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RULE ADOPTION
LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
LEGALIZED GAMES OF CHANCE CONTROL COMMISSION
ARMCHAIR RACES

Additions to proposals are indicated by <<+ Text +>>; deletions from proposals are indicated by <<- Text ->>. Changes in tables are made but not highlighted.

Adopted Amendments: N.J.A.C. 13:47-4.9, 6.4, 6.5, 6.11, 13.3, 13.6, 13.7, 13.8, 16.1 and 16.2

Adopted New Rules: N.J.A.C. 13:47-18 and 19

Proposed: July 16, 2001 at 33 N.J.R. 2422(a).

Adopted: August 22, 2001 by the Legalized Games of Chance Control Commission, Marilou Halvorsen, Chairman.

Filed: August 24, 2001 as R.2001 d.343, without change.

Authority: N.J.S.A. 5:8-34, 5:8-51 and 5:8-61.

Effective Date: September 17, 2001.

Expiration Date: January 24, 2002.

Summary of Public Comment and Agency Response:

No comments were received.

Federal Standards Statement

A Federal standards analysis is not required because there are no Federal standards or requirements applicable to the subject matter of the adopted amendments and new rules.

Full text of the adoption follows:

<< **NJ ADC 13:47-4.9** >>

13:47-4.9 Licensing fees payable to the Control Commission

(a)-(b) (No change.)

(c) The licensing fees payable to the Commission are:

1.-10. (No change.)

11. Armchair race: \$50.00 per licensed day of operation.

<< **NJ ADC 13:47-6.4** >>

13:47-6.4 Conduct by active members and compensated non-members

(a) No person shall assist in the holding, operating or conducting of a game of chance except:

1. Active members of the licensee, active members of its parent organization, active members of an auxiliary organization, active members of an organization of which the licensee is an auxiliary or active members of an organization having a common parent organization, provided that the assisting organization is registered with the Control Commission; and

2. A person who is not a member of the licensed organization, an auxiliary or affiliated organization as described in this subsection, and who has been approved by the Control Commission in accordance with the provisions of this chapter and who will be compensated for holding, operating or conducting or assisting in the holding, operating or conducting of the game.

(b)-(g) (No change.)

<< NJ ADC 13:47-6.5 >>

13:47-6.5 Compensation

(a) No commission, salary, compensation, reward or recompense may be paid to any member of the licensed organization or a member of an organization which is auxiliary to or affiliated with the licensed organization for holding, operating or conducting, or assisting in the holding, operating or conducting of a game of chance, except for bookkeepers or accountants who assist by rendering their professional services for an amount within the schedule of fees fixed by these rules, or a person approved by the Control Commission as a game operator who is not a member of the licensed organization or a member of an organization which is auxiliary to or affiliated with the licensed organization.

(b) (No change.)

<< NJ ADC 13:47-6.11 >>

13:47-6.11 Frequency and location of games

(a) No registered organization shall conduct any game(s) of chance more often than as set forth in this section:

1.-8. (No change.)

9. Armchair race events shall not be conducted more often than six times in any one week.

(b) (No change.)

(c) A license issued for the purpose of holding an armchair race shall be valid on the date of the occasion for which the license is issued beginning at 12:00 A.M. and will expire at 2:00 A.M. the next day.

SUBCHAPTER 13. RAFFLES AND BINGO EQUIPMENT PROVIDERS; INSTANT RAFFLE EQUIPMENT PROVIDERS; ARMCHAIR RACE EQUIPMENT AND PERSONNEL PROVIDERS; FEES NOTIFICATIONS; QUALIFICATIONS

<< NJ ADC 13:47-13.1 >>

13:47-13.1 Application

(a) An applicant desiring to provide or supply equipment or personnel for an armchair race, bingo, raffle or instant raffle for use in, or in connection with, holding, operating or conducting an armchair race, bingo, raffle or instant raffle game shall first be approved by the Control Commission.

(b)-(f) (No change.)

