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Public hearing before Senate Wagering, Tourism and Historic Preservation Committee: testimony from invited speakers on new gaming technology, as well as the competitive advantages Atlantic City casinos could gain by the approval of such gaming technology, and related public policy and regulatory issues: [March 2, 2006, Trenton, New Jersey]/ hearing recorded and transcribed by the Office of Legislative Services, Public Information Office, Hearing Unit. By New Jersey Legislature, Senate, Wagering, Tourism and Historic Preservation Committee.
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LAW/RWH

P.L.2012, CHAPTER 34, *approved August 7, 2012*
Senate, No. 1323 (*Third Reprint*)

1 AN ACT concerning the regulation of casino gaming and amending
2 various parts of the statutory law ²and supplementing P.L.1977,
3 c.110 (C.5:12-1 et seq.)² ³and P.L.2011, c.231 (C.5:12A-1 et
4 seq.)³.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 ²1. Section 12 of P.L.1977, c.110 (C.5:12-12) is amended to
10 read as follows:

11 12. "Casino Service Industry Enterprise" -- Any vendor offering
12 goods or services which directly relate to casino or gaming activity,
13 including gaming equipment and simulcast wagering equipment
14 manufacturers, suppliers, repairers and independent testing
15 laboratories, ³[but not including junket enterprises]³ [and] ³[,
16 junket representatives, and independent software contractors, that
17 provides casino applicants or licensees with goods or services] or
18 any vendor providing to casino licensees or applicants goods and
19 services ancillary to gaming activity, including, without limitation,
20 junket enterprises and junket representatives, holders of casino
21 hotel alcoholic beverage control licenses, lessors of casino property
22 not required to hold a casino license pursuant to section 82 of P.L.
23 1977, c.110 (C.5:12-82), and licensors of authorized games³.

24 Notwithstanding the foregoing, any form of enterprise engaged in
25 the manufacture, sale, distribution, testing or repair of slot machines
26 within New Jersey, other than antique slot machines as defined in
27 N.J.S.2C:37-7, shall be considered a casino service industry
28 enterprise for the purposes of this act regardless of the nature of its
29 business relationship, if any, with casino applicants and licensees in
30 this State.

31 For the purposes of this section, "casino applicant" includes any
32 person required to hold a casino license pursuant to section 82 of
33 P.L.1977, c.110 (C.5:12-82) who has applied to the division for a
34 casino license or any approval required under P.L.1977, c.110
35 (C.5:12-1 et seq.). ²

36 (cf: P.L.2011, c.19, s.10)

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SSG committee amendments adopted February 6, 2012.

²Senate floor amendments adopted May 24, 2012.

³Assembly floor amendments adopted June 21, 2012.

1 ²2. (New section) “Independent software contractor” – A
2 person ³[who is not an employee of] or entity not employed
3 directly by³ a casino service industry enterprise ³[and]³ who,
4 pursuant to an agreement with the casino service industry
5 enterprise, develops, designs, programs, produces, composes, or
6 manufactures any software, source language, executable code, or
7 content which a casino service industry enterprise acquires control
8 over or ownership of and assumes legal responsibility for the
9 gaming device in which the software or code is used.²

10
11 ²[1.] ³2. Section 11 of P.L.2011, c.19 (C.5:12-14.2a) is
12 amended to read as follows:

13 11. "Corporate Officer" - The chief executive officer, chief
14 financial officer, chief operating officer, chief information officer,
15 chief compliance officer, and chief legal officer of a corporation, or
16 their equivalents in any unincorporated entity.

17 (cf: P.L.2011, c.19, s.11)

18
19 ²[2.] Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to
20 read as follows:

21 24. "Gross Revenue"-- The total of all sums actually received by
22 a casino licensee from gaming operations, less only the total of all
23 sums actually paid out as winnings to patrons; provided, however,
24 that the cash equivalent value of any merchandise or thing of value
25 included in a jackpot or payout shall **[not]** be included in the total
26 of all sums paid out as winnings to patrons for purposes of
27 determining gross revenue, and that such cash equivalent value
28 shall be equal to the amount actually paid by the casino licensee for
29 the merchandise or thing of value. "Gross Revenue" shall not
30 include any amount received by a casino from casino simulcasting
31 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-
32 191 et al.).

33 (cf: P.L.2009, c.36, s.2)]²

34
35 ²[3.] ⁴2. Section 81 of P.L.1977, c.110 (C.5:12-81) is
36 amended to read as follows:

37 81. Statement of compliance.

38 a. (1) Upon consideration of a report and recommendation of
39 the division, the commission may, in its discretion, issue a
40 statement of compliance to an applicant for a casino license or to
41 any person required to qualify in conjunction with a casino license
42 or casino license applicant if the applicant or person, as the case
43 may be, has established by clear and convincing evidence that one
44 or more particular eligibility criteria have been satisfied. A request
45 for the issuance of a statement of compliance pursuant to this
46 paragraph shall be initiated by the applicant filing a petition with
47 the division. Before the division initiates any investigation on such

1 a petition, the director may require the applicant to establish to the
2 satisfaction of the director that the applicant actually intends, if
3 found qualified, to engage in the business or activity that would
4 require the issuance of the license or the determination of
5 qualification status.

6 (2) Any person who must be qualified pursuant to the "Casino
7 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the
8 securities of a casino licensee or any holding or intermediary
9 company of a casino licensee may, prior to the acquisition of any
10 such securities, request the issuance of a statement of compliance
11 by the commission that the person is qualified to hold such
12 securities. Any request for the issuance of a statement of
13 compliance pursuant to this paragraph shall be initiated by the
14 person filing a petition with the division in which the person shall
15 be required to establish that there is a reasonable likelihood that, if
16 qualified, the person will obtain and hold the securities of a casino
17 licensee or any holding or intermediary company thereof to such
18 extent as to require the qualification of the person. If, after an
19 investigation by the division, the director finds that this reasonable
20 likelihood exists and that the qualifications of the person have been
21 established by clear and convincing evidence, the director may, in
22 the director's discretion, recommend to the commission that it issue
23 a statement of compliance that the person is qualified to hold such
24 securities. Any person who requests a statement of compliance
25 pursuant to this paragraph shall be subject to the provisions of
26 section 80 of P.L.1977, c.110 (C.5:12-80) and shall pay for the
27 costs of all investigations and proceedings in relation to the request
28 unless the person provides an agreement with one or more casino
29 licensees which states that the licensee or licensees will pay those
30 costs.

31 (3) A statement of compliance shall not be issued indicating that
32 an applicant or any other person required to qualify in conjunction
33 with a casino license or casino license applicant that is a
34 corporation or other form of business organization has established
35 by clear and convincing evidence its good character, honesty and
36 integrity unless the corporate officers; each director; each person
37 who directly or indirectly holds any beneficial or ownership interest
38 in the applicant of 5% or greater, to the extent such person would be
39 required to qualify under section 85 of P.L.1977, c.110 (C.5:12-85);
40 and any other person whom the [commission] division may
41 consider appropriate for approval or qualification, would, but for
42 residence, individually be qualified for approval as a casino key
43 employee pursuant to the provisions of section 89 of P.L.1977,
44 c.110 (C.5:12-89).

45 b. Any statement of compliance issued under P.L.1977, c.110
46 (C.5:12-1 et seq.) shall specify:

47 (1) the particular eligibility criterion satisfied by the applicant or
48 person;

1 (2) the date as of which such satisfaction was determined by the
2 commission;

3 (3) the continuing obligation of the applicant or person to file
4 any information required by the division as part of any application
5 for a license or qualification status, including information related to
6 the eligibility criterion for which the statement of compliance was
7 issued; and

8 (4) the obligation of the applicant or person to reestablish its
9 satisfaction of the eligibility criterion should there be a change in
10 any material fact or circumstance that is relevant to the eligibility
11 criterion for which the statement of compliance was issued.

12 c. (Deleted by amendment, P.L.2011, c.19)

13 d. Any statement of compliance issued pursuant to this section
14 shall be withdrawn by the commission if:

15 (1) the applicant or person otherwise fails to satisfy the
16 standards for licensure or qualification;

17 (2) the applicant or person fails to comply with any condition
18 imposed; or

19 (3) the commission finds, on recommendation of the division,
20 cause to revoke the statement of compliance for any other reason.

21 e. Notwithstanding any other provision of this section, unless
22 otherwise extended by the commission upon application by the
23 recipient and for good cause shown, any statement of compliance
24 issued by the commission pursuant to this section shall expire 48
25 months after its date of issuance.

26 f. (Deleted by amendment, P.L.2011, c.19)

27 (cf: P.L.2011, c.19, s.45)

28

29 ²[4.] 5.² Section 82 of P.L.1977, c.110 (C.5:12-82) is amended
30 to read as follows:

31 82. a. No casino shall operate unless all necessary licenses and
32 approvals therefor have been obtained in accordance with law.

33 b. Only the following persons shall be eligible to hold a casino
34 license; and, unless otherwise determined by the commission with
35 the concurrence of the Attorney General which may not be
36 unreasonably withheld in accordance with subsection c. of this
37 section, each of the following persons shall be required to hold a
38 casino license prior to the operation of a casino in the casino hotel
39 with respect to which the casino license has been applied for:

40 (1) Any person who either owns an approved casino hotel or
41 owns or has a contract to purchase or construct a casino hotel which
42 in the judgment of the commission can become an approved casino
43 hotel within 30 months or within such additional time period as the
44 commission may, upon a showing of good cause therefor, establish;

45 (2) Any person who, whether as lessor or lessee, either leases an
46 approved casino hotel or leases or has an agreement to lease a
47 casino hotel which in the judgment of the commission can become
48 an approved casino hotel within 30 months or within such

1 additional time period as the commission may, upon a showing of
2 good cause therefor, establish;

3 (3) Any person who has a written agreement with a casino
4 licensee or with an eligible applicant for a casino license for the
5 complete management of a casino and, if applicable, any authorized
6 games in a casino simulcasting facility; and

7 (4) Any other person who has control over either an approved
8 casino hotel or the land thereunder or the operation of a casino.

9 c. Prior to the operation of a casino and, if applicable, a casino
10 simulcasting facility, every agreement to lease an approved casino
11 hotel or the land thereunder and every agreement for the
12 management of the casino and, if applicable, any authorized games
13 in a casino simulcasting facility, shall be in writing and filed with
14 the commission and the division. No such agreement shall be
15 effective unless expressly approved by the commission. The
16 commission may require that any such agreement include within its
17 terms any provision reasonably necessary to best accomplish the
18 policies of this act. Consistent with the policies of this act:

19 (1) The commission, with the concurrence of the Attorney
20 General which may not be unreasonably withheld, may determine
21 that any person who does not have the ability to exercise any
22 significant control over either the approved casino hotel or the
23 operation of the casino contained therein shall not be eligible to
24 hold or required to hold a casino license;

25 (2) The commission, with the concurrence of the Attorney
26 General which may not be unreasonably withheld, may determine
27 that any owner, lessor or lessee of an approved casino hotel or the
28 land thereunder who does not own or lease a significant portion of
29 an approved casino hotel shall not be eligible to hold or required to
30 hold a casino license;

31 (3) The commission shall require that any person or persons
32 eligible to apply for a casino license organize itself or themselves
33 into such form or forms of business association as the commission
34 shall deem necessary or desirable in the circumstances to carry out
35 the policies of this act;

36 (4) The commission may issue separate casino licenses to any
37 persons eligible to apply therefor;

38 (5) As to agreements to lease an approved casino hotel or the
39 land thereunder, unless it expressly and by formal vote for good
40 cause determines otherwise, the commission shall require that each
41 party thereto hold either a casino license or casino service industry
42 enterprise license and that such an agreement shall include within
43 its terms a buy-out provision conferring upon the casino licensee-
44 lessee who controls the operation of the approved casino hotel the
45 absolute right to purchase for an expressly set forth fixed sum the
46 entire interest of the lessor or any person associated with the lessor
47 in the approved casino hotel or the land thereunder in the event that
48 said lessor or said person associated with the lessor is found by the

1 commission or director, as the case may be, to be unsuitable to be
2 associated with a casino enterprise;

3 (6) The commission shall not permit an agreement for the
4 leasing of an approved casino hotel or the land thereunder to
5 provide for the payment of an interest, percentage or share of
6 money gambled at the casino or derived from casino gaming
7 activity or of revenues or profits of the casino unless the party
8 receiving payment of such interest, percentage or share is a party to
9 the approved lease agreement; unless each party to the lease
10 agreement holds either a casino license or casino service industry
11 enterprise license, and includes within its terms a buy-out provision
12 conforming to that described in paragraph (5) above;

13 (7) As to agreements for the management of a casino and, if
14 applicable, the authorized games in a casino simulcasting facility,
15 the commission shall require that each party thereto hold a casino
16 license or a casino service industry enterprise license pursuant to
17 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), that the
18 party thereto who is to manage the casino gaming operations own at
19 least 10% of all outstanding equity securities of any casino licensee
20 or of any eligible applicant for a casino license if the said licensee
21 or applicant is a corporation and the ownership of an equivalent
22 interest in any casino licensee or in any eligible applicant for a
23 casino license if same is not a corporation, and that such an
24 agreement be for the complete management of all casino space in
25 the casino hotel and, if applicable, all authorized games in a casino
26 simulcasting facility, provide for the sole and unrestricted power to
27 direct the casino gaming operations of the casino hotel which is the
28 subject of the agreement, and be for such a durational term as to
29 assure reasonable continuity, stability and independence in the
30 management of the casino gaming operations, provided that the
31 provisions of this paragraph shall not apply to a slot system
32 agreement between a group of casino licensees and a casino service
33 industry enterprise licensed pursuant to subsection a. of section 92
34 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
35 license, and that, with regard to such agreements, the casino service
36 industry enterprise licensee or applicant may operate and administer
37 the multi-casino progressive slot machine system, including, but not
38 limited to, the operation of a monitor room or the payment of
39 progressive, including annuity, jackpots, or both, and further
40 provided that the obligation to pay a progressive jackpot or
41 establish an annuity jackpot guarantee shall be the sole
42 responsibility of the casino licensee or casino service industry
43 enterprise licensee or applicant designated in the slot system
44 agreement and that no other party shall be jointly or severally liable
45 for the payment or funding of such jackpots or guarantees unless
46 such liability is specifically established in the slot system
47 agreement;

1 (8) The commission may permit an agreement for the
2 management of a casino and, if applicable, the authorized games in
3 a casino simulcasting facility to provide for the payment to the
4 managing party of an interest, percentage or share of money
5 gambled at all authorized games or derived from casino gaming
6 activity or of revenues or profits of casino gaming operations;

7 (9) Notwithstanding any other provision of P.L.1977, c.110
8 (C.5:12-1 et seq.) to the contrary, the commission may permit an
9 agreement between a casino licensee and a casino service industry
10 enterprise licensed pursuant to the provisions of subsection a. of
11 section 92 of P.L.1977, c.110 (C.5:12-92) for the conduct of casino
12 simulcasting in a simulcasting facility or for the operation of a
13 multi-casino progressive slot machine system, to provide for the
14 payment to the casino service industry enterprise of an interest,
15 percentage or share of the money derived from the casino licensee's
16 share of proceeds from simulcast wagering activity or the operation
17 of a multi-casino progressive slot machine system; ~~and~~ ²and²

18 (10) As to agreements to lease an approved casino hotel or the
19 land thereunder, agreements to jointly own an approved casino hotel
20 or the land thereunder and agreements for the management of
21 casino gaming operations or for the conduct of casino simulcasting
22 in a simulcasting facility, the commission shall require that each
23 party thereto, except for a banking or other chartered or licensed
24 lending institution or any subsidiary thereof, or any chartered or
25 licensed life insurance company or property and casualty insurance
26 company, or the State of New Jersey or any political subdivision
27 thereof or any agency or instrumentality of the State or any political
28 subdivision thereof, shall be jointly and severally liable for all acts,
29 omissions and violations of this act by any party thereto regardless
30 of actual knowledge of such act, omission or violation and
31 notwithstanding any provision in such agreement to the contrary.
32 Notwithstanding the foregoing, nothing in this paragraph shall
33 require a casino licensee to be jointly and severally liable for any
34 acts, omissions or violations of this act, P.L.1977, c.110 (C.5:12-1
35 et seq.), committed by any casino service industry enterprise
36 licensee or applicant performing as a slot system operator pursuant
37 to a slot system agreement ²and

38 (11) The division may permit an agreement between a casino
39 licensee and a casino service industry enterprise licensed pursuant
40 to the provisions of subsection a. of section 92 of P.L.1977, c.110
41 (C.5:12-92), or an eligible applicant for a license, for the purchase
42 or lease of slot machines, which provides for the payment to the
43 casino service industry enterprise licensee or applicant of an
44 interest, percentage, or share of the proceeds from the operation of
45 those slot machines]².

46 d. No corporation shall be eligible to apply for a casino license
47 unless:

- 1 (1) The corporation shall be incorporated in the State of New
2 Jersey, although such corporation may be a wholly or partially
3 owned subsidiary of a corporation which is organized pursuant to
4 the laws of another state of the United States or of a foreign
5 country;
- 6 (2) The corporation shall maintain an office of the corporation
7 in the casino hotel licensed or to be licensed;
- 8 (3) The corporation shall comply with all the requirements of
9 the laws of the State of New Jersey pertaining to corporations;
- 10 (4) The corporation shall maintain a ledger in the principal
11 office of the corporation in New Jersey which shall at all times
12 reflect the current ownership of every class of security issued by the
13 corporation and shall be available for inspection by the commission
14 or the division and authorized agents of the commission and the
15 division at all reasonable times without notice;
- 16 (5) The corporation shall maintain all operating accounts
17 required by the commission in a bank in New Jersey, except that a
18 casino licensee may establish deposit-only accounts in any
19 jurisdiction in order to obtain payment of any check described in
20 section 101 of P.L.1977, c.110 (C.5:12-101);
- 21 (6) The corporation shall include among the purposes stated in
22 its certificate of incorporation the conduct of casino gaming and
23 provide that the certificate of incorporation includes all provisions
24 required by this act;
- 25 (7) The corporation, if it is not a publicly traded corporation,
26 shall file with the division 'and the commission' such adopted
27 corporate charter provisions as may be necessary [to establish the
28 right of prior approval by the commission] '[with regard to] to
29 establish the right of the commission pursuant to subsection a. of
30 section 105 of P.L.1977, c.110 (C.5:12-105) to disapprove'
31 transfers of securities, shares, and other interests in the applicant
32 corporation; and, if it is a publicly traded corporation, provide in its
33 corporate charter that any securities of such corporation are held
34 subject to the condition that if a holder thereof is found to be
35 disqualified pursuant to the provisions of this act, such holder shall
36 dispose of his interest in the corporation; provided, however, that,
37 notwithstanding the provisions of N.J.S.14A:7-12 and N.J.S.12A:8-
38 101 et seq., nothing herein shall be deemed to require that any
39 security of such corporation bear any legend to this effect;
- 40 (8) The corporation, if it is not a publicly traded corporation,
41 shall establish to the satisfaction of the division that appropriate
42 charter provisions create the absolute right of such non-publicly
43 traded corporations and companies to repurchase at the market price
44 or the purchase price, whichever is the lesser, any security, share or
45 other interest in the corporation in the event that the commission
46 disapproves a transfer in accordance with the provisions of this act;
- 47 (9) Any publicly traded holding, intermediary, or subsidiary
48 company of the corporation, whether the corporation is publicly

1 traded or not, shall contain in its corporate charter the same
2 provisions required under paragraph (7) for a publicly traded
3 corporation to be eligible to apply for a casino license; and

4 (10) Any non-publicly traded holding, intermediary or subsidiary
5 company of the corporation, whether the corporation is publicly
6 traded or not, shall establish to the satisfaction of the commission
7 that its charter provisions are the same as those required under
8 paragraphs (7) and (8) for a non-publicly traded corporation to be
9 eligible to apply for a casino license.

10 The provisions of this subsection shall apply with the same force
11 and effect with regard to casino license applicants and casino
12 licensees which have a legal existence that is other than corporate to
13 the extent which is appropriate.

14 e. No person shall be issued or be the holder of a casino license
15 if the issuance or the holding results in undue economic
16 concentration in Atlantic City casino operations by that person. For
17 the purpose of this subsection, "undue economic concentration"
18 means that a person would have such actual or potential domination
19 of the casino gaming market in Atlantic City as to substantially
20 impede or suppress competition among casino licensees or
21 adversely impact the economic stability of the casino industry in
22 Atlantic City. In determining whether the issuance or holding of a
23 casino license by a person will result in undue economic
24 concentration, the commission shall consider the following criteria:

25 (1) The percentage share of the market presently controlled by
26 the person in each of the following categories:

27 The total number of licensed casinos in this State;
28 Total casino and casino simulcasting facility square footage;
29 Number of guest rooms;
30 Number of slot machines;
31 Number of table games;
32 Net revenue;
33 Table game win;
34 Slot machine win;
35 Table game drop;
36 Slot machine drop; and
37 Number of persons employed by the casino hotel;

38 (2) The estimated increase in the market shares in the categories
39 in (1) above if the person is issued or permitted to hold the casino
40 license;

41 (3) The relative position of other persons who hold casino
42 licenses, as evidenced by the market shares of each such person in
43 the categories in (1) above;

44 (4) The current and projected financial condition of the casino
45 industry;

46 (5) Current market conditions, including level of competition,
47 consumer demand, market concentration, any consolidation trends
48 in the industry and any other relevant characteristics of the market;

1 (6) Whether the licensed casinos held or to be held by the
2 person have separate organizational structures or other independent
3 obligations;

4 (7) The potential impact of licensure on the projected future
5 growth and development of the casino industry and Atlantic City;

6 (8) The barriers to entry into the casino industry, including the
7 licensure requirements of this act, P.L.1977, c.110 (C.5:12-1 et
8 seq.), and whether the issuance or holding of a casino license by the
9 person will operate as a barrier to new companies and individuals
10 desiring to enter the market;

11 (9) Whether the issuance or holding of the license by the person
12 will adversely impact on consumer interests, or whether such
13 issuance or holding is likely to result in enhancing the quality and
14 customer appeal of products and services offered by casino
15 licensees in order to maintain or increase their respective market
16 shares;

17 (10) Whether a restriction on the issuance or holding of an
18 additional license by the person is necessary in order to encourage
19 and preserve competition and to prevent undue economic
20 concentration in casino operations; and

21 (11) Any other evidence deemed relevant by the commission.

22 The commission shall, after conducting public hearings thereon,
23 promulgate rules and regulations in accordance with the
24 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
25 seq.) defining any additional criteria the commission will use in
26 determining what constitutes undue economic concentration.

27 For the purpose of this subsection a person shall be considered
28 the holder of a casino license if such license is issued to such person
29 or if such license is held by any holding, intermediary or subsidiary
30 company thereof, or by any person required to be qualified in
31 conjunction with such casino license.

32 (cf: P.L.2011, c.19, s.46)

33

34 ²6. Section 92 of P.L.1977, c.110 (C.5:12-92) is amended to
35 read as follows:

36 92. Licensing of casino service industry enterprises. a. (1) Any
37 business to be conducted with a casino applicant or licensee by a
38 vendor offering goods or services which directly relate to casino or
39 gaming activity, including gaming equipment and simulcast
40 wagering equipment manufacturers, suppliers, repairers, and
41 independent testing laboratories, ³[but not including junket
42 enterprises]³ [and] ³[, junket representatives, and]³ [any person
43 employed by a junket enterprise or junket representative in a
44 managerial or supervisory position] ³[independent software
45 contractors,]³ shall require licensure as a casino service industry
46 enterprise in accordance with the provisions of this act prior to
47 conducting any business whatsoever with a casino applicant or

1 licensee, its employees or agents; provided, however, that upon a
2 showing of good cause by a casino applicant or licensee ³[for each
3 business transaction]³, the director may permit an applicant for a
4 casino service industry enterprise license to conduct business
5 transactions with such casino applicant or licensee prior to the
6 licensure of that casino service industry enterprise applicant under
7 this subsection ³for such periods as the division may establish by
8 regulation³.

9 (2) In addition to the requirements of paragraph (1) of this
10 subsection, any casino service industry enterprise intending to
11 manufacture, sell, distribute, test or repair slot machines within
12 New Jersey, other than antique slot machines as defined in
13 N.J.S.2C:37-7, shall be licensed in accordance with the provisions
14 of this act prior to engaging in any such activities; provided,
15 however, that upon a showing of good cause by a casino applicant
16 or licensee ³[for each business transaction]³, the director may
17 permit an applicant for a casino service industry enterprise license
18 to conduct business transactions with the casino applicant or
19 licensee prior to the licensure of that casino service industry
20 enterprise applicant under this subsection ³for such periods as the
21 division may establish by regulation³; and provided further,
22 however, that upon a showing of good cause by an applicant
23 required to be licensed as a casino service industry enterprise
24 pursuant to this paragraph, the director may permit the casino
25 service industry enterprise applicant to initiate the manufacture of
26 slot machines or engage in the sale, distribution, testing or repair of
27 slot machines with any person other than a casino applicant or
28 licensee, its employees or agents, prior to the licensure of that
29 casino service industry enterprise applicant under this subsection.

30 ³(3) Vendors providing goods and services to casino licensees or
31 applicants ancillary to gaming, including, without limitation, junket
32 enterprises and junket representatives, and any person employed by
33 a junket enterprise or junket representative in a managerial or
34 supervisory position, non-casino applicants or licensees required to
35 hold a casino hotel alcoholic beverage license pursuant to section
36 103 of P.L. 1977, c.110 (C.5:12-103), lessors of casino property not
37 required to hold a casino license pursuant to section 82 of P.L. 1977
38 c.110 (C.5:12-82), and licensors of authorized games shall be
39 required to be licensed as an ancillary casino service industry
40 enterprise and shall comply with the standards set forth in
41 paragraph (4) of subsection c. of this section.³

42 b. Each casino service industry enterprise ³required to be
43 licensed pursuant to paragraph (1) of subsection a. of this section³,
44 as well as its owners; management and supervisory personnel; and
45 employees if such employees have responsibility for services to a
46 casino applicant or licensee, must qualify under the standards,

1 except residency, established for qualification of a casino key
2 employee under this act.

