bc.ca/pdf/understanding_the_odds.pdf)).

<sup>225</sup> Lynn Blinn-Pike, Sheri Lokken Worthy, & Jeffrey N Jonkman, *Adolescent Gambling: A Review of an Emerging Field of Research*, 47 *J. ADOLESCENT HEALTH* 223 – 236 (2010), available at [https://www.jahonline.org/article/S1054-139X\(10\)00229-6/pdf](https://www.jahonline.org/article/S1054-139X(10)00229-6/pdf).

life.<sup>226</sup> Furthermore, the accessibility of unregulated online gambling platforms, which are often coupled with insufficient KYC measures, further exacerbates the risk of underage participation in gambling activities.

The consequences of youth gambling can be severe, ranging from financial difficulties and academic decline to mental health issues such as anxiety and depression.<sup>227</sup> Many adolescents engage in gambling without fully understanding the risks involved, often perceiving it as a harmless form of entertainment rather than a potentially addictive behavior.<sup>228</sup> The normalization of gambling through advertising, social media, and peer influence further reinforces this perception, increasing the likelihood of problematic gambling patterns emerging at an early age.<sup>229</sup>

Moreover, a series of high-profile lawsuits<sup>230</sup> filed in New Jersey State courts and federal district courts have raised serious allegations regarding unfair practices, deficiencies in RG measures, and consumer harm within the gaming industry. These lawsuits collectively highlight the gaming industry's need for RG and PG responsibilities, particularly in view of the alleged practices of targeting problem gamblers through VIP programs and offering incentives that encourage excessive spending. These pending matters allege that operators target vulnerable populations while failing to prevent PG and uphold consumer protection

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<sup>226</sup> Jeffrey Derevensky & Rina Gupta, Rina, *Adolescents with gambling problems: A synopsis of our current knowledge*, 10 J. GAMBLING ISSUES (2004), available at <https://cdspress.ca/wp-content/uploads/2022/07/Jeffrey-L.-Derevensky-Rina-Gupta-.pdf>.

<sup>227</sup> Rachel A. Volberg, Rina Gupta, Mark D Griffiths, Daniel T Olason, & Paul Delfabbro, *An international perspective on youth gambling prevalence studies*, 22 INT'L J. ADOLESCENT MED. HEALTH 3 (2010), available at <https://youthgambling.mcgill.ca/en/PDF/Publications/2010/ijamh.2010.22.1.3.pdf>.

<sup>228</sup> Carmen Messerlian, Andrea M Byrne, & Jeffrey Derevensky, *Gambling, youth and the internet: should we be concerned?*, 13 CAN. CHILD & ADOLESCENT PSYCHIATRY REV. 3(2004), available at [https://www.researchgate.net/publication/23494045\\_Gambling\\_Youth\\_and\\_the\\_Internet\\_Should\\_We\\_Be\\_Concerned](https://www.researchgate.net/publication/23494045_Gambling_Youth_and_the_Internet_Should_We_Be_Concerned).

<sup>229</sup> Matthew Browne, Nerilee Hing, Alex M T Russell, Anna Thomas, & Rebecca Jenkinson, *The impact of exposure to wagering advertisements and inducements on intended and actual betting expenditure: An ecological momentary assessment study*, 8 J. BEHAV. ADDICTIONS 146 (2019), available at [https://www.researchgate.net/publication/332642766\\_The\\_impact\\_of\\_exposure\\_to\\_wagering\\_advertisements\\_and\\_inducements\\_on\\_intended\\_and\\_actual\\_betting\\_expenditure\\_An\\_ecological\\_momentary\\_assessment\\_study](https://www.researchgate.net/publication/332642766_The_impact_of_exposure_to_wagering_advertisements_and_inducements_on_intended_and_actual_betting_expenditure_An_ecological_momentary_assessment_study).

<sup>230</sup> See *D'Alessandro v. DraftKings*, No. ESX-L-008442-24 (filed Dec. 5, 2024); *Youngs v. DraftKings Inc.*, No. 2:25-cv-00179 (D.N.J. filed Jan. 7, 2025); *Patel v. FanDuel, Inc.*, No. 1:24-cv-07402 (S.D.N.Y. filed Oct. 1, 2024).

laws. They also underscore the far-reaching consequences of gambling disorders, emphasizing the importance of rigorous industry standards and proactive RG measures.

## Education, Prevention and Treatment for Problem Gaming

DMHAS serves as the Single State Agency for Substance Use and the State Mental Health Authority as designated by the United States Substance Abuse and Mental Health Services Administration. DMHAS oversees New Jersey's adult system of community-based behavioral health services. DMHAS oversees the provision of a broad range of community mental health and addiction services throughout the State, and contracts with various entities to provide and support community-based prevention, early intervention, treatment, education and recovery services, including for at-risk and special populations. DMHAS is the recipient of funds made available statutorily for prevention, education, and treatment programs for compulsive gambling and is responsible for administering those funds for these programs.

Gambling disorder is defined in the fifth edition of the Diagnostic and Statistical Manual (“DSM-5”) as a persistent and recurrent pattern of gambling that causes functional problems or distress for the affected individual.<sup>231</sup> Gambling disorder is classified as an addictive disorder in the DSM-5, along with alcohol and other substance use disorders (“SUD”), which is a change from prior editions of the DSM that classified gambling disorder as a disorder of impulse control. This reclassification reflects current understanding that gambling has the ability to directly activate the brain’s reward systems, which reinforce behaviors and establish memories.<sup>232</sup>

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<sup>231</sup> *DIAGNOSTIC AND STATISTICAL MANUAL OF MENTAL DISORDERS (Am. Psychiatric Ass’n ed., 5th ed. Text Revision 2022)* [hereinafter *DSM-5*].

<sup>232</sup> *Id.* at 543.

The lifetime prevalence of gambling disorder is estimated to be about 0.5% in the United States and between 0.5 and 2% in other countries such as the United Kingdom and Canada.<sup>233</sup> According to the 2023 Prevalence Study,<sup>234</sup> the prevalence rate of high-risk PG in New Jersey, analogous to gambling disorder, remains relatively stable at about 6%,<sup>235</sup> which is three times the national average in population samples. Gambling disorder is a common and problematic behavioral disorder associated with depression, substance use, domestic violence, bankruptcy, and high suicide rates.<sup>236</sup>

Likewise, gaming disorder is defined in the 11th Revision of the International Classification of Diseases (“ICD-11”) as a pattern of gaming behavior (“digital-gaming” or “video-gaming”) characterized by impaired control over gaming, increasing priority given to gaming over other activities to the extent that gaming takes precedence over other interests and daily activities, and continuation or escalation of gaming despite the occurrence of negative consequences. Studies suggest that gaming disorder affects only a small proportion of people who engage in digital- or video-gaming activities.<sup>237</sup> Gaming is constantly being digitized and diversified into a multitude of online games at the same time that video games increasingly contain themes and elements from more traditional gambling activities.<sup>238</sup>

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<sup>233</sup> Leanne Quigley, *Gambling Disorder and Stigma: Opportunities for Treatment and Prevention*, 9 *CURRENT ADDICTION REP.* 410 (2022), available at file:///C:/Users/ellenf/Downloads/s40429-022-00437-4.pdf.

<sup>234</sup> 2023 PREVALENCE STUDY, *supra* note 2.

<sup>235</sup> New Jersey’s methodology for assessing problem gambling prevalence is notable for its comprehensive approach which captures a broader spectrum of gambling behaviors compared to some other states. This thoroughness may contribute to the higher reported rates of problem gambling in the state.

<sup>236</sup> Diana Moreira, Andreia Azeredo, & Paulo Dias, *Risk Factors for Gambling Disorder: A Systemic Review*, 39 *J. GAMBLING STUD.* 483 (2023), available at file:///C:/Users/ellenf/Downloads/s10899-023-10195-1%20(1).pdf.

<sup>237</sup> World Health Organization – Addictive Behaviours: Gaming disorder, <https://www.who.int/news-room/questions-and-answers/item/addictive-behaviours-gaming-disorder#:~:text=Gaming%20disorder%20is%20defined%20in,the%20extent%20that%20gaming%20takes> (last visited Mar. 20, 2025).

<sup>238</sup> Helge Molde, Bjorn Holmøy, Aleksander Garvik Merkesdal, Torbjorn Torsheim, Rune Aune Mentzoni, Daniel Hanns, Dominic Sagoe, & Stale Pallesen, *Are Video Games a Gateway to Gambling? A Longitudinal Study Based on a Representative Norwegian Sample*, 35 *J. GAMBLING STUD.* 545 (2019), available at

Problem gamblers and problem gamers were found to have similar demographic features as well as high rates of mental health problems and impulsivity.<sup>239</sup> Some differences did exist, with problem video gamers tending to be younger, somewhat less impulsive, less likely to have a SUD, and more likely to have depression.<sup>240</sup>

## *DMHAS Programs and Service*

With funding directed to DHS, DMHAS provides a range of prevention, education and treatment services related to PG accomplished by contracting with third-party vendors, one of which is CCGNJ. DMHAS contracts with CCGNJ to provide a broad range of education and prevention services to youth, young adults, adults, and the general public. This contract provides for a wide range of services, including but not limited to:

- Broad public awareness through the dissemination of information (billboards, radio public service announcements, social media, 800-GAMBLER website) to enhance access and reduce barriers to treatment.
- Education and outreach, including presentations (30 minutes to 2 hours in length) and training (up to all day in length), as well as an annual conference to diverse at-risk populations, individuals, groups, and communities, professionals, laypeople, and the faith-based community to enhance the breadth, reach, and sustainability of gambling awareness and messages.
- Funding for CCGNJ to maintain the 1-800-GAMBLER phone line in New Jersey (including talk, text, and chat via their website of the same name) to provide referral resources to the problem gambler and their families and treatment via a network of private clinicians.
- Program and policy development through community engagement activities, like meetings with local, county and state government entities, and to provide varying levels of information and resources to develop, refine, or implement programs related to PG.
- Treatment, treatment engagement, and care coordination which includes maintaining and expanding a network of gambling clinicians. Treatment expansion messages are targeted to geographic areas where gaps have been observed to inform individuals in need that expanded treatment opportunities are available. In the CCGNJ operated

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[https://www.researchgate.net/publication/325577847\\_Are\\_Video\\_Games\\_a\\_Gateway\\_to\\_Gambling\\_A\\_Longitudinal\\_Study\\_Based\\_on\\_a\\_Representative\\_Norwegian\\_Sample](https://www.researchgate.net/publication/325577847_Are_Video_Games_a_Gateway_to_Gambling_A_Longitudinal_Study_Based_on_a_Representative_Norwegian_Sample).