(g) Each applicant desiring to provide equipment or personnel to be used in or in connection with an armchair race, a

bingo or raffle shall forward together with Form 11, a non-refundable application fee of \$100.00 by check or money order made payable to the order of the Legalized Games of Chance Control Commission.

(h) (No change.)

<< NJ ADC 13:47-13.6 >>

13:47-13.6 Approval; time limitations; renewal

(a) Upon notification of approval by the Commission, each armchair race, bingo and raffle equipment provider shall forward an annual licensing fee of \$500.00 by certified check or money order made payable to the order of the Legalized Games of Chance Control Commission. The approval to supply armchair race, bingo and raffle equipment, when granted, shall be valid for one year.

(b) Prior to the expiration of the current annual license period, each licensed armchair race, bingo and raffle equipment provider shall submit an application for license renewal together with the annual license renewal fee.

(c)-(f) (No change.)

(g) The Commission may suspend or revoke the license of armchair race, bingo and raffle equipment providers or manufacturers and distributors of instant raffle equipment issued by the Commission, after an opportunity for a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1, for any violation of the Bingo Licensing Law, the Raffle Licensing Law, the Amusement Games Licensing Law, this chapter or any other relevant law.

<< NJ ADC 13:47-13.7 >>

13:47-13.7 Certification

(a) Within 48 hours after agreeing to supply armchair race or raffles equipment or personnel to a licensee, except when provided in compliance with N.J.A.C. 13:47-8.14(b)4, and whether or not a charge is made by the supplier, the armchair race or raffles equipment supplier shall send to the Control Commission a certification as to the following:

1.-5. (No change.)

(b)-(c) (No change.)

<< NJ ADC 13:47-13.8 >>

13:47-13.8 Providing armchair race, bingo or raffle equipment; restriction

No person approved by the Control Commission to provide equipment for use in or in connection with the conduct of an armchair race, bingo or raffle game shall provide such equipment to any person not registered with the Control Commission and licensed by the municipality in which the activity is held, operated or conducted.

<< NJ ADC 13:47-16.1 >>

13:47-16.1 Rates for equipment

(a) (No change.)

(b) No rate in excess of that set forth in this section shall be paid or accepted for the rental or use of any equipment used in or in connection with the holding, operating or conducting of a raffle.

(c) The rate for the rental or use of any authorized game shall include all equipment, material and devices necessary to hold, operate or conduct the particular game.

<< NJ ADC 13:47-16.2 >>

13:47-16.2 Rates for services

(a) The following fees may be charged for the services listed:

Schedule of Fees "B"

Fee Service

Service	(No more than)
Armchair race projectionist	\$250.00 per day
	<p>\$250.00 per day</p> <p>(b) No rate in excess of that set forth in this section shall be paid or accepted for the services provided.</p> <p>SUBCHAPTER 17. (RESERVED)</p> <p>SUBCHAPTER 18. CONDUCT OF ARMCHAIR RACES</p> <p><< NJ ADC 13:47-18.1 >></p> <p>13:47-18.1 Purpose and scope</p> <p>(a) The purpose of the rules in this subchapter is to implement P.L. 1999, c.17 concerning the conduct of armchair races.</p> <p>(b) This subchapter shall apply to all persons who hold an armchair race.</p> <p><< NJ ADC 13:47-18.2 >></p> <p>13:47-18.2 Definitions</p> <p>The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise.</p> <p>"Armchair race(s)" means an event at which wagers are placed with imitation money on the outcome of a previously filmed horse race(s) and wagerers do not know the results in advance, when the prize awarded consists of merchandise or raffle tickets only, and not cash or money.</p> <p>"Armchair race equipment provider" means a person approved by the Control Commission to provide armchair race equipment for use in or in connection with the holding of an armchair race in accordance with this subchapter.</p> <p>"Armchair race holder" means the registered organization in whose name the armchair race license is issued from a municipality.</p> <p>"Armchair race operator" means a person who works any game of chance at an armchair race including, but not limited to, cashiers and projectionists.</p>

"Banker" means a person who converts cash or money into imitation money at the posted exchange rate.