3 c. (1) Any vendor that offers goods or services to a casino
4 applicant or licensee that is not included in subsection a. of this
5 section including, but not limited to casino site contractors and
6 subcontractors, shopkeepers located within the approved hotels,
7 **[and]** gaming schools that possess slot machines for the purpose of
8 instruction, **[and any non-supervisory employee of a junket**
9 **enterprise licensed under subsection a. of this section]** ³**[junket**
10 **enterprises, junket representatives, and independent software**
11 **contractors]** and any non-supervisory employee of a junket
12 enterprise licensed under paragraph (3) of subsection a. of this
13 section³, shall be required to register with the division in
14 accordance with the regulations promulgated under this act,
15 P.L.1977, c.110 (C.5:12-1 et seq.).

16 (2) Notwithstanding the provisions of paragraph (1) of this
17 subsection, the director may, consistent with the public interest and
18 the policies of this act, direct that ³individual³ vendors
19 ³**[engaging in certain types of business with a casino applicant or**
20 **licensee not included in subsection a. of this section]** registered
21 pursuant to paragraph (1) of this subsection³ be required to apply
22 for ³either³ a casino service industry enterprise license pursuant to
23 ³**[this subsection]** paragraph (1) of subsection a. of this section, or
24 an ancillary casino service industry enterprise license pursuant to
25 paragraph (3) of subsection a. of this section, as directed by the
26 division³, including, without limitation, ³**[non-casino applicants or**
27 **licensees required to hold a Casino Hotel Alcoholic Beverage**
28 **license pursuant to section 103 of P.L.1977, c.110 (C.5:12-103);]**³
29 in-State and out-of-State sending tracks as defined in section 2 of
30 the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-192);
31 shopkeepers located within the approved hotels; and gaming
32 schools that possess slot machines for the purpose of instruction.
33 ³The director may also order that any enterprise licensed as or
34 required to be licensed as an ancillary casino service industry
35 enterprise pursuant to paragraph (3) of subsection a. of this section
36 be required to apply for a casino service industry enterprise license
37 pursuant to paragraph (1) of subsection a. of this section. The
38 director may also, in his discretion, order that an independent
39 software contractor not otherwise required to be registered be either
40 registered as a vendor pursuant to subsection c. of this section or be
41 licensed pursuant to either paragraphs (1) or (3) of subsection a. of
42 this section.³

43 (3) (Deleted by amendment, P.L.2011, c.19)

44 ³(4) Each ancillary casino service industry enterprise required to
45 be licensed pursuant to paragraph (3) of subsection a. of this
46 section, as well as its owners, management and supervisory

1 personnel, and employees if such employees have responsibility for
2 services to a casino applicant or licensee, shall establish their good
3 character, honesty and integrity by clear and convincing evidence
4 and shall provide such financial information as may be required by
5 the division. Any enterprise required to be licensed as an ancillary
6 casino service industry enterprise pursuant to this section shall be
7 permitted to transact business with a casino licensee upon filing of
8 the appropriate vendor registration form and application for such
9 licensure.³

10 d. Any applicant, licensee or qualifier of a casino service
11 industry enterprise license ³or of an ancillary casino service
12 industry enterprise license³ under subsection a. ³[or b.]³ of this
13 section, and any vendor registrant under subsection c. of this section
14 shall be disqualified in accordance with the criteria contained in
15 section 86 of this act, except that no such ³ancillary casino service
16 industry enterprise license under paragraph (3) of subsection a. of
17 this section or³ vendor registration under subsection c. of this
18 section shall be denied or revoked if such vendor registrant can
19 affirmatively demonstrate rehabilitation as provided in subsection d.
20 of section 91 of P.L.1977, c.110 (C.5:12-91).

21 e. No casino service industry enterprise license ³or ancillary
22 casino service industry enterprise license³ shall be issued pursuant
23 to subsection a. of this section to any person unless that person shall
24 provide proof of valid business registration with the Division of
25 Revenue in the Department of the Treasury.

26 f. (Deleted by amendment, P.L.2011, c.19)

27 g. For the purposes of this section, each applicant shall submit
28 to the division the name, address, fingerprints and a written consent
29 for a criminal history record background check to be performed, for
30 each person required to qualify as part of the application. The
31 division is hereby authorized to exchange fingerprint data with and
32 receive criminal history record information from the State Bureau
33 of Identification in the Division of State Police and the Federal
34 Bureau of Investigation consistent with applicable State and federal
35 laws, rules and regulations. The applicant shall bear the cost for the
36 criminal history record background check, including all costs of
37 administering and processing the check. The Division of State
38 Police shall promptly notify the division in the event a current or
39 prospective qualifier, who was the subject of a criminal history
40 record background check pursuant to this section, is arrested for a
41 crime or offense in this State after the date the background check
42 was performed.²

43 ³h. (1) Subsequent to the licensure of any entity pursuant to
44 subsection a. of this section, including any finding of qualification
45 as may be required as a condition of licensure, or the registration of
46 any vendor pursuant to subsection c. of this section, the director
47 may revoke, suspend, limit, or otherwise restrict the license,

1 registration or qualification status upon a finding that the licensee,
2 registrant or qualifier is disqualified on the basis of the criteria set
3 forth in section 86 of P.L. 1977, c.110 (C.5:12-86).

4 (2) A hearing prior to the suspension of any license, registration
5 or qualification issued pursuant to this section shall be a limited
6 proceeding at which the division shall have the affirmative
7 obligation to demonstrate that there is a reasonable possibility that
8 the licensee, registrant or qualifier is disqualified on the basis of the
9 criteria set forth in section 86 of P.L. 1977, c.110 (C.5:12-86).³

10 (cf: P.L.2011, c.19, s.58)

11
12 ²[5.] ^{7.}² Section 100 of P.L.1977, c.110 (C.5:12-100) is
13 amended to read as follows:

14 100. a. This act shall not be construed to permit any gaming
15 except the conduct of authorized games in a casino room in
16 accordance with this act and the regulations promulgated hereunder
17 and in a simulcasting facility to the extent provided by the "Casino
18 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).
19 Notwithstanding the foregoing, if the division approves the game of
20 keno as an authorized game pursuant to section 5 of P.L.1977, c.110
21 (C.5:12-5), as amended, keno tickets may be sold or redeemed in
22 accordance with division regulations.

23 b. Gaming equipment shall not be possessed, maintained or
24 exhibited by any person on the premises of a casino hotel except in
25 a casino room, in the simulcasting facility, or in restricted casino
26 areas used for the inspection, repair or storage of such equipment
27 and specifically designated for that purpose by the casino licensee
28 with the approval of the division. Gaming equipment which
29 supports the conduct of gaming in a casino or simulcasting facility
30 but does not permit or require patron access, such as computers,
31 may be possessed and maintained by a casino licensee or a qualified
32 holding or intermediary company of a casino licensee in restricted
33 areas specifically approved by the division. No gaming equipment
34 shall be possessed, maintained, exhibited, brought into or removed
35 from a casino room or simulcasting facility by any person unless
36 such equipment is necessary to the conduct of an authorized game,
37 has permanently affixed, imprinted, impressed or engraved thereon
38 an identification number or symbol authorized by the division, is
39 under the exclusive control of a casino licensee or casino licensee's
40 employees, or of any individually qualified employee of a holding
41 company or casino licensee and is brought into or removed from the
42 casino room or simulcasting facility following 24-hour prior notice
43 given to an authorized agent of the division.

44 Notwithstanding any other provision of this section, computer
45 equipment used by the slot system operator of a multi-casino
46 progressive slot system to link and communicate with the slot
47 machines of two or more casino licensees for the purpose of
48 calculating and displaying the amount of a progressive jackpot,

1 monitoring the operation of the system, and any other purpose that
2 the division deems necessary and appropriate to the operation or
3 maintenance of the multi-casino progressive slot machine system
4 may, with the prior approval of the division, be possessed,
5 maintained and operated by the slot system operator either in a
6 restricted area on the premises of a casino hotel or in a secure
7 facility inaccessible to the public and specifically designed for that
8 purpose off the premises of a casino hotel but within the territorial
9 limits of Atlantic County, New Jersey.

10 Notwithstanding the foregoing, a person may, with the prior
11 approval of the division and under such terms and conditions as
12 may be required by the division, possess, maintain or exhibit
13 gaming equipment in any other area of the casino hotel, provided
14 that such equipment is used for nongaming purposes.

15 ³Notwithstanding any other provision of this act to the contrary,
16 the division may, by regulation, authorize the linking of slot
17 machines of one or more casino licensees and slot machines located
18 in casinos licensed by another state of the United States. Wagering
19 and account information for a multi-state slot system shall be
20 transmitted by the operator of such multi-state slot system to either
21 a restricted area on the premises of a casino hotel or to a secure
22 facility inaccessible to the public and specifically designed for that
23 purpose off the premises of a casino hotel but within the territorial
24 limits of Atlantic County, New Jersey, and from there to slot
25 machines of New Jersey casino licensees, provided all locations are
26 approved by the division.³

27 Notwithstanding any other provision of this act to the contrary,
28 the division may authorize electronic versions of authorized games
29 to be played within an approved hotel facility on mobile gaming
30 devices to be approved by the division, provided the player has
31 established an account with the casino licensee, the wager is placed
32 by and ²the winnings are² paid to the patron in person within the
33 approved hotel facility, the mobile gaming device is inoperable
34 outside the approved hotel facility, and the division authorizes the
35 device for mobile gaming ²; provided that the division may
36 establish any additional or more stringent licensing and other
37 regulatory requirements necessary for the proper implementation
38 and conduct of mobile gaming as authorized herein². ¹For the
39 purposes of this provision, the approved hotel facility shall include
40 any area located within the property boundaries of the casino hotel
41 facility, including the swimming pool area and an outdoor
42 recreation area, where mobile gaming devices may be used by
43 patrons in accordance with this provision, ²but excluding parking
44 garages or parking areas of a casino hotel facility,² provided that
45 the division shall ascertain and ensure, pursuant to rules and
46 regulations issued by it to implement mobile gaming pursuant to

1 this provision, that mobile gaming shall not extend outside of the
2 property boundaries of the casino hotel facility.¹

3 c. Each casino hotel shall contain a count room and such other
4 secure facilities as may be required by the division for the counting
5 and storage of cash, coins, tokens, checks, plaques, gaming
6 vouchers, coupons, and other devices or items of value used in
7 wagering and approved by the division that are received in the
8 conduct of gaming and for the inspection, counting and storage of
9 dice, cards, chips and other representatives of value. The division
10 shall promulgate regulations for the security of drop boxes and
11 other devices in which the foregoing items are deposited at the
12 gaming tables or in slot machines, and all areas wherein such boxes
13 and devices are kept while in use, which regulations may include
14 certain locking devices. Said drop boxes and other devices shall not
15 be brought into or removed from a casino room or simulcasting
16 facility, or locked or unlocked, except at such times, in such places,
17 and according to such procedures as the division may require.

18 d. All chips used in gaming shall be of such size and uniform
19 color by denomination as the division shall require by regulation.

20 e. All gaming shall be conducted according to rules
21 promulgated by the division. All wagers and pay-offs of winning
22 wagers shall be made according to rules promulgated by the
23 division, which shall establish such limitations as may be necessary
24 to assure the vitality of casino operations and fair odds to patrons.
25 Each slot machine shall have a minimum payout of 83%.

26 f. Each casino licensee shall make available in printed form to
27 any patron upon request the complete text of the rules of the
28 division regarding games and the conduct of gaming, pay-offs of
29 winning wagers, an approximation of the odds of winning for each
30 wager, and such other advice to the player as the division shall
31 require. Each casino licensee shall prominently post within a casino
32 room and simulcasting facility, as appropriate, according to
33 regulations of the division such information about gaming rules,
34 pay-offs of winning wagers, the odds of winning for each wager,
35 and such other advice to the player as the division shall require.

36 g. Each gaming table shall be equipped with a sign indicating
37 the permissible minimum and maximum wagers pertaining thereto.
38 It shall be unlawful for a casino licensee to require any wager to be
39 greater than the stated minimum or less than the stated maximum;
40 provided, however, that any wager actually made by a patron and
41 not rejected by a casino licensee prior to the commencement of play
42 shall be treated as a valid wager.

43 h. (1) Except as herein provided, no slot machine shall be used
44 to conduct gaming unless it is identical in all electrical, mechanical
45 and other aspects to a model thereof which has been specifically
46 tested and licensed for use by the division. The division shall also
47 test any other gaming device, gaming equipment, gaming-related
48 device or gross-revenue related device, such as a slot management

1 system, electronic transfer credit system or gaming voucher system
2 as it deems appropriate. In its discretion and for the purpose of
3 expediting the approval process, the division may utilize the
4 services of a private testing laboratory that has obtained a plenary
5 license as a casino service industry enterprise pursuant to
6 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to
7 perform the testing, and may also utilize applicable data from any
8 such private testing laboratory or from a governmental agency of a
9 state other than New Jersey authorized to regulate slot machines
10 and other gaming devices, gaming equipment, gaming-related
11 devices and gross-revenue related devices used in casino gaming, if
12 the private testing laboratory or governmental agency uses a testing
13 methodology substantially similar to the methodology utilized by
14 the division. The division, in its discretion, may rely upon the data
15 provided by the private testing laboratory or governmental agency
16 and adopt the conclusions of such private testing laboratory or
17 governmental agency regarding any submitted device.

18 (2) Except as otherwise provided in paragraph (5) of subsection
19 h. of this section, the division shall, within 60 days of its receipt of
20 a complete application for the testing of a slot machine or other
21 gaming equipment model, approve or reject the slot machine or
22 other gaming equipment model. In so doing, the division shall
23 specify whether and to what extent any data from a private testing
24 laboratory or governmental agency of a state other than New Jersey
25 was used in reaching its conclusions and recommendation. If the
26 division is unable to complete the testing of a slot machine or other
27 gaming equipment model within this 60-day period, the division
28 may conditionally approve the slot machine or other gaming
29 equipment model for test use by a casino licensee provided that the
30 division represents that the use of the slot machine or other gaming
31 equipment model will not have a direct and materially adverse
32 impact on the integrity of gaming or the control of gross revenue.
33 The division shall give priority to the testing of slot machines or
34 other gaming equipment which a casino licensee has certified it will
35 use in its casino in this State.

36 (3) The division shall, by regulation, establish such technical
37 standards for licensure of slot machines, including mechanical and
38 electrical reliability, security against tampering, the
39 comprehensibility of wagering, and noise and light levels, as it may
40 deem necessary to protect the player from fraud or deception and to
41 insure the integrity of gaming. The denominations of such machines
42 shall be set by the licensee; the licensee shall simultaneously notify
43 the division of the settings.

44 (4) The division shall, by regulation, determine the permissible
45 number and density of slot machines in a licensed casino so as to:

- 46 (a) promote optimum security for casino operations;
- 47 (b) avoid deception or frequent distraction to players at gaming
48 tables;

1 (c) promote the comfort of patrons;

2 (d) create and maintain a gracious playing environment in the
3 casino; and

4 (e) encourage and preserve competition in casino operations by
5 assuring that a variety of gaming opportunities is offered to the
6 public.

7 Any such regulation promulgated by the division which
8 determines the permissible number and density of slot machines in a
9 licensed casino shall provide that all casino floor space and all
10 space within a casino licensee's casino simulcasting facility shall be
11 included in any calculation of the permissible number and density
12 of slot machines in a licensed casino.

13 (5) Any new gaming equipment or simulcast wagering
14 equipment that is submitted for testing to the division or to an
15 independent testing laboratory licensed pursuant to subsection a. of
16 section 92 of P.L.1977, c.110 (C.5:12-92) prior to or simultaneously
17 with submission of such new equipment for testing in a jurisdiction
18 other than New Jersey, may, consistent with regulations
19 promulgated by the division, be deployed by a casino licensee on
20 the casino floor 14 days after submission of such equipment for
21 testing. If the casino or casino service industry enterprise licensee
22 has not received approval for the equipment 14 days after
23 submission for testing, any interested casino licensee may,
24 consistent with division regulations, deploy the equipment on a
25 field test basis, unless otherwise directed by the director.

26 i. (Deleted by amendment, P.L.1991, c.182).

27 j. (Deleted by amendment, P.L.1991, c.182).

28 k. It shall be unlawful for any person to exchange or redeem
29 chips for anything whatsoever, except for currency, negotiable
30 personal checks, negotiable counter checks, other chips, coupons,
31 slot vouchers or complimentary vouchers distributed by the casino
32 licensee, or, if authorized by regulation of the division, a valid
33 charge to a credit or debit card account. A casino licensee shall,
34 upon the request of any person, redeem that licensee's gaming chips
35 surrendered by that person in any amount over \$100 with a check
36 drawn upon the licensee's account at any banking institution in this
37 State and made payable to that person.

38 l. It shall be unlawful for any casino licensee or its agents or
39 employees to employ, contract with, or use any shill or barker to
40 induce any person to enter a casino or simulcasting facility or play
41 at any game or for any purpose whatsoever.

42 m. It shall be unlawful for a dealer in any authorized game in
43 which cards are dealt to deal cards by hand or other than from a
44 device specifically designed for that purpose, unless otherwise
45 permitted by the rules of the division.

46 n. (1) It shall be unlawful for any casino key employee[.]
47 licensee [or any person who is required to hold a casino key
48 employee license as a condition of employment or qualification] to

1 wager in any casino or simulcasting facility in this State[, or any
2 casino].

3 (2) It shall be unlawful for any other employee of a casino
4 licensee who, in the judgment of the division, is directly involved
5 with the conduct of gaming operations, including but not limited to
6 dealers, floor persons, box persons, security and surveillance
7 employees, to wager in any casino or simulcasting facility in the
8 casino hotel in which the employee is employed or in any other
9 casino or simulcasting facility in this State which is owned or
10 operated by an affiliated licensee.

11 (3) The prohibition against wagering set forth in paragraphs (1)
12 and (2) of this subsection shall continue for a period of 30 days
13 commencing upon the date that the employee either leaves
14 employment with a casino licensee or is terminated from
15 employment with a casino licensee.

16 o. (1) It shall be unlawful for any casino key employee or
17 boxman, floorman, or any other casino employee who shall serve in
18 a supervisory position to solicit or accept, and for any other casino
19 employee to solicit, any tip or gratuity from any player or patron at
20 the casino hotel or simulcasting facility where he is employed.

21 (2) A dealer may accept tips or gratuities from a patron at the
22 table at which such dealer is conducting play, subject to the
23 provisions of this subsection. All such tips or gratuities shall be
24 immediately deposited in a lockbox reserved for that purpose,
25 unless the tip or gratuity is authorized by a patron utilizing an
26 automated wagering system approved by the division. All tips or
27 gratuities shall be accounted for, and placed in a pool for
28 distribution pro rata among the dealers, with the distribution based
29 upon the number of hours each dealer has worked, except that the
30 division may, by regulation, permit a separate pool to be established
31 for dealers in the game of poker, or may permit tips or gratuities to
32 be retained by individual dealers in the game of poker.

33 (3) Notwithstanding the provisions of paragraph (1) of this
34 subsection, a casino licensee may require that a percentage of the
35 prize pool offered to participants pursuant to an authorized poker
36 tournament be withheld for distribution to the tournament dealers as
37 tips or gratuities as the division by regulation may approve.

38 p. Any slot system operator that offers an annuity jackpot shall
39 secure the payment of such jackpot by establishing an annuity
40 jackpot guarantee in accordance with the requirements of P.L.1977,
41 c.110 (C.5:12-1 et seq.), and the rules of the division.

42 (cf: P.L.2011, c.19, s.65)

43

44 ²[6.] ²8. Section 101 of P.L.1977, c.110 (C.5:12-101) is
45 amended to read as follows:

46 101. a. Except as otherwise provided in this section, no casino
47 licensee or any person licensed under this act, and no person acting

1 on behalf of or under any arrangement with a casino licensee or
2 other person licensed under this act, shall:

3 (1) Cash any check, make any loan, or otherwise provide or
4 allow to any person any credit or advance of anything of value or
5 which represents value to enable any person to take part in gaming
6 or simulcast wagering activity as a player; or

7 (2) Release or discharge any debt, either in whole or in part, or
8 make any loan which represents any losses incurred by any player
9 in gaming or simulcast wagering activity, without maintaining a
10 written record thereof in accordance with the rules of the division.

11 b. No casino licensee or any person licensed under this act, and
12 no person acting on behalf of or under any arrangement with a
13 casino licensee or other person licensed under this act, may accept a
14 check, other than a recognized traveler's check or other cash
15 equivalent from any person to enable such person to take part in
16 gaming or simulcast wagering activity as a player, or may give cash
17 or cash equivalents in exchange for such check unless:

18 (1) The check is made payable to the casino licensee;

19 (2) The check is dated, but not postdated;

20 (3) The check is presented to the cashier or the cashier's
21 representative at a location in the casino approved by the division
22 and is exchanged for cash or slot tokens which total an amount
23 equal to the amount for which the check is drawn, or the check is
24 presented to the cashier's representative at a gaming table in
25 exchange for chips which total an amount equal to the amount for
26 which the check is drawn; and

27 (4) The regulations concerning check cashing procedures are
28 observed by the casino licensee and its employees and agents.

29 Nothing in this subsection shall be deemed to preclude the
30 establishment of an account by any person with a casino licensee by
31 a deposit of cash, recognized traveler's check or other cash
32 equivalent, or a check which meets the requirements of subsection
33 g. of this section, or to preclude the withdrawal, either in whole or
34 in part, of any amount contained in such account.

35 c. When a casino licensee or other person licensed under this
36 act, or any person acting on behalf of or under any arrangement
37 with a casino licensee or other person licensed under this act, cashes
38 a check in conformity with the requirements of subsection b. of this
39 section, the casino licensee shall cause the deposit of such check in
40 a bank for collection or payment, or shall require an attorney or
41 casino key employee with no incompatible functions to present such
42 check to the drawer's bank for payment, within (1) seven calendar
43 days of the date of the transaction for a check in an amount of
44 \$1,000.00 or less; (2) 14 calendar days of the date of the transaction
45 for a check in an amount greater than \$1,000.00 but less than or
46 equal to \$5,000.00; or (3) 45 calendar days of the date of the
47 transaction for a check in an amount greater than \$5,000.00.
48 Notwithstanding the foregoing, the drawer of the check may redeem

1 the check by exchanging cash, cash equivalents, chips, or a check
2 which meets the requirements of subsection g. of this section in an
3 amount equal to the amount for which the check is drawn; or he
4 may redeem the check in part by exchanging cash, cash equivalents,
5 chips, or a check which meets the requirements of subsection g. of
6 this section and another check which meets the requirements of
7 subsection b. of this section for the difference between the original
8 check and the cash, cash equivalents, chips, or check tendered; or
9 he may issue one check which meets the requirements of subsection
10 b. of this section in an amount sufficient to redeem two or more
11 checks drawn to the order of the casino licensee. If there has been a
12 partial redemption or a consolidation in conformity with the
13 provisions of this subsection, the newly issued check shall be
14 delivered to a bank for collection or payment or presented to the
15 drawer's bank for payment by an attorney or casino key employee
16 with no incompatible functions within the period herein specified.
17 No casino licensee or any person licensed or registered under this
18 act, and no person acting on behalf of or under any arrangement
19 with a casino licensee or other person licensed under this act, shall
20 accept any check or series of checks in redemption or consolidation
21 of another check or checks in accordance with this subsection for
22 the purpose of avoiding or delaying the deposit of a check in a bank
23 for collection or payment or the presentment of the check to the
24 drawer's bank within the time period prescribed by this subsection.

25 In computing a time period prescribed by this subsection, the last
26 day of the period shall be included unless it is a Saturday, Sunday,
27 or a State or federal holiday, in which event the time period shall
28 run until the next business day.

29 d. No casino licensee or any other person licensed or registered
30 under this act, or any other person acting on behalf of or under any
31 arrangement with a casino licensee or other person licensed or
32 registered under this act, shall transfer, convey, or give, with or
33 without consideration, a check cashed in conformity with the
34 requirements of this section to any person other than:

35 (1) The drawer of the check upon redemption or consolidation
36 in accordance with subsection c. of this section;

37 (2) A bank for collection or payment of the check;

38 (3) A purchaser of the casino license as approved by the
39 commission; or

40 (4) An attorney or casino key employee with no incompatible
41 functions for presentment to the drawer's bank.

42 The limitation on transferability of checks imposed herein shall
43 apply to checks returned by any bank to the casino licensee without
44 full and final payment.

45 e. No person other than a casino key employee licensed under
46 this act or a casino employee registered under this act may engage
47 in efforts to collect upon checks that have been returned by banks
48 without full and final payment, except that an attorney-at-law

1 representing a casino licensee ³[², or a collection agency working
2 under the supervision of such attorney-at-law.²]³ may ³[²be
3 retained to collect a debt or²]³ bring action for such collection.

4 f. Notwithstanding the provisions of any law to the contrary,
5 checks cashed in conformity with the requirements of this act shall
6 be valid instruments, enforceable at law in the courts of this State.
7 Any check cashed, transferred, conveyed or given in violation of
8 this act shall be invalid and unenforceable for the purposes of
9 collection but shall be included in the calculation of gross revenue
10 pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

11 g. Notwithstanding the provisions of subsection b. of this
12 section to the contrary, a casino licensee may accept a check from a
13 person to enable the person to take part in gaming or simulcast
14 wagering activity as a player, may give cash or cash equivalents in
15 exchange for such a check, or may accept a check in redemption or
16 partial redemption of a check issued in accordance with subsection
17 b., provided that:

18 (1) (a) The check is issued by a casino licensee, is made payable
19 to the person presenting the check, and is issued for a purpose other
20 than employment compensation or as payment for goods or services
21 rendered;

22 (b) The check is issued by a banking institution which is
23 chartered in a country other than the United States on its account at
24 a federally chartered or state-chartered bank and is made payable to
25 "cash," "bearer," a casino licensee, or the person presenting the
26 check;

27 (c) The check is issued by a banking institution which is
28 chartered in the United States on its account at another federally
29 chartered or state-chartered bank and is made payable to "cash,"
30 "bearer," a casino licensee, or the person presenting the check;

31 (d) The check is issued by a slot system operator or pursuant to
32 an annuity jackpot guarantee as payment for winnings from a multi-
33 casino progressive slot machine system jackpot; or

34 (e) The check is issued by **[an affiliate of a casino licensee]** an
35 entity that holds a gaming license in any jurisdiction, is made
36 payable to the person presenting the check, and is issued for a
37 purpose other than employment compensation or as payment for
38 goods or services rendered;

39 (2) The check is identifiable in a manner approved by the
40 division as a check authorized for acceptance pursuant to paragraph
41 (1) of this subsection;

42 (3) The check is dated, but not postdated;

43 (4) The check is presented to the cashier or the cashier's
44 representative by the original payee and its validity is verified by
45 the drawer in the case of a check drawn pursuant to subparagraph
46 (a) of paragraph (1) of this subsection, or the check is verified in
47 accordance with regulations promulgated under this act in the case

1 of a check issued pursuant to subparagraph (b), (c), (d) or (e) of
2 paragraph (1) of this subsection; and

3 (5) The regulations concerning check cashing procedures are
4 observed by the casino licensee and its employees and agents.

