



N.J. Legislature to decide whether to permit online gaming

Published: Wednesday, January 04, 2012, 7:00 AM Updated: Wednesday, January 04, 2012, 7:53 AM



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AP Photo/ Steve Ruark

The sports book at Dover Downs in Delaware, the only state besides Nevada where some some wagering on sports is permitted. A recent ruling by the Justice Department permitting online gaming has sent several states, including New Jersey, scurrying to cash in since gambling in neighboring states has cost Atlantic City millions of dollars in revenue and thousands of jobs over the past half-dozen years.

TRENTON — Gamblers in New Jersey could soon be playing casino poker or other card games in the comfort of their homes or on the go if a measure allowing internet wagering wins approval of the state Legislature next week.

A recent ruling by the Justice Department permitting online gaming has sent several states, including New Jersey, scurrying to cash in since gambling in neighboring states has cost Atlantic City millions of dollars in revenue and thousands of jobs over the past half-dozen years.

"The state that gets in first in this market is going to be the big winner," Sen. Raymond Lesniak (D-Union), a sponsor of legislation, said Tuesday. "Now it's even more urgent that we get out in front."

The measure, which is on the fast track, is one of a number of bills likely to be taken up by Senate and Assembly committees on Thursday; if approved, the wagering measure would be voted on by both chambers on Monday, the last day of the current legislative session.

Gov. Chris Christie vetoed an earlier version of the measure, but Lesniak said this bill would be more palatable to him because it would keep the core operations in Atlantic City.

Online gambling had been considered a violation of the 1961 federal Wire Act that forbade bets from being made over telephone lines crossing state or national boundaries.

But in its decision arrived at in September but not made public until Dec. 23, the Justice Department said the law only banned sports betting. The clarification was in response to letters from officials in New York and Illinois who want to implement internet lottery sales for adults.

On Dec. 22, a day before the federal regulation was announced, the Nevada Gaming Commission came up with its

own plan for online gambling.

As far as where New Jersey fits, a June 2010 analysis the Econsult Corp., a Philadelphia-based consulting firm, showed that entering the internet gambling industry from the earliest days would position the state to become the "business hub" of the industry by exporting related services nationwide.

The report said online gambling could generate from \$210 million to \$250 million in gross revenue, generate nearly 1,900 jobs and raise from \$46 million to \$55 million a year in tax revenue for the state.

What's more, the analysis said, serving as a national hub could increase gross revenue ranging from \$2.7 billion to \$7.1 billion, create nearly 57,000 jobs and generate from \$205 million to \$472 million in tax revenue.

The proposed legislation authorizes the state Casino Control Commission to issue licenses to casinos to operate computer servers based in Atlantic City. Computer software would then have to determine if the player was a New Jersey resident, whether the game was being played in New Jersey and if the player was at least 21.

Only card games currently offered in Atlantic City casinos like poker, blackjack and baccarat would be offered. Bars, restaurants and similar places would be prohibited from advertising that they offered online gambling, a concession to Christie to keep it in Atlantic City.

Lesniak acknowledged the measure still included a provision giving a portion of the revenue to the state's horse racing industry, which Christie opposes. But he said he would be willing to drop that provision if it were the only obstacle to passage.

The Casino Association of New Jersey declined to comment on the proposed legislation. But the American Gaming Association, while not taking a position on the bill, said the government ruling would probably touch off a sharp increase in illegal gambling if not curbed by federal legislation.

"These federally mandated protections are vital no matter the interpretation of the Wire Act and they must be enacted in order to avoid a patchwork quilt of state and tribal rules and regulations that would prove confusing for customers and difficult for law enforcement to manage," the gaming association said in a statement.

Arnie Wexler, a former head of the Council on Compulsive Gambling of New Jersey, said legalizing internet gambling would create more addicts, especially among minors, without providing sufficient resources for their treatment.

"The money that goes for compulsive gambling should be a percentage of the revenue gained," Wexler said, because "a lot of people will need treatment."

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In addition to the wagering proposal, another gambling-related bill before the Legislature would set up a pilot program to allow off-track betting on horse races in taverns and restaurants in Bergen, Hudson, Essex, Passaic, Union, Morris, Somerset, Hunterdon, Warren, Sussex and northern Middlesex and Ocean counties.

Assemblyman Ralph Caputo (D-Essex), a sponsor of the bill, said the proposal was intended to measure the appetite for off-track wagering outside of the state's race tracks.

He said the betting would be offered at 12 locations, not yet determined, and the revenue would be divided among the municipalities, the state and the license holder.

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