"Cashier" means a person who processes transactions involving imitation money which do not also involve legal currency, cash or money, including accepting wagers, paying out winnings and redeeming imitation money for raffle tickets or merchandise prizes.

"Daily double" means a wager on which horses will finish first in two designated races.

"Exacta" means a wager on which horse will finish first and which horse will finish second in a race.

"Exchange rate" means the rate at which cash or money is converted into imitation money used to place wagers at an armchair race.

"Exchange ratio" means the rate of exchange of imitation money for raffle tickets.

"Film" means any recording medium used to show previously filmed horse races including, but not limited to, film, videotape and digital video discs.

"Imitation money" means any script which is either used to place wagers and pay winnings, or is redeemed for raffle tickets or merchandise prizes at an armchair race.

"Tamper evidencing seal" means a seal on a film container, bearing the equipment providers' name and/or logo, that is constructed in such a way that should the container be opened or tampered with, such opening or tampering would be easily discernible and obvious.

"Quiniela" means a wager to select the first two horses to finish in a race, irrespective of the order in which the horses finish in that race.

"Straight betting" means a wager on which horse will finish first in the race.

"Trifecta" means a wager made on which horse will finish in first, second and third place in a race.

<< NJ ADC 13:47-18.3 >>

13:47-18.3 Armchair race; authorization; license required

It shall be lawful to hold or operate an armchair race when properly licensed in accordance with the provisions of N.J.S.A. 5:8-50 et seq. and this subchapter.

<< NJ ADC 13:47-18.4 >>

13:47-18.4 Personnel; compensation; qualifications

(a) In addition to bookkeepers and accountants, who may be compensated pursuant to N.J.A.C. 13:47-6.5, a person approved by the Control Commission pursuant to N.J.A.C. 13:47-19 who is not a member of the licensed organization, an auxiliary or affiliated organization may be compensated for services as a cashier or projectionist at an armchair race, but only in the amounts set forth in the schedule in N.J.A.C. 13:47-16.2.

(b) An armchair race holder or operator shall be thoroughly familiar with the method of armchair race operations as set forth in this subchapter.

<< NJ ADC 13:47-18.5 >>

13:47-18.5 Restrictions; equipment; wagering; prizes

(a) On the occasion of an armchair race, no gambling shall take place other than that specifically authorized in this chapter.

(b) No person shall use, rent, lease, acquire or provide any equipment or service for use in or in connection with the holding of any armchair race which is not provided in accordance with the provisions of the Raffles Licensing Law, N.J.S.A. 5:8-50 et seq., and this chapter.

(c) An armchair race holder shall not:

1. Allow any wager to be placed on an armchair race game by any means except with imitation money;
2. Allow wagering between players, commonly known as side betting;
3. Offer or award any prize consisting of cash or money;
4. Offer or award any merchandise prize of a type prohibited by N.J.A.C. 13:47-6.20(a); or
5. Purchase or exchange any merchandise prize for a player for cash or money or imitation money.

(d) An armchair race operator, banker, cashier or member in charge shall not on the occasion of the armchair race:

1. Participate as a player in any game of chance, including, but not limited to, an armchair race;
2. Accept any direct or indirect tip or gratuity; or
3. Consume alcoholic beverages during the period between the commencement of the first race and conclusion of the final race of the armchair event.

(e) Nothing contained in this section shall be construed to prohibit the award of cash or money as a prize in an authorized bingo or raffle game or to prohibit such a game from being held, operated and conducted in accordance with N.J.A.C. 13:40-6.20(b) in conjunction with an armchair race.