5 No casino licensee shall issue a check for the purpose of making
6 a loan or otherwise providing or allowing any advance or credit to a
7 person to enable the person to take part in gaming or simulcast
8 wagering activity as a player.

9 h. Notwithstanding the provisions of subsection b. and
10 subsection c. of this section to the contrary, a casino licensee may,
11 at a location outside the casino, accept a personal check or checks
12 from a person for up to \$5,000 in exchange for cash or cash
13 equivalents, and may, at such locations within the casino or casino
14 simulcasting facility as may be permitted by the division, accept a
15 personal check or checks for up to \$5,000 in exchange for cash,
16 cash equivalents, tokens, chips, or plaques to enable the person to
17 take part in gaming or simulcast wagering activity as a player,
18 provided that:

19 (a) The check is drawn on the patron's bank or brokerage cash
20 management account;

21 (b) The check is for a specific amount;

22 (c) The check is made payable to the casino licensee;

23 (d) The check is dated but not post-dated;

24 (e) The patron's identity is established by examination of one of
25 the following: valid credit card, driver's license, passport, or other
26 form of identification credential which contains, at a minimum, the
27 patron's signature;

28 (f) The check is restrictively endorsed "For Deposit Only" to
29 the casino licensee's bank account and deposited on the next
30 banking day following the date of the transaction;

31 (g) The total amount of personal checks accepted by any one
32 licensee pursuant to this subsection that are outstanding at any time,
33 including the current check being submitted, does not exceed
34 \$5,000;

35 (h) The casino licensee has a system of internal controls in place
36 that will enable it to determine the amount of outstanding personal
37 checks received from any patron pursuant to this subsection at any
38 given point in time; and

39 (i) The casino licensee maintains a record of each such
40 transaction in accordance with regulations established by the
41 division.

42 i. (Deleted by amendment, P.L.2004, c.128).

43 j. A person may request the division to put that person's name
44 on a list of persons to whom the extension of credit by a casino as
45 provided in this section would be prohibited by submitting to the
46 division the person's name, address, and date of birth. The person
47 does not need to provide a reason for this request. The division shall
48 provide this list to the credit department of each casino; neither the

1 division nor the credit department of a casino shall divulge the
 2 names on this list to any person or entity other than those provided
 3 for in this subsection. If such a person wishes to have that person's
 4 name removed from the list, the person shall submit this request to
 5 the division, which shall so inform the credit departments of casinos
 6 no later than three days after the submission of the request.

7 k. (Deleted by amendment, P.L.2004, c.128).
 8 (cf: P.L.2011, c.19, s.68)

9
 10 ²9. Section 102 of P.L.1977, c.110 (C.5:12-102) is amended to
 11 read as follows:

12 102. Junkets and Complimentary Services.

13 a. No junkets may be organized or permitted except in
 14 accordance with the provisions of this act. No person may act as a
 15 junket representative or junket enterprise except in accordance with
 16 this section.

17 b. A ³[junket enterprise or a]³ junket representative
 18 employed by a casino licensee, an applicant for a casino license or
 19 an affiliate of a casino licensee shall be ~~licensed~~ ³[~~registered~~
 20 licensed³ as a casino ~~key~~ ³key³ employee in accordance with the
 21 provisions of P.L.1977, c.110 (C.5:12-1 et seq.); provided,
 22 however, that said licensee need not be a resident of this State. No
 23 casino licensee or applicant for a casino license may employ or
 24 otherwise engage a junket representative who is not so ~~licensed~~
 25 ³[~~registered~~ licensed³.

26 c. Junket enterprises that, and junket representatives not
 27 employed by a casino licensee or an applicant for a casino license
 28 or by a junket enterprise who, engage in activities governed by this
 29 section shall be ~~licensed as a casino service industry enterprise in~~
 30 accordance with subsection a. of section 92 of P.L.1977, c.110
 31 (C.5:12-92), unless otherwise directed by the division. Any non-
 32 supervisory employee of a junket enterprise or junket representative
 33 licensed under this subsection shall be ³licensed as an ancillary
 34 casino service industry enterprise in accordance with paragraph (3)
 35 of subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), unless
 36 otherwise directed by the division; provided, however, that any such
 37 junket enterprise or junket representative who is disqualified
 38 pursuant to section 86 of P.L. 1977, c.110 (C.5:12-86) shall not be
 39 entitled to establish his rehabilitation from such disqualification.
 40 Any non-supervisory employee of a junket enterprise or junket
 41 representative licensed as an ancillary casino service industry
 42 enterprise in accordance with paragraph (3) of subsection a. of
 43 section 92 of P.L. 1977, c.110 (C.5:12-92) shall be³ registered in
 44 accordance with subsection c. of section 92 of P.L.1977, c.110
 45 (C.5:12-92).

46 d. Prior to the issuance of any license required by this section
 47 ³[as provided under paragraph (2) of subsection c. of section 92 of

1 P.L.1977, c.110 (C.5:12-92)]³, an applicant for licensure shall
2 submit to the jurisdiction of the State of New Jersey and shall
3 demonstrate that he is amenable to service of process within this
4 State. Failure to establish or maintain compliance with the
5 requirements of this subsection shall constitute sufficient cause for
6 the denial, suspension or revocation of any license issued pursuant
7 to this section.

8 e. Upon petition by the holder of a casino license, an applicant
9 for a casino key employee license intending to be employed as a³
10 junket representative³[or junket enterprise applying for licensure
11 as provided under paragraph (2) of subsection c. of section 92 of
12 P.L.1977, c.110 (C.5:12-92)]³ may be issued a temporary license
13 by the division in accordance with regulations promulgated by the
14 division, provided that:

- 15 (1) the applicant for licensure is employed by a casino licensee;
- 16 (2) the applicant for licensure has filed a completed application
17 as required by the commission;
- 18 (3) the division either certifies to the commission that the
19 completed application for licensure as specified in paragraph (2) of
20 this subsection has been in the possession of the division for at least
21 60 days or agrees to allow the commission to consider the
22 application in some lesser time; and
- 23 (4) the division does not object to the temporary licensure of the
24 applicant; provided, however, that failure of the division to object
25 prior to the temporary licensure of the applicant shall not be
26 construed to reflect in any manner upon the qualifications of the
27 applicant for licensure.

28 In addition to any other authority granted by P.L.1977, c.110
29 (C.5:12-1 et seq.), the commission shall have the authority, upon
30 receipt of a representation by the division that it possesses
31 information which raises a reasonable possibility that a junket
32 representative does not qualify for licensure, to immediately
33 suspend, limit or condition any temporary license issued pursuant to
34 this subsection, pending a hearing on the qualifications of the junket
35 representative, in accordance with the provisions of P.L.1977, c.110
36 (C.5:12-1 et seq.).

37 Unless otherwise terminated pursuant to P.L.1977, c.110
38 (C.5:12-1 et seq.), any temporary license issued pursuant to this
39 subsection shall expire 12 months from the date of its issuance, and
40 shall be renewable by the commission, in the absence of an
41 objection by the division, as specified in paragraph (4) of this
42 subsection, for one additional six-month period.

43 f. Every agreement concerning junkets entered into by a casino
44 licensee and a junket representative or junket enterprise shall be
45 deemed to include a provision for its termination without liability
46 on the part of the casino licensee, if the division orders the
47 termination upon the suspension, limitation, conditioning, denial or
48 revocation of the licensure of the junket representative or junket

1 enterprise, in accordance with the provisions of P.L.1977, c.110
2 (C.5:12-1 et seq.). Failure to expressly include such a condition in
3 the agreement shall not constitute a defense in any action brought to
4 terminate the agreement.

5 g. A casino licensee shall be responsible for the conduct of any
6 junket representative or junket enterprise associated with it and for
7 the terms and conditions of any junket engaged in on its premises,
8 regardless of the fact that the junket may involve persons not
9 employed by such a casino licensee.

10 h. A casino licensee shall be responsible for any violation or
11 deviation from the terms of a junket. Notwithstanding any other
12 provisions of this act, the division may order restitution to junket
13 participants, assess penalties for such violations or deviations,
14 prohibit future junkets by the casino licensee, junket enterprise or
15 junket representative, and order such further relief as it deems
16 appropriate.

17 i. The division shall, by regulation, prescribe methods,
18 procedures and forms for the delivery and retention of information
19 concerning the conduct of junkets by casino licensees. Without
20 limitation of the foregoing, each casino licensee, in accordance with
21 the rules of the division, shall:

22 (1) Maintain on file a report describing the operation of any
23 junket engaged in on its premises;

24 (2) (Deleted by amendment, P.L.1995, c.18.).

25 (3) Submit to the division a list of all its employees who are
26 acting as junket representatives.

27 j. Each casino licensee, junket representative or junket
28 enterprise shall, in accordance with the rules of the division, file a
29 report with the division with respect to each list of junket patrons or
30 potential junket patrons purchased directly or indirectly by the
31 casino licensee, junket representative or enterprise.

32 k. The division shall have the authority to determine, either by
33 regulation, or upon petition by the holder of a casino license, that a
34 type of arrangement otherwise included within the definition of
35 "junket" established by section 29 of P.L.1977, c.110 (C.5:12-29)
36 shall not require compliance with any or all of the requirements of
37 this section. In granting exemptions, the division shall consider
38 such factors as the nature, volume and significance of the particular
39 type of arrangement, and whether the exemption would be
40 consistent with the public policies established by this act. In
41 applying the provisions of this subsection, the division may
42 condition, limit, or restrict any exemption as the commission may
43 deem appropriate.

44 l. No junket enterprise or junket representative or person
45 acting as a junket representative may:

46 (1) Engage in efforts to collect upon checks that have been
47 returned by banks without full and final payment;

1 (2) Exercise approval authority with regard to the authorization
2 or issuance of credit pursuant to section 101 of P.L.1977, c.110
3 (C.5:12-101);

4 (3) Act on behalf of or under any arrangement with a casino
5 licensee or a gaming patron with regard to the redemption,
6 consolidation, or substitution of the gaming patron's checks
7 awaiting deposit pursuant to subsection c. of section 101 of
8 P.L.1977, c.110 (C.5:12-101);

9 (4) Individually receive or retain any fee from a patron for the
10 privilege of participating in a junket;

11 (5) Pay for any services, including transportation, or other items
12 of value provided to, or for the benefit of, any patron participating
13 in a junket.

14 m. No casino licensee shall offer or provide any complimentary
15 services, gifts, cash or other items of value to any person unless:

16 (1) The complimentary consists of room, food, beverage,
17 transportation, or entertainment expenses provided directly to the
18 patron and his guests by the licensee or indirectly to the patron and
19 his guests on behalf of a licensee by a third party; or

20 (2) (Deleted by amendment, P.L.2009, c.36); or

21 (3) The complimentary consists of coins, tokens, cash or other
22 complimentary items or services provided through a bus coupon or
23 other complimentary distribution program which, notwithstanding
24 the requirements of section 99 of P.L.1977, c.110 (C.5:12-99), shall
25 be maintained pursuant to regulation and made available for
26 inspection by the division.

27 Notwithstanding the foregoing, a casino licensee may offer and
28 provide complimentary cash or noncash gifts which are not
29 otherwise included in paragraphs (1) and (3) of this subsection to
30 any person, provided that any such gifts in excess of \$2,000.00, or
31 such greater amount as the division may establish by regulation, are
32 supported by documentation regarding the reason the gift was
33 provided to the patron and his guests, including where applicable, a
34 patron's player rating, which documentation shall be maintained by
35 the casino licensee.

36 Each casino licensee shall maintain a regulated complimentary
37 service account, for those complementaries which are permitted
38 pursuant to this section, and shall submit a quarterly report to the
39 division based upon such account and covering all complimentary
40 services offered or engaged in by the licensee during the
41 immediately preceding quarter. Such reports shall include
42 identification of the regulated complimentary services and their
43 respective costs, the number of persons by category of service who
44 received the same, and such other information as the division may
45 require.

46 n. As used in this subsection, "person" means any State officer
47 or employee subject to financial disclosure by law or executive
48 order and any other State officer or employee with responsibility for

1 matters affecting casino activity; any special State officer or
2 employee with responsibility for matters affecting casino activity;
3 the Governor; any member of the Legislature or full-time member
4 of the Judiciary; any full-time professional employee of the Office
5 of the Governor, or the Legislature; members of the Casino
6 Reinvestment Development Authority; the head of a principal
7 department; the assistant or deputy heads of a principal department,
8 including all assistant and deputy commissioners; the head of any
9 division of a principal department; any member of the governing
10 body, or the municipal judge or the municipal attorney of a
11 municipality wherein a casino is located; any member of or attorney
12 for the planning board or zoning board of adjustment of a
13 municipality wherein a casino is located, or any professional
14 planner or consultant regularly employed or retained by such
15 planning board or zoning board of adjustment.

16 No casino applicant or licensee shall provide directly or
17 indirectly to any person any complimentary service or discount
18 which is other than such service or discount that is offered to
19 members of the general public in like circumstance.

20 o. (Deleted by amendment, P.L.2011, c.19)²
21 (cf: P.L.2011, c.19, s.71)

22
23 ²[7.] 10.² Section 104 of P.L.1977, c.110 (C.5:12-104) is
24 amended to read as follows:

25 104. a. Unless otherwise provided in this subsection, no
26 agreement shall be lawful which provides for the payment, however
27 defined, of any direct or indirect interest, percentage or share of:
28 any money or property gambled at a casino or simulcasting facility;
29 any money or property derived from casino gaming activity or
30 wagering at a simulcasting facility; or any revenues, profits or
31 earnings of a casino or simulcasting facility. Notwithstanding the
32 foregoing:

33 (1) Agreements which provide only for the payment of a fixed
34 sum which is in no way affected by the amount of any such money,
35 property, revenues, profits or earnings shall not be subject to the
36 provisions of this subsection; and receipts, rentals or charges for
37 real property, personal property or services shall not lose their
38 character as payments of a fixed sum because of contract, lease, or
39 license provisions for adjustments in charges, rentals or fees on
40 account of changes in taxes or assessments, cost-of-living index
41 escalations, expansion or improvement of facilities, or changes in
42 services supplied.

43 (2) [(Deleted by amendment, P.L.2011, c.19)] Agreements
44 between a casino licensee and a junket enterprise or junket
45 representative licensed, qualified or registered in accordance with
46 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the
47 regulations of the division which provide for the compensation of
48 the junket enterprise or junket representative by the casino licensee

1 based upon the actual casino gaming or simulcast wagering
2 activities of a patron procured or referred by the junket enterprise or
3 junket representative shall be lawful if filed with the division prior
4 to the conduct of any junket that is governed by the agreement.

5 (3) Agreements between a casino licensee and its employees
6 which provide for casino employee or casino key employee profit
7 sharing shall be lawful if the agreement is in writing and filed with
8 the division prior to its effective date. Such agreements may be
9 reviewed by the division under any relevant provision of P.L.1977,
10 c.110 (C.5:12-1 et seq.).

11 (4) Agreements to lease an approved casino hotel or the land
12 thereunder and agreements for the complete management of all
13 casino gaming operations in a casino hotel shall not be subject to
14 the provisions of this subsection but shall rather be subject to the
15 provisions of subsections b. and c. of section 82 of this act.

16 (5) Agreements which provide for percentage charges between
17 the casino licensee and a holding company or intermediary
18 company of the casino licensee shall be in writing and filed with the
19 division but shall not be subject to the provisions of this subsection.

20 (6) Agreements relating to simulcast racing and wagering
21 between a casino licensee and an in-State or out-of-State sending
22 track licensed or exempt from licensure in accordance with section
23 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with
24 the division, and be lawful and effective only if expressly approved
25 as to their terms by the division and the New Jersey Racing
26 Commission, except that any such agreements which provide for a
27 percentage of the parimutuel pool wagered at a simulcasting facility
28 to be paid to the sending track shall not be subject to the provisions
29 of this subsection.

30 (7) Agreements relating to simulcast racing and wagering
31 between a casino licensee and a casino service industry enterprise
32 licensed pursuant to the provisions of subsection a. of section 92 of
33 P.L.1977, c.110 (C.5:12-92) as a hub facility, as defined in joint
34 regulations of the Division of Gaming Enforcement and the New
35 Jersey Racing Commission, shall be in writing, be filed with the
36 commission, and be lawful and effective only if expressly approved
37 as to their terms by the commission and the New Jersey Racing
38 Commission, except that any such agreements which provide for a
39 percentage of the casino licensee's share of the parimutuel pool
40 wagered at a simulcasting facility to be paid to the hub facility shall
41 not be subject to the provisions of this subsection.

42 (8) Agreements relating to simulcast racing and wagering
43 between a casino licensee and a casino service industry enterprise
44 licensed pursuant to the provisions of subsection a. of section 92 of
45 P.L.1977, c.110 (C.5:12-92) to conduct casino simulcasting in a
46 simulcasting facility shall be in writing, be filed with the
47 commission, and be lawful and effective only if expressly approved
48 as to their terms by the commission, except that any such

1 agreements which provide for a percentage of the casino licensee's
2 share of the parimutuel pool wagered at a simulcasting facility to be
3 paid to the casino service industry enterprise shall not be subject to
4 the provisions of this subsection.

5 (9) Written agreements relating to the operation of multi-casino
6 ³or multi-state³ progressive slot machine systems between one or
7 more casino licensees and a casino service industry enterprise
8 licensed pursuant to the provisions of subsection a. of section 92 of
9 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
10 license, which provide for an interest, percentage or share of the
11 casino licensee's revenues, profits or earnings from the operation of
12 such multi-casino ³or multi-state³ progressive slot machines to be
13 paid to the casino service industry enterprise licensee or applicant
14 shall not be subject to the provisions of this subsection if the
15 agreements are filed with and approved by the division.

16 (10) A written agreement between a casino licensee and a casino
17 service industry enterprise licensed pursuant to subsection a. of
18 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant
19 for such license, relating to the construction, renovation or
20 operation of qualifying sleeping units, as defined in section 27 of
21 P.L.1977, c.110 (C.5:12-27), or of non-gaming amenities, as
22 defined by the division, within the limits of the city of Atlantic
23 City, regardless of whether such qualifying sleeping units or non-
24 gaming amenities are connected to a casino hotel facility, which
25 provides for an interest, percentage or share of the casino licensee's
26 revenues, profits or earnings, not to exceed 5% of the casino
27 licensee's revenues, to be paid to the casino service industry
28 enterprise licensee or applicant in return for the construction,
29 renovation or operation of such qualifying sleeping units or non-
30 gaming amenities shall not be subject to the provisions of this
31 subsection provided that: (i) the agreement requires a capital
32 investment, at least 10% of which shall be made by the casino
33 service industry enterprise licensee or applicant over the term of the
34 agreement, of not less than \$30 million, which minimum amount
35 shall be adjusted periodically by the division for inflation; (ii) the
36 division finds that the total amount of casino revenues, profits or
37 earnings that can be paid to the casino service industry enterprise
38 licensee or applicant pursuant to this agreement is commercially
39 reasonable under the circumstances; and (iii) the agreement is filed
40 with and approved by the division.

41 ²[(11) A written agreement for the purchase or lease of slot
42 machines between a casino licensee and a casino service industry
43 enterprise licensed pursuant to subsection a. of section 92 of
44 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for a license,
45 which provides for the payment to the casino service industry
46 enterprise licensee or applicant of an interest, percentage, or share
47 of the proceeds from the operation of those slot machines shall not

1 be subject to the provisions of this subsection, if the agreement is
2 filed with and approved by the division.】²

3 b. Each casino applicant or licensee shall maintain, in
4 accordance with the rules of the division, a record of each written or
5 unwritten agreement regarding the realty, construction,
6 maintenance, or business of a proposed or existing casino hotel or
7 related facility. The foregoing obligation shall apply regardless of
8 whether the casino applicant or licensee is a party to the agreement.
9 Any such agreement may be reviewed by the division on the basis
10 of the reasonableness of its terms, including the terms of
11 compensation, and of the qualifications of the owners, officers,
12 employees, and directors of any enterprise involved in the
13 agreement, which qualifications shall be reviewed according to the
14 standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86).
15 If the division disapproves such an agreement or the owners,
16 officers, employees, or directors of any enterprise involved therein,
17 the division may require its termination.

18 Every agreement required to be maintained, and every related
19 agreement the performance of which is dependent upon the
20 performance of any such agreement, shall be deemed to include a
21 provision to the effect that, if the commission shall require
22 termination of an agreement pursuant to its authority under
23 P.L.1977, c.110 (C.5:12-1 et seq.), such termination shall occur
24 without liability on the part of the casino applicant or licensee or
25 any qualified party to the agreement or any related agreement.
26 Failure expressly to include such a provision in the agreement shall
27 not constitute a defense in any action brought to terminate the
28 agreement. If the agreement is not maintained or presented to the
29 commission in accordance with division regulations, or the
30 disapproved agreement is not terminated, the division may pursue
31 any remedy or combination of remedies provided in this act.

32 For the purposes of this subsection, "casino applicant" includes
33 any person required to hold a casino license pursuant to section 82
34 of P.L.1977, c.110 (C.5:12-82) who has applied to the division for a
35 casino license or any approval required under P.L.1977, c.110
36 (C.5:12-1 et seq.).

37 c. Nothing in this act shall be deemed to permit the transfer of
38 any license, or any interest in any license, or any certificate of
39 compliance or any commitment or reservation.

40 (cf: P.L.2011, c.19, s.73)

41

42 ²[8.] 11.² Section 55 of P.L.1977, c.110 (C.5:12-55) is
43 amended to read as follows:

44 55. Division of gaming enforcement. There is hereby established
45 in the Department of Law and Public Safety the Division of Gaming
46 Enforcement. The division shall be under the immediate supervision
47 of a director who shall also be sworn as an Assistant Attorney
48 General and who shall administer the work of the division under the

1 direction and supervision of the Attorney General. The director
2 shall be appointed by the Governor, with the advice and consent of
3 the Senate, and shall serve during the term of office of the
4 Governor, except that the first director shall be appointed for a term
5 of 2 years. The director may be removed from office by the
6 Attorney General for cause upon notice and opportunity to be heard.

7 The director and any employee or agent of the division shall be
8 subject to the duty to appear and testify and to removal from his
9 office, position or employment in accordance with the provisions of
10 P.L.1970, c.72 (C.2A:81-17.2a et seq.). The Attorney General shall
11 be responsible for the exercise of the duties and powers assigned to
12 the division.

13 The division shall be located in Atlantic City, except that the
14 division may maintain a secondary satellite office in Trenton, which
15 shall not be the primary office, if deemed necessary for the effective
16 performance of its duties and responsibilities.

17 If, as a result of the transfer of duties and responsibilities from
18 the Casino Control Commission to the division in accordance with
19 P.L.2011, c.19 (C.5:12-6.1 et al.), the division needs to employ an
20 individual to fill a position, former employees of the commission
21 who performed the duties of the position to be filled shall be given
22 a one-time right of first refusal offer of employment with the
23 division, and such employees may be removed by the division for
24 cause or if deemed unqualified to hold the position, notwithstanding
25 any other provision of law to the contrary. An individual formerly
26 employed by the commission who becomes employed by the
27 division shall retain as an employee of the division the seniority,
28 and all rights related to seniority, that the employee had with the
29 commission as of the last day of employment with the commission
30 ³; provided, however, that such seniority and seniority rights shall
31 be retained only by an employee who was transferred from
32 employment with the commission to employment with the division,
33 and shall not be retained by an employee who was removed from
34 employment with the commission due to layoff procedures or who
35 resigned from a position with the commission prior to being hired
36 by the division³ .

37 (cf: P.L.2011, c.19, s.124)

38

39 ³12. Section 5 of P.L.2011, c.18 (C.5:12-219) is amended to
40 read as follows:

41 5. a. (1) There shall be established by resolution of the
42 authority the Atlantic City Tourism District, which shall consist of
43 those lands within Atlantic City that comprise an area to be
44 designated by the resolution. The area so designated shall include
45 the facilities comprising licensed Atlantic City casinos, casino
46 hotels, and any appurtenant property, any property under the
47 ownership or control of the authority, the Atlantic City Special
48 Improvement District established by ordinance of the City of

1 Atlantic City, any property under the ownership or control of the
2 convention center authority prior to the transfer date, any property
3 within Atlantic City under the ownership or control of the New
4 Jersey Sports and Exposition Authority established pursuant to
5 P.L.1971, c.137 (C.5:10-1 et seq.) prior to the transfer date, the
6 Atlantic City Convention Center, Boardwalk Hall and any part of
7 the property consisting of the Atlantic City convention center
8 project prior to the transfer date, and any specified part of Atlantic
9 City which the authority finds by resolution to be an area in which
10 the majority of private entities are engaged primarily in the tourism
11 trade, and the majority of public entities, if any, serve the tourism
12 industry. Notwithstanding section 7 of P.L.1984, c.218 (C.5:12-
13 155), the authority shall adopt the resolution by an affirmative vote
14 of two-thirds of the voting members of the authority no more than
15 90 days after the effective date of P.L.2011, c.18 (C.5:12-218 et
16 al.). Notwithstanding section 7 of P.L.1984, c.218, adoption by the
17 authority of any subsequent resolution to revise, in a manner
18 consistent with this subsection, the area designated as comprising
19 the tourism district shall also be by an affirmative vote of two-thirds
20 of the voting members of the authority.