<sup>239</sup> James Sanders & Robert Williams, *The Relationship Between Video Gaming, Gambling, and Problematic Levels of Video Gaming and Gambling*, 35 *J. GAMBLING STUD.* 559 (2019).

<sup>240</sup> *Ibid.*

network, licensed clinicians must be International Certified Gambling Counselors (“ICGC”) or meet certain training, supervisory requirements resulting in ICGC.

With the aforementioned funding, DMHAS developed the Substance Use and Mental Health Gambling Disorder Clinician Services Initiative (“Initiative”). DMHAS conducted a landscape analysis of other states’ services to inform the Initiative, which offers screening and assessment for PG, as well as treatment, family engagement, and case management. Clinicians are also required to become ICGC. The ICGC was established by the International Gambling Counselor Certification Board (“IGCCB”), a non-governmental entity that offers training and certification in treating PG.<sup>241</sup> The Certification standards established by the IGCCB represent the current best practices in the field of disordered gambling and gaming treatment.<sup>242</sup> The certifications offered by IGCCB are also independent of any professional license issued by a professional board housed in DCA. CCGNJ offers a 30-hour asynchronous Counselor Training for Disordered Gambling program that meets the requirements of the IGCCB and is free for New Jersey residents. To receive an IGDC, which is recognized as the gold standard for counselors to treat gambling disorders, a provider must complete a set number of gambling-specific training hours, complete gambling-specific clinical experience, and pass the Certification Examination for Gambling Counselors.<sup>243</sup> Notably, once a counselor completes 30 hours of IPGGC training or becomes IGCCB certified, they can be integrated into the 800-GAMBLER hotline network.<sup>244</sup> Regular participation in CCGNJ’s clinical supervision meetings is also a requirement for network inclusion. In addition, IGCCB provides training for individuals in gambling disorder recovery

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<sup>241</sup> IGCCB, <https://www.igccb.org/about/> (last visited Jan. 16, 2025).

<sup>242</sup> IPGGC, <https://ipggc.org/> (last visited Mar. 20, 2025).

<sup>243</sup> International Gaming Disorder Certification, <https://www.igccb.org/igdc-certification/> (last visited Jan. 16, 2025).

<sup>244</sup> CCGNJ, <https://800gambler.org/network-of-gambling-treatment-providers-expansion/> (last visited Jan. 16, 2025).

to become Peer Support and Recovery Coaches.<sup>245</sup> Even with an IGCCB certification, a gambling treatment provider must hold a valid license issued by the appropriate licensing board.

If the clinician is not already certified, the clinicians are required to complete a 30-hour training provided by the Rutgers School of Social Work ("RSSW"). This training, along with technical assistance, is supported by DMHAS. In addition to offering treatment, Gambling Clinician programs are required to incorporate a knowledge and appreciation of gambling disorder as a significant issue to be addressed during treatment throughout the agency. In addition, these programs must:

- Implement an evidence-based gambling screening for all admissions to care utilizing the Brief Psychosocial Gambling Screen;
- Provide a full gambling assessment for individuals identified as at risk for a gambling disorder;
- Include gambling-specific treatment in clients' treatment plan/plan of care when a gambling disorder has been identified;
- Provide psycho-education on gambling to all participants in the treatment program;
- Provide treatment of gambling disorders through individual, group, family therapy for those with an identified gambling disorder or at risk of a gambling disorder; and
- Provide recovery support activities such as Gamblers Anonymous meetings, relaxation techniques, stress reduction, finance information, budgeting support, Self Management and Recovery Training (aka "SMART Recovery"), and peer recovery services.

This broad approach intentionally raises awareness about gambling disorders within the treatment organization, universally screens, and provides psycho-education for gambling disorders.

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<sup>245</sup> International Gambling Recovery Specialist Certification, <https://www.igccb.org/igrs-certification/> (last visited Jan. 17, 2025).

To be eligible for the Initiative, a provider must be licensed by the NJ Department of Health (“NJ DOH”), Certificate of Need and Licensing (“CN&L”) as a SUD or a mental health treatment provider. The programs must meet Outpatient Mental Health Standards<sup>246</sup> or Standards for Licensure or Outpatient SUD.<sup>247</sup> However, there are limitations for these licensed facilities to treat gambling disorder without a co-occurring mental health or SUD condition. Individuals with a gambling disorder, and no co-occurring mental health condition, cannot be treated in a licensed outpatient mental health facility due to the DSM-5 classification of gambling disorder as an addictive disorder and not a mental health condition. Moreover, individuals with a gambling disorder, and no co-occurring SUD, cannot be treated in an Outpatient SUD licensed facility, as the standards apply to treatment of alcohol and drugs.<sup>248</sup>

DHS has recently issued an advanced notice of rule promulgation for outpatient behavioral health program service standards that would allow for the treatment of gambling disorders under these program standards without the requirement of having a co-occurring disorder.<sup>249</sup> NJ DOH, CN&L is responsible for licensure of facilities and programs and will issue companion regulations that will address the licensure of behavioral health services, including programming for gambling addiction.

DMHAS holds regular meetings with the providers of the Initiative to solicit feedback on needs and recommendations. This stakeholder engagement resulted in providers identifying training needs related to diagnosing, engagement and treatment planning and

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<sup>246</sup> N.J.A.C. 10:37E-1.1 to -2.7.

<sup>247</sup> N.J.A.C. 10:161B-1.1 to -25.2.

<sup>248</sup> *Id.* at -1.1(a).

<sup>249</sup> DHS Public Notices – Advance Notice of Proposed Rulemaking: N.J.A.C. 10:36, Behavioral Health Program Service Standards,

[https://www.nj.gov/humanservices/providers/grants/public/publicnoticefiles/NJAC%2010\\_36\\_Advance%20Notice.2-4-25.docx](https://www.nj.gov/humanservices/providers/grants/public/publicnoticefiles/NJAC%2010_36_Advance%20Notice.2-4-25.docx) (last visited Mar. 20, 2025).

ongoing technical assistance as critical to providing effective treatment and supportive services to those with a gambling disorder. Additionally, DMHAS has an internal workgroup dedicated to reviewing emerging, best, and promising practices for the prevention and treatment of gambling disorders. DMHAS will consider competitive procurements for the full spectrum of services needed to prevent and address PG.

In working with the RSSW Center for Gambling Studies, DMHAS learned of various screening and assessment tools. With this information, DMHAS added a mandatory gambling screening tool, the Brief Biosocial Gambling Screen, in DMHAS's mandatory reporting database, NJ Substance Abuse Monitoring System ("NJSAMS"), used by all NJ licensed SUD treatment agencies. NJ licensed providers are required to enter information about individuals served by their agencies. If there is an indication of a gambling disorder, individuals are referred to treatment. Data collected here is used by DMHAS staff to track trends, identify gaps in services, and inform planning. As an example, information collected from NJSAMS informed the development of the Initiative to include case management and recovery support services.

In 2022, DMHAS expanded gambling treatment by awarding contracts to ten sites in the Initiative. In 2023, DMHAS added five more sites, and in 2025, six additional sites were added, bringing the total to twenty-one sites. Site expansion increases the geographic coverage of these trained clinicians. Services included in these programs are screening and assessment, dynamics of family counseling specific to Gambling Disorder, didactic lectures, group and individual therapy sessions, and case management services. Case management services include referrals and connections to services critical to an individual's recovery such as financial assistance services and legal services. Expansion of the Initiative would

expand the number of trained and certified clinicians and thereby expand access to effective treatment.

As previously mentioned, DMHAS provides funding to CCGNJ to provide training, prevention, and awareness services throughout the state, and make trainings and presentations widely available to reach underserved and at-risk populations. Additionally, these services are designed to reach New Jerseyans of diverse backgrounds, youth and young adults, deaf and hard of hearing, BIPOC communities, faith-based communities, LGBTQ+, Tribal communities, and more.

### *Standards for Individual Clinicians*

DCA houses professional boards that license New Jersey's health care providers. Treatment of PG falls within the scope of practice of many of DCA's licensees, such as physicians, psychologists, clinical social workers, and professional counselors. Such licensees can treat PG without any additional credentialing or training. They are subject to the rules of, and are accountable to, their licensing boards.

The ADC Committee was established as a committee of the State Board of Marriage and Family Examiners.<sup>250</sup> The ADC Committee licenses alcohol and drug counselors and regulates their practice. Although licensees of the ADC Committee are mental health professionals with specialized training in addiction, the treatment of PG (without a co-occurring alcohol or drug disorder) is not within the scope of practice of alcohol and drug counselors.<sup>251</sup>

The ADC Committee has expressed interest in bringing PG treatment within the scope of practice of its licensees. Currently, treating PG is not within the scope of practice of ADC

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<sup>250</sup> *N.J.S.A. 45:2D-1 et seq.*

<sup>251</sup> *See N.J.S.A. 45:2D-3; N.J.A.C. 13:34C-1.9(b)5ii.*

licensees, even those with an IGCCB certification. Birches Health—a mental health service provider—suggested to the Task Force that there be additional state regulation of PG treatment.

## Review of Other Jurisdictions’ Gaming Resources

### a. Other States

There is tremendous variation in how states handle the regulation of gambling treatment. Some states rely on private national or international certification bodies, while others have state-specific certification boards. Some states issue licenses or endorsements. Some states issue that authority only to a mental health professional already holding a license, while others allow those with an associate degree or high school education to obtain a state endorsement (with a hefty number of hours or years of supervised experience).