<< NJ ADC 13:47-18.6 >>

13:47-18.6 Display of notices

(a) In addition to the notices required by N.J.A.C. 13:47-6.6, an armchair race holder shall conspicuously post the following notices at the places indicated:

1. The exchange rate: at the banker's window; and
2. The method by which all prizes will be awarded: in the room(s) or area(s) where the race(s) is shown and where the prize(s) is displayed.

(b) If a prize(s) is to be awarded based upon a drawing, the exchange ratio shall be posted in the room(s) or area(s) where the race(s) is shown and where the prize(s) is displayed.

(c) If the value of imitation money is color-coded, the value of each color shall be posted in the room(s) or area(s) where the race(s) is shown and where the prize(s) is displayed.

<< NJ ADC 13:47-18.7 >>

13:47-18.7 Imitation money; sales; restrictions; amounts

- (a) Imitation money shall be obtained from the equipment provider or shall be provided by the armchair race holder.
- (b) The value of imitation money shall be marked on each script or shall be color coded.
- (c) The minimum exchange rate shall be \$2.00 of imitation money for every \$1.00 of cash or money.
- (d) Imitation money shall be:
 - 1. Issued in full dollar amounts;
 - 2. Distributed at the time and place of the event at which it is to be used;
 - 3. Sold by a banker at a banker's window;
 - 4. Used to place wagers or pay winnings or redeemed for raffle tickets or merchandise prizes; and
 - 5. Dated with the date of the armchair race event and bear the name of the organization holding the event.
- (e) Imitation money shall not be:
 - 1. Converted into cash or money; or
 - 2. Removed from the room or area where the event is held.

<< NJ ADC 13:47-18.8 >>

13:47-18.8 Admission fee

An armchair race holder may charge a fee for admission to the armchair race.

<< NJ ADC 13:47-18.9 >>

13:47-18.9 Previously filmed horse race container seal

Prior to shipment, an armchair race equipment provider shall seal the container(s) holding a previously filmed horse race(s) with a tamper evidencing seal(s) bearing the equipment provider's name and/or logo. The seal(s) shall be constructed in such a way that should the container(s) be opened or tampered with, such tampering or opening would be easily discernable and obvious.

<< NJ ADC 13:47-18.10 >>

13:47-18.10 Previously filmed horse races; time limits

An armchair race equipment provider shall not supply a previously filmed horse race film for use in any armchair race unless the horse race was run at least one year prior to the date of the armchair race.

<< NJ ADC 13:47-18.11 >>

13:47-18.11 Qualifications of equipment provider

An armchair race equipment provider shall be thoroughly familiar with the method of operation of an armchair race as set forth in this subchapter.

<< NJ ADC 13:47-18.12 >>

13:47-18.12 Equipment; method of play

(a) All equipment used in an armchair race shall be provided by an equipment provider approved by the Control Commission pursuant to the Raffles Licensing Law, N.J.S.A. 5:8-50 et seq., and this chapter.

(b) An armchair race holder shall obtain the following equipment from an approved armchair race equipment provider:

1. A container, holding a previously filmed horse race(s), sealed in accordance with N.J.A.C. 13:47-18:9;
2. A race program which indicates the number of horses in each race and identifies the horses in each race by number and fictitious name but which in no way indicates the past performance of the horses;
3. Wagering tickets which contain at least the following information:
 - i. The date of the occasion;
 - ii. The name of the organization and the identification number issued to it by the Control Commission;
 - iii. The license number issued by the municipality for the armchair race;
 - iv. The race number;
 - v. The number of the horse(s) wagered upon; and
 - vi. The serial number to identify the tickets used at that armchair race; and
4. Ticket control and wager computation sheets.

Armchair
race cashier

<< NJ ADC 13:47-18.13 >>

13:47-18.13 Armchair race; method of operation; restriction

(a) If a film contains only one race, all wagers shall be placed and all cashier windows shall be closed prior to removing the seal on the film container. The race shall not be shown if the seal has been tampered with or removed.