21 (2) If, on the 91st day after the effective date of P.L.2011, c.18
22 (C.5:12-218 et al.), the authority has not adopted the resolution
23 establishing the tourism district as provided pursuant to paragraph
24 (1) of this subsection, the authority shall carry out the purposes of
25 P.L.2011, c.18 (C.5:12-218 et al.) within the following areas of
26 Atlantic City:

27 (a) the area known as Bader Field;

28 (b) the area known as the Marina District beginning at a point
29 north of White Horse Pike and continuing northwesterly along State
30 Route 87 and Huron Avenue, and the casinos and hotels adjacent
31 thereto, and bounded to the east by the body of water known as
32 Clam Thorofare and bounded to the west by Huron Avenue and
33 which area shall also encompass the area known as Farley Marina;
34 and

35 (c) all that certain area bounded by a line, having as its point of
36 origin the intersection of Kingston Avenue and Ventnor Avenue,
37 which line of boundary proceeds from that point of origin as
38 follows:

39 Northeasterly along Ventnor Avenue to its junction with Capt.
40 John A. O'Donnell Parkway;

41 Thence northeasterly along that Parkway to its intersection with
42 Atlantic Avenue;

43 Thence northeasterly along Atlantic Avenue to its junction with
44 Florida Avenue;

45 Thence northwesterly along Florida Avenue to its junction with
46 North Turnpike Road;

47 Thence northwesterly along North Turnpike Road to its junction
48 with Sunset Avenue;

1 Thence along Sunset Avenue as it curves to its intersection with
2 Mediterranean Avenue;
3 Thence northeasterly along Mediterranean Avenue to its junction
4 with North Mississippi Avenue;
5 Thence continuing southeasterly along North Mississippi Avenue
6 to its junction with Fairmont Avenue;
7 Thence northeasterly along Fairmount Avenue to its intersection
8 with Christopher Columbus Boulevard;
9 Thence northwesterly along Christopher Columbus Boulevard to
10 the point at which it borders the Atlantic City Expressway, to its
11 junction with the Atlantic City Expressway and Arkansas Avenue;
12 Thence continuing westerly and northerly along the perimeter of
13 the Atlantic City Expressway along the points of that perimeter to
14 the point at which the perimeter is parallel to the northwest facing
15 perimeter of the property encompassing the Atlantic City
16 Convention Center;
17 Thence continuing southerly and westerly along the northwest
18 facing perimeter of the property encompassing the Atlantic City
19 Convention Center to the point at which such property, and any
20 property immediately adjacent thereto, intersects with Bacharach
21 Boulevard;
22 Thence continuing southerly and easterly along Bacharach
23 Boulevard to its junction with Arctic Avenue;
24 Thence continuing northeasterly along Arctic Avenue to its
25 junction with Tennessee Avenue;
26 Thence continuing southeasterly along Tennessee Avenue to its
27 junction with Atlantic Avenue;
28 Thence continuing northeasterly along Atlantic Avenue at a
29 width extending westerly of 100 feet from all points along the
30 western side of Atlantic Avenue to its junction with Maine Avenue;
31 Thence continuing from the intersection of Maine Avenue and
32 Atlantic Avenue easterly in a line extending through the Boardwalk
33 and beach, to the tidal shore of Atlantic City;
34 Thence continuing from the intersection of the end point of that
35 line and the tidal shore, southerly along the tidal shores as it jogs
36 and curves to the point the tidal shore turns to a southwesterly
37 direction;
38 Thence continuing along such southwesterly direction of the tidal
39 shores as it jogs and curves to the point on the tidal shore at which
40 the shoreline would intersect with a straight-line projection
41 oceanward of southern Kingston Avenue;
42 Thence continuing northerly and westerly along Kingston
43 Avenue to its junction with Ventnor Avenue.
44 b. Upon and after the adoption, pursuant to subsection a. of this
45 section, of the resolution establishing the tourism district, or upon
46 and after the establishment of the tourism district under paragraph
47 (2) of subsection a. of this section, as appropriate the authority shall
48 have jurisdiction within the tourism district to impose land use

1 regulations, implement development and design guidelines and
2 implement initiatives that promote cleanliness, commercial
3 development, and safety, undertake redevelopment projects, and
4 institute public safety improvements in coordination with security
5 and law enforcement personnel.

6 c. (1) Notwithstanding any law, rule, or regulation to the
7 contrary, upon and after the adoption, pursuant to subsection a. of
8 this section, of the resolution establishing the tourism district, or
9 upon and after the establishment of the tourism district under
10 paragraph (2) of subsection a. of this section, as appropriate, the
11 authority shall have, in conjunction with the appropriate road and
12 highway authority or authorities, as appropriate, jurisdiction with
13 respect to the approval of development projects upon those roads
14 and highways over which such road and highway authority or
15 authorities have jurisdiction as of the date of enactment of
16 P.L.2011, c.18 (C.5:12-218 et al.).

17 (2) Notwithstanding any law, rule, or regulation to the contrary,
18 upon and after the adoption, pursuant to subsection a. of this
19 section, of the resolution establishing the tourism district, or upon
20 and after this establishment of the tourism district under paragraph
21 (2) of subsection a. of this section, as appropriate, the authority
22 shall have, with respect to the roads and highways located within
23 the tourism district, exclusive jurisdiction with respect to the
24 promulgation of rules and regulations affecting the control and
25 direction of traffic within the tourism district.

26 d. The authority may, by resolution, authorize the
27 commencement of studies and the development of preliminary plans
28 and specifications relating to the creation and maintenance of the
29 tourism district. These studies and plans shall include, whenever
30 possible, estimates of construction and maintenance costs, and may
31 include criteria to regulate the construction and alteration of facades
32 of buildings and structures in a manner which promotes unified or
33 compatible design.

34 e. In furtherance of the development of an economically viable
35 and sustainable tourism district, the authority shall, within one year
36 after the date of enactment of P.L.2011, c.18 (C.5:12-218 et al.),
37 adopt a tourism district master plan. The authority shall initiate a
38 joint planning process with the participation of: State departments
39 and agencies, corporations, commissions, boards, and, prior to the
40 transfer date, the convention center authority; metropolitan planning
41 organizations; Atlantic County; Atlantic City; and appropriate
42 private interests.

43 f. After the creation of the tourism district pursuant to
44 subsection a. of this section, the authority shall create a commission
45 to be known as the Atlantic City Tourism District Advisory
46 Commission, or "ACT Commission," consisting of members to be
47 appointed by the authority. Persons appointed as members of the
48 commission shall include public officials of Atlantic City and

1 Atlantic County, representatives of the casino and tourism
2 industries, public citizens, and any other individual or organization
3 the authority deems appropriate. The commission shall be
4 authorized to review the authority's annual budget and the
5 authority's plans concerning the tourism district. The commission
6 shall, from time to time, make recommendations to the authority
7 concerning the authority's development and implementation of the
8 tourism district master plan, and the authority shall give due
9 consideration to those recommendations. In order to ensure
10 coordination, compatibility, and consistency between the tourism
11 district master plan and the city's master plan, the authority shall
12 consult with the city in developing the tourism district master plan.

13 g. The tourism district master plan shall establish goals,
14 policies, needs, and improvement of the tourism district, the
15 implementation of clean and safe initiatives, and the expansion of
16 the Atlantic City boardwalk area to reflect an authentic New Jersey
17 boardwalk experience. The authority may consult with public and
18 private entities, including, but not limited to, those entities that are
19 present in, or that have been involved with the development of,
20 boardwalk areas in New Jersey such as the boardwalk areas of
21 Ocean City, the Wildwoods, and Cape May.

22 h. In developing the tourism district master plan, the authority
23 shall place special emphasis upon the following:

24 (1) the facilitation, with minimal government direction, of the
25 investment of private capital in the tourism district in a manner that
26 promotes economic development;

27 (2) making use of marina facilities in a way that increases
28 economic activity;

29 (3) the development of the boardwalk area;

30 (4) the development of the Marina District; and

31 (5) the development of nongaming, family centered tourism
32 related activities such as amusement parks.

33 i. The authority shall solicit funds from private sources to aid
34 in support of the tourism district.

35 j. The authority shall administer and manage the tourism
36 district and carry out such additional functions as provided under
37 P.L.2011, c.18 (C.5:12-218 et al.). The authority shall oversee the
38 redevelopment of the tourism district and implementation of the
39 tourism district master plan. The authority shall enter into
40 agreements with public and private entities for the purposes of
41 promoting the economic and general welfare of Atlantic City and
42 the tourism district. Any resolution adopted by the city of Atlantic
43 City to establish a program of municipal financial assistance, in the
44 form of grants, loans, tax credits or abatements, or other incentives,
45 or to enter into an agreement providing such financial assistance, to
46 support a development or redevelopment project located within the
47 tourism district shall require the approval of the authority. If such
48 resolution shall receive the approval of the authority, then

1 notwithstanding any law, rule, or order to the contrary, the program
2 may be implemented by the mayor without the adoption of any
3 municipal ordinance. A program adopted pursuant to this
4 subsection shall not be subject to repeal or suspension by voter
5 initiative.

6 k. ~~【The】~~ Notwithstanding the provisions of any other law to
7 the contrary, the authority shall provide that all available assets and
8 revenues of the authority shall be devoted to the purposes of the
9 tourism district and community development in Atlantic City,
10 unless otherwise provided by contract entered into prior to the
11 effective date of P.L.2011, c.18 (C.5:12-218 et al.) ~~【or by law】~~.

12 l. The authority shall coordinate and collaborate with the city
13 of Atlantic City Planning and Zoning Departments with respect to
14 code enforcement, planning and zoning. The authority shall
15 coordinate and collaborate with any of the city's departments,
16 agencies, and authorities with respect to administrative operations
17 relating to the implementation of the tourism district master plan. If
18 the city determines that it is unable to coordinate and collaborate
19 with the authority pursuant to this subsection, the Department of
20 Community Affairs, shall, at the request of the authority, assume
21 jurisdiction over the Atlantic City Planning and Zoning
22 Departments and any other appropriate departments, agencies, or
23 authorities of the city responsible for code enforcement and
24 administrative operations of the city to provide that the authority
25 shall receive necessary assistance regarding code enforcement and
26 administrative actions undertaken in its implementation of the
27 tourism district master plan. The assumption of jurisdiction by the
28 Department of Community Affairs over any department, agency, or
29 authority of the city, undertaken pursuant to this subsection, shall
30 not be construed as affecting the jurisdiction of any such
31 department, agency, or authority, or of the city, with respect to
32 regulatory control or the provision of services by the city, unless
33 such regulatory control or provision of services is directly related to
34 the provision of assistance to the authority regarding code
35 enforcement and administrative actions undertaken in furtherance of
36 the implementation of the tourism district master plan.

37 m. Two years after the adoption of the tourism district master
38 plan, the authority shall conduct a formal evaluation of the plan to
39 assess the functionality of its implementation. The authority may
40 make any changes concerning its implementation of the master
41 plan, as necessary, to improve its functionality. Such changes may
42 include the reallocation of the resources of any division under the
43 authority's jurisdiction and the reorganization of the functions and
44 operations of those entities which pertain to the tourism district
45 master plan. The authority may make any changes concerning the
46 employment of authority employees which would improve the
47 functionality of the authority's implementation of the master plan.³

48 (cf: P.L.2011, c.18, s.5)

1 ³13. (New section) a. Notwithstanding the provisions of any
2 other law to the contrary, the Division of Gaming Enforcement may
3 authorize the use of mobile gaming devices approved by the
4 division within an approved hotel facility that operates a sports pool
5 pursuant to the provisions of P.L.2011, c.231 (C.5:12A-1 et seq.), to
6 enable a player to place wagers on sports or athletic events,
7 provided the player has established an account with the casino
8 licensee, the wager is placed by and the winnings are paid to the
9 patron in person within the approved hotel facility, the mobile
10 gaming device is inoperable outside the approved hotel facility, and
11 provided that the division may establish any additional or more
12 stringent licensing or other regulatory requirements necessary for
13 the proper implementation and conduct of mobile gaming as
14 authorized by this section.

15 For the purposes of this subsection, the approved hotel facility
16 shall include any area located within the property boundaries of the
17 casino hotel facility, including any outdoor recreation area or
18 swimming pool, where mobile gaming devices may be used by
19 patrons in accordance with this section, but excluding parking
20 garages or parking areas, provided that mobile gaming shall not
21 extend outside of the property boundaries of the casino hotel
22 facility.

23 b. Notwithstanding the provisions of any other law to the
24 contrary, the Division of Gaming Enforcement and the New Jersey
25 Racing Commission may authorize the use of mobile gaming
26 devices approved by the division and the commission within a
27 racetrack that operates a sports pool pursuant to the provisions of
28 P.L.2011, c.231 (C.5:12A-1 et seq.), to enable a player to place
29 wagers on sports or athletic events, provided the player has
30 established an account with the permitholder, the wager is placed by
31 and the winnings are paid to the patron in person within the
32 racetrack, the mobile gaming device is inoperable outside the
33 racetrack, and provided that the division and the commission may
34 establish any additional or more stringent licensing or other
35 regulatory requirements necessary for the proper implementation
36 and conduct of mobile gaming as authorized by this section.

37 For the purposes of this subsection, a racetrack shall include any
38 area located within the property boundaries of the racetrack facility
39 where mobile gaming devices may be used by patrons in
40 accordance with this subsection, but excluding parking garages or
41 parking areas, provided that mobile gaming shall not extend outside
42 of the property boundaries of the racetrack.³

43

44 ²[9.] ³[12.²] 14.³ This act shall take effect immediately.

S1323 [3R]

39

1

2

3 Makes various changes regarding regulation of casino gaming;
4 limits use of certain Casino Reinvestment Development Authority
5 assets and revenues; permits use of mobile devices at casinos and
6 racetracks to place wagers on sports or athletic events.

SENATE, No. 1323

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED JANUARY 30, 2012

Sponsored by:
Senator JIM WHELAN
District 2 (Atlantic)

SYNOPSIS

Makes various changes regarding the regulation of casino gaming.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the regulation of casino gaming and amending
2 various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 11 of P.L.2011, c.19 (C.5:12-14.2a) is amended to
8 read as follows:

9 11. "Corporate Officer" - The chief executive officer, chief
10 financial officer, chief operating officer, chief information officer,
11 chief compliance officer, and chief legal officer of a corporation, or
12 their equivalents in any unincorporated entity.

13 (cf: P.L.2011, c.19, s.11)

14

15 2. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to
16 read as follows:

17 24. "Gross Revenue"-- The total of all sums actually received by
18 a casino licensee from gaming operations, less only the total of all
19 sums actually paid out as winnings to patrons; provided, however,
20 that the cash equivalent value of any merchandise or thing of value
21 included in a jackpot or payout shall **[not]** be included in the total
22 of all sums paid out as winnings to patrons for purposes of
23 determining gross revenue, and that such cash equivalent value
24 shall be equal to the amount actually paid by the casino licensee for
25 the merchandise or thing of value. "Gross Revenue" shall not
26 include any amount received by a casino from casino simulcasting
27 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-
28 191 et al.).

29 (cf: P.L.2009, c.36, s.2)

30

31 3. Section 81 of P.L.1977, c.110 (C.5:12-81) is amended to
32 read as follows:

33 81. Statement of compliance.

34 a. (1) Upon consideration of a report and recommendation of the
35 division, the commission may, in its discretion, issue a statement of
36 compliance to an applicant for a casino license or to any person
37 required to qualify in conjunction with a casino license or casino
38 license applicant if the applicant or person, as the case may be, has
39 established by clear and convincing evidence that one or more
40 particular eligibility criteria have been satisfied. A request for the
41 issuance of a statement of compliance pursuant to this paragraph
42 shall be initiated by the applicant filing a petition with the division.
43 Before the division initiates any investigation on such a petition, the
44 director may require the applicant to establish to the satisfaction of
45 the director that the applicant actually intends, if found qualified, to

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 engage in the business or activity that would require the issuance of
2 the license or the determination of qualification status.

3 (2) Any person who must be qualified pursuant to the "Casino
4 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the
5 securities of a casino licensee or any holding or intermediary
6 company of a casino licensee may, prior to the acquisition of any
7 such securities, request the issuance of a statement of compliance
8 by the commission that the person is qualified to hold such
9 securities. Any request for the issuance of a statement of
10 compliance pursuant to this paragraph shall be initiated by the
11 person filing a petition with the division in which the person shall
12 be required to establish that there is a reasonable likelihood that, if
13 qualified, the person will obtain and hold the securities of a casino
14 licensee or any holding or intermediary company thereof to such
15 extent as to require the qualification of the person. If, after an
16 investigation by the division, the director finds that this reasonable
17 likelihood exists and that the qualifications of the person have been
18 established by clear and convincing evidence, the director may, in
19 the director's discretion, recommend to the commission that it issue
20 a statement of compliance that the person is qualified to hold such
21 securities. Any person who requests a statement of compliance
22 pursuant to this paragraph shall be subject to the provisions of
23 section 80 of P.L.1977, c.110 (C.5:12-80) and shall pay for the
24 costs of all investigations and proceedings in relation to the request
25 unless the person provides an agreement with one or more casino
26 licensees which states that the licensee or licensees will pay those
27 costs.

28 (3) A statement of compliance shall not be issued indicating that
29 an applicant or any other person required to qualify in conjunction
30 with a casino license or casino license applicant that is a
31 corporation or other form of business organization has established
32 by clear and convincing evidence its good character, honesty and
33 integrity unless the corporate officers; each director; each person
34 who directly or indirectly holds any beneficial or ownership interest
35 in the applicant of 5% or greater, to the extent such person would be
36 required to qualify under section 85 of P.L.1977, c.110 (C.5:12-85);
37 and any other person whom the **commission** division may
38 consider appropriate for approval or qualification, would, but for
39 residence, individually be qualified for approval as a casino key
40 employee pursuant to the provisions of section 89 of P.L.1977,
41 c.110 (C.5:12-89).

42 b. Any statement of compliance issued under P.L.1977, c.110
43 (C.5:12-1 et seq.) shall specify:

44 (1) the particular eligibility criterion satisfied by the applicant or
45 person;

46 (2) the date as of which such satisfaction was determined by the
47 commission;

1 (3) the continuing obligation of the applicant or person to file
2 any information required by the division as part of any application
3 for a license or qualification status, including information related to
4 the eligibility criterion for which the statement of compliance was
5 issued; and

6 (4) the obligation of the applicant or person to reestablish its
7 satisfaction of the eligibility criterion should there be a change in
8 any material fact or circumstance that is relevant to the eligibility
9 criterion for which the statement of compliance was issued.

10 c. (Deleted by amendment, P.L.2011, c.19)

11 d. Any statement of compliance issued pursuant to this section
12 shall be withdrawn by the commission if:

13 (1) the applicant or person otherwise fails to satisfy the
14 standards for licensure or qualification;

15 (2) the applicant or person fails to comply with any condition
16 imposed; or

17 (3) the commission finds, on recommendation of the division,
18 cause to revoke the statement of compliance for any other reason.

19 e. Notwithstanding any other provision of this section, unless
20 otherwise extended by the commission upon application by the
21 recipient and for good cause shown, any statement of compliance
22 issued by the commission pursuant to this section shall expire 48
23 months after its date of issuance.

24 f. (Deleted by amendment, P.L.2011, c.19)

25 (cf: P.L.2011, c.19, s.45)

26

27 4. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to
28 read as follows:

29 82. a. No casino shall operate unless all necessary licenses and
30 approvals therefor have been obtained in accordance with law.

31 b. Only the following persons shall be eligible to hold a casino
32 license; and, unless otherwise determined by the commission with
33 the concurrence of the Attorney General which may not be
34 unreasonably withheld in accordance with subsection c. of this
35 section, each of the following persons shall be required to hold a
36 casino license prior to the operation of a casino in the casino hotel
37 with respect to which the casino license has been applied for:

38 (1) Any person who either owns an approved casino hotel or
39 owns or has a contract to purchase or construct a casino hotel which
40 in the judgment of the commission can become an approved casino
41 hotel within 30 months or within such additional time period as the
42 commission may, upon a showing of good cause therefor, establish;

43 (2) Any person who, whether as lessor or lessee, either leases an
44 approved casino hotel or leases or has an agreement to lease a
45 casino hotel which in the judgment of the commission can become
46 an approved casino hotel within 30 months or within such
47 additional time period as the commission may, upon a showing of
48 good cause therefor, establish;

1 (3) Any person who has a written agreement with a casino
2 licensee or with an eligible applicant for a casino license for the
3 complete management of a casino and, if applicable, any authorized
4 games in a casino simulcasting facility; and

5 (4) Any other person who has control over either an approved
6 casino hotel or the land thereunder or the operation of a casino.

7 c. Prior to the operation of a casino and, if applicable, a casino
8 simulcasting facility, every agreement to lease an approved casino
9 hotel or the land thereunder and every agreement for the
10 management of the casino and, if applicable, any authorized games
11 in a casino simulcasting facility, shall be in writing and filed with
12 the commission and the division. No such agreement shall be
13 effective unless expressly approved by the commission. The
14 commission may require that any such agreement include within its
15 terms any provision reasonably necessary to best accomplish the
16 policies of this act. Consistent with the policies of this act:

17 (1) The commission, with the concurrence of the Attorney
18 General which may not be unreasonably withheld, may determine
19 that any person who does not have the ability to exercise any
20 significant control over either the approved casino hotel or the
21 operation of the casino contained therein shall not be eligible to
22 hold or required to hold a casino license;

23 (2) The commission, with the concurrence of the Attorney
24 General which may not be unreasonably withheld, may determine
25 that any owner, lessor or lessee of an approved casino hotel or the
26 land thereunder who does not own or lease a significant portion of
27 an approved casino hotel shall not be eligible to hold or required to
28 hold a casino license;

29 (3) The commission shall require that any person or persons
30 eligible to apply for a casino license organize itself or themselves
31 into such form or forms of business association as the commission
32 shall deem necessary or desirable in the circumstances to carry out
33 the policies of this act;

34 (4) The commission may issue separate casino licenses to any
35 persons eligible to apply therefor;

36 (5) As to agreements to lease an approved casino hotel or the
37 land thereunder, unless it expressly and by formal vote for good
38 cause determines otherwise, the commission shall require that each
39 party thereto hold either a casino license or casino service industry
40 enterprise license and that such an agreement shall include within
41 its terms a buy-out provision conferring upon the casino licensee-
42 lessee who controls the operation of the approved casino hotel the
43 absolute right to purchase for an expressly set forth fixed sum the
44 entire interest of the lessor or any person associated with the lessor
45 in the approved casino hotel or the land thereunder in the event that
46 said lessor or said person associated with the lessor is found by the
47 commission or director, as the case may be, to be unsuitable to be
48 associated with a casino enterprise;

1 (6) The commission shall not permit an agreement for the
2 leasing of an approved casino hotel or the land thereunder to
3 provide for the payment of an interest, percentage or share of
4 money gambled at the casino or derived from casino gaming
5 activity or of revenues or profits of the casino unless the party
6 receiving payment of such interest, percentage or share is a party to
7 the approved lease agreement; unless each party to the lease
8 agreement holds either a casino license or casino service industry
9 enterprise license, and includes within its terms a buy-out provision
10 conforming to that described in paragraph (5) above;

11 (7) As to agreements for the management of a casino and, if
12 applicable, the authorized games in a casino simulcasting facility,
13 the commission shall require that each party thereto hold a casino
14 license or a casino service industry enterprise license pursuant to
15 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), that the
16 party thereto who is to manage the casino gaming operations own at
17 least 10% of all outstanding equity securities of any casino licensee
18 or of any eligible applicant for a casino license if the said licensee
19 or applicant is a corporation and the ownership of an equivalent
20 interest in any casino licensee or in any eligible applicant for a
21 casino license if same is not a corporation, and that such an
22 agreement be for the complete management of all casino space in
23 the casino hotel and, if applicable, all authorized games in a casino
24 simulcasting facility, provide for the sole and unrestricted power to
25 direct the casino gaming operations of the casino hotel which is the
26 subject of the agreement, and be for such a durational term as to
27 assure reasonable continuity, stability and independence in the
28 management of the casino gaming operations, provided that the
29 provisions of this paragraph shall not apply to a slot system
30 agreement between a group of casino licensees and a casino service
31 industry enterprise licensed pursuant to subsection a. of section 92
32 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
33 license, and that, with regard to such agreements, the casino service
34 industry enterprise licensee or applicant may operate and administer
35 the multi-casino progressive slot machine system, including, but not
36 limited to, the operation of a monitor room or the payment of
37 progressive, including annuity, jackpots, or both, and further
38 provided that the obligation to pay a progressive jackpot or
39 establish an annuity jackpot guarantee shall be the sole
40 responsibility of the casino licensee or casino service industry
41 enterprise licensee or applicant designated in the slot system
42 agreement and that no other party shall be jointly or severally liable
43 for the payment or funding of such jackpots or guarantees unless
44 such liability is specifically established in the slot system
45 agreement;

46 (8) The commission may permit an agreement for the
47 management of a casino and, if applicable, the authorized games in
48 a casino simulcasting facility to provide for the payment to the

1 managing party of an interest, percentage or share of money
2 gambled at all authorized games or derived from casino gaming
3 activity or of revenues or profits of casino gaming operations;

4 (9) Notwithstanding any other provision of P.L.1977, c.110
5 (C.5:12-1 et seq.) to the contrary, the commission may permit an
6 agreement between a casino licensee and a casino service industry
7 enterprise licensed pursuant to the provisions of subsection a. of
8 section 92 of P.L.1977, c.110 (C.5:12-92) for the conduct of casino
9 simulcasting in a simulcasting facility or for the operation of a
10 multi-casino progressive slot machine system, to provide for the
11 payment to the casino service industry enterprise of an interest,
12 percentage or share of the money derived from the casino licensee's
13 share of proceeds from simulcast wagering activity or the operation
14 of a multi-casino progressive slot machine system; **[and]**

15 (10) As to agreements to lease an approved casino hotel or the
16 land thereunder, agreements to jointly own an approved casino hotel
17 or the land thereunder and agreements for the management of
18 casino gaming operations or for the conduct of casino simulcasting
19 in a simulcasting facility, the commission shall require that each
20 party thereto, except for a banking or other chartered or licensed
21 lending institution or any subsidiary thereof, or any chartered or
22 licensed life insurance company or property and casualty insurance
23 company, or the State of New Jersey or any political subdivision
24 thereof or any agency or instrumentality of the State or any political
25 subdivision thereof, shall be jointly and severally liable for all acts,
26 omissions and violations of this act by any party thereto regardless
27 of actual knowledge of such act, omission or violation and
28 notwithstanding any provision in such agreement to the contrary.
29 Notwithstanding the foregoing, nothing in this paragraph shall
30 require a casino licensee to be jointly and severally liable for any
31 acts, omissions or violations of this act, P.L.1977, c.110 (C.5:12-1
32 et seq.), committed by any casino service industry enterprise
33 licensee or applicant performing as a slot system operator pursuant
34 to a slot system agreement; and

35 (11) The division may permit an agreement between a casino
36 licensee and a casino service industry enterprise licensed pursuant
37 to the provisions of subsection a. of section 92 of P.L.1977, c.110
38 (C.5:12-92), or an eligible applicant for a license, for the purchase
39 or lease of slot machines, which provides for the payment to the
40 casino service industry enterprise licensee or applicant of an
41 interest, percentage, or share of the proceeds from the operation of
42 those slot machines.