State	Agency	Type of Credential Issued	Education	Eligibility	Required Training	Gambling-Specific Experience
CA <sup>252</sup>	Office of Problem Gambling, CA Dept. of Public Health	Authorized CAL-GETS provider in funded programs		Only clinical licensees: physicians, psychologists, MFT, LCSW, Professional Clinical Counselors	3 days, 4 hours each day/10 hours Continuing Education	
MA <sup>253</sup>	Office of Problem Gambling Services/Dept of Public Health M-TAC	Problem Gambling Specialist (“PGS”) Certificate	3 PGS Levels - MAPGS -HS & Associate, PGS I - BA, MA, Doctorate, PGSII - MA, Doctorate and license	For PGSII - Mental Health Counselor, Alcohol and Drug Counselor, Clinical Social Worker	30 hours	For PGS - 2.5-3 years, PGSI - 2 yrs., PGSII - 1 year addiction related supervised experience

<sup>252</sup> California Department of Health, Office of PG, CalGETS, <https://www.cdph.ca.gov/Programs/OPG/Pages/calgets.aspx> (last visited Feb. 19, 2025).

<sup>253</sup> Massachusetts Technical Assistance Center for PG Treatment, Massachusetts PGS Certificate, <https://www.m-tac.org/mapgs-certification/> (last visited Feb. 19, 2025); Massachusetts Technical Assistance Center for PG Treatment,

State	Agency	Type of Credential Issued	Education	Eligibility	Required Training	Gambling-Specific Experience
NV <sup>254</sup>	Board of Examiners for Alcohol, Drug and Gambling Counselors	Compulsive Gambling Addiction Counselor I & II	Associate, BA, MA, Doctorate	Clinical social workers, MFT, Psychologist, Psychiatric Nurse	60 hours	Assoc. 5000 hrs, BA 4000, MA 2000, MH Prof - 1000
NY <sup>255</sup>	OASAS - Office of Addiction Services and Support w/ Cert. Board	Specialty designation required in funded programs <sup>256</sup>	HS, Associate, BA, MA	CASAC, CPP, CPS	60 hours	HS 6000 hours, Assoc, 5000, BA 4000, MA 2000
OH <sup>257</sup>	Chemical Dependency Professional Board	Gambling Endorsement	3 levels - Independent, I & II	Chemical Dependency Counselors only (LCDC II, LCDC III, LICDC, or LICDC-CS)	30 hours	100 hours of gambling-specific supervised experience within 2 years of receiving preliminary endorsement
PA <sup>258</sup>	Dept. of Drug and Alcohol Programs	Certificate of Competency in Problem Gambling Counseling from private cert. board in funded programs		CAAC, CADC, CAADC, CCIP	30 hours	

Massachusetts PG Specialist (MA PGS) Certification Tracks & Requirements, available at [New-MA-PGS-Explanation-PDF.pdf](#).

<sup>254</sup> Nevada State Board of Examiners for Alcohol, Drug and Gambling Counselors, Certified PG Counselor, <https://alcohol.nv.gov/Licensure/GC/xCPGC/> (last visited Feb. 19, 2025).

<sup>255</sup> New York State Office of Addiction Services and Supports, Gambling Specialty Designation (GSD), <https://oasas.ny.gov/credentialing/gambling-specialty-designation-gsd> (last visited Feb. 19, 2025); see also NYCRR, *supra* note 174, tit. 14, § 853; New York State Office of Addiction Services and Supports, Summary of Updates to Part 853 Credentialing of Addictions Professionals Regulations [https://oasas.ny.gov/system/files/documents/2024/01/part\\_853\\_updates.pdf](https://oasas.ny.gov/system/files/documents/2024/01/part_853_updates.pdf) (last visited Feb. 20, 2025).

<sup>256</sup> In addition to the PG Specialty Designation for a CASAC, CPP or CPS, New York offers an application to become a Credentialed Problem Gambling Counselor (CPGC), which authorizes a counselor to only treat individuals with co-occurring or primary PG disorders. See 14 NYCRR, *supra* note 174, tit. 14, § 857; PG Designation (Part 857), <https://oasas.ny.gov/problem-gambling-designation-part-857> (last visited Feb. 20, 2025).

<sup>257</sup> Ohio Chemical Dependency Professionals Board, Endorsements, <https://ocdp.ohio.gov/already-licensed/Endorsement> (last visited Feb. 19, 2025).

<sup>258</sup> Pennsylvania Department of Drug and Alcohol Programs, Apply to be a Problem Gambling Treatment Provider, <https://www.pa.gov/services/ddap/apply-to-be-a-problem-gambling-treatment-provider.html#accordion-0baa8fb1d7-item-b88ac35d6a> (last visited Feb. 19, 2025).

## b. Foreign Jurisdictions

While models in foreign jurisdictions are not particularly transferable due to differences in the United States health care system, a recent study from the United Kingdom offers some insights on enhancing the accessibility of gambling treatment.<sup>259</sup> The report recommends measures to ensure that front-line health care professionals screen patients to determine if gambling disorders are impacting patient well-being so that those professionals are better informed about referral pathways to assist patients in finding those with expertise in treating gambling disorders. In addition, the report notes current disparities in qualification standards, intervention techniques and aftercare approaches (peer support by those with lived experience). Other jurisdictions, including New Zealand<sup>260</sup> and Australia,<sup>261</sup> have also focused on “skill building” for health practitioners with respect to the use of screening mechanisms and referral pathways.

## Funding to Prevent and Treat Problem Gaming

### Existing Funding Sources

#### Casino, Internet Gaming, and Sports Wagering

For FY2022 through 2024, New Jersey casino gaming interests provided almost \$4 million annually in RG and PG funding. The only other gaming activity contributing to such funding was horse racing in the annual amount of \$200,000, as set forth above. No other form of gaming conducted in New Jersey is statutorily required to contribute to RG and PG funding beyond the mandated contributions described above. The CC Act and the SW Act,

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<sup>259</sup> UNITED KINGDOM OFFICE FOR HEALTH IMPROVEMENT & DISPARITIES, *GAMBLING TREATMENT: ASSESSING THE CURRENT SYSTEM IN ENGLAND* (Mar. 7, 2024), available at <https://www.gov.uk/government/publications/gambling-treatment-assessing-the-current-system-in-england/gambling-treatment-assessing-the-current-system-in-england>.

<sup>260</sup> J. Hannafin, *Problem Gambling Treatment in New Zealand*, in RICHARD TAN & SUSAN WURTZBURG, *PROBLEM GAMBLING: A NEW ZEALAND PERSPECTIVE ON TREATMENT* (Richard Tan ed., Steele Roberts) (2004).

<sup>261</sup> Victoria Manning, Nicki A. Dowling, Simone N. Rodda, Ali Cheetham, & Dan I. Lubman, *An Examination of Clinician Responses to Problem Gambling in Community Mental Health Services*, 9 *J. CLINICAL MED.* 2075 (2020), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC7408856/pdf/jcm-09-02075.pdf>.

and the regulations promulgated thereunder, authorize multiple sources from which DGE is able to provide funding for RG initiatives and to address PG, visualized and discussed in detail below.

Source	Statute or Regulation	FY22	FY23	FY24	FY25 Projected
Internet Gaming	N.J.S.A.5:12-95.29	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000
Sportsbook	N.J.A.C. 13:69A-9.4c	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000 <sup>262</sup>
Fines & Penalties	N.J.S.A. 5:12-145	\$382,600	\$214,000	\$353,682	\$355,000
Forfeited Winnings	N.J.S.A. 5:12-71.3	\$129,779	\$75,488	\$251,944	\$255,000
<b>TOTAL</b>		<b>\$3,962,379</b>	<b>\$3,739,488</b>	<b>\$4,055,626</b>	<b>\$4,060,000</b>

On an annual basis, DGE receives from each casino licensee with an Internet gaming permit the sum of \$250,000.<sup>263</sup> The sum is deposited through Treasury into the State General Fund for appropriation by the Legislature to DHS, to be allocated as follows: \$140,000 to CCGNJ and \$110,000 to be used for compulsive gambling treatment programs in New Jersey through DMHAS. In Fiscal Year 2024, DGE received \$2,250,000 for RG funding pursuant to Section 95.29 of the CC Act, and the same amount is projected in Fiscal Year 2025.

Further, DGE levies penalties and fines against licensees, a portion of which funds RG and PG. Pursuant to N.J.S.A. 5:12-145, the first \$600,000 in penalties collected each year shall be paid into the State General Fund for appropriation by the Legislature to DHS, to be allocated as follows: \$500,000 to CCGNJ, and \$100,000 to be used for compulsive

<sup>262</sup> The projected \$1,200,000 in FY25 comprises the \$900,000 paid into the State General Fund and the \$300,000 held by DGE in the Casino Control Fund (“CCF”) to address the Statewide RG Media Campaign undertaken jointly with OAG and related responsible gaming matters. Any responsible gaming funds remaining in the CCF will be added to those sent directly to the State General Fund.

<sup>263</sup> N.J.S.A. 5:12-95.29.

gambling treatment programs in New Jersey through DMHAS. In Fiscal Year 2024, DGE's RG funding from penalties and fines amounted to \$353,682; the sum for Fiscal Year 2025 currently is projected to be a minimum of \$355,000. When DGE collects less than \$600,000 in penalties, as occurred in Fiscal Year 2024 and is projected to occur in Fiscal Year 2025, DHS determines the allocation of funds between CCGNJ and eligible treatment programs.<sup>264</sup>

Moreover, DGE recovers through forfeiture any money or thing of value obtained by, or owed to, an excluded or self-excluded person, following notice to the individual and the opportunity to be heard.<sup>265</sup> Of the first \$99,999.99 in forfeited amounts, one-half is deposited into the State General Fund for appropriation by the Legislature to DHS for compulsive gambling treatment and prevention programs through DMHAS, and the other half is deposited into the Casino Revenue Fund ("CRF"). Of forfeited amounts of \$100,000 or more, \$50,000 is deposited into the State General Fund for appropriation by the Legislature to DHS for compulsive gambling treatment and prevention programs through DMHAS, and the remainder is deposited into the CRF. In Fiscal Year 2024, RG receipts from forfeited amounts totaled \$251,944. For Fiscal Year 2025, DGE projects that RG receipts from forfeited amounts will total \$255,000.

In addition, DGE assesses against each casino and racetrack licensee with a sports pool a fee that is utilized to fund DGE's annual reports to the Governor's Office regarding the impact of Internet gaming and sports wagering on problem gamblers and gambling addiction in New Jersey under *N.J.S.A. 5:12-95.18* and *N.J.S.A. 5:12A-11a*, respectively, as well as the aforementioned Rutgers University prevalence reports.