(b) If a film contains more than one race, the armchair race holder shall announce, prior to the removal of the seal on the film container, whether wagers for all races on that film shall be placed before the seal is broken or whether wagers shall be placed on each race prior to the showing of each race. If wagers are to be placed prior to the showing of each race, the film shall be stopped at the blank space at the end of each race to allow wagers to be placed on the horses in the next race.

(c) The film(s) shall not be shown if the equipment provider's seal has been tampered with or removed, except when a film contains more than one race and an announcement has been made, and the film has been stopped at the end of each race, as required by (b) above.

(d) An armchair race holder may accept wagers for one or more races provided that the equipment provider's seal on the films has not been broken, except when a film contains more than one race and an announcement has been made, and the film has been stopped at the end of each race, as required by (b) above.

(e) No person shall disclose any information regarding the identity of a horse, its past performance, or the outcome of a race prior to the conclusion of the race.

(f) No previously filmed horse race shall be shown more than once at any armchair race event.

(g) A previously filmed horse race shown at an armchair race event shall have been run at least one year prior to the date of the armchair race event.

<< NJ ADC 13:47-18.14 >>

13:47-18.14 Armchair race; designated member in charge of the conduct of the event

(a) The officers of the armchair race holder shall designate a member who shall be in charge of the conduct of the event. The duties of the member in charge shall include all the duties set forth in N.J.A.C. 13:47-6.1 and, in addition, the member in charge shall:

1. Supervise the banker, cashier, projectionist and all persons operating games at the event;
2. Receive the film(s) and any associated documents from the approved equipment provider;
3. Maintain the equipment provider's seal(s) placed on the film(s) until each race is shown; and
4. Return the film(s) to the approved equipment provider on the next business day following the day upon which the armchair race event is held.

<< NJ ADC 13:47-18.15 >>

13:47-18.15 Armchair race; designated member in charge of net proceeds

The officers of the armchair race holder shall designate a member in charge of proceeds who shall have the responsibilities as set forth in N.J.A.C. 13:47- 6.2.

<< NJ ADC 13:47-18.16 >>

13:47-18.16 Armchair race banker

(a) An armchair race banker shall:

1. Be a bona fide active member of the armchair race holder; and
2. Convert cash or money into imitation money at the posted exchange rate.

(b) An armchair race banker shall not:

1. Convert imitation money into cash or money;
2. Work as a cashier at the same armchair race event; or
3. Be compensated for services as a banker.

<< NJ ADC 13:47-18.17 >>

13:47-18.17 Armchair race cashier

(a) An armchair race cashier shall:

1. Accept wagers and pay out winnings for successful wagers;
2. Exchange imitation money for merchandise or raffle tickets at the posted exchange rate;
3. Complete a ticket control and wager computation sheet for each race, daily double, trifecta, quiniela and exacta. Each sheet shall contain the following information:
 - i. Total number of tickets sold;
 - ii. Total dollar amount collected;
 - iii. Amount of commission;
 - iv. Distribution of winnings;
 - v. Winning entry or combination;
 - vi. Winners to be paid; and
 - vii. Total to be paid; and
4. Distribute the winnings.

(b) An armchair race cashier shall not:

1. Process transactions involving cash or money;
2. Work as a banker at the same armchair race event; or
3. Convert imitation money into cash or money.

<< NJ ADC 13:47-18.18 >>

13:47-18.18 Authorized wagering

(a) Wagers for armchair races shall be in full dollar amounts in imitation money.

(b) Only straight betting, exacta, daily double, trifecta and quiniela wagering shall be allowed at an armchair race.

<< NJ ADC 13:47-18.19 >>

13:47-18.19 Distribution of winnings

The armchair race holder shall retain a percentage of the total amount wagered in each race, daily double, trifecta, quiniela and exacta. The amount remaining shall be distributed among the winners.

EXAMPLE: The total amount of imitation money wagered in a race is \$400.00. The armchair race holder retains a 50 percent commission on the race, leaving \$200.00 of imitation money to be distributed among the winners. Horse number 6 wins the race. Eight wagers were placed (that is, tickets were purchased) on horse number 6. The cashier divides eight into \$200.00 and pays out \$25.00 in imitation money for each ticket purchased.