43 d. No corporation shall be eligible to apply for a casino license
44 unless:

45 (1) The corporation shall be incorporated in the State of New
46 Jersey, although such corporation may be a wholly or partially
47 owned subsidiary of a corporation which is organized pursuant to

1 the laws of another state of the United States or of a foreign
2 country;

3 (2) The corporation shall maintain an office of the corporation
4 in the casino hotel licensed or to be licensed;

5 (3) The corporation shall comply with all the requirements of
6 the laws of the State of New Jersey pertaining to corporations;

7 (4) The corporation shall maintain a ledger in the principal
8 office of the corporation in New Jersey which shall at all times
9 reflect the current ownership of every class of security issued by the
10 corporation and shall be available for inspection by the commission
11 or the division and authorized agents of the commission and the
12 division at all reasonable times without notice;

13 (5) The corporation shall maintain all operating accounts
14 required by the commission in a bank in New Jersey, except that a
15 casino licensee may establish deposit-only accounts in any
16 jurisdiction in order to obtain payment of any check described in
17 section 101 of P.L.1977, c.110 (C.5:12-101);

18 (6) The corporation shall include among the purposes stated in
19 its certificate of incorporation the conduct of casino gaming and
20 provide that the certificate of incorporation includes all provisions
21 required by this act;

22 (7) The corporation, if it is not a publicly traded corporation,
23 shall file with the division such adopted corporate charter
24 provisions as may be necessary [to establish the right of prior
25 approval by the commission] with regard to transfers of securities,
26 shares, and other interests in the applicant corporation; and, if it is a
27 publicly traded corporation, provide in its corporate charter that any
28 securities of such corporation are held subject to the condition that
29 if a holder thereof is found to be disqualified pursuant to the
30 provisions of this act, such holder shall dispose of his interest in the
31 corporation; provided, however, that, notwithstanding the
32 provisions of N.J.S.14A:7-12 and N.J.S.12A:8-101 et seq., nothing
33 herein shall be deemed to require that any security of such
34 corporation bear any legend to this effect;

35 (8) The corporation, if it is not a publicly traded corporation,
36 shall establish to the satisfaction of the division that appropriate
37 charter provisions create the absolute right of such non-publicly
38 traded corporations and companies to repurchase at the market price
39 or the purchase price, whichever is the lesser, any security, share or
40 other interest in the corporation in the event that the commission
41 disapproves a transfer in accordance with the provisions of this act;

42 (9) Any publicly traded holding, intermediary, or subsidiary
43 company of the corporation, whether the corporation is publicly
44 traded or not, shall contain in its corporate charter the same
45 provisions required under paragraph (7) for a publicly traded
46 corporation to be eligible to apply for a casino license; and

47 (10) Any non-publicly traded holding, intermediary or subsidiary
48 company of the corporation, whether the corporation is publicly

1 traded or not, shall establish to the satisfaction of the commission
2 that its charter provisions are the same as those required under
3 paragraphs (7) and (8) for a non-publicly traded corporation to be
4 eligible to apply for a casino license.

5 The provisions of this subsection shall apply with the same force
6 and effect with regard to casino license applicants and casino
7 licensees which have a legal existence that is other than corporate to
8 the extent which is appropriate.

9 e. No person shall be issued or be the holder of a casino license
10 if the issuance or the holding results in undue economic
11 concentration in Atlantic City casino operations by that person. For
12 the purpose of this subsection, "undue economic concentration"
13 means that a person would have such actual or potential domination
14 of the casino gaming market in Atlantic City as to substantially
15 impede or suppress competition among casino licensees or
16 adversely impact the economic stability of the casino industry in
17 Atlantic City. In determining whether the issuance or holding of a
18 casino license by a person will result in undue economic
19 concentration, the commission shall consider the following criteria:

20 (1) The percentage share of the market presently controlled by
21 the person in each of the following categories:

- 22 The total number of licensed casinos in this State;
- 23 Total casino and casino simulcasting facility square footage;
- 24 Number of guest rooms;
- 25 Number of slot machines;
- 26 Number of table games;
- 27 Net revenue;
- 28 Table game win;
- 29 Slot machine win;
- 30 Table game drop;
- 31 Slot machine drop; and
- 32 Number of persons employed by the casino hotel;

33 (2) The estimated increase in the market shares in the categories
34 in (1) above if the person is issued or permitted to hold the casino
35 license;

36 (3) The relative position of other persons who hold casino
37 licenses, as evidenced by the market shares of each such person in
38 the categories in (1) above;

39 (4) The current and projected financial condition of the casino
40 industry;

41 (5) Current market conditions, including level of competition,
42 consumer demand, market concentration, any consolidation trends
43 in the industry and any other relevant characteristics of the market;

44 (6) Whether the licensed casinos held or to be held by the
45 person have separate organizational structures or other independent
46 obligations;

47 (7) The potential impact of licensure on the projected future
48 growth and development of the casino industry and Atlantic City;

1 (8) The barriers to entry into the casino industry, including the
2 licensure requirements of this act, P.L.1977, c.110 (C.5:12-1 et
3 seq.), and whether the issuance or holding of a casino license by the
4 person will operate as a barrier to new companies and individuals
5 desiring to enter the market;

6 (9) Whether the issuance or holding of the license by the person
7 will adversely impact on consumer interests, or whether such
8 issuance or holding is likely to result in enhancing the quality and
9 customer appeal of products and services offered by casino
10 licensees in order to maintain or increase their respective market
11 shares;

12 (10) Whether a restriction on the issuance or holding of an
13 additional license by the person is necessary in order to encourage
14 and preserve competition and to prevent undue economic
15 concentration in casino operations; and

16 (11) Any other evidence deemed relevant by the commission.

17 The commission shall, after conducting public hearings thereon,
18 promulgate rules and regulations in accordance with the
19 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
20 seq.) defining any additional criteria the commission will use in
21 determining what constitutes undue economic concentration.

22 For the purpose of this subsection a person shall be considered
23 the holder of a casino license if such license is issued to such person
24 or if such license is held by any holding, intermediary or subsidiary
25 company thereof, or by any person required to be qualified in
26 conjunction with such casino license.

27 (cf: P.L.2011, c.19, s.46)

28
29 5. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to
30 read as follows:

31 100. a. This act shall not be construed to permit any gaming
32 except the conduct of authorized games in a casino room in
33 accordance with this act and the regulations promulgated hereunder
34 and in a simulcasting facility to the extent provided by the "Casino
35 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).
36 Notwithstanding the foregoing, if the division approves the game of
37 keno as an authorized game pursuant to section 5 of P.L.1977, c.110
38 (C.5:12-5), as amended, keno tickets may be sold or redeemed in
39 accordance with division regulations.

40 b. Gaming equipment shall not be possessed, maintained or
41 exhibited by any person on the premises of a casino hotel except in
42 a casino room, in the simulcasting facility, or in restricted casino
43 areas used for the inspection, repair or storage of such equipment
44 and specifically designated for that purpose by the casino licensee
45 with the approval of the division. Gaming equipment which
46 supports the conduct of gaming in a casino or simulcasting facility
47 but does not permit or require patron access, such as computers,
48 may be possessed and maintained by a casino licensee or a qualified

1 holding or intermediary company of a casino licensee in restricted
2 areas specifically approved by the division. No gaming equipment
3 shall be possessed, maintained, exhibited, brought into or removed
4 from a casino room or simulcasting facility by any person unless
5 such equipment is necessary to the conduct of an authorized game,
6 has permanently affixed, imprinted, impressed or engraved thereon
7 an identification number or symbol authorized by the division, is
8 under the exclusive control of a casino licensee or casino licensee's
9 employees, or of any individually qualified employee of a holding
10 company or casino licensee and is brought into or removed from the
11 casino room or simulcasting facility following 24-hour prior notice
12 given to an authorized agent of the division.

13 Notwithstanding any other provision of this section, computer
14 equipment used by the slot system operator of a multi-casino
15 progressive slot system to link and communicate with the slot
16 machines of two or more casino licensees for the purpose of
17 calculating and displaying the amount of a progressive jackpot,
18 monitoring the operation of the system, and any other purpose that
19 the division deems necessary and appropriate to the operation or
20 maintenance of the multi-casino progressive slot machine system
21 may, with the prior approval of the division, be possessed,
22 maintained and operated by the slot system operator either in a
23 restricted area on the premises of a casino hotel or in a secure
24 facility inaccessible to the public and specifically designed for that
25 purpose off the premises of a casino hotel but within the territorial
26 limits of Atlantic County, New Jersey.

27 Notwithstanding the foregoing, a person may, with the prior
28 approval of the division and under such terms and conditions as
29 may be required by the division, possess, maintain or exhibit
30 gaming equipment in any other area of the casino hotel, provided
31 that such equipment is used for nongaming purposes.

32 Notwithstanding any other provision of this act to the contrary,
33 the division may authorize electronic versions of authorized games
34 to be played within an approved hotel facility on mobile gaming
35 devices to be approved by the division, provided the player has
36 established an account with the casino licensee, the wager is placed
37 by and paid to the patron in person within the approved hotel
38 facility, the mobile gaming device is inoperable outside the
39 approved hotel facility, and the division authorizes the device for
40 mobile gaming.

41 c. Each casino hotel shall contain a count room and such other
42 secure facilities as may be required by the division for the counting
43 and storage of cash, coins, tokens, checks, plaques, gaming
44 vouchers, coupons, and other devices or items of value used in
45 wagering and approved by the division that are received in the
46 conduct of gaming and for the inspection, counting and storage of
47 dice, cards, chips and other representatives of value. The division
48 shall promulgate regulations for the security of drop boxes and

1 other devices in which the foregoing items are deposited at the
2 gaming tables or in slot machines, and all areas wherein such boxes
3 and devices are kept while in use, which regulations may include
4 certain locking devices. Said drop boxes and other devices shall not
5 be brought into or removed from a casino room or simulcasting
6 facility, or locked or unlocked, except at such times, in such places,
7 and according to such procedures as the division may require.

8 d. All chips used in gaming shall be of such size and uniform
9 color by denomination as the division shall require by regulation.

10 e. All gaming shall be conducted according to rules
11 promulgated by the division. All wagers and pay-offs of winning
12 wagers shall be made according to rules promulgated by the
13 division, which shall establish such limitations as may be necessary
14 to assure the vitality of casino operations and fair odds to patrons.
15 Each slot machine shall have a minimum payout of 83%.

16 f. Each casino licensee shall make available in printed form to
17 any patron upon request the complete text of the rules of the
18 division regarding games and the conduct of gaming, pay-offs of
19 winning wagers, an approximation of the odds of winning for each
20 wager, and such other advice to the player as the division shall
21 require. Each casino licensee shall prominently post within a casino
22 room and simulcasting facility, as appropriate, according to
23 regulations of the division such information about gaming rules,
24 pay-offs of winning wagers, the odds of winning for each wager,
25 and such other advice to the player as the division shall require.

26 g. Each gaming table shall be equipped with a sign indicating
27 the permissible minimum and maximum wagers pertaining thereto.
28 It shall be unlawful for a casino licensee to require any wager to be
29 greater than the stated minimum or less than the stated maximum;
30 provided, however, that any wager actually made by a patron and
31 not rejected by a casino licensee prior to the commencement of play
32 shall be treated as a valid wager.

33 h. (1) Except as herein provided, no slot machine shall be used to
34 conduct gaming unless it is identical in all electrical, mechanical
35 and other aspects to a model thereof which has been specifically
36 tested and licensed for use by the division. The division shall also
37 test any other gaming device, gaming equipment, gaming-related
38 device or gross-revenue related device, such as a slot management
39 system, electronic transfer credit system or gaming voucher system
40 as it deems appropriate. In its discretion and for the purpose of
41 expediting the approval process, the division may utilize the
42 services of a private testing laboratory that has obtained a plenary
43 license as a casino service industry enterprise pursuant to
44 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to
45 perform the testing, and may also utilize applicable data from any
46 such private testing laboratory or from a governmental agency of a
47 state other than New Jersey authorized to regulate slot machines
48 and other gaming devices, gaming equipment, gaming-related

1 devices and gross-revenue related devices used in casino gaming, if
2 the private testing laboratory or governmental agency uses a testing
3 methodology substantially similar to the methodology utilized by
4 the division. The division, in its discretion, may rely upon the data
5 provided by the private testing laboratory or governmental agency
6 and adopt the conclusions of such private testing laboratory or
7 governmental agency regarding any submitted device.

8 (2) Except as otherwise provided in paragraph (5) of subsection
9 h. of this section, the division shall, within 60 days of its receipt of
10 a complete application for the testing of a slot machine or other
11 gaming equipment model, approve or reject the slot machine or
12 other gaming equipment model. In so doing, the division shall
13 specify whether and to what extent any data from a private testing
14 laboratory or governmental agency of a state other than New Jersey
15 was used in reaching its conclusions and recommendation. If the
16 division is unable to complete the testing of a slot machine or other
17 gaming equipment model within this 60-day period, the division
18 may conditionally approve the slot machine or other gaming
19 equipment model for test use by a casino licensee provided that the
20 division represents that the use of the slot machine or other gaming
21 equipment model will not have a direct and materially adverse
22 impact on the integrity of gaming or the control of gross revenue.
23 The division shall give priority to the testing of slot machines or
24 other gaming equipment which a casino licensee has certified it will
25 use in its casino in this State.

26 (3) The division shall, by regulation, establish such technical
27 standards for licensure of slot machines, including mechanical and
28 electrical reliability, security against tampering, the
29 comprehensibility of wagering, and noise and light levels, as it may
30 deem necessary to protect the player from fraud or deception and to
31 insure the integrity of gaming. The denominations of such machines
32 shall be set by the licensee; the licensee shall simultaneously notify
33 the division of the settings.

34 (4) The division shall, by regulation, determine the permissible
35 number and density of slot machines in a licensed casino so as to:

- 36 (a) promote optimum security for casino operations;
- 37 (b) avoid deception or frequent distraction to players at gaming
38 tables;
- 39 (c) promote the comfort of patrons;
- 40 (d) create and maintain a gracious playing environment in the
41 casino; and
- 42 (e) encourage and preserve competition in casino operations by
43 assuring that a variety of gaming opportunities is offered to the
44 public.

45 Any such regulation promulgated by the division which
46 determines the permissible number and density of slot machines in a
47 licensed casino shall provide that all casino floor space and all
48 space within a casino licensee's casino simulcasting facility shall be

1 included in any calculation of the permissible number and density
2 of slot machines in a licensed casino.

3 (5) Any new gaming equipment or simulcast wagering
4 equipment that is submitted for testing to the division or to an
5 independent testing laboratory licensed pursuant to subsection a. of
6 section 92 of P.L.1977, c.110 (C.5:12-92) prior to or simultaneously
7 with submission of such new equipment for testing in a jurisdiction
8 other than New Jersey, may, consistent with regulations
9 promulgated by the division, be deployed by a casino licensee on
10 the casino floor 14 days after submission of such equipment for
11 testing. If the casino or casino service industry enterprise licensee
12 has not received approval for the equipment 14 days after
13 submission for testing, any interested casino licensee may,
14 consistent with division regulations, deploy the equipment on a
15 field test basis, unless otherwise directed by the director.

16 i. (Deleted by amendment, P.L.1991, c.182).

17 j. (Deleted by amendment, P.L.1991, c.182).

18 k. It shall be unlawful for any person to exchange or redeem
19 chips for anything whatsoever, except for currency, negotiable
20 personal checks, negotiable counter checks, other chips, coupons,
21 slot vouchers or complimentary vouchers distributed by the casino
22 licensee, or, if authorized by regulation of the division, a valid
23 charge to a credit or debit card account. A casino licensee shall,
24 upon the request of any person, redeem that licensee's gaming chips
25 surrendered by that person in any amount over \$100 with a check
26 drawn upon the licensee's account at any banking institution in this
27 State and made payable to that person.

28 l. It shall be unlawful for any casino licensee or its agents or
29 employees to employ, contract with, or use any skill or barker to
30 induce any person to enter a casino or simulcasting facility or play
31 at any game or for any purpose whatsoever.

32 m. It shall be unlawful for a dealer in any authorized game in
33 which cards are dealt to deal cards by hand or other than from a
34 device specifically designed for that purpose, unless otherwise
35 permitted by the rules of the division.

36 n. (1) It shall be unlawful for any casino key employee[,]
37 licensee [or any person who is required to hold a casino key
38 employee license as a condition of employment or qualification] to
39 wager in any casino or simulcasting facility in this State[, or any
40 casino].

41 (2) It shall be unlawful for any other employee of a casino
42 licensee who, in the judgment of the division, is directly involved
43 with the conduct of gaming operations, including but not limited to
44 dealers, floor persons, box persons, security and surveillance
45 employees, to wager in any casino or simulcasting facility in the
46 casino hotel in which the employee is employed or in any other

1 casino or simulcasting facility in this State which is owned or
2 operated by an affiliated licensee.

3 (3) The prohibition against wagering set forth in paragraphs (1)
4 and (2) of this subsection shall continue for a period of 30 days
5 commencing upon the date that the employee either leaves
6 employment with a casino licensee or is terminated from
7 employment with a casino licensee.

8 o. (1) It shall be unlawful for any casino key employee or
9 boxman, floorman, or any other casino employee who shall serve in
10 a supervisory position to solicit or accept, and for any other casino
11 employee to solicit, any tip or gratuity from any player or patron at
12 the casino hotel or simulcasting facility where he is employed.

13 (2) A dealer may accept tips or gratuities from a patron at the
14 table at which such dealer is conducting play, subject to the
15 provisions of this subsection. All such tips or gratuities shall be
16 immediately deposited in a lockbox reserved for that purpose,
17 unless the tip or gratuity is authorized by a patron utilizing an
18 automated wagering system approved by the division. All tips or
19 gratuities shall be accounted for, and placed in a pool for
20 distribution pro rata among the dealers, with the distribution based
21 upon the number of hours each dealer has worked, except that the
22 division may, by regulation, permit a separate pool to be established
23 for dealers in the game of poker, or may permit tips or gratuities to
24 be retained by individual dealers in the game of poker.

25 (3) Notwithstanding the provisions of paragraph (1) of this
26 subsection, a casino licensee may require that a percentage of the
27 prize pool offered to participants pursuant to an authorized poker
28 tournament be withheld for distribution to the tournament dealers as
29 tips or gratuities as the division by regulation may approve.

30 p. Any slot system operator that offers an annuity jackpot shall
31 secure the payment of such jackpot by establishing an annuity
32 jackpot guarantee in accordance with the requirements of P.L.1977,
33 c.110 (C.5:12-1 et seq.), and the rules of the division.

34 (cf: P.L.2011, c.19, s.65)

35

36 6. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to
37 read as follows:

38 101. a. Except as otherwise provided in this section, no casino
39 licensee or any person licensed under this act, and no person acting
40 on behalf of or under any arrangement with a casino licensee or
41 other person licensed under this act, shall:

42 (1) Cash any check, make any loan, or otherwise provide or
43 allow to any person any credit or advance of anything of value or
44 which represents value to enable any person to take part in gaming
45 or simulcast wagering activity as a player; or

46 (2) Release or discharge any debt, either in whole or in part, or
47 make any loan which represents any losses incurred by any player

1 in gaming or simulcast wagering activity, without maintaining a
2 written record thereof in accordance with the rules of the division.

3 b. No casino licensee or any person licensed under this act, and
4 no person acting on behalf of or under any arrangement with a
5 casino licensee or other person licensed under this act, may accept a
6 check, other than a recognized traveler's check or other cash
7 equivalent from any person to enable such person to take part in
8 gaming or simulcast wagering activity as a player, or may give cash
9 or cash equivalents in exchange for such check unless:

10 (1) The check is made payable to the casino licensee;

11 (2) The check is dated, but not postdated;

12 (3) The check is presented to the cashier or the cashier's
13 representative at a location in the casino approved by the division
14 and is exchanged for cash or slot tokens which total an amount
15 equal to the amount for which the check is drawn, or the check is
16 presented to the cashier's representative at a gaming table in
17 exchange for chips which total an amount equal to the amount for
18 which the check is drawn; and

19 (4) The regulations concerning check cashing procedures are
20 observed by the casino licensee and its employees and agents.

21 Nothing in this subsection shall be deemed to preclude the
22 establishment of an account by any person with a casino licensee by
23 a deposit of cash, recognized traveler's check or other cash
24 equivalent, or a check which meets the requirements of subsection
25 g. of this section, or to preclude the withdrawal, either in whole or
26 in part, of any amount contained in such account.

27 c. When a casino licensee or other person licensed under this
28 act, or any person acting on behalf of or under any arrangement
29 with a casino licensee or other person licensed under this act, cashes
30 a check in conformity with the requirements of subsection b. of this
31 section, the casino licensee shall cause the deposit of such check in
32 a bank for collection or payment, or shall require an attorney or
33 casino key employee with no incompatible functions to present such
34 check to the drawer's bank for payment, within (1) seven calendar
35 days of the date of the transaction for a check in an amount of
36 \$1,000.00 or less; (2) 14 calendar days of the date of the transaction
37 for a check in an amount greater than \$1,000.00 but less than or
38 equal to \$5,000.00; or (3) 45 calendar days of the date of the
39 transaction for a check in an amount greater than \$5,000.00.
40 Notwithstanding the foregoing, the drawer of the check may redeem
41 the check by exchanging cash, cash equivalents, chips, or a check
42 which meets the requirements of subsection g. of this section in an
43 amount equal to the amount for which the check is drawn; or he
44 may redeem the check in part by exchanging cash, cash equivalents,
45 chips, or a check which meets the requirements of subsection g. of
46 this section and another check which meets the requirements of
47 subsection b. of this section for the difference between the original
48 check and the cash, cash equivalents, chips, or check tendered; or

1 he may issue one check which meets the requirements of subsection
2 b. of this section in an amount sufficient to redeem two or more
3 checks drawn to the order of the casino licensee. If there has been a
4 partial redemption or a consolidation in conformity with the
5 provisions of this subsection, the newly issued check shall be
6 delivered to a bank for collection or payment or presented to the
7 drawer's bank for payment by an attorney or casino key employee
8 with no incompatible functions within the period herein specified.
9 No casino licensee or any person licensed or registered under this
10 act, and no person acting on behalf of or under any arrangement
11 with a casino licensee or other person licensed under this act, shall
12 accept any check or series of checks in redemption or consolidation
13 of another check or checks in accordance with this subsection for
14 the purpose of avoiding or delaying the deposit of a check in a bank
15 for collection or payment or the presentment of the check to the
16 drawer's bank within the time period prescribed by this subsection.

17 In computing a time period prescribed by this subsection, the last
18 day of the period shall be included unless it is a Saturday, Sunday,
19 or a State or federal holiday, in which event the time period shall
20 run until the next business day.

21 d. No casino licensee or any other person licensed or registered
22 under this act, or any other person acting on behalf of or under any
23 arrangement with a casino licensee or other person licensed or
24 registered under this act, shall transfer, convey, or give, with or
25 without consideration, a check cashed in conformity with the
26 requirements of this section to any person other than:

27 (1) The drawer of the check upon redemption or consolidation
28 in accordance with subsection c. of this section;

29 (2) A bank for collection or payment of the check;

30 (3) A purchaser of the casino license as approved by the
31 commission; or

32 (4) An attorney or casino key employee with no incompatible
33 functions for presentment to the drawer's bank.

34 The limitation on transferability of checks imposed herein shall
35 apply to checks returned by any bank to the casino licensee without
36 full and final payment.

37 e. No person other than a casino key employee licensed under
38 this act or a casino employee registered under this act may engage
39 in efforts to collect upon checks that have been returned by banks
40 without full and final payment, except that an attorney-at-law
41 representing a casino licensee may bring action for such collection.

42 f. Notwithstanding the provisions of any law to the contrary,
43 checks cashed in conformity with the requirements of this act shall
44 be valid instruments, enforceable at law in the courts of this State.
45 Any check cashed, transferred, conveyed or given in violation of
46 this act shall be invalid and unenforceable for the purposes of
47 collection but shall be included in the calculation of gross revenue
48 pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

1 g. Notwithstanding the provisions of subsection b. of this
2 section to the contrary, a casino licensee may accept a check from a
3 person to enable the person to take part in gaming or simulcast
4 wagering activity as a player, may give cash or cash equivalents in
5 exchange for such a check, or may accept a check in redemption or
6 partial redemption of a check issued in accordance with subsection
7 b., provided that:

8 (1) (a) The check is issued by a casino licensee, is made payable
9 to the person presenting the check, and is issued for a purpose other
10 than employment compensation or as payment for goods or services
11 rendered;

12 (b) The check is issued by a banking institution which is
13 chartered in a country other than the United States on its account at
14 a federally chartered or state-chartered bank and is made payable to
15 "cash," "bearer," a casino licensee, or the person presenting the
16 check;

17 (c) The check is issued by a banking institution which is
18 chartered in the United States on its account at another federally
19 chartered or state-chartered bank and is made payable to "cash,"
20 "bearer," a casino licensee, or the person presenting the check;

21 (d) The check is issued by a slot system operator or pursuant to
22 an annuity jackpot guarantee as payment for winnings from a multi-
23 casino progressive slot machine system jackpot; or

24 (e) The check is issued by **[an affiliate of a casino licensee]** an
25 entity that holds a gaming license in any jurisdiction, is made
26 payable to the person presenting the check, and is issued for a
27 purpose other than employment compensation or as payment for
28 goods or services rendered;

29 (2) The check is identifiable in a manner approved by the
30 division as a check authorized for acceptance pursuant to paragraph
31 (1) of this subsection;

32 (3) The check is dated, but not postdated;

33 (4) The check is presented to the cashier or the cashier's
34 representative by the original payee and its validity is verified by
35 the drawer in the case of a check drawn pursuant to subparagraph
36 (a) of paragraph (1) of this subsection, or the check is verified in
37 accordance with regulations promulgated under this act in the case
38 of a check issued pursuant to subparagraph (b), (c), (d) or (e) of
39 paragraph (1) of this subsection; and

40 (5) The regulations concerning check cashing procedures are
41 observed by the casino licensee and its employees and agents.