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<sup>264</sup> *Ibid.*

<sup>265</sup> *N.J.S.A. 5:12-71.3.*

Finally, DGE is authorized to charge each sports wagering licensee a reasonable license renewal fee that is based upon the expense associated with renewal, enforcement, and gambling addiction programs.<sup>266</sup> DGE regulations specify that the sports wagering renewal fee shall be at least \$100,000, “with the final cost to be determined by the Director after consideration of the costs for renewal, enforcement, and gambling addiction.”<sup>267</sup> DGE has established a sports wagering renewal fee of \$125,000.

The Director further has discretion as to the allocation of sports wagering renewal fees, including the percentage of the fee deposited into the State General Fund for appropriation by the Legislature to DHS for the prevention, education, and treatment of compulsive gambling.<sup>268</sup> Through Fiscal Year 2024, sports wagering renewal fees were allocated per operator as follows: \$25,000 to the Casino Control Fund (“CCF”) for regulatory costs associated with licensure and enforcement, and \$100,000 to the State General Fund for appropriation to DHS for gambling addiction programs. Thus, through Fiscal Year 2024, RG receipts from sports wagering renewal fees totaled \$1,200,000 annually. In Fiscal Year 2025, to accommodate DGE’s contribution toward the Statewide RG Media Campaign undertaken jointly with OAG, discussed more fully below, DGE has reallocated sports wagering renewal fees as follows: currently \$50,000 to the CCF, with \$25,000 of that amount for RG purposes, and \$75,000 to the State General Fund, for RG purposes. Any funds remaining for the RG Media Campaign or other RG efforts will be deposited into the State General Fund for RG purposes. Accordingly, it is projected that RG receipts for all RG uses from sports wagering renewal fees will be at least \$1,100,000 in Fiscal Year 2025 in that Freehold Sportsbook, a former sportsbook operator, has closed.

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<sup>266</sup> N.J.S.A. 5:12A-11a.

<sup>267</sup> N.J.A.C. 13:69A-9.4(c)6.

<sup>268</sup> *Ibid.*

## Horseracing

When the Off-Track and Account Wagering Act was passed, a provision was included in that legislation requiring the payment of an annual assessment of \$200,000 in the aggregate to address compulsive gambling issues.<sup>269</sup> This obligation applies only to permitted racetracks.<sup>270</sup> NJRC has established a formula to apportion the assessment to each permit-holder.<sup>271</sup> The funds must be used to address compulsive gambling issues related to OTW facilities and account wagering.<sup>272</sup>

The annual assessment required by *N.J.S.A. 5:5-159* and any forfeitures collected under *N.J.S.A. 5:5-65.2* are deposited into the State General Fund for appropriation by the Legislature to the Department of Human Services for compulsive gambling treatment and prevention programs.<sup>273</sup>

## Unmet Needs

In connection with the RG funding provided by DGE through the casino gaming industry, the Office of Legislative Services (“OLS”) conducted an audit that covered the period July 1, 2018 through June 30, 2021. In its audit report, OLS found that from Fiscal Year 2019 through 2021, although collected by DGE, forwarded to Treasury and transferred to DMHAS, “[m]ore than half of gambling addiction treatment funding was not disbursed.”<sup>274</sup>

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<sup>269</sup> *N.J.S.A. 5:5-159*.

<sup>270</sup> *Ibid.*

<sup>271</sup> *N.J.S.A. 5:5-159*.

<sup>272</sup> *Ibid.*

<sup>273</sup> *N.J.S.A. 5:5-159* actually requires the annual assessment to be appropriated to the “Department of Health and Senior Services”; however, no state department is currently operating under that name. The Department of Health and Senior Services was reorganized and renamed the Department of Health. See *L. 2012, c. 17. Services for senior citizens were transferred to the Department of Human Services. Ibid.*

<sup>274</sup> *NEW JERSEY LEGISLATURE, OFFICE OF LEGISLATIVE SERVICES, OFFICE OF THE STATE AUDITOR, REPORT ON THE AUDIT OF THE DEPARTMENT OF LAW AND PUBLIC SAFETY, DIVISION OF GAMING ENFORCEMENT 9* (June 14, 2022), available at <https://pub.njleg.state.nj.us/publications/auditor/2022/66010020%20Audit%20Report.pdf> (last visited Jan. 16, 2025).

During the audited period, DMHAS received \$8.35 million in casino gaming fees from DGE by way of Treasury and disbursed \$4 million to treat PG.<sup>275</sup> In Budget Fiscal Year 2020, \$2.094 million was de-appropriated pursuant to P.L. 2020, Chapter 43, Section 2.<sup>276</sup> At the end of Budget Fiscal Year 2021, approximately \$2.95 million remained in the appropriation unit and was carried forward.<sup>277</sup> The below chart shows Internet and sports wagering fees collected by DGE, forwarded to Treasury and transferred to DMHAS, and expenditures by DMHAS for Fiscal Years 2019 through 2021.<sup>278</sup>

	FY 2019	FY 2020	FY 2021	Total
Fees Collected	\$2,300,000	\$2,850,000	\$3,200,000	<b>\$8,350,000</b>
Expenditures	(1,300,833)	(1,330,000)	(1,330,000)	<b>(3,960,833)</b>
Not Disbursed	\$999,167	\$1,520,000	\$1,870,000	<b>\$4,389,167</b>

At the end of Fiscal Year 2022, DMHAS had not expended, and had a surplus of, approximately \$4.4 million in unutilized RG and PG funds paid by the casino gaming industry.

In Fiscal Years 2022 and 2023, DGE collected from the casino gaming industry and provided through Treasury \$3.962 million and \$3.739 million, respectively, in funding to DMHAS for RG and PG. It is noted that for those two years, DMHAS' operations had been transferred from DHS to NJ DOH and then returned to DHS. With additional casino gaming industry funding through penalties and fines, the following chart, prepared in November 2024 by DMHAS, shows appropriations to DMHAS for Budget Fiscal Years 2024 through 2027, including RG fees from DGE, in the amount of \$3.45 million each year, funded by the casino gaming industry:

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<sup>275</sup> *Id.* at 9-10.

<sup>276</sup> *Id.* at 10.

<sup>277</sup> *Ibid.*

<sup>278</sup> *Ibid.*

## NJ DHS DMHAS

### Summary of Gambling Appropriation and Budget FY 2024 to FY 2027

Resources	FY24 Actual	FY25 Projection	FY26 Projection	FY27 Projection
State Appropriations (including penalties and fees)	683,000	683,000	683,000	683,000
Racing Fees	200,000	200,000	200,000	200,000
Responsible Gaming				
Sports Wagering Fees	1,200,000	1,200,000	1,200,000	1,200,000
Internet Gaming Fees	2,250,000	2,250,000	2,250,000	2,250,000
<b>Total Resources</b>	<b>4,333,000</b>	<b>4,333,000</b>	<b>4,333,000</b>	<b>4,333,000</b>
Carryforward from Prior Year	4,323,318	4,259,318	3,634,235	3,005,052
<b>Total Gambling Resources</b>	<b>8,656,318</b>	<b>8,592,318</b>	<b>7,967,235</b>	<b>7,338,052</b>
<b>Spending</b>				
Council of Compulsive Gambling NJ	\$2,450,883	\$2,450,883	\$2,450,883	\$2,450,883
Treatment Services (Gambling Clinicians 21 sites)	\$1,259,489	2,400,000	2,400,000	2,400,000
Contract	6,777	100,000	102,450	102,450
Educational Books	4,080	7,200	8,850	8,950
Contract Recoveries	(314,498)	-	-	-
<b>Total Spending</b>	<b>\$3,406,397</b>	<b>4,958,083</b>	<b>4,962,183</b>	<b>4,962,283</b>
<b>Encumbered</b>	<b>\$990,604</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus</b>	<b>4,259,318</b>	<b>3,634,235</b>	<b>3,005,052</b>	<b>2,375,769</b>

Although nearly half its annual appropriations continue to be unutilized and carried forward as surplus, DMHAS projects increased spending beginning in Fiscal Year 2025 in connection with treatment services, clinician training, and educational materials.

### *Strategies for Using Existing Funding and Future Funding*

Currently, DMHAS has allocated the incoming appropriations to gambling prevention, training, awareness, and treatment. A small percentage of the carryover funding from

previous years is also to be utilized to support ongoing treatment services, which DMHAS expects to exhaust in the next several years.

In March 2024, DGE and OAG launched the RG Media Campaign, jointly funded by DGE and OAG, with each contributing \$150,000. The year-long public awareness campaign utilized strategic media placements timed around major sporting events to raise awareness about, and prevent, PG.<sup>279</sup> The goal of the RG Media Campaign was to motivate behavior change as measured by increased calls to DGE’s self-exclusion hotline and increased visits to the RG page on DGE’s website. Notably, the RG Media Campaign focused particularly on the populations most at risk for PG, as highlighted by the 2023 Prevalence Study.

DGE’s share of the RG Media Campaign was funded by part of a \$50,000 amount paid per sports wagering licensee pursuant to *N.J.S.A. 5:12A-11a* and allocated pursuant to *N.J.A.C. 13:69A-9.4(c)6*. Should the RG Media Campaign be extended or should a new public awareness campaign or other effort be launched in its stead, the current allocation of fees could continue or be modified as appropriate, with certain remaining available funds provided by DGE to Treasury for DHS, DMHAS.

Funds also could be used to pay for, and provide free access to, RG tools, including gambling website blockers and financial counseling services. However, the Task Force believes that the funding of RG recovery services would be especially effective, including cognitive behavioral therapy (“CBT”) resources and provider training programs offered through the IPGGC.

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<sup>279</sup> Press Release, State of New Jersey Department of Law and Public Safety, Office of the Attorney General, AG Platkin Announces Launch of Responsible Gaming Public Awareness Campaign (March 19, 2024), <https://www.njoag.gov/ag-platkin-announces-launch-of-responsible-gaming-public-awareness-campaign/>; New Jersey Launches Responsible Gambling Campaign During Problem Gambling Awareness Month, YOGONET, Mar. 25, 2024, <https://www.yogonet.com/international/news/2024/03/25/71405-new-jersey-launches-responsible-gambling-campaign-during-problem-gambling-awareness-month>.