<< NJ ADC 13:47-18.20 >>

13:47-18.20 Prizes

The aggregate retail value of all merchandise prizes awarded at an armchair race event by drawing and/or redemption shall not exceed \$100,000.

SUBCHAPTER 19. COMPENSATED ARMCHAIR RACE PROJECTIONIST AND CASHIER

<< NJ ADC 13:47-19.1 >>

13:47-19.1 Application procedure

(a) A person who wants to be a compensated armchair race projectionist or cashier shall submit to the Control Commission a Commission-provided application and a non-refundable \$100.00 fee by check or money order made payable to the Legalized Games of Chance Control Commission. The application shall be completed in duplicate, signed by the applicant and notarized.

(b) A person who wants to be a compensated armchair race projectionist or cashier, who is employed by a licensed equipment provider, shall submit to the Control Commission a Commission-provided application and a non-refundable \$25.00 fee by check or money order made payable to the Legalized Games of Chance Control Commission. The application shall be completed in duplicate, signed by the applicant and the approved equipment provider by whom the applicant is employed, and shall be notarized.

(c) The Commission shall review the application for completeness, and barring any conviction of a crime, violation of the Bingo Licensing Law, the Raffle Licensing Law, the Amusement Games Licensing Law or disciplinary action relative to a license, certificate or registration in another state, shall approve the application.

(d) The Commission shall notify the applicant of the approval and issue a license and license number.

<< NJ ADC 13:47-19.2 >>

13:47-19.2 Agent for service of process

(a) All armchair race projectionist and cashier applicants shall appoint the Executive Officer of the Control Commission as agent for service of process on a form provided by the Commission.

(b) Upon the service of any papers on the Executive Officer of the Control Commission as agent for the armchair race projectionist or cashier, the Executive Officer shall forward the papers by registered or certified mail, return receipt requested, to the person named and who is a defendant in the proceeding at the last known address on file with the Commission.

<< NJ ADC 13:47-19.3 >>

13:47-19.3 Authorized races

A person who has been approved as an armchair race projectionist or cashier by the Control Commission shall only work at an armchair race event if the event has been authorized by the Control Commission and licensed by the municipality in which the race(s) are to be held and the equipment to be used has been provided by an approved supplier in accordance with this chapter.

<< NJ ADC 13:47-19.4 >>

13:47-19.4 License approval and renewal

(a) Upon notification of approval by the Control Commission, each armchair race projectionist or cashier applicant shall forward a license fee of \$125.00 by certified check or money order made

payable to the Legalized Games of Chance Control Commission. The license shall be valid for one year unless modified, suspended or revoked by the Control Commission.

(b) Upon notification of approval by the Control Commission, each armchair race projectionist or cashier applicant, who is employed by a licensed equipment provider, shall forward a license fee of \$25.00 by certified check or money order made payable to the Legalized Games of Chance Control Commission. The license shall be valid for one year unless modified, suspended or revoked by the Control Commission.

(c) Prior to the expiration of the annual license period, each licensed armchair race projectionist or cashier desiring to renew his or her license shall submit an application for license renewal together with an annual license renewal fee of \$125.00.

(d) Prior to the expiration of the annual license period, each licensed armchair race projectionist or cashier who is employed by a licensed equipment provider shall submit an application for license renewal together with an annual license renewal fee of \$25.00.

(e) The Control Commission may suspend or revoke the license of an armchair race projectionist or cashier after an opportunity to be heard for any violation of the Bingo Licensing Law, N.J.S.A. 5:8-24 et seq., the Raffle Licensing Law, N.J.S.A. 5:8-50 et seq., the Amusement Games Licensing Law, N.J.S.A. 5:8-100 et seq., this chapter or any other applicable statute or rule of the Commission.

33 N.J.R. 3336(a)