42 No casino licensee shall issue a check for the purpose of making
43 a loan or otherwise providing or allowing any advance or credit to a
44 person to enable the person to take part in gaming or simulcast
45 wagering activity as a player.

46 h. Notwithstanding the provisions of subsection b. and
47 subsection c. of this section to the contrary, a casino licensee may,
48 at a location outside the casino, accept a personal check or checks

1 from a person for up to \$5,000 in exchange for cash or cash
2 equivalents, and may, at such locations within the casino or casino
3 simulcasting facility as may be permitted by the division, accept a
4 personal check or checks for up to \$5,000 in exchange for cash,
5 cash equivalents, tokens, chips, or plaques to enable the person to
6 take part in gaming or simulcast wagering activity as a player,
7 provided that:

8 (a) The check is drawn on the patron's bank or brokerage cash
9 management account;

10 (b) The check is for a specific amount;

11 (c) The check is made payable to the casino licensee;

12 (d) The check is dated but not post-dated;

13 (e) The patron's identity is established by examination of one of
14 the following: valid credit card, driver's license, passport, or other
15 form of identification credential which contains, at a minimum, the
16 patron's signature;

17 (f) The check is restrictively endorsed "For Deposit Only" to
18 the casino licensee's bank account and deposited on the next
19 banking day following the date of the transaction;

20 (g) The total amount of personal checks accepted by any one
21 licensee pursuant to this subsection that are outstanding at any time,
22 including the current check being submitted, does not exceed
23 \$5,000;

24 (h) The casino licensee has a system of internal controls in place
25 that will enable it to determine the amount of outstanding personal
26 checks received from any patron pursuant to this subsection at any
27 given point in time; and

28 (i) The casino licensee maintains a record of each such
29 transaction in accordance with regulations established by the
30 division.

31 i. (Deleted by amendment, P.L.2004, c.128).

32 j. A person may request the division to put that person's name
33 on a list of persons to whom the extension of credit by a casino as
34 provided in this section would be prohibited by submitting to the
35 division the person's name, address, and date of birth. The person
36 does not need to provide a reason for this request. The division shall
37 provide this list to the credit department of each casino; neither the
38 division nor the credit department of a casino shall divulge the
39 names on this list to any person or entity other than those provided
40 for in this subsection. If such a person wishes to have that person's
41 name removed from the list, the person shall submit this request to
42 the division, which shall so inform the credit departments of casinos
43 no later than three days after the submission of the request.

44 k. (Deleted by amendment, P.L.2004, c.128).

45 (cf: P.L.2011, c.19, s.68)

46

47 7. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
48 read as follows:

1 104. a. Unless otherwise provided in this subsection, no
2 agreement shall be lawful which provides for the payment, however
3 defined, of any direct or indirect interest, percentage or share of:
4 any money or property gambled at a casino or simulcasting facility;
5 any money or property derived from casino gaming activity or
6 wagering at a simulcasting facility; or any revenues, profits or
7 earnings of a casino or simulcasting facility. Notwithstanding the
8 foregoing:

9 (1) Agreements which provide only for the payment of a fixed
10 sum which is in no way affected by the amount of any such money,
11 property, revenues, profits or earnings shall not be subject to the
12 provisions of this subsection; and receipts, rentals or charges for
13 real property, personal property or services shall not lose their
14 character as payments of a fixed sum because of contract, lease, or
15 license provisions for adjustments in charges, rentals or fees on
16 account of changes in taxes or assessments, cost-of-living index
17 escalations, expansion or improvement of facilities, or changes in
18 services supplied.

19 (2) ~~[(Deleted by amendment, P.L.2011, c.19)]~~ Agreements
20 between a casino licensee and a junket enterprise or junket
21 representative licensed, qualified or registered in accordance with
22 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the
23 regulations of the division which provide for the compensation of
24 the junket enterprise or junket representative by the casino licensee
25 based upon the actual casino gaming or simulcast wagering
26 activities of a patron procured or referred by the junket enterprise or
27 junket representative shall be lawful if filed with the division prior
28 to the conduct of any junket that is governed by the agreement.

29 (3) Agreements between a casino licensee and its employees
30 which provide for casino employee or casino key employee profit
31 sharing shall be lawful if the agreement is in writing and filed with
32 the division prior to its effective date. Such agreements may be
33 reviewed by the division under any relevant provision of P.L.1977,
34 c.110 (C.5:12-1 et seq.).

35 (4) Agreements to lease an approved casino hotel or the land
36 thereunder and agreements for the complete management of all
37 casino gaming operations in a casino hotel shall not be subject to
38 the provisions of this subsection but shall rather be subject to the
39 provisions of subsections b. and c. of section 82 of this act.

40 (5) Agreements which provide for percentage charges between
41 the casino licensee and a holding company or intermediary
42 company of the casino licensee shall be in writing and filed with the
43 division but shall not be subject to the provisions of this subsection.

44 (6) Agreements relating to simulcast racing and wagering
45 between a casino licensee and an in-State or out-of-State sending
46 track licensed or exempt from licensure in accordance with section
47 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with
48 the division, and be lawful and effective only if expressly approved

1 as to their terms by the division and the New Jersey Racing
2 Commission, except that any such agreements which provide for a
3 percentage of the parimutuel pool wagered at a simulcasting facility
4 to be paid to the sending track shall not be subject to the provisions
5 of this subsection.

6 (7) Agreements relating to simulcast racing and wagering
7 between a casino licensee and a casino service industry enterprise
8 licensed pursuant to the provisions of subsection a. of section 92 of
9 P.L.1977, c.110 (C.5:12-92) as a hub facility, as defined in joint
10 regulations of the Division of Gaming Enforcement and the New
11 Jersey Racing Commission, shall be in writing, be filed with the
12 commission, and be lawful and effective only if expressly approved
13 as to their terms by the commission and the New Jersey Racing
14 Commission, except that any such agreements which provide for a
15 percentage of the casino licensee's share of the parimutuel pool
16 wagered at a simulcasting facility to be paid to the hub facility shall
17 not be subject to the provisions of this subsection.

18 (8) Agreements relating to simulcast racing and wagering
19 between a casino licensee and a casino service industry enterprise
20 licensed pursuant to the provisions of subsection a. of section 92 of
21 P.L.1977, c.110 (C.5:12-92) to conduct casino simulcasting in a
22 simulcasting facility shall be in writing, be filed with the
23 commission, and be lawful and effective only if expressly approved
24 as to their terms by the commission, except that any such
25 agreements which provide for a percentage of the casino licensee's
26 share of the parimutuel pool wagered at a simulcasting facility to be
27 paid to the casino service industry enterprise shall not be subject to
28 the provisions of this subsection.

29 (9) Written agreements relating to the operation of multi-casino
30 progressive slot machine systems between one or more casino
31 licensees and a casino service industry enterprise licensed pursuant
32 to the provisions of subsection a. of section 92 of P.L.1977, c.110
33 (C.5:12-92), or an eligible applicant for such license, which provide
34 for an interest, percentage or share of the casino licensee's revenues,
35 profits or earnings from the operation of such multi-casino
36 progressive slot machines to be paid to the casino service industry
37 enterprise licensee or applicant shall not be subject to the provisions
38 of this subsection if the agreements are filed with and approved by
39 the division.

40 (10) A written agreement between a casino licensee and a casino
41 service industry enterprise licensed pursuant to subsection a. of
42 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant
43 for such license, relating to the construction, renovation or
44 operation of qualifying sleeping units, as defined in section 27 of
45 P.L.1977, c.110 (C.5:12-27), or of non-gaming amenities, as
46 defined by the division, within the limits of the city of Atlantic
47 City, regardless of whether such qualifying sleeping units or non-
48 gaming amenities are connected to a casino hotel facility, which

1 provides for an interest, percentage or share of the casino licensee's
2 revenues, profits or earnings, not to exceed 5% of the casino
3 licensee's revenues, to be paid to the casino service industry
4 enterprise licensee or applicant in return for the construction,
5 renovation or operation of such qualifying sleeping units or non-
6 gaming amenities shall not be subject to the provisions of this
7 subsection provided that: (i) the agreement requires a capital
8 investment, at least 10% of which shall be made by the casino
9 service industry enterprise licensee or applicant over the term of the
10 agreement, of not less than \$30 million, which minimum amount
11 shall be adjusted periodically by the division for inflation; (ii) the
12 division finds that the total amount of casino revenues, profits or
13 earnings that can be paid to the casino service industry enterprise
14 licensee or applicant pursuant to this agreement is commercially
15 reasonable under the circumstances; and (iii) the agreement is filed
16 with and approved by the division.

17 (11) A written agreement for the purchase or lease of slot
18 machines between a casino licensee and a casino service industry
19 enterprise licensed pursuant to subsection a. of section 92 of
20 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for a license,
21 which provides for the payment to the casino service industry
22 enterprise licensee or applicant of an interest, percentage, or share
23 of the proceeds from the operation of those slot machines shall not
24 be subject to the provisions of this subsection, if the agreement is
25 filed with and approved by the division.

26 b. Each casino applicant or licensee shall maintain, in
27 accordance with the rules of the division, a record of each written or
28 unwritten agreement regarding the realty, construction,
29 maintenance, or business of a proposed or existing casino hotel or
30 related facility. The foregoing obligation shall apply regardless of
31 whether the casino applicant or licensee is a party to the agreement.
32 Any such agreement may be reviewed by the division on the basis
33 of the reasonableness of its terms, including the terms of
34 compensation, and of the qualifications of the owners, officers,
35 employees, and directors of any enterprise involved in the
36 agreement, which qualifications shall be reviewed according to the
37 standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86).
38 If the division disapproves such an agreement or the owners,
39 officers, employees, or directors of any enterprise involved therein,
40 the division may require its termination.

41 Every agreement required to be maintained, and every related
42 agreement the performance of which is dependent upon the
43 performance of any such agreement, shall be deemed to include a
44 provision to the effect that, if the commission shall require
45 termination of an agreement pursuant to its authority under
46 P.L.1977, c.110 (C.5:12-1 et seq.), such termination shall occur
47 without liability on the part of the casino applicant or licensee or
48 any qualified party to the agreement or any related agreement.

1 Failure expressly to include such a provision in the agreement shall
2 not constitute a defense in any action brought to terminate the
3 agreement. If the agreement is not maintained or presented to the
4 commission in accordance with division regulations, or the
5 disapproved agreement is not terminated, the division may pursue
6 any remedy or combination of remedies provided in this act.

7 For the purposes of this subsection, "casino applicant" includes
8 any person required to hold a casino license pursuant to section 82
9 of P.L.1977, c.110 (C.5:12-82) who has applied to the division for a
10 casino license or any approval required under P.L.1977, c.110
11 (C.5:12-1 et seq.).

12 c. Nothing in this act shall be deemed to permit the transfer of
13 any license, or any interest in any license, or any certificate of
14 compliance or any commitment or reservation.
15 (cf: P.L.2011, c.19, s.73)

16
17 8. Section 55 of P.L.1977, c.110 (C.5:12-55) is amended to
18 read as follows:

19 55. Division of gaming enforcement. There is hereby established
20 in the Department of Law and Public Safety the Division of Gaming
21 Enforcement. The division shall be under the immediate supervision
22 of a director who shall also be sworn as an Assistant Attorney
23 General and who shall administer the work of the division under the
24 direction and supervision of the Attorney General. The director
25 shall be appointed by the Governor, with the advice and consent of
26 the Senate, and shall serve during the term of office of the
27 Governor, except that the first director shall be appointed for a term
28 of 2 years. The director may be removed from office by the
29 Attorney General for cause upon notice and opportunity to be heard.

30 The director and any employee or agent of the division shall be
31 subject to the duty to appear and testify and to removal from his
32 office, position or employment in accordance with the provisions of
33 P.L.1970, c.72 (C.2A:81-17.2a et seq.). The Attorney General shall
34 be responsible for the exercise of the duties and powers assigned to
35 the division.

36 The division shall be located in Atlantic City, except that the
37 division may maintain a secondary satellite office in Trenton, which
38 shall not be the primary office, if deemed necessary for the effective
39 performance of its duties and responsibilities.

40 If, as a result of the transfer of duties and responsibilities from
41 the Casino Control Commission to the division in accordance with
42 P.L.2011, c.19 (C.5:12-6.1 et al.), the division needs to employ an
43 individual to fill a position, former employees of the commission
44 who performed the duties of the position to be filled shall be given
45 a one-time right of first refusal offer of employment with the
46 division, and such employees may be removed by the division for
47 cause or if deemed unqualified to hold the position, notwithstanding
48 any other provision of law to the contrary. An individual formerly

1 employed by the commission who becomes employed by the
2 division shall retain as an employee of the division the seniority,
3 and all rights related to seniority, that the employee had with the
4 commission as of the last day of employment with the commission.
5 (cf: P.L.2011, c.19, s.124)

6
7 9. This act shall take effect immediately.

8
9
10 STATEMENT

11
12 This bill makes various changes to the law governing casino
13 gaming in this State.

14 The bill:

15 authorizes the division to allow electronic versions of authorized
16 games to be played on mobile gaming devices within an approved
17 hotel facility, provided the player has established an account with
18 the casino licensee, the wager is placed by and paid to the patron in
19 person within the approved hotel facility, the mobile gaming device
20 is inoperable outside the approved hotel facility, and the division
21 authorizes the device for mobile gaming;

22 amends the definition of "gross revenue" to specify that the cash
23 equivalent value of any merchandise or thing of value included in a
24 jackpot or payout will be included in the total of all sums paid out
25 as winnings to patrons for purposes of determining gross revenue,
26 and that such cash equivalent value must be equal to the amount
27 actually paid by the casino licensee for the merchandise or thing of
28 value;

29 amends the definition of "corporate officer" to include chief
30 compliance officer;

31 clarifies in one section of the law that it is the Division of
32 Gaming Enforcement, not the Casino Control Commission, that will
33 decide which persons are to be qualified in conjunction with a
34 casino license or casino license applicant;

35 removes the requirement for the commission's prior approval of
36 a non-publicly traded corporation's transfers of securities, shares,
37 and other interests in connection with that corporation's application
38 for a casino license;

39 removes the prohibition against a casino key employee licensee
40 wagering in any casino outside of the State, and removes a
41 reference to any person who is required to hold a casino key
42 employee license as a condition of employment or qualification;

43 permits a casino license to accept a check, from a person to take
44 part in gaming or simulcast wagering as a player, issued by any
45 entity, not just a check issued by an affiliate casino licensee;

46 restores language deleted by P.L.2011, c.19 so that a casino
47 licensee may compensate a junket enterprise or representative based
48 upon the actual casino gaming or simulcast wagering activities of a

S1323 WHELAN

25

1 patron procured or referred by the junket enterprise or
2 representative;

3 permits participation agreements between casino licensees and
4 casino service industry enterprise licensees, or applicants for such
5 licenses, which involve the purchase or lease of slot machines, to
6 provide for payments of an interest, percentage, or share of the
7 proceeds from the operation of the slot machines to the casino
8 service industry enterprise licensees or applicants, subject to the
9 approval of the Division of Gaming Enforcement;

10 provides that a former employee of the Casino Control
11 Commission who has been hired by the Division of Gaming
12 Enforcement will retain all seniority and rights attendant thereto.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO
SENATE, No. 1323

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 6, 2012

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 1323.

This bill makes various changes to the law governing casino gaming in this State.

As amended by the committee, the bill:

authorizes the division to allow electronic versions of authorized games to be played on mobile gaming devices within an approved hotel facility, including any area within the property boundaries of the casino hotel such as the pool and outdoor recreation areas; provided the player has established an account with the casino licensee, the wager is placed by and paid to the patron in person within the approved hotel facility, the mobile gaming device is inoperable outside the approved hotel facility, the division authorizes the device for mobile gaming, and ensures that gaming will not extend outside of the casino hotel's property boundaries;

amends the definition of "gross revenue" to specify that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout will be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue, and that such cash equivalent value must be equal to the amount actually paid by the casino licensee for the merchandise or thing of value;

amends the definition of "corporate officer" to include chief compliance officer;

clarifies in one section of the law that it is the Division of Gaming Enforcement, not the Casino Control Commission, that will decide which persons are to be qualified in conjunction with a casino license or casino license applicant;

removes the requirement for the commission's prior approval of a non-publicly traded corporation's transfers of securities, shares, and other interests in connection with that corporation's application for a casino license, but clarifies that the commission receives notice of such transfers and may disapprove within five business days from

receiving the notice, or the transfers become effective at the end of that period;

removes the prohibition against a casino key employee licensee wagering in any casino outside of the State, and removes a reference to any person who is required to hold a casino key employee license as a condition of employment or qualification;

permits a casino licensee to accept a check, from a person to take part in gaming or simulcast wagering as a player, issued by any entity, not just a check issued by an affiliate casino licensee;

restores language deleted by P.L.2011, c.19 so that a casino licensee may compensate a junket enterprise or representative based upon the actual casino gaming or simulcast wagering activities of a patron procured or referred by the junket enterprise or representative;

permits participation agreements between casino licensees and casino service industry enterprise licensees, or applicants for such licenses, which involve the purchase or lease of slot machines, to provide for payments of an interest, percentage, or share of the proceeds from the operation of the slot machines to the casino service industry enterprise licensees or applicants, subject to the approval of the Division of Gaming Enforcement; and

provides that a former employee of the Casino Control Commission who has been hired by the Division of Gaming Enforcement will retain all seniority and rights attendant thereto.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that:

(1) consistent with a provision in current law, the commission does not have the right of prior approval of transfers of securities, shares, and other interests in a casino applicant's corporation, but the commission receives notice of, and may disapprove, such transfers within five business days of receiving the notice. Transfers that are not disapproved by the commission become effective following the five business day period; and

(2) mobile gaming devices may be used by patrons in any area located within the property boundaries of the casino hotel facility, including the swimming pool area and an outdoor recreation area, provided that the division must ascertain and ensure, pursuant to rules and regulations to be issued by it to implement mobile gaming, that mobile gaming must not extend outside of the property boundaries of the casino hotel facility.

STATEMENT TO
[First Reprint]
SENATE, No. 1323

with Senate Floor Amendments
(Proposed by Senator WHELAN)

ADOPTED: MAY 24, 2012

These Senate amendments:

(1) exclude junket enterprises, junket representatives, and independent software contractors from the definition of casino service industry enterprises required to be licensed to conduct business with casino licensees, but include them as enterprises required to be registered with the division and licensed if so determined by the division;

(2) define “independent software contractor” as a person who is not an employee of a casino service industry enterprise and who, pursuant to an agreement with the casino service industry enterprise, develops, designs, programs, produces, composes, or manufactures any software, source language, executable code, or content which a casino service industry enterprise acquires control over or ownership of and assumes legal responsibility for the gaming device in which the software or code is used;

(3) remove language that would have permitted participation agreements between casino licensees and casino service industry enterprises for the purchase or lease of slot machines, which would have provided for the payment to the casino service industry enterprise licensee of an interest, percentage, or share of the proceeds from the operation of those slot machines;

(4) clarify language concerning mobile gaming devices, to correctly state that the in-person wagers are paid by the patron to the casino and the in-person winnings are paid to the patron by the casino;

(5) forbid the use of mobile gaming devices in parking garages or parking areas of a casino hotel facility;

(6) authorize the division to establish any additional or more stringent licensing and other regulatory requirements necessary for the proper implementation and conduct of mobile gaming as provided by the bill;

(7) omit any changes to the definition of “gross revenue” from the bill; and

(8) provide that a collection agency, working under the supervision of an attorney-at-law representing a casino licensee, may be retained to collect a debt or bring action for such collection.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 1323

STATE OF NEW JERSEY 215th LEGISLATURE

DATED: JUNE 5, 2012

SUMMARY

- Synopsis:** Makes various changes regarding the regulation of casino gaming.
- Type of Impact:** Revenue Increase: Casino Revenue Fund.
- Agencies Affected:** Department of Law and Public Safety, Division of Gaming Enforcement; Department of the Treasury, Casino Control Commission.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
State Revenue	Indeterminate – See comments below.		

- Among the various changes made by this bill to the regulation of casino gaming, this bill authorizes the Division of Gaming Enforcement in the Department of Law and Public Safety to allow electronic versions of authorized games to be played on mobile gaming devices under certain circumstances.
- The Office of Legislative Services (OLS) cannot reliably estimate the increase in State revenue that could result from mobile gaming on authorized casino games offered by Atlantic City Casinos because no data exists for New Jersey.
- Gaming using mobile devices in New Jersey would provide a new method of wagering on authorized casino games in Atlantic City. No current data exists for actual mobile gaming to provide the necessary economic, demographic, and consumer behavior information needed to make an estimate for the demand for mobile gaming in New Jersey.

BILL DESCRIPTION

Senate Bill No. 1323 (2R) of 2012, among the various changes made by this bill to the regulation of casino gaming, authorizes the Division of Gaming and Enforcement in the

Department of Law and Public Safety to allow electronic versions of authorized games to be played on mobile gaming devices provided the player has established an account with the casino licensee, in person wagers are paid by the patron to the casino and the in-person winnings are paid to the patron by the casino, the mobile gaming device is inoperable outside the approved hotel facility, and the division authorizes the device for mobile gaming. Mobile gaming devices may be used by patrons in any area located within the property boundaries of the casino hotel facility, including the swimming pool area and an outdoor recreation area, provided that the division ascertains and ensures, pursuant to rules and regulations to be issued by it to implement mobile gaming, that mobile gaming does not extend outside of the property boundaries of the casino hotel facility. The bill specifically forbids the use of mobile gaming devices in parking garages or parking areas of a casino hotel facility.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS cannot reliably estimate the increase in State revenue that could result from mobile gaming on authorized casino games offered by Atlantic City Casinos because no data exists for New Jersey. Gaming using mobile devices in New Jersey would provide a new method of wagering on authorized casino games in Atlantic City. No data exists for actual mobile gaming to provide the necessary economic, demographic, and consumer behavior information needed to make an estimate for the demand for mobile gaming in New Jersey.

It should be noted that mobile gaming has been approved by the Nevada Gaming Control Board (NGCB). However, according to information provided by the NGCB, mobile gaming technology has not reached its critical mass since its approval in 2009. Since 2009, total tax revenues for mobile gaming have been immaterial, for example only \$84,000 in FY 2011.

The OLS notes that the gaming structure in New Jersey differs from the gaming structure in Nevada and the Nevada experience may or may not be indicative of mobile gaming behavior in New Jersey.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

STATEMENT TO
[Second Reprint]
SENATE, No. 1323

with Assembly Floor Amendments
(Proposed by Assemblyman BURZICHELLI)

ADOPTED: JUNE 21, 2012

These Assembly amendments:

(1) include within the definition of “casino service industry enterprise” any vendor providing to casino licensees or applicants goods and services ancillary to gaming activity, including, without limitation, junket enterprises and junket representatives, holders of casino hotel alcoholic beverage control licenses, lessors of casino property not required to hold a casino license, and licensors of authorized games;

(2) clarify that “independent software contractor” means a person or entity not employed directly by a casino service industry enterprise;

(3) provide that, if approved by the Division of Gaming Enforcement, an applicant for a casino service industry enterprise license seeking to offer goods or services which directly relate to casino or gaming activity may offer such goods or services prior to obtaining that license, for such periods as the division may establish by regulation, instead of seeking the division’s approval for each business transaction;

(4) provide that vendors that offer goods and services to casino licensees or applicants ancillary to gaming, including, without limitation, junket enterprises and junket representatives, and any person employed by a junket enterprise or junket representative in a managerial or supervisory position, non-casino applicants or licensees required to hold a casino hotel alcoholic beverage license, lessors of casino property not required to hold a casino license, and licensors of authorized games, must be licensed as ancillary casino service industry enterprises;

(5) provide that an ancillary casino service industry enterprise required to be licensed, as well as its owners, management and supervisory personnel, and employees if such employees have responsibility for services to a casino applicant or licensee, must establish their good character, honesty and integrity by clear and convincing evidence and must provide such financial information as may be required by the division; and that any enterprise required to be licensed as an ancillary casino service industry enterprise must be permitted to transact business with a casino licensee upon filing of the appropriate vendor registration form and application for such licensure;

(6) provide that the division may require individual vendors who are required to register to instead be licensed as either a casino service industry enterprise or an ancillary casino service industry enterprise, and that the division may also require any enterprise licensed as or required to be licensed as an ancillary casino service industry enterprise to instead apply for a casino service industry enterprise license;

(7) provide that the division may order that an independent software contractor not otherwise required to be registered be either registered as a vendor, or be licensed as either a casino service industry enterprise or an ancillary casino service industry enterprise;

(8) empower the division to revoke, suspend, limit, or otherwise restrict the license, registration or qualification status of any entity, including any finding of qualification as may be required as a condition of licensure, or the registration of any vendor, upon a finding that the licensee, registrant or qualifier is disqualified on the basis of the criteria set forth under current law, subject to a prior hearing which must be a limited proceeding at which the division must have the affirmative obligation to demonstrate that there is a reasonable possibility that the licensee, registrant or qualifier is disqualified on the basis of that criteria;

(9) remove language that would have allowed a collection agency, working under the supervision of an attorney-at-law representing a casino licensee, to be retained to collect a debt or bring action for such collection;

(10) retain a requirement under current law for a junket representative employed by a casino licensee, or by an applicant for a casino licensee or an affiliate, to be licensed as a casino key employee;

(11) provide that junket enterprises, and junket representatives not employed by a casino licensee or by an applicant for a casino license or by a junket enterprise, must be licensed as an ancillary casino service industry enterprises, unless otherwise directed by the division, provided that any such junket enterprise or junket representative who is disqualified would not be entitled to establish rehabilitation from such disqualification;

(12) provide that any non-supervisory employee of a junket enterprise or junket representative licensed as an ancillary casino service industry enterprise must be registered with the division;

(13) provide that, upon petition by the holder of a casino license, an applicant for a casino key employee license intending to be employed as a junket representative may be issued a temporary license by the division;

(14) limit the retention of seniority and seniority rights of former Casino Control Commission employees now working for the division to employees who were transferred from employment with the commission to employment with the division, and provide that such seniority and seniority rights will not be retained by employees who were removed from employment with the commission due to layoff procedures or who resigned from a position with the commission prior to being hired by the division;

(15) provide that, notwithstanding the provisions of any other law to the contrary, the Casino Reinvestment Development Authority must devote all available assets and revenues of the authority to the purposes of the tourism district and community development in Atlantic City, unless otherwise provided by contract entered into prior to the effective date of P.L.2011, c.18 (C.5:12-218 et al.), instead of unless otherwise provided by law;

(16) authorize the division, by regulation, to permit the linking of slot machines of one or more casino licensees and slot machines located in casinos licensed by another state of the United States; providing further that wagering and account information for a multi-state slot system must be transmitted by the operator of such multi-state slot system to either a restricted area on the premises of a casino hotel or to a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a casino hotel but within the territorial limits of Atlantic County, New Jersey, and from there to slot machines of New Jersey casino licensees, with all locations subject to approval by the division;

(17) permit participation agreements for revenue sharing between casino licensees and casino service industry enterprises that operate multi-state slot machine systems; and

(18) allow the use of mobile gaming devices at casinos and racetracks that operate sports pools to enable players to place wagers on sports or athletic events.