One potential use of funding is mobile mental health applications that offer structured therapy for PG utilizing CBT, mindfulness, journaling and habit-tracking, peer support, and emergency support. Importantly, CBT is recognized by the National Institutes of Health as the gold standard for psychotherapy,<sup>280</sup> and an especially effective treatment for gambling disorders,<sup>281</sup> as it teaches skills for behavior and thought modification.<sup>282</sup> Ohio uses one such application.<sup>283</sup> This type of application, in contrast to traditional treatments, may resonate strongly with online gamblers and particularly with certain demographics that are experiencing increases in PG. The Task Force recommends exploring the use of these tools for New Jersey residents.

DMHAS is also planning on piloting a Gambling Screening, in which the Certified Community Behavioral Health Center (“CCBHC”) providers will assess and treat or provide a facilitated referral for these services, when indicated. The CCBHC is a “whole person” model that provides integrated mental health and SUD treatment as well as physical health screenings and care coordination. The addition of a gambling screening tool aligns with this holistic service model. This pilot will serve to inform further planning efforts.

DMHAS will integrate gambling prevention services and activities within the State’s SUD Prevention Coalitions. DMHAS will work more closely with CCGNJ, as they meet regularly with the 17 NJ SUD Prevention Coalitions serving all 21 counties. CCGNJ presents on statewide problem-gambling prevention efforts, new developments regarding legalized

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<sup>280</sup> Daniel David, Ioana Cristea, & Stefan G. Hofmann, *Why Cognitive Behavioral Therapy Is the Current Gold Standard of Psychotherapy*, 9 *FRONTIERS IN PSYCHIATRY* (2018), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC5797481/>.

<sup>281</sup> Jose M. Menchon, Gemma Mestre-Bach, Trevor Steward, Fernando Fernandez-Aranda & Susana Jimenez-Murcia, *An Overview of Gambling Disorder: From Treatment Approaches to Risk Factors*, 7 *F1000RESEARCH* (2018), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC5893944/#sec3>.

<sup>282</sup> Mayumi Okuda, Ivan Balan, Nancy M. Petry, Maria Oquendo & Carlos Blanco, *Cognitive Behavioral Therapy for Pathological Gambling: Cultural Considerations*, 166.12 *J. AM. PSYCHIATRY* (2009), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC2789341/>.

<sup>283</sup> *Time Out Ohio – RecoverMe*, <https://timeoutohio.com/recoverme/> (last visited Jan. 16, 2025).

gambling, and availability of treatment for disordered/ PG. NJ SUD Prevention Coalitions exist in all 21 NJ counties and works with community stakeholders to identify and create positive environmental changes that impact behavioral health and substance misuse issues in their specific region. Coalitions promote evidence-based prevention strategies such as education, public awareness, policy development, and enforcement, with a primary focus on building community resilience. Coalitions also provide training, technical assistance, and resources to individuals and organizations working in substance misuse prevention across NJ.

DMHAS is also exploring the feasibility of adding peers who have recovered from a gambling disorder to augment the services provided by the Gambling Disorder Clinician program. Peer services are a proven, evidence-based practice in the treatment of addictive disorders and can make a valuable addition to the available gambling services.

While family involvement is included in gambling treatment services, DMHAS recommends the expansion of family services. Family involvement is an important component of treatment but are often in need of services themselves. DMHAS has a few models of family services and a pilot of one or more of these models will be explored.

DMHAS will address the increased risk of gambling disorders through education and technical assistance opportunities for licensed providers. This will be accomplished by providing the following educational/learning opportunities:

- Add gambling disorder and suicide risk content to DMHAS's Annual Suicide Prevention Conference attended by nearly 1,000 individuals.
- Include gambling disorder and suicide risk content to the Zero Suicide Training and associated learning communities offered by DMHAS to NJ DOH, CN&L licensed treatment agencies. The Zero Suicide Approach is an evidence-informed approach for health and behavioral health organizations seeking to dramatically reduce suicides among those in their care by using the Zero Suicide framework.

## Recommendations

### *Standardization & Streamlining*

#### URGE Board

The Task Force believes New Jerseyans would benefit generally from the establishment of a New Jersey Unified Responsible Gaming Evaluation Board (“URGE Board”) that is composed of the same members which comprise this Task Force. The purpose of the URGE Board would be to consider and study RG matters of mutual interest, make recommendations to the Legislature, determine regulatory reforms, and set RG policies that warrant funding, as recommended and discussed herein, and to evaluate the effectiveness of funding which is provided in part based on the latest research and input from clinicians and other stakeholders.

The URGE Board would assume a consultative role in ensuring RG funds spent by DMHAS address the prevention, early intervention, and treatment needs of the evolving gaming population. As part of its consultative role, the URGE Board may request an accounting of RG funding at least annually to review allocated RG funds. Such accounting shall make clear the manner in which the funds are expended, and the amount of the funds that are expended for compulsive gambling treatment programs. Regular reports from grantees should also be provided to the URGE Board with an accounting as to the use of funding and projected spending, along with established metrics outlined in the funding procurement opportunity. The Task Force recommends that the URGE Board consider and advise on the distribution of RG funds, drawing on its research background, subject-matter expertise, and knowledge of potential RG industry initiatives.

## Annual Gaming Studies

In an effort to make the URGE Board more effective, the Task Force also recommends that an annual study covering all forms of gaming, including fantasy sports,<sup>284</sup> be conducted. Similar to the CC Act<sup>285</sup> and the SW Act,<sup>286</sup> which require casinos and sportsbooks to fund annual studies regarding the impact of Internet gambling and sports wagering, the Task Force recommends that legislative changes be made to require similar data for the remaining forms of gaming in the State. The Task Force believes having this data widely available will allow policymakers (like the URGE Board) to make efficient and effective decisions. This data can be converted into a dashboard which would allow for analysis of specific data points, helping to shape future policies and RG initiatives.

## Central RG Website

Because gaming is regulated by multiple State agencies, the Task Force recommends creating a centralized resource for consumers with RG information across State agencies. A centralized, statewide RG website could serve as a cornerstone for accessibility and consistency, consolidating information on all gambling activities available in the State and offering comprehensive RG resources and tools. Brick-and-mortar locations could also post signs with QR codes linking users to this platform. This platform would include direct links to agency-specific RG pages, with reciprocal links from each agency's website back to the centralized resource. To enhance visibility and ease of navigation, a recognizable statewide RG logo should be developed and prominently displayed across all online forms of gaming including fantasy sports and lottery couriers. Clicking on same would

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<sup>284</sup> *The Task Force does not include in this recommendation amusement games, bingo, raffles, or lottery.*

<sup>285</sup> *N.J.S.A. 5:12-95.18.*

<sup>286</sup> *N.J.S.A. 5:12A-11a.*

direct users to the centralized website, providing an intuitive and seamless way to access support and information.

## RG Tools Standardization

Statewide standardization of RG tools across all regulated forms of gaming in New Jersey is essential for ensuring uniformity in accessibility and implementation. The Task Force recommends further exploration of these areas. Currently, some resources can be accessed online, while others require customer service intervention, creating inconsistencies in user experience and tool accessibility. Standardization requires a variety of statutory changes. And while several stakeholders recommended to the Task Force that all operators offering any form of gaming be required to deploy and implement the technological safeguards, best practices, and regulations currently required by DGE, a one-size-fits-all approach is not advisable. While standardization is the primary goal, the Task Force recognizes that various forms of gaming may present different challenges in achieving this approach, which is why standardization will require further exploration.

Ideally, RG tools should be standardized as well and made accessible to patrons across all forms of gaming. In addition, more consistent KYC policies and requirements would ensure uniform patron protection across agencies. All online platforms offering gaming should be required to include RG messaging and features similar to those that are required for online casino gambling and online sports wagering, including the display of RG messaging when logging on and off from an Internet gaming account,<sup>287</sup> deposit limits, time limits, and temporary suspension or “cool off” periods.<sup>288</sup>

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<sup>287</sup> *N.J.S.A. 5:12-95.25.*

<sup>288</sup> *Ibid.*

One way that standardization can be implemented is to require consistent RG messaging across all forms of gaming, including fantasy sports. The Task Force recommends that legislation be enacted to require all online gaming operators to display RG messaging and features similar to those that are required in New Jersey for online casino gambling and online sports wagering.

Deposit limits are another mechanism to standardize RG tools. Deposit limits are a critical component of RG as they allow users to better manage their funds without overextending their financial accounts. Deposit limits can be set by patrons with regard to Internet gaming and sports wagering in New Jersey, but not with regard to other forms of gaming activities. The Task Force has reviewed other jurisdictions that have implemented or seek to implement uniform deposit limits on online gaming or fantasy sports. For instance, for Maryland residents and people located in Maryland, the deposit limit for daily fantasy sports is \$5,000 per calendar month.<sup>289</sup> For Tennessee residents and people located in Tennessee, the deposit limit for fantasy sports is \$2,500 per month.<sup>290</sup>

The UKGC considered implementing mandatory affordability checks and stricter deposit limits, but faced significant backlash from both consumers and industry stakeholders. Critics argued that rigid deposit limits and intrusive financial checks could drive players toward unregulated markets, ultimately undermining player protection efforts.<sup>291</sup> In response, UKGC revised their approach to focus on enhancing consumer control over gambling habits and improving transparency regarding wagering and deposit limits. While the United Kingdom has seen reduced numbers in PG, it is estimated that these

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<sup>289</sup> MD. CODE REGS 36.09.04.02 (2025).

<sup>290</sup> TENN. COMP. R. & REGS 1350-05-.07 (2025).

<sup>291</sup> Kyle Goldsmith, *Affordability checks: Everything you need to know*, IGB, Feb. 26, 2024, available at <https://igamingbusiness.com/legal-compliance/regulation/affordability-checks-everything-you-need-to-know/>.

regulations will lead to between a 3% and 8% reduction in Gross Gambling Yield ("GGY") across the gambling sector, with the main decrease in online gaming, with an estimated reduction of between 8% and 14% of GGY.<sup>292</sup>

As many presenters to the Task Force discussed, it is common in the sport betting and casino industries for operators to offer limits to users, such as deposit limits, cool-down periods or capping the amount of time a user can spend on a gaming website, all of which and more already apply to Internet gaming and sports wagering in New Jersey. Bill Pascrell, III, of the Princeton Public Affairs Group, specifically advocated for promoting "microbreaks," a strategy also endorsed by the Digital Wellness Center,<sup>293</sup> which is described as the digital equivalent of wearing a seatbelt while driving. Other presenters recommended to the Task Force that similar rules be implemented to require all gaming operators to allow participants to do the same. For example, statutory amendments should be considered that: allow for standardized deposit limits to be set by a participant across the various forms of gaming on the amount of money that can be loaded into their account over a given period of time; permit the imposition of entry fee limits (e.g., users could exclude themselves from contests where the entry fee is over \$10); provide for caps on the number of entries a participant can have in a given period of time (e.g., users could limit themselves to no more than two contests a day or ten contests a week); and allow for cool-down periods (e.g., users could restrict their play for the next three days).

To this end, the Task Force heard from third parties that offer technology that could allow operators to monitor participants' behavior across various platforms. Through this

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<sup>292</sup> UNITED KINGDOM DEPARTMENT FOR CULTURE, MEDIA & SPORT, *HIGH STAKES: GAMBLING REFORM FOR THE DIGITAL AGE* (Apr. 27, 2023), available at <https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age>.

<sup>293</sup> The Digital Wellness Center, <https://thedigitalwellnesscenter.com/> (last visited Mar. 2025). The Digital Wellness Center describes itself as "the world's only wellness company dedicated to gamers."

technology, a participant who self-imposes a deposit limit, for example, cannot easily circumvent it by simply making a second deposit on another website. While the goals of such technology are admirable, the Task Force has concerns about companies sharing customer data without consent. Any such technology would need to be further studied and evaluated to ensure it is operating within the bounds of New Jersey’s data privacy laws.

The Task Force does not support a one-size-fits-all statutory deposit limit, as such measures do not account for individual financial circumstances. Rather, in New Jersey, legislators can balance potential legislation to address a statutory deposit limit across all gaming operators with a provision to require that users set their own deposit, loss, and time limits at the time of account creation with an option to opt-out of RG limits or alternatively, to be able to do so at any time as is the case with Internet gaming and sports wagering currently. This approach acknowledges that financial health varies from person to person and avoids a one-size-fits-all restriction.

### **Advertising rules**

The Task Force recommends that legislation be introduced to standardize advertising rules across the various forms of gaming. These updates should mandate that all gaming advertisements, including organic ads, prominently display a clear warning that gambling may be addictive. To prevent “message fatigue,” where repeated exposure to the same warning reduces its effectiveness, the rules should allow for multiple variations of these messages. For instance, research by GambleAware<sup>294</sup> in the United Kingdom recommends the slogan “Gambling can be addictive.” Germany uses “Gambling can lead to addiction—

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<sup>294</sup> Rob Davies, *Adverts for UK bookmakers and online casinos ‘need smoking-style warnings’*, *THE GUARDIAN*, Jun. 10, 2024, <https://www.theguardian.com/media/article/2024/jun/10/adverts-for-uk-bookmakers-and-online-casinos-need-smoking-style-warnings>.

play responsibly.”<sup>295</sup> Australia has introduced several new taglines, including “Chances are you’re about to lose,” and “You win some. You lose more.”<sup>296</sup> These warnings should be visible, unambiguous, and required across all forms of media, including print, online platforms, television, and social media, ensuring that they reach a broad audience. The use of varied messaging would sustain consumer attention while consistently reinforcing the risks associated with gaming.

A recent poll by Fairleigh Dickinson University found that 76% of New Jersey voters favor a limit on gambling ads.<sup>297</sup> Taking into account First Amendment considerations, the Task Force is also supportive of further exploring statutory restrictions on the location, number, and frequency of advertisements promoting gaming. For example, other jurisdictions have banned gambling ads from use on public transportation in efforts to limit exposure to gambling products.<sup>298</sup> The Task Force recommends that New Jersey further explore implementing this recommendation. In addition to public transportation, a state in Australia went further, banning all gambling advertisements on roads and any infrastructure within 150 meters of all schools.<sup>299</sup> In New Jersey, this would likely require statutory amendments. Such changes would help to limit the exposure of gaming advertisements to vulnerable populations in New Jersey.

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<sup>295</sup> Joerg Hofmann, Germany: New gambling advertising rules, *GAMBLING INSIDER*, Mar. 21, 2022, available at <https://www.gamblinginsider.com/magazine/277/germany-new-gambling-advertising-rules>.

<sup>296</sup> AUSTRALIAN GOVERNMENT DEPARTMENT OF SOCIAL SERVICES, NATIONAL CONSUMER PROTECTION FRAMEWORK FOR ONLINE WAGERING — SUPPLEMENTARY FACTSHEET: CONSISTENT GAMBLING MESSAGING — PLATFORM DEFINITIONS AND PERMITTED TAGLINES, (2022), available at [https://www.liquorandgaming.nsw.gov.au/data/assets/pdf\\_file/0007/1128535/commonwealth-cgm-measure-definitions-factsheet.pdf](https://www.liquorandgaming.nsw.gov.au/data/assets/pdf_file/0007/1128535/commonwealth-cgm-measure-definitions-factsheet.pdf).

<sup>297</sup> Press Release, Fairleigh Dickinson University, *FDU Poll, FDU Poll Finds NJ Narrowly Favors School Cell Phone Ban* (Mar. 7, 2025), <https://www.fdu.edu/news/fdu-poll-finds-nj-narrowly-favors-school-cell-phone-ban/>.

<sup>298</sup> Matt Bastock, *NSW To Crack Down on Public Transport Gambling Ads Amid Reforms*, *CASINOBEATS*, Jan. 28, 2025, <https://www.casinobeats.com/2025/01/28/nsw-to-crack-down-on-public-transport-gambling-ads-amid-reforms/>; see also Press Release, State Government of Victoria, Premier of Victoria, *Gambling Ad Ban Near Schools, Roads And Public Transport* (Sept. 17, 2017), <https://www.premier.vic.gov.au/gambling-ad-ban-near-schools-roads-and-public-transport/> [hereinafter *Victoria Gambling Ad Ban*].

<sup>299</sup> *Victoria Gambling Ad Ban*, *supra* note 298.

In addition to displaying a warning that gambling can be addictive, all gambling advertisements should state the age to participate. As indicated above, DCA already requires advertisements for raffles with cash prizes to include a statement or announcement that “No one under the age of 18 years is permitted to participate.” Lottery has a public awareness campaign called “Not 18 Yet? No Bet.” Casino gaming and sports wagering activities, both retail and online, clearly have the legal age as 21 years. It would be beneficial for all gaming advertisements to identify applicable age restrictions.

All gaming operators also should be required to adopt policies that preclude advertising in forums where the primary demographic is underage, as currently required by DCA and DGE. The Task Force recommends that statutory provisions and resulting regulations should require disclosures whenever influencers or social media content creators are compensated to endorse or promote gaming products, as well as the inclusion of RG messaging. These disclosures should be explicit and clearly indicate that the endorsement or promotion is a paid advertisement. This transparency would help consumers better understand the nature of the endorsement and make informed decisions about gambling products. Paid influencers should not be those that appeal to, or target, primarily underage persons.

In an effort to standardize bingo and raffle events, the Task Force recommends that the bingo regulations be modified to include the same 1-800-GAMBLER disclosures currently applicable to raffles, or an updated disclosure referring consumers to a centralized RG information hub. Moreover, for fantasy sports, radio or TV ads should be required to have the same 1-800-GAMBLER disclaimer, in the same way sports wagering ads do.

## **Strengthen KYC Requirements**

Currently, only Internet gaming and online sports wagering have strong KYC regulatory requirements. The Task Force recommends that each gaming agency be given specific statutory authority to promulgate regulations regarding RG requirements and KYC standards. Such authority should provide all regulatory agencies with the ability to adapt RG requirements as additional research becomes available. Strong and consistent KYC standards will safeguard against a self-excluded or underage person from creating an account and enhance consistency across gaming products. Moreover, implementing consistent KYC policies across all forms of gaming would enhance patron identification processes, ensuring uniform safeguards for all players.

## **Universal Self-Exclusion List**

The introduction of a universal self-exclusion list would allow individuals to self-exclude from all forms of gaming when they self-exclude from any such form. The Task Force recommends further exploring a universal self-exclusion list. Although requiring legislative action, introduction of a universal self-exclusion list would also begin to close the gap by ensuring that individuals who self-exclude from one form of gambling could be automatically excluded from all forms of gaming in the State. In its presentation to the Task Force, IC360 advocated for better integration of self-exclusion across multiple forms of gaming and the creation of a statewide voluntary self-exclusion list. The findings from the 2023 Prevalence Study also underscore the need to develop a single statewide self-exclusion process that would allow a bettor to self-exclude from multiple forms of gaming in a single transaction. Such a system would benefit horse bettors, based on the finding in that they are more likely to engage in multiple gaming activities. Currently, as discussed above, self-exclusion lists

are offered as an RG tool for casino gambling (online and brick-and-mortar), sports wagering, pari-mutuel wagering, and fantasy sports.

While fantasy sports operators must give participants the ability to self-exclude on a site-by-site basis, the process could be streamlined. The Task Force supports amendments requiring fantasy sports operators to provide a prominently displayed link or button on their homepages where participants could easily opt-in to excluding themselves from fantasy sports activities for specified periods of time.

The Division of the State Lottery could be part of a broader universal self-exclusion list, but has unique difficulties with self-exclusion. As lottery purchases at retail locations are required to be made in cash, they are, essentially, anonymous purchases. Self-exclusion would mainly impact players who win larger amounts subject to IRS reporting (greater than \$600), and who actually file claims. Self-exclusion for the Division of the State Lottery would be a more useful and valid tool if online sales of lottery games are offered in the future, where players would not be anonymous.

### **Counseling Sessions for Self-Exclusion Removal**

To strengthen RG protections and ensure that individuals seeking removal from the self-exclusion list are fully informed and prepared, the Task Force recommends that self-excluded individuals undergo an educational session before they are removed from the self-exclusion list. While ideally this session would be conducted by a licensed mental health or addiction professional who would provide education on risks associated with gaming, coping strategies, and resources available for continued support, such a requirement is not feasible. Therefore, the Task Force recommends that statutory changes be made to require the individual seeking removal to review educational video components prior to removal from the self-exclusion list. By requiring this step, New Jersey can help mitigate impulsive

decisions to resume gaming, reduce the likelihood of relapse, and encourage long-term RG habits.