ASSEMBLY, No. 2575

STATE OF NEW JERSEY

215th LEGISLATURE

INTRODUCED FEBRUARY 16, 2012

Sponsored by:

Assemblyman JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
Assemblyman RUBEN J. RAMOS, JR.
District 33 (Hudson)
Assemblyman JOHN F. AMODEO
District 2 (Atlantic)
Assemblyman CHRIS A. BROWN
District 2 (Atlantic)

SYNOPSIS

Makes various changes regarding the regulation of casino gaming.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/6/2012)

A2575 BURZICHELLI, RAMOS

2

1 AN ACT concerning the regulation of casino gaming and amending
2 various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 11 of P.L.2011, c.19 (C.5:12-14.2a) is amended to
8 read as follows:

9 11. "Corporate Officer" - The chief executive officer, chief
10 financial officer, chief operating officer, chief information officer,
11 chief compliance officer, and chief legal officer of a corporation, or
12 their equivalents in any unincorporated entity.

13 (cf: P.L.2011, c.19, s.11)

14

15 2. Section 24 of P.L.1977, c.110 (C.5:12-24) is amended to
16 read as follows:

17 24. "Gross Revenue"-- The total of all sums actually received by
18 a casino licensee from gaming operations, less only the total of all
19 sums actually paid out as winnings to patrons; provided, however,
20 that the cash equivalent value of any merchandise or thing of value
21 included in a jackpot or payout shall **[not]** be included in the total
22 of all sums paid out as winnings to patrons for purposes of
23 determining gross revenue, and that such cash equivalent value
24 shall be equal to the amount actually paid by the casino licensee for
25 the merchandise or thing of value. "Gross Revenue" shall not
26 include any amount received by a casino from casino simulcasting
27 pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-
28 191 et al.).

29 (cf: P.L.2009, c.36, s.2)

30

31 3. Section 81 of P.L.1977, c.110 (C.5:12-81) is amended to
32 read as follows:

33 81. Statement of compliance.

34 a. (1) Upon consideration of a report and recommendation of the
35 division, the commission may, in its discretion, issue a statement of
36 compliance to an applicant for a casino license or to any person
37 required to qualify in conjunction with a casino license or casino
38 license applicant if the applicant or person, as the case may be, has
39 established by clear and convincing evidence that one or more
40 particular eligibility criteria have been satisfied. A request for the
41 issuance of a statement of compliance pursuant to this paragraph
42 shall be initiated by the applicant filing a petition with the division.
43 Before the division initiates any investigation on such a petition, the
44 director may require the applicant to establish to the satisfaction of
45 the director that the applicant actually intends, if found qualified, to

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 engage in the business or activity that would require the issuance of
2 the license or the determination of qualification status.

3 (2) Any person who must be qualified pursuant to the "Casino
4 Control Act," P.L.1977, c.110 (C.5:12-1 et seq.) in order to hold the
5 securities of a casino licensee or any holding or intermediary
6 company of a casino licensee may, prior to the acquisition of any
7 such securities, request the issuance of a statement of compliance
8 by the commission that the person is qualified to hold such
9 securities. Any request for the issuance of a statement of
10 compliance pursuant to this paragraph shall be initiated by the
11 person filing a petition with the division in which the person shall
12 be required to establish that there is a reasonable likelihood that, if
13 qualified, the person will obtain and hold the securities of a casino
14 licensee or any holding or intermediary company thereof to such
15 extent as to require the qualification of the person. If, after an
16 investigation by the division, the director finds that this reasonable
17 likelihood exists and that the qualifications of the person have been
18 established by clear and convincing evidence, the director may, in
19 the director's discretion, recommend to the commission that it issue
20 a statement of compliance that the person is qualified to hold such
21 securities. Any person who requests a statement of compliance
22 pursuant to this paragraph shall be subject to the provisions of
23 section 80 of P.L.1977, c.110 (C.5:12-80) and shall pay for the
24 costs of all investigations and proceedings in relation to the request
25 unless the person provides an agreement with one or more casino
26 licensees which states that the licensee or licensees will pay those
27 costs.

28 (3) A statement of compliance shall not be issued indicating that
29 an applicant or any other person required to qualify in conjunction
30 with a casino license or casino license applicant that is a
31 corporation or other form of business organization has established
32 by clear and convincing evidence its good character, honesty and
33 integrity unless the corporate officers; each director; each person
34 who directly or indirectly holds any beneficial or ownership interest
35 in the applicant of 5% or greater, to the extent such person would be
36 required to qualify under section 85 of P.L.1977, c.110 (C.5:12-85);
37 and any other person whom the **[commission]** division may
38 consider appropriate for approval or qualification, would, but for
39 residence, individually be qualified for approval as a casino key
40 employee pursuant to the provisions of section 89 of P.L.1977,
41 c.110 (C.5:12-89).

42 b. Any statement of compliance issued under P.L.1977, c.110
43 (C.5:12-1 et seq.) shall specify:

44 (1) the particular eligibility criterion satisfied by the applicant or
45 person;

46 (2) the date as of which such satisfaction was determined by the
47 commission;

1 (3) the continuing obligation of the applicant or person to file
2 any information required by the division as part of any application
3 for a license or qualification status, including information related to
4 the eligibility criterion for which the statement of compliance was
5 issued; and

6 (4) the obligation of the applicant or person to reestablish its
7 satisfaction of the eligibility criterion should there be a change in
8 any material fact or circumstance that is relevant to the eligibility
9 criterion for which the statement of compliance was issued.

10 c. (Deleted by amendment, P.L.2011, c.19)

11 d. Any statement of compliance issued pursuant to this section
12 shall be withdrawn by the commission if:

13 (1) the applicant or person otherwise fails to satisfy the
14 standards for licensure or qualification;

15 (2) the applicant or person fails to comply with any condition
16 imposed; or

17 (3) the commission finds, on recommendation of the division,
18 cause to revoke the statement of compliance for any other reason.

19 e. Notwithstanding any other provision of this section, unless
20 otherwise extended by the commission upon application by the
21 recipient and for good cause shown, any statement of compliance
22 issued by the commission pursuant to this section shall expire 48
23 months after its date of issuance.

24 f. (Deleted by amendment, P.L.2011, c.19)

25 (cf: P.L.2011, c.19, s.45)

26
27 4. Section 82 of P.L.1977, c.110 (C.5:12-82) is amended to
28 read as follows:

29 82. a. No casino shall operate unless all necessary licenses and
30 approvals therefor have been obtained in accordance with law.

31 b. Only the following persons shall be eligible to hold a casino
32 license; and, unless otherwise determined by the commission with
33 the concurrence of the Attorney General which may not be
34 unreasonably withheld in accordance with subsection c. of this
35 section, each of the following persons shall be required to hold a
36 casino license prior to the operation of a casino in the casino hotel
37 with respect to which the casino license has been applied for:

38 (1) Any person who either owns an approved casino hotel or
39 owns or has a contract to purchase or construct a casino hotel which
40 in the judgment of the commission can become an approved casino
41 hotel within 30 months or within such additional time period as the
42 commission may, upon a showing of good cause therefor, establish;

43 (2) Any person who, whether as lessor or lessee, either leases an
44 approved casino hotel or leases or has an agreement to lease a
45 casino hotel which in the judgment of the commission can become
46 an approved casino hotel within 30 months or within such
47 additional time period as the commission may, upon a showing of
48 good cause therefor, establish;

1 (3) Any person who has a written agreement with a casino
2 licensee or with an eligible applicant for a casino license for the
3 complete management of a casino and, if applicable, any authorized
4 games in a casino simulcasting facility; and

5 (4) Any other person who has control over either an approved
6 casino hotel or the land thereunder or the operation of a casino.

7 c. Prior to the operation of a casino and, if applicable, a casino
8 simulcasting facility, every agreement to lease an approved casino
9 hotel or the land thereunder and every agreement for the
10 management of the casino and, if applicable, any authorized games
11 in a casino simulcasting facility, shall be in writing and filed with
12 the commission and the division. No such agreement shall be
13 effective unless expressly approved by the commission. The
14 commission may require that any such agreement include within its
15 terms any provision reasonably necessary to best accomplish the
16 policies of this act. Consistent with the policies of this act:

17 (1) The commission, with the concurrence of the Attorney
18 General which may not be unreasonably withheld, may determine
19 that any person who does not have the ability to exercise any
20 significant control over either the approved casino hotel or the
21 operation of the casino contained therein shall not be eligible to
22 hold or required to hold a casino license;

23 (2) The commission, with the concurrence of the Attorney
24 General which may not be unreasonably withheld, may determine
25 that any owner, lessor or lessee of an approved casino hotel or the
26 land thereunder who does not own or lease a significant portion of
27 an approved casino hotel shall not be eligible to hold or required to
28 hold a casino license;

29 (3) The commission shall require that any person or persons
30 eligible to apply for a casino license organize itself or themselves
31 into such form or forms of business association as the commission
32 shall deem necessary or desirable in the circumstances to carry out
33 the policies of this act;

34 (4) The commission may issue separate casino licenses to any
35 persons eligible to apply therefor;

36 (5) As to agreements to lease an approved casino hotel or the
37 land thereunder, unless it expressly and by formal vote for good
38 cause determines otherwise, the commission shall require that each
39 party thereto hold either a casino license or casino service industry
40 enterprise license and that such an agreement shall include within
41 its terms a buy-out provision conferring upon the casino licensee-
42 lessee who controls the operation of the approved casino hotel the
43 absolute right to purchase for an expressly set forth fixed sum the
44 entire interest of the lessor or any person associated with the lessor
45 in the approved casino hotel or the land thereunder in the event that
46 said lessor or said person associated with the lessor is found by the
47 commission or director, as the case may be, to be unsuitable to be
48 associated with a casino enterprise;

1 (6) The commission shall not permit an agreement for the
2 leasing of an approved casino hotel or the land thereunder to
3 provide for the payment of an interest, percentage or share of
4 money gambled at the casino or derived from casino gaming
5 activity or of revenues or profits of the casino unless the party
6 receiving payment of such interest, percentage or share is a party to
7 the approved lease agreement; unless each party to the lease
8 agreement holds either a casino license or casino service industry
9 enterprise license, and includes within its terms a buy-out provision
10 conforming to that described in paragraph (5) above;

11 (7) As to agreements for the management of a casino and, if
12 applicable, the authorized games in a casino simulcasting facility,
13 the commission shall require that each party thereto hold a casino
14 license or a casino service industry enterprise license pursuant to
15 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92), that the
16 party thereto who is to manage the casino gaming operations own at
17 least 10% of all outstanding equity securities of any casino licensee
18 or of any eligible applicant for a casino license if the said licensee
19 or applicant is a corporation and the ownership of an equivalent
20 interest in any casino licensee or in any eligible applicant for a
21 casino license if same is not a corporation, and that such an
22 agreement be for the complete management of all casino space in
23 the casino hotel and, if applicable, all authorized games in a casino
24 simulcasting facility, provide for the sole and unrestricted power to
25 direct the casino gaming operations of the casino hotel which is the
26 subject of the agreement, and be for such a durational term as to
27 assure reasonable continuity, stability and independence in the
28 management of the casino gaming operations, provided that the
29 provisions of this paragraph shall not apply to a slot system
30 agreement between a group of casino licensees and a casino service
31 industry enterprise licensed pursuant to subsection a. of section 92
32 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant for such
33 license, and that, with regard to such agreements, the casino service
34 industry enterprise licensee or applicant may operate and administer
35 the multi-casino progressive slot machine system, including, but not
36 limited to, the operation of a monitor room or the payment of
37 progressive, including annuity, jackpots, or both, and further
38 provided that the obligation to pay a progressive jackpot or
39 establish an annuity jackpot guarantee shall be the sole
40 responsibility of the casino licensee or casino service industry
41 enterprise licensee or applicant designated in the slot system
42 agreement and that no other party shall be jointly or severally liable
43 for the payment or funding of such jackpots or guarantees unless
44 such liability is specifically established in the slot system
45 agreement;

46 (8) The commission may permit an agreement for the
47 management of a casino and, if applicable, the authorized games in
48 a casino simulcasting facility to provide for the payment to the

1 managing party of an interest, percentage or share of money
2 gambled at all authorized games or derived from casino gaming
3 activity or of revenues or profits of casino gaming operations;

4 (9) Notwithstanding any other provision of P.L.1977, c.110
5 (C.5:12-1 et seq.) to the contrary, the commission may permit an
6 agreement between a casino licensee and a casino service industry
7 enterprise licensed pursuant to the provisions of subsection a. of
8 section 92 of P.L.1977, c.110 (C.5:12-92) for the conduct of casino
9 simulcasting in a simulcasting facility or for the operation of a
10 multi-casino progressive slot machine system, to provide for the
11 payment to the casino service industry enterprise of an interest,
12 percentage or share of the money derived from the casino licensee's
13 share of proceeds from simulcast wagering activity or the operation
14 of a multi-casino progressive slot machine system; **[and]**

15 (10) As to agreements to lease an approved casino hotel or the
16 land thereunder, agreements to jointly own an approved casino hotel
17 or the land thereunder and agreements for the management of
18 casino gaming operations or for the conduct of casino simulcasting
19 in a simulcasting facility, the commission shall require that each
20 party thereto, except for a banking or other chartered or licensed
21 lending institution or any subsidiary thereof, or any chartered or
22 licensed life insurance company or property and casualty insurance
23 company, or the State of New Jersey or any political subdivision
24 thereof or any agency or instrumentality of the State or any political
25 subdivision thereof, shall be jointly and severally liable for all acts,
26 omissions and violations of this act by any party thereto regardless
27 of actual knowledge of such act, omission or violation and
28 notwithstanding any provision in such agreement to the contrary.
29 Notwithstanding the foregoing, nothing in this paragraph shall
30 require a casino licensee to be jointly and severally liable for any
31 acts, omissions or violations of this act, P.L.1977, c.110 (C.5:12-1
32 et seq.), committed by any casino service industry enterprise
33 licensee or applicant performing as a slot system operator pursuant
34 to a slot system agreement; and

35 (11) The division may permit an agreement between a casino
36 licensee and a casino service industry enterprise licensed pursuant
37 to the provisions of subsection a. of section 92 of P.L.1977, c.110
38 (C.5:12-92), or an eligible applicant for a license, for the purchase
39 or lease of slot machines, which provides for the payment to the
40 casino service industry enterprise licensee or applicant of an
41 interest, percentage, or share of the proceeds from the operation of
42 those slot machines.

43 d. No corporation shall be eligible to apply for a casino license
44 unless:

45 (1) The corporation shall be incorporated in the State of New
46 Jersey, although such corporation may be a wholly or partially
47 owned subsidiary of a corporation which is organized pursuant to

1 the laws of another state of the United States or of a foreign
2 country;

3 (2) The corporation shall maintain an office of the corporation
4 in the casino hotel licensed or to be licensed;

5 (3) The corporation shall comply with all the requirements of
6 the laws of the State of New Jersey pertaining to corporations;

7 (4) The corporation shall maintain a ledger in the principal
8 office of the corporation in New Jersey which shall at all times
9 reflect the current ownership of every class of security issued by the
10 corporation and shall be available for inspection by the commission
11 or the division and authorized agents of the commission and the
12 division at all reasonable times without notice;

13 (5) The corporation shall maintain all operating accounts
14 required by the commission in a bank in New Jersey, except that a
15 casino licensee may establish deposit-only accounts in any
16 jurisdiction in order to obtain payment of any check described in
17 section 101 of P.L.1977, c.110 (C.5:12-101);

18 (6) The corporation shall include among the purposes stated in
19 its certificate of incorporation the conduct of casino gaming and
20 provide that the certificate of incorporation includes all provisions
21 required by this act;

22 (7) The corporation, if it is not a publicly traded corporation,
23 shall file with the division and the commission such adopted
24 corporate charter provisions as may be necessary [to establish the
25 right of prior approval by the commission with regard to] to
26 establish the right of the commission pursuant to subsection a. of
27 section 105 of P.L.1977, c.110 (C.5:12-105) to disapprove transfers
28 of securities, shares, and other interests in the applicant corporation;
29 and, if it is a publicly traded corporation, provide in its corporate
30 charter that any securities of such corporation are held subject to the
31 condition that if a holder thereof is found to be disqualified
32 pursuant to the provisions of this act, such holder shall dispose of
33 his interest in the corporation; provided, however, that,
34 notwithstanding the provisions of N.J.S.14A:7-12 and N.J.S.12A:8-
35 101 et seq., nothing herein shall be deemed to require that any
36 security of such corporation bear any legend to this effect;

37 (8) The corporation, if it is not a publicly traded corporation,
38 shall establish to the satisfaction of the division that appropriate
39 charter provisions create the absolute right of such non-publicly
40 traded corporations and companies to repurchase at the market price
41 or the purchase price, whichever is the lesser, any security, share or
42 other interest in the corporation in the event that the commission
43 disapproves a transfer in accordance with the provisions of this act;

44 (9) Any publicly traded holding, intermediary, or subsidiary
45 company of the corporation, whether the corporation is publicly
46 traded or not, shall contain in its corporate charter the same
47 provisions required under paragraph (7) for a publicly traded
48 corporation to be eligible to apply for a casino license; and

1 (10) Any non-publicly traded holding, intermediary or subsidiary
2 company of the corporation, whether the corporation is publicly
3 traded or not, shall establish to the satisfaction of the commission
4 that its charter provisions are the same as those required under
5 paragraphs (7) and (8) for a non-publicly traded corporation to be
6 eligible to apply for a casino license.

7 The provisions of this subsection shall apply with the same force
8 and effect with regard to casino license applicants and casino
9 licensees which have a legal existence that is other than corporate to
10 the extent which is appropriate.

11 e. No person shall be issued or be the holder of a casino license
12 if the issuance or the holding results in undue economic
13 concentration in Atlantic City casino operations by that person. For
14 the purpose of this subsection, "undue economic concentration"
15 means that a person would have such actual or potential domination
16 of the casino gaming market in Atlantic City as to substantially
17 impede or suppress competition among casino licensees or
18 adversely impact the economic stability of the casino industry in
19 Atlantic City. In determining whether the issuance or holding of a
20 casino license by a person will result in undue economic
21 concentration, the commission shall consider the following criteria:

22 (1) The percentage share of the market presently controlled by
23 the person in each of the following categories:

- 24 The total number of licensed casinos in this State;
- 25 Total casino and casino simulcasting facility square footage;
- 26 Number of guest rooms;
- 27 Number of slot machines;
- 28 Number of table games;
- 29 Net revenue;
- 30 Table game win;
- 31 Slot machine win;
- 32 Table game drop;
- 33 Slot machine drop; and
- 34 Number of persons employed by the casino hotel;

35 (2) The estimated increase in the market shares in the categories
36 in (1) above if the person is issued or permitted to hold the casino
37 license;

38 (3) The relative position of other persons who hold casino
39 licenses, as evidenced by the market shares of each such person in
40 the categories in (1) above;

41 (4) The current and projected financial condition of the casino
42 industry;

43 (5) Current market conditions, including level of competition,
44 consumer demand, market concentration, any consolidation trends
45 in the industry and any other relevant characteristics of the market;

46 (6) Whether the licensed casinos held or to be held by the
47 person have separate organizational structures or other independent
48 obligations;

1 (7) The potential impact of licensure on the projected future
2 growth and development of the casino industry and Atlantic City;

3 (8) The barriers to entry into the casino industry, including the
4 licensure requirements of this act, P.L.1977, c.110 (C.5:12-1 et
5 seq.), and whether the issuance or holding of a casino license by the
6 person will operate as a barrier to new companies and individuals
7 desiring to enter the market;

8 (9) Whether the issuance or holding of the license by the person
9 will adversely impact on consumer interests, or whether such
10 issuance or holding is likely to result in enhancing the quality and
11 customer appeal of products and services offered by casino
12 licensees in order to maintain or increase their respective market
13 shares;

14 (10) Whether a restriction on the issuance or holding of an
15 additional license by the person is necessary in order to encourage
16 and preserve competition and to prevent undue economic
17 concentration in casino operations; and

18 (11) Any other evidence deemed relevant by the commission.

19 The commission shall, after conducting public hearings thereon,
20 promulgate rules and regulations in accordance with the
21 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
22 seq.) defining any additional criteria the commission will use in
23 determining what constitutes undue economic concentration.

24 For the purpose of this subsection a person shall be considered
25 the holder of a casino license if such license is issued to such person
26 or if such license is held by any holding, intermediary or subsidiary
27 company thereof, or by any person required to be qualified in
28 conjunction with such casino license.

29 (cf: P.L.2011, c.19, s.46)

30

31 5. Section 100 of P.L.1977, c.110 (C.5:12-100) is amended to
32 read as follows:

33 100. a. This act shall not be construed to permit any gaming
34 except the conduct of authorized games in a casino room in
35 accordance with this act and the regulations promulgated hereunder
36 and in a simulcasting facility to the extent provided by the "Casino
37 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.).
38 Notwithstanding the foregoing, if the division approves the game of
39 keno as an authorized game pursuant to section 5 of P.L.1977, c.110
40 (C.5:12-5), as amended, keno tickets may be sold or redeemed in
41 accordance with division regulations.

42 b. Gaming equipment shall not be possessed, maintained or
43 exhibited by any person on the premises of a casino hotel except in
44 a casino room, in the simulcasting facility, or in restricted casino
45 areas used for the inspection, repair or storage of such equipment
46 and specifically designated for that purpose by the casino licensee
47 with the approval of the division. Gaming equipment which
48 supports the conduct of gaming in a casino or simulcasting facility

1 but does not permit or require patron access, such as computers,
2 may be possessed and maintained by a casino licensee or a qualified
3 holding or intermediary company of a casino licensee in restricted
4 areas specifically approved by the division. No gaming equipment
5 shall be possessed, maintained, exhibited, brought into or removed
6 from a casino room or simulcasting facility by any person unless
7 such equipment is necessary to the conduct of an authorized game,
8 has permanently affixed, imprinted, impressed or engraved thereon
9 an identification number or symbol authorized by the division, is
10 under the exclusive control of a casino licensee or casino licensee's
11 employees, or of any individually qualified employee of a holding
12 company or casino licensee and is brought into or removed from the
13 casino room or simulcasting facility following 24-hour prior notice
14 given to an authorized agent of the division.

15 Notwithstanding any other provision of this section, computer
16 equipment used by the slot system operator of a multi-casino
17 progressive slot system to link and communicate with the slot
18 machines of two or more casino licensees for the purpose of
19 calculating and displaying the amount of a progressive jackpot,
20 monitoring the operation of the system, and any other purpose that
21 the division deems necessary and appropriate to the operation or
22 maintenance of the multi-casino progressive slot machine system
23 may, with the prior approval of the division, be possessed,
24 maintained and operated by the slot system operator either in a
25 restricted area on the premises of a casino hotel or in a secure
26 facility inaccessible to the public and specifically designed for that
27 purpose off the premises of a casino hotel but within the territorial
28 limits of Atlantic County, New Jersey.

29 Notwithstanding the foregoing, a person may, with the prior
30 approval of the division and under such terms and conditions as
31 may be required by the division, possess, maintain or exhibit
32 gaming equipment in any other area of the casino hotel, provided
33 that such equipment is used for nongaming purposes.

34 Notwithstanding any other provision of this act to the contrary,
35 the division may authorize electronic versions of authorized games
36 to be played within an approved hotel facility on mobile gaming
37 devices to be approved by the division, provided the player has
38 established an account with the casino licensee, the wager is placed
39 by and paid to the patron in person within the approved hotel
40 facility, the mobile gaming device is inoperable outside the
41 approved hotel facility, and the division authorizes the device for
42 mobile gaming. For the purposes of this provision, the approved
43 hotel facility shall include any area located within the property
44 boundaries of the casino hotel facility, including the swimming pool
45 area and an outdoor recreation area, where mobile gaming devices
46 may be used by patrons in accordance with this provision, provided
47 that the division shall ascertain and ensure, pursuant to rules and
48 regulations issued by it to implement mobile gaming pursuant to

1 this provision, that mobile gaming shall not extend outside of the
2 property boundaries of the casino hotel facility.