### **Multi-jurisdictional self-exclusion**

The Task Force also recommends that legislative changes be explored to facilitate the sharing of self-exclusion information, with user consent, across state lines. This would prevent individuals self-excluded in New Jersey from gambling in neighboring states such as New York or Pennsylvania, which essentially undermines the effectiveness of the self-exclusion process. However, implementing a multi-jurisdictional self-exclusion list raises important concerns, including legal and regulatory differences between states, data privacy, security risks, and the operational challenges of ensuring consistent enforcement. Additionally, companies seeking to manage and operate such a list are doing so at a cost, raising questions about funding and whether the cost associated would limit the reach and effectiveness of the program. Any coordinated system for sharing self-exclusion data must address these complexities while ensuring individuals who take the proactive step to limit their gaming activity in one state are protected across state borders. By balancing these considerations, a well-structured approach could enhance the overall impact of RG measures and ensure a more comprehensive safety net for those at risk.

### **Third-Party Exclusions**

At least two operators<sup>300</sup> currently allow third-party exclusions by family members of problem gamblers, but this is generally limited to the daily fantasy sports products. Third parties can request exclusion for a patron by providing specific documentation, including: (1) proof of the third-party's sole or joint financial responsibility for funds deposited, (2) proof

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<sup>300</sup> FanDuel and DraftKings each include information related to third party exclusion for their DFS product on their websites.

that the third-party is jointly obligated on the consumer's credit or debit card, (3) proof of legal dependency of the consumer on the third-party, (4) evidence of a court order making the third-party responsible for the consumer's debts, or (5) evidence of a court order requiring the consumer to pay unmet child support obligations. The operator may also request additional verification documentation to confirm the relationship between the third-party and the daily fantasy sports consumer.

The Task Force recommends the exploration of further third-party exclusion processes. Currently, DGE and CCC are looking to establish a third-party exclusion process through legislation and then regulations to allow concerned and affected individuals to petition for the exclusion from gambling activities of certain persons with problem gambling disorders who are unwilling to seek help.

### Uniform Gambling Age

Other stakeholders advocated for increasing consistency across gambling products and, relatedly, for legislative amendments that would make 21 the age of majority for all forms of gaming. Those stakeholders suggested that raising the legal age for all forms of activities to 21 would provide critical protection for younger individuals, significantly reducing their exposure to gambling risks during a formative period in their lives. They explained that it has been recognized that due to continuing brain development in youth, gambling at earlier ages is particularly psychologically dangerous, with likely lifelong repercussions.<sup>301</sup> Alternatively, Bill Pascrell, III advocated against this proposition, arguing that raising the gaming age may push younger audiences to the unregulated/illicit

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<sup>301</sup> Sohn, *supra* note 221.

operators. Rather, Mr. Pascrell argued for RG tools that change a player’s behavior and integrate digital wellness mechanisms.

Currently, certain forms of gaming in New Jersey, such as bingos, raffles, amusement games, lottery, horse racing, and fantasy sports,<sup>302</sup> allow patrons under the age of 21 to participate. The age for all casino gaming and sports wagering activities is already 21. The differences in age requirements across the forms of gaming creates a fragmented regulatory framework where younger individuals are exposed to gaming activities that could normalize risky behaviors and potentially lead to future gambling problems.

Research suggests that gambling at a young age is a risk factor for developing a gambling disorder.<sup>303</sup> The 2023 Prevalence Study’s findings also offer support for establishing 21 as the universal age for all forms of gaming (with perhaps an exception for amusement games, such as those played on the boardwalk and in arcades). The similarities identified in the profiles of a horse bettor and sports bettor suggest the same legal age of majority should apply to both.<sup>304</sup> For horseracing, the findings are especially concerning, in light of the anticipated expansion of the account wagering system to multiple online platforms. Given the elevated engagement of young people on social media and online

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<sup>302</sup> At least 22 other states have a minimum age requirement for participation in fantasy sports. Participants must be 21 in six states (AZ, CT, IA, LA, MA and MS); they must be 19 in one state (AL); and they must be 18 in fourteen states (AR, CO, DE, IN, ME, MD, MI, MO, NH, NY, OH, TN, VT and VA). In Pennsylvania, participants must be 18, unless they are playing through a casino licensee, in which case they must be 21.

<sup>303</sup> N. Will Shead, Jeffrey L. Derevensky, & Rina Gupta, *Risk and protective factors associated with youth gambling*, 22 *INT’L J. ADOLESCENT MED. HEALTH* 39 (2010), available at <https://youthgambling.mcgill.ca/en/PDF/Publications/2010/RiskandProtective.PDF>.

<sup>304</sup> Dr. Nower stated that horse bettors, along with sports bettors, have the worst mental health backgrounds and the highest betting intensity. See Tables 41 and 42 of the 2023 Prevalence Study, *supra* note 2. The 2023 Prevalence Study also found that horse bettors and sports bettors were significantly more likely than others to use tobacco, alcohol, and/or illicit drugs; binge drink; and report problems with drug and alcohol use. Horse bettors and sports bettors also are more likely to engage in all types of potentially addictive behaviors. Based on a Patient Health Questionnaire, the Prevalence Study also found that horse bettors, along with sports bettors, reported significantly higher rates of moderate and severe mental health problems, anxiety, and depression, compared to others who gambled. Horse bettors and sports bettors bet at high frequency, compared to others who gambled. In addition, horse bettors were more likely to bet both online and in person. Horse bettors and sports bettors were more likely than other gamblers to endorse symptoms of moderate- and high-risk PG and to gamble on more activities.

spaces, any such expansion will undoubtedly increase their exposure to pari-mutuel wagering.

By increasing the legal gaming age to 21 across all forms of gaming, it is suggested that New Jersey would create a consistent standard that aligns with other age-restricted activities, such as purchasing alcohol or tobacco. This change would help safeguard younger individuals from the potential harms associated with early exposure to gaming, including the heightened risk of addiction, financial difficulties, and psychological distress.<sup>305</sup> Additionally, a uniform legal age would potentially simplify enforcement and regulatory oversight, ensuring stronger protections for vulnerable populations statewide. At this time, the Task Force recommends further evaluation of the benefits and drawbacks of imposing a uniform gambling age of 21.

### Address Unlicensed Operators

Several stakeholders expressed concern about unlicensed gambling websites. In a recent editorial, former DGE Director David Rebeck expressed concern about social gaming apps, sweepstakes games, video gambling games, skill-based games, or illegal slot machines that may be offering gambling with no RG safeguards and limited consumer protections.<sup>306</sup> Mr. Rebeck advocated for legislative amendments to New Jersey's criminal statutes. Both the Responsible Online Gaming Association and IC360, as well as the Casino Association of New Jersey, expressed similar concerns about unlicensed gambling websites

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<sup>305</sup> Amelia Rizzo, Valentina Lucia La Rosa,, Elena Commodari, Dario Alparone, Pietro Crescenzo, Murat Yıldırım, & Francesco Chirico,, *Wanna Bet? Investigating the Factors Related to Adolescent and Young Adult Gambling*, 13 *EUR. J. INVESTIGATION IN HEALTH, PSYCHOL. AND EDUC.* 2202 (2023), available at [https://www.researchgate.net/publication/374551348\\_Wanna\\_Bet\\_Investigating\\_the\\_Factors\\_Related\\_to\\_Adolescent\\_and\\_Young\\_Adult\\_Gambling](https://www.researchgate.net/publication/374551348_Wanna_Bet_Investigating_the_Factors_Related_to_Adolescent_and_Young_Adult_Gambling).

<sup>306</sup> David Rebeck, *It's time to tackle gambling addiction in New Jersey: David Rebeck*, Oct. 2, 2024, available at [https://pressofatlanticcity.com/opinion/column/article\\_f6ab228a-8003-11ef-a1b2-b7e4f2c16ece.html](https://pressofatlanticcity.com/opinion/column/article_f6ab228a-8003-11ef-a1b2-b7e4f2c16ece.html)

and their failure to offer protections for problem gamblers, sophisticated underage gaming restrictions, or RG messaging.<sup>307</sup> He also advocated for increasing consumer awareness about the difference between legal and illegal websites.<sup>308</sup>

Statutory amendments modernizing gambling provisions are essential to combat unregulated and unlawful online gambling sites. With the support of the Legislature and executive branch, DCA, DCJ, DSP, and DGE are working to address these serious issues in a meaningful and coordinated manner in order to eliminate unregulated gaming operations and activities. These divisions are actively pursuing reforms through legislative bills introduced in the Senate (S4282) and Assembly (A5447) that, among other measures, refine Title 2C to clarify the definition of gambling and to enhance enforcement against illegal or unregulated operators, including civil enforcement authorities and mechanisms provided to DCA and DGE, as detailed therein. The Task Force supports legislative reforms in this area and sees these efforts as critical in order to protect the legalized gaming industry, patrons, and the policies and interests of the State of New Jersey.

Finally, DCA frequently receives complaints about illegal amusement games (coin pushers and cranes, for example) operated outside of permitted amusement parks. For example, they can be found in the lobbies of diners, restaurants, or laundromats. The AGL does not authorize LGCCC to enjoin this activity or to fine the operators, as their operation presently is solely a criminal matter. The Task Force recommends amending the AGL, along the lines of the Raffle Licensing law, *N.J.S.A. 56:8-57.1-57.2*, to close this gap.

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<sup>307</sup> *Id.*

<sup>308</sup> *Id.*

## Prevention & Education

### RG Education

Young people and educators need more information on RG, the problems with underage gambling, and treatment options. Administrators and teachers need help in learning and recognizing PG signs, and state policies must be in place that allow them to address the problem. There is an opportunity to collaborate with education institutions to integrate RG education into curricula to foster healthy risk assessment and coping strategies in youth.

Multiple stakeholders offered feedback to the Task Force on this issue. CCGNJ and IC360 advocated for including gambling addiction education in schools. MoneyStack, Inc. and GamFin suggested that an educational module on gambling could be added to the financial literacy education curriculum for New Jersey high school students.

The Task Force recommends that there be more partnering with schools and community-based organizations to raise the level of awareness of PG resources. To address the growing concerns about gambling-related harm and foster early prevention, New Jersey should integrate educational programming about gambling and its risks into K-12 school curriculum. The Task Force recommends New Jersey integrate this programming through partnerships with the CCGNJ's school program, Drug Abuse Resistance Education ("D.A.R.E.")<sup>309</sup> or Law Enforcement Against Drugs ("LEAD")<sup>310</sup> program. Such programs would empower students with the knowledge to make informed decisions and understand the potential risks of gambling. This initiative is especially critical given that many students

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<sup>309</sup> D.A.R.E. America, [www.dare.org](http://www.dare.org) (last visited Mar. 20, 2025).

<sup>310</sup> Law Enforcement Against Drugs and Violence, [www.leadrugs.org](http://www.leadrugs.org) (last visited Mar. 20, 2025).

are already participating in video games and purchasing loot boxes,<sup>311</sup> a practice that can desensitize them to the concepts of chance, risk, and reward, which are fundamental to gambling.<sup>312</sup> Moreover, the integration of gambling education could help demystify the concept of gambling, making students aware of the psychological and financial risks involved. This would not only reduce the likelihood of underage gambling but also raise awareness about behaviors that could lead to PG in adulthood.

Educational programming should also address financial literacy, at-risk behaviors, and positive play. Additionally, RG programs should include methods to educate players and families about the difference between regulated and unregulated markets and “red flags” of problematic play. The URGE Board could further explore and recommend legislation changes to ensure there is uniform guidance from the State to curriculum directors.

Other stakeholders advocated for raising awareness through other means. Birches Health suggested mandatory RG education around at-risk behaviors could be implemented either as part of the account creation process or shortly thereafter. CCGNJ suggested warning labels for brick-and-mortar casinos and online gambling websites that alert the public about the potentially addictive nature of gambling. Both the Responsible Online Gaming Association and CCGNJ expressed concerns about the misperception of RG tools as being for problem gamblers. They advocated for increasing public awareness that RG is for everyone.

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<sup>311</sup> Soichiro Ide, Miharū Nakanishi, Syudo Yamasaki, Kazutaka Ikeda, Shuntaro Ando, Mariko Hiraiwa-Hasegawa, Kyoto Kasai, & Atsushi Nishida, *Adolescent Problem Gaming and Loot Box Purchasing in Video Games: Cross-sectional Observational Study Using Population-Based Cohort Data*, 9 *JMIR SERIOUS GAMES* 1 (2021), [available at https://www.researchgate.net/publication/349158055\\_Adolescent\\_Problem\\_Gaming\\_and\\_Loot\\_Box\\_Purchasing\\_in\\_Video\\_Games\\_Cross-sectional\\_Observational\\_Study\\_Using\\_Population-Based\\_Cohort\\_Data](https://www.researchgate.net/publication/349158055_Adolescent_Problem_Gaming_and_Loot_Box_Purchasing_in_Video_Games_Cross-sectional_Observational_Study_Using_Population-Based_Cohort_Data)

<sup>312</sup> David Zendle, Rachel Meyer, & Harriet Over, *Adolescents and loot boxes: links with problem gambling and motivations for purchase*, 6 *ROYAL SOCIETY OPEN SCI.* (2019), [available at https://royalsocietypublishing.org/doi/pdf/10.1098/rsos.190049](https://royalsocietypublishing.org/doi/pdf/10.1098/rsos.190049).

The Task Force recommends that the gaming agencies, through funds provided by regulated industries, launch an integrated statewide public awareness campaign to educate New Jersey citizens about all gambling activities and the RG resources available to support individuals with PG. Such a campaign could educate residents about the universe of legal gaming and fantasy sports options in New Jersey, including the lottery, horse racing, sports wagering, and casinos, while highlighting the availability of RG resources, counseling services, and support programs. This campaign would focus on educating individuals on the difference between legal and illegal gaming websites, promoting healthy gaming habits, setting forth signs to recognize PG, and encouraging the use of available RG tools.

Additionally, websites offering “free-to-play” fantasy sports, which are often available to teenagers (or even younger consumers) can be a gateway to paid contests and gambling. DCA proposes engaging with the companies offering these products to discuss ways they can educate young users about the dangers of gambling generally through links or postings on the platforms. DCA could also consider working with certified fantasy sports operators to post educational information or resources related to RG on their platforms.

The Task Force will endeavor to create documents and resources that can be shared with the public, including DCA’s substantial library of consumer alerts and briefs. The Task Force further recommends that resources be posted on the central RG website and a joint social media campaign by the relevant State agencies be created to raise awareness about the issues and resources available. DCA can also disseminate materials via an email blast to mental health professionals and to primary care providers advising them about screening and referral programs for gambling or gaming disorders.

## Underage Gambling Education Programs

To further enhance the State's RG initiatives, individuals under the legal age found to be engaging in gambling should be required by legislation to participate in educational programs specifically designed to address their behavior. These programs would not only educate minors about the risks and consequences of gambling but also include counseling services to help them understand the underlying factors that may have led to their behavior. A critical component would be the financial impact and consequences of PG, including the loss of driving privileges as a penalty. Pending legislation in the State legislature (A5086/S3972) proposes changing underage gambling from a criminal offense to a civil penalty. The Task Force recommends expanding these bills to require participation in an educational program as part of the penalty, to address screening processes for PG, and to include the suspension of driving privileges for a period of time as an additional deterrent. This approach ensures that early intervention occurs, addressing potential problems before they escalate.

## Accessible Resources

In addition to education, New Jersey should prioritize providing accessible resources to residents affected by gambling, including free access to RG tools and recovery services. Tools such as gambling website blockers, financial counseling services, and cognitive behavioral therapy apps can be effective in mitigating gambling-related harm and offering support to those in need. Gambling has been transformed significantly, and innovative interventions that are meaningful and relevant to those experiencing gambling addiction must be advanced and be in the forefront. The majority of patrons play online and they should be met there.

The State also should consider partnerships with treatment providers to improve access to treatment and services for all residents affected by gambling. While funds, almost exclusively provided by casino gaming, Internet gaming, and sports wagering, are currently allocated through DMHAS to CCGNJ, as discussed in detail in this report, directly partnering with a provider could streamline the process and offer more efficient, direct services to individuals in need. By establishing a direct relationship with treatment providers, the State can ensure more timely and comprehensive support, enhancing the effectiveness of its RG initiatives, as well as the assessment, measurability, and accountability of its programs. While many of these tools may require State funding from all sources of gaming activity in the State, the investment would significantly benefit individuals and families impacted by PG, reducing long-term societal costs related to addiction and financial distress.

### **State Agency Personnel Training**

The Task Force further recommends that employees of State agencies regulating gaming, especially those involved in the self-exclusion process, receive specialized training in PG and interacting with individuals struggling with addiction. This training would ensure that State employees can respond with empathy, provide accurate information on available resources, and guide patrons through the self-exclusion process in a supportive manner. By equipping staff with the skills to handle sensitive situations, New Jersey would strengthen its commitment to RG and help foster a safer gambling environment.

### *Tools & Treatment*

#### **Treatment Recommendations**

The Task Force recommends a statutory change to the licensure categories to bring PG treatment within the scope of practice of licensees of the ADC Committee (without co-

occurring alcohol or drug disorders), and the elimination of the oral exam for ADC Committee licensees to reduce bottlenecks in initial licensure. These changes would expand the availability of treatment providers.

The Task Force also supports encouraging other licensed behavioral health professionals to obtain a PG treatment certification. To that end, the Task Force supports promoting continuing education for mental health licensees related to RG. Both of these initiatives would enhance the quality of PG treatment available. DCA is able to reach out to licensees to alert them to continuing education opportunities that fulfill their existing biennial license renewal continuing education requirements. Once the statutory requirements are established, DCA can also educate licensees regarding PG treatment certification opportunities.

### Standardizing Coverage

More than 96% of those with a gambling disorder have at least one comorbid mental health issue, including depression, anxiety and personality disorders.<sup>313</sup> It is well-established that while a gambling disorder may co-occur with mental health or SUD, a gambling disorder also is a standalone diagnosis for which specialized training, treatment, and commercial insurance coverage is available.<sup>314</sup>

Moving forward, DMHAS is exploring with NJ FamilyCare (aka Medicaid) to ensure that coverage for the treatment of gambling disorders is available, with or without co-occurring mental health or SUD conditions. The Task Force would be supportive of further exploring whether statutory changes are needed to this end.

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<sup>313</sup> *Rash, et al., supra note 208.*

<sup>314</sup> *DSM-5, supra note 231.*

## *Funding*

Several stakeholders also advocated for increasing funding for PG services. Citing increased call volumes since the legalization of sports wagering, CCGNJ recommended increasing the budget for the CCGNJ to expand its services and outreach. IC360 recommended increasing funding to third-party suppliers to provide education, integrity, and monitoring solutions. They also advocated for the funding of additional in-patient treatment programs for PG, services for family members and loved ones impacted by PG, and multilingual help services. MoneyStack advocated for increased funding for financial counseling as a treatment and recovery resource.

The Task Force recommends that all forms of gaming contribute to fund RG efforts. In that regard, for horse racing, casino gaming, Internet gaming, and sports wagering, the Task Force recommends that the current amount and approach be re-evaluated. The Task Force specifically recommends that legislation be enacted which allows for a comprehensive assessment on an annual or other periodic basis and apportioned to each form of gaming in the State based on revenue. Additionally, DCA is already collecting an operational fee on a quarterly basis of 10.5% of fantasy sports gross revenues from fantasy sports operators.<sup>315</sup> These fees are deposited in the general fund of the State. The Task Force recommends that statutory amendments be adopted such that a portion of these fees be used to support RG initiatives. DCA could then allocate these funds towards RG geared toward fantasy sports or enable the regulation of clinicians treating gambling addictions.

The Task Force further recommends that statutory changes be enacted such that revenue from penalties associated with violations of bingo, raffle, amusement games,

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<sup>315</sup> N.J.A.C. 13:45A-36.11.

lottery, and fantasy sports laws be used to create an additional dedicated source of funding for RG initiatives. In addition, the Task Force notes that penalties for violations of the amusement games law and regulations have not been increased in decades, and are currently capped at \$250 (\$500 for second violation). Legislative changes should also encompass violation cap increases to enable the use of penalties to support RG efforts.

## Conclusion

After a thorough review of existing RG efforts in New Jersey and across the globe, the Task Force submits this report to Governor Murphy with the suggested recommendations for needed changes to standardize and streamline RG initiatives, provide and implement prevention and education programs, make tools and treatment more accessible, and to strategically utilize existing funding and require funding contributions from each gaming industry. These recommendations will allow New Jersey to expand RG and PG innovations and actions.