3 c. Each casino hotel shall contain a count room and such other
4 secure facilities as may be required by the division for the counting
5 and storage of cash, coins, tokens, checks, plaques, gaming
6 vouchers, coupons, and other devices or items of value used in
7 wagering and approved by the division that are received in the
8 conduct of gaming and for the inspection, counting and storage of
9 dice, cards, chips and other representatives of value. The division
10 shall promulgate regulations for the security of drop boxes and
11 other devices in which the foregoing items are deposited at the
12 gaming tables or in slot machines, and all areas wherein such boxes
13 and devices are kept while in use, which regulations may include
14 certain locking devices. Said drop boxes and other devices shall not
15 be brought into or removed from a casino room or simulcasting
16 facility, or locked or unlocked, except at such times, in such places,
17 and according to such procedures as the division may require.

18 d. All chips used in gaming shall be of such size and uniform
19 color by denomination as the division shall require by regulation.

20 e. All gaming shall be conducted according to rules
21 promulgated by the division. All wagers and pay-offs of winning
22 wagers shall be made according to rules promulgated by the
23 division, which shall establish such limitations as may be necessary
24 to assure the vitality of casino operations and fair odds to patrons.
25 Each slot machine shall have a minimum payout of 83%.

26 f. Each casino licensee shall make available in printed form to
27 any patron upon request the complete text of the rules of the
28 division regarding games and the conduct of gaming, pay-offs of
29 winning wagers, an approximation of the odds of winning for each
30 wager, and such other advice to the player as the division shall
31 require. Each casino licensee shall prominently post within a casino
32 room and simulcasting facility, as appropriate, according to
33 regulations of the division such information about gaming rules,
34 pay-offs of winning wagers, the odds of winning for each wager,
35 and such other advice to the player as the division shall require.

36 g. Each gaming table shall be equipped with a sign indicating
37 the permissible minimum and maximum wagers pertaining thereto.
38 It shall be unlawful for a casino licensee to require any wager to be
39 greater than the stated minimum or less than the stated maximum;
40 provided, however, that any wager actually made by a patron and
41 not rejected by a casino licensee prior to the commencement of play
42 shall be treated as a valid wager.

43 h. (1) Except as herein provided, no slot machine shall be used to
44 conduct gaming unless it is identical in all electrical, mechanical
45 and other aspects to a model thereof which has been specifically
46 tested and licensed for use by the division. The division shall also
47 test any other gaming device, gaming equipment, gaming-related
48 device or gross-revenue related device, such as a slot management

1 system, electronic transfer credit system or gaming voucher system
2 as it deems appropriate. In its discretion and for the purpose of
3 expediting the approval process, the division may utilize the
4 services of a private testing laboratory that has obtained a plenary
5 license as a casino service industry enterprise pursuant to
6 subsection a. of section 92 of P.L.1977, c.110 (C.5:12-92) to
7 perform the testing, and may also utilize applicable data from any
8 such private testing laboratory or from a governmental agency of a
9 state other than New Jersey authorized to regulate slot machines
10 and other gaming devices, gaming equipment, gaming-related
11 devices and gross-revenue related devices used in casino gaming, if
12 the private testing laboratory or governmental agency uses a testing
13 methodology substantially similar to the methodology utilized by
14 the division. The division, in its discretion, may rely upon the data
15 provided by the private testing laboratory or governmental agency
16 and adopt the conclusions of such private testing laboratory or
17 governmental agency regarding any submitted device.

18 (2) Except as otherwise provided in paragraph (5) of subsection
19 h. of this section, the division shall, within 60 days of its receipt of
20 a complete application for the testing of a slot machine or other
21 gaming equipment model, approve or reject the slot machine or
22 other gaming equipment model. In so doing, the division shall
23 specify whether and to what extent any data from a private testing
24 laboratory or governmental agency of a state other than New Jersey
25 was used in reaching its conclusions and recommendation. If the
26 division is unable to complete the testing of a slot machine or other
27 gaming equipment model within this 60-day period, the division
28 may conditionally approve the slot machine or other gaming
29 equipment model for test use by a casino licensee provided that the
30 division represents that the use of the slot machine or other gaming
31 equipment model will not have a direct and materially adverse
32 impact on the integrity of gaming or the control of gross revenue.
33 The division shall give priority to the testing of slot machines or
34 other gaming equipment which a casino licensee has certified it will
35 use in its casino in this State.

36 (3) The division shall, by regulation, establish such technical
37 standards for licensure of slot machines, including mechanical and
38 electrical reliability, security against tampering, the
39 comprehensibility of wagering, and noise and light levels, as it may
40 deem necessary to protect the player from fraud or deception and to
41 insure the integrity of gaming. The denominations of such machines
42 shall be set by the licensee; the licensee shall simultaneously notify
43 the division of the settings.

44 (4) The division shall, by regulation, determine the permissible
45 number and density of slot machines in a licensed casino so as to:

46 (a) promote optimum security for casino operations;

47 (b) avoid deception or frequent distraction to players at gaming
48 tables;

1 (c) promote the comfort of patrons;

2 (d) create and maintain a gracious playing environment in the
3 casino; and

4 (e) encourage and preserve competition in casino operations by
5 assuring that a variety of gaming opportunities is offered to the
6 public.

7 Any such regulation promulgated by the division which
8 determines the permissible number and density of slot machines in a
9 licensed casino shall provide that all casino floor space and all
10 space within a casino licensee's simulcasting facility shall be
11 included in any calculation of the permissible number and density
12 of slot machines in a licensed casino.

13 (5) Any new gaming equipment or simulcast wagering
14 equipment that is submitted for testing to the division or to an
15 independent testing laboratory licensed pursuant to subsection a. of
16 section 92 of P.L.1977, c.110 (C.5:12-92) prior to or simultaneously
17 with submission of such new equipment for testing in a jurisdiction
18 other than New Jersey, may, consistent with regulations
19 promulgated by the division, be deployed by a casino licensee on
20 the casino floor 14 days after submission of such equipment for
21 testing. If the casino or casino service industry enterprise licensee
22 has not received approval for the equipment 14 days after
23 submission for testing, any interested casino licensee may,
24 consistent with division regulations, deploy the equipment on a
25 field test basis, unless otherwise directed by the director.

26 i. (Deleted by amendment, P.L.1991, c.182).

27 j. (Deleted by amendment, P.L.1991, c.182).

28 k. It shall be unlawful for any person to exchange or redeem
29 chips for anything whatsoever, except for currency, negotiable
30 personal checks, negotiable counter checks, other chips, coupons,
31 slot vouchers or complimentary vouchers distributed by the casino
32 licensee, or, if authorized by regulation of the division, a valid
33 charge to a credit or debit card account. A casino licensee shall,
34 upon the request of any person, redeem that licensee's gaming chips
35 surrendered by that person in any amount over \$100 with a check
36 drawn upon the licensee's account at any banking institution in this
37 State and made payable to that person.

38 l. It shall be unlawful for any casino licensee or its agents or
39 employees to employ, contract with, or use any shill or barker to
40 induce any person to enter a casino or simulcasting facility or play
41 at any game or for any purpose whatsoever.

42 m. It shall be unlawful for a dealer in any authorized game in
43 which cards are dealt to deal cards by hand or other than from a
44 device specifically designed for that purpose, unless otherwise
45 permitted by the rules of the division.

46 n. (1) It shall be unlawful for any casino key employee[,]
47 licensee [or any person who is required to hold a casino key
48 employee license as a condition of employment or qualification] to

1 wager in any casino or simulcasting facility in this State[, or any
2 casino].

3 (2) It shall be unlawful for any other employee of a casino
4 licensee who, in the judgment of the division, is directly involved
5 with the conduct of gaming operations, including but not limited to
6 dealers, floor persons, box persons, security and surveillance
7 employees, to wager in any casino or simulcasting facility in the
8 casino hotel in which the employee is employed or in any other
9 casino or simulcasting facility in this State which is owned or
10 operated by an affiliated licensee.

11 (3) The prohibition against wagering set forth in paragraphs (1)
12 and (2) of this subsection shall continue for a period of 30 days
13 commencing upon the date that the employee either leaves
14 employment with a casino licensee or is terminated from
15 employment with a casino licensee.

16 o. (1) It shall be unlawful for any casino key employee or
17 boxman, floorman, or any other casino employee who shall serve in
18 a supervisory position to solicit or accept, and for any other casino
19 employee to solicit, any tip or gratuity from any player or patron at
20 the casino hotel or simulcasting facility where he is employed.

21 (2) A dealer may accept tips or gratuities from a patron at the
22 table at which such dealer is conducting play, subject to the
23 provisions of this subsection. All such tips or gratuities shall be
24 immediately deposited in a lockbox reserved for that purpose,
25 unless the tip or gratuity is authorized by a patron utilizing an
26 automated wagering system approved by the division. All tips or
27 gratuities shall be accounted for, and placed in a pool for
28 distribution pro rata among the dealers, with the distribution based
29 upon the number of hours each dealer has worked, except that the
30 division may, by regulation, permit a separate pool to be established
31 for dealers in the game of poker, or may permit tips or gratuities to
32 be retained by individual dealers in the game of poker.

33 (3) Notwithstanding the provisions of paragraph (1) of this
34 subsection, a casino licensee may require that a percentage of the
35 prize pool offered to participants pursuant to an authorized poker
36 tournament be withheld for distribution to the tournament dealers as
37 tips or gratuities as the division by regulation may approve.

38 p. Any slot system operator that offers an annuity jackpot shall
39 secure the payment of such jackpot by establishing an annuity
40 jackpot guarantee in accordance with the requirements of P.L.1977,
41 c.110 (C.5:12-1 et seq.), and the rules of the division.

42 (cf: P.L.2011, c.19, s.65)

43

44 6. Section 101 of P.L.1977, c.110 (C.5:12-101) is amended to
45 read as follows:

46 101. a. Except as otherwise provided in this section, no casino
47 licensee or any person licensed under this act, and no person acting

1 on behalf of or under any arrangement with a casino licensee or
2 other person licensed under this act, shall:

3 (1) Cash any check, make any loan, or otherwise provide or
4 allow to any person any credit or advance of anything of value or
5 which represents value to enable any person to take part in gaming
6 or simulcast wagering activity as a player; or

7 (2) Release or discharge any debt, either in whole or in part, or
8 make any loan which represents any losses incurred by any player
9 in gaming or simulcast wagering activity, without maintaining a
10 written record thereof in accordance with the rules of the division.

11 b. No casino licensee or any person licensed under this act, and
12 no person acting on behalf of or under any arrangement with a
13 casino licensee or other person licensed under this act, may accept a
14 check, other than a recognized traveler's check or other cash
15 equivalent from any person to enable such person to take part in
16 gaming or simulcast wagering activity as a player, or may give cash
17 or cash equivalents in exchange for such check unless:

18 (1) The check is made payable to the casino licensee;

19 (2) The check is dated, but not postdated;

20 (3) The check is presented to the cashier or the cashier's
21 representative at a location in the casino approved by the division
22 and is exchanged for cash or slot tokens which total an amount
23 equal to the amount for which the check is drawn, or the check is
24 presented to the cashier's representative at a gaming table in
25 exchange for chips which total an amount equal to the amount for
26 which the check is drawn; and

27 (4) The regulations concerning check cashing procedures are
28 observed by the casino licensee and its employees and agents.

29 Nothing in this subsection shall be deemed to preclude the
30 establishment of an account by any person with a casino licensee by
31 a deposit of cash, recognized traveler's check or other cash
32 equivalent, or a check which meets the requirements of subsection
33 g. of this section, or to preclude the withdrawal, either in whole or
34 in part, of any amount contained in such account.

35 c. When a casino licensee or other person licensed under this
36 act, or any person acting on behalf of or under any arrangement
37 with a casino licensee or other person licensed under this act, cashes
38 a check in conformity with the requirements of subsection b. of this
39 section, the casino licensee shall cause the deposit of such check in
40 a bank for collection or payment, or shall require an attorney or
41 casino key employee with no incompatible functions to present such
42 check to the drawer's bank for payment, within (1) seven calendar
43 days of the date of the transaction for a check in an amount of
44 \$1,000.00 or less; (2) 14 calendar days of the date of the transaction
45 for a check in an amount greater than \$1,000.00 but less than or
46 equal to \$5,000.00; or (3) 45 calendar days of the date of the
47 transaction for a check in an amount greater than \$5,000.00.
48 Notwithstanding the foregoing, the drawer of the check may redeem

1 the check by exchanging cash, cash equivalents, chips, or a check
2 which meets the requirements of subsection g. of this section in an
3 amount equal to the amount for which the check is drawn; or he
4 may redeem the check in part by exchanging cash, cash equivalents,
5 chips, or a check which meets the requirements of subsection g. of
6 this section and another check which meets the requirements of
7 subsection b. of this section for the difference between the original
8 check and the cash, cash equivalents, chips, or check tendered; or
9 he may issue one check which meets the requirements of subsection
10 b. of this section in an amount sufficient to redeem two or more
11 checks drawn to the order of the casino licensee. If there has been a
12 partial redemption or a consolidation in conformity with the
13 provisions of this subsection, the newly issued check shall be
14 delivered to a bank for collection or payment or presented to the
15 drawer's bank for payment by an attorney or casino key employee
16 with no incompatible functions within the period herein specified.
17 No casino licensee or any person licensed or registered under this
18 act, and no person acting on behalf of or under any arrangement
19 with a casino licensee or other person licensed under this act, shall
20 accept any check or series of checks in redemption or consolidation
21 of another check or checks in accordance with this subsection for
22 the purpose of avoiding or delaying the deposit of a check in a bank
23 for collection or payment or the presentment of the check to the
24 drawer's bank within the time period prescribed by this subsection.

25 In computing a time period prescribed by this subsection, the last
26 day of the period shall be included unless it is a Saturday, Sunday,
27 or a State or federal holiday, in which event the time period shall
28 run until the next business day.

29 d. No casino licensee or any other person licensed or registered
30 under this act, or any other person acting on behalf of or under any
31 arrangement with a casino licensee or other person licensed or
32 registered under this act, shall transfer, convey, or give, with or
33 without consideration, a check cashed in conformity with the
34 requirements of this section to any person other than:

35 (1) The drawer of the check upon redemption or consolidation
36 in accordance with subsection c. of this section;

37 (2) A bank for collection or payment of the check;

38 (3) A purchaser of the casino license as approved by the
39 commission; or

40 (4) An attorney or casino key employee with no incompatible
41 functions for presentment to the drawer's bank.

42 The limitation on transferability of checks imposed herein shall
43 apply to checks returned by any bank to the casino licensee without
44 full and final payment.

45 e. No person other than a casino key employee licensed under
46 this act or a casino employee registered under this act may engage
47 in efforts to collect upon checks that have been returned by banks

1 without full and final payment, except that an attorney-at-law
2 representing a casino licensee may bring action for such collection.

3 f. Notwithstanding the provisions of any law to the contrary,
4 checks cashed in conformity with the requirements of this act shall
5 be valid instruments, enforceable at law in the courts of this State.
6 Any check cashed, transferred, conveyed or given in violation of
7 this act shall be invalid and unenforceable for the purposes of
8 collection but shall be included in the calculation of gross revenue
9 pursuant to section 24 of P.L.1977, c.110 (C.5:12-24).

10 g. Notwithstanding the provisions of subsection b. of this
11 section to the contrary, a casino licensee may accept a check from a
12 person to enable the person to take part in gaming or simulcast
13 wagering activity as a player, may give cash or cash equivalents in
14 exchange for such a check, or may accept a check in redemption or
15 partial redemption of a check issued in accordance with subsection
16 b., provided that:

17 (1) (a) The check is issued by a casino licensee, is made payable
18 to the person presenting the check, and is issued for a purpose other
19 than employment compensation or as payment for goods or services
20 rendered;

21 (b) The check is issued by a banking institution which is
22 chartered in a country other than the United States on its account at
23 a federally chartered or state-chartered bank and is made payable to
24 "cash," "bearer," a casino licensee, or the person presenting the
25 check;

26 (c) The check is issued by a banking institution which is
27 chartered in the United States on its account at another federally
28 chartered or state-chartered bank and is made payable to "cash,"
29 "bearer," a casino licensee, or the person presenting the check;

30 (d) The check is issued by a slot system operator or pursuant to
31 an annuity jackpot guarantee as payment for winnings from a multi-
32 casino progressive slot machine system jackpot; or

33 (e) The check is issued by **an affiliate of a casino licensee** an
34 entity that holds a gaming license in any jurisdiction, is made
35 payable to the person presenting the check, and is issued for a
36 purpose other than employment compensation or as payment for
37 goods or services rendered;

38 (2) The check is identifiable in a manner approved by the
39 division as a check authorized for acceptance pursuant to paragraph
40 (1) of this subsection;

41 (3) The check is dated, but not postdated;

42 (4) The check is presented to the cashier or the cashier's
43 representative by the original payee and its validity is verified by
44 the drawer in the case of a check drawn pursuant to subparagraph
45 (a) of paragraph (1) of this subsection, or the check is verified in
46 accordance with regulations promulgated under this act in the case
47 of a check issued pursuant to subparagraph (b), (c), (d) or (e) of
48 paragraph (1) of this subsection; and

1 (5) The regulations concerning check cashing procedures are
2 observed by the casino licensee and its employees and agents.

3 No casino licensee shall issue a check for the purpose of making
4 a loan or otherwise providing or allowing any advance or credit to a
5 person to enable the person to take part in gaming or simulcast
6 wagering activity as a player.

7 h. Notwithstanding the provisions of subsection b. and
8 subsection c. of this section to the contrary, a casino licensee may,
9 at a location outside the casino, accept a personal check or checks
10 from a person for up to \$5,000 in exchange for cash or cash
11 equivalents, and may, at such locations within the casino or casino
12 simulcasting facility as may be permitted by the division, accept a
13 personal check or checks for up to \$5,000 in exchange for cash,
14 cash equivalents, tokens, chips, or plaques to enable the person to
15 take part in gaming or simulcast wagering activity as a player,
16 provided that:

17 (a) The check is drawn on the patron's bank or brokerage cash
18 management account;

19 (b) The check is for a specific amount;

20 (c) The check is made payable to the casino licensee;

21 (d) The check is dated but not post-dated;

22 (e) The patron's identity is established by examination of one of
23 the following: valid credit card, driver's license, passport, or other
24 form of identification credential which contains, at a minimum, the
25 patron's signature;

26 (f) The check is restrictively endorsed "For Deposit Only" to
27 the casino licensee's bank account and deposited on the next
28 banking day following the date of the transaction;

29 (g) The total amount of personal checks accepted by any one
30 licensee pursuant to this subsection that are outstanding at any time,
31 including the current check being submitted, does not exceed
32 \$5,000;

33 (h) The casino licensee has a system of internal controls in place
34 that will enable it to determine the amount of outstanding personal
35 checks received from any patron pursuant to this subsection at any
36 given point in time; and

37 (i) The casino licensee maintains a record of each such
38 transaction in accordance with regulations established by the
39 division.

40 i. (Deleted by amendment, P.L.2004, c.128).

41 j. A person may request the division to put that person's name
42 on a list of persons to whom the extension of credit by a casino as
43 provided in this section would be prohibited by submitting to the
44 division the person's name, address, and date of birth. The person
45 does not need to provide a reason for this request. The division shall
46 provide this list to the credit department of each casino; neither the
47 division nor the credit department of a casino shall divulge the
48 names on this list to any person or entity other than those provided

1 for in this subsection. If such a person wishes to have that person's
2 name removed from the list, the person shall submit this request to
3 the division, which shall so inform the credit departments of casinos
4 no later than three days after the submission of the request.

5 k. (Deleted by amendment, P.L.2004, c.128).

6 (cf: P.L.2011, c.19, s.68)

7

8 7. Section 104 of P.L.1977, c.110 (C.5:12-104) is amended to
9 read as follows:

10 104. a. Unless otherwise provided in this subsection, no
11 agreement shall be lawful which provides for the payment, however
12 defined, of any direct or indirect interest, percentage or share of:
13 any money or property gambled at a casino or simulcasting facility;
14 any money or property derived from casino gaming activity or
15 wagering at a simulcasting facility; or any revenues, profits or
16 earnings of a casino or simulcasting facility. Notwithstanding the
17 foregoing:

18 (1) Agreements which provide only for the payment of a fixed
19 sum which is in no way affected by the amount of any such money,
20 property, revenues, profits or earnings shall not be subject to the
21 provisions of this subsection; and receipts, rentals or charges for
22 real property, personal property or services shall not lose their
23 character as payments of a fixed sum because of contract, lease, or
24 license provisions for adjustments in charges, rentals or fees on
25 account of changes in taxes or assessments, cost-of-living index
26 escalations, expansion or improvement of facilities, or changes in
27 services supplied.

28 (2) [(Deleted by amendment, P.L.2011, c.19)] Agreements
29 between a casino licensee and a junket enterprise or junket
30 representative licensed, qualified or registered in accordance with
31 the provisions of P.L.1977, c.110 (C.5:12-1 et seq.) and the
32 regulations of the division which provide for the compensation of
33 the junket enterprise or junket representative by the casino licensee
34 based upon the actual casino gaming or simulcast wagering
35 activities of a patron procured or referred by the junket enterprise or
36 junket representative shall be lawful if filed with the division prior
37 to the conduct of any junket that is governed by the agreement.

38 (3) Agreements between a casino licensee and its employees
39 which provide for casino employee or casino key employee profit
40 sharing shall be lawful if the agreement is in writing and filed with
41 the division prior to its effective date. Such agreements may be
42 reviewed by the division under any relevant provision of P.L.1977,
43 c.110 (C.5:12-1 et seq.).

44 (4) Agreements to lease an approved casino hotel or the land
45 thereunder and agreements for the complete management of all
46 casino gaming operations in a casino hotel shall not be subject to
47 the provisions of this subsection but shall rather be subject to the
48 provisions of subsections b. and c. of section 82 of this act.

1 (5) Agreements which provide for percentage charges between
2 the casino licensee and a holding company or intermediary
3 company of the casino licensee shall be in writing and filed with the
4 division but shall not be subject to the provisions of this subsection.

5 (6) Agreements relating to simulcast racing and wagering
6 between a casino licensee and an in-State or out-of-State sending
7 track licensed or exempt from licensure in accordance with section
8 92 of P.L.1977, c.110 (C.5:12-92) shall be in writing, be filed with
9 the division, and be lawful and effective only if expressly approved
10 as to their terms by the division and the New Jersey Racing
11 Commission, except that any such agreements which provide for a
12 percentage of the parimutuel pool wagered at a simulcasting facility
13 to be paid to the sending track shall not be subject to the provisions
14 of this subsection.

15 (7) Agreements relating to simulcast racing and wagering
16 between a casino licensee and a casino service industry enterprise
17 licensed pursuant to the provisions of subsection a. of section 92 of
18 P.L.1977, c.110 (C.5:12-92) as a hub facility, as defined in joint
19 regulations of the Division of Gaming Enforcement and the New
20 Jersey Racing Commission, shall be in writing, be filed with the
21 commission, and be lawful and effective only if expressly approved
22 as to their terms by the commission and the New Jersey Racing
23 Commission, except that any such agreements which provide for a
24 percentage of the casino licensee's share of the parimutuel pool
25 wagered at a simulcasting facility to be paid to the hub facility shall
26 not be subject to the provisions of this subsection.

27 (8) Agreements relating to simulcast racing and wagering
28 between a casino licensee and a casino service industry enterprise
29 licensed pursuant to the provisions of subsection a. of section 92 of
30 P.L.1977, c.110 (C.5:12-92) to conduct casino simulcasting in a
31 simulcasting facility shall be in writing, be filed with the
32 commission, and be lawful and effective only if expressly approved
33 as to their terms by the commission, except that any such
34 agreements which provide for a percentage of the casino licensee's
35 share of the parimutuel pool wagered at a simulcasting facility to be
36 paid to the casino service industry enterprise shall not be subject to
37 the provisions of this subsection.

38 (9) Written agreements relating to the operation of multi-casino
39 progressive slot machine systems between one or more casino
40 licensees and a casino service industry enterprise licensed pursuant
41 to the provisions of subsection a. of section 92 of P.L.1977, c.110
42 (C.5:12-92), or an eligible applicant for such license, which provide
43 for an interest, percentage or share of the casino licensee's revenues,
44 profits or earnings from the operation of such multi-casino
45 progressive slot machines to be paid to the casino service industry
46 enterprise licensee or applicant shall not be subject to the provisions
47 of this subsection if the agreements are filed with and approved by
48 the division.

1 (10) A written agreement between a casino licensee and a casino
2 service industry enterprise licensed pursuant to subsection a. of
3 section 92 of P.L.1977, c.110 (C.5:12-92), or an eligible applicant
4 for such license, relating to the construction, renovation or
5 operation of qualifying sleeping units, as defined in section 27 of
6 P.L.1977, c.110 (C.5:12-27), or of non-gaming amenities, as
7 defined by the division, within the limits of the city of Atlantic
8 City, regardless of whether such qualifying sleeping units or non-
9 gaming amenities are connected to a casino hotel facility, which
10 provides for an interest, percentage or share of the casino licensee's
11 revenues, profits or earnings, not to exceed 5% of the casino
12 licensee's revenues, to be paid to the casino service industry
13 enterprise licensee or applicant in return for the construction,
14 renovation or operation of such qualifying sleeping units or non-
15 gaming amenities shall not be subject to the provisions of this
16 subsection provided that: (i) the agreement requires a capital
17 investment, at least 10% of which shall be made by the casino
18 service industry enterprise licensee or applicant over the term of the
19 agreement, of not less than \$30 million, which minimum amount
20 shall be adjusted periodically by the division for inflation; (ii) the
21 division finds that the total amount of casino revenues, profits or
22 earnings that can be paid to the casino service industry enterprise
23 licensee or applicant pursuant to this agreement is commercially
24 reasonable under the circumstances; and (iii) the agreement is filed
25 with and approved by the division.

26 (11) A written agreement for the purchase or lease of slot
27 machines between a casino licensee and a casino service industry
28 enterprise licensed pursuant to subsection a. of section 92 of
29 P.L.1977, c.110 (C.5:12-92), or an eligible applicant for a license,
30 which provides for the payment to the casino service industry
31 enterprise licensee or applicant of an interest, percentage, or share
32 of the proceeds from the operation of those slot machines shall not
33 be subject to the provisions of this subsection, if the agreement is
34 filed with and approved by the division.

35 b. Each casino applicant or licensee shall maintain, in
36 accordance with the rules of the division, a record of each written or
37 unwritten agreement regarding the realty, construction,
38 maintenance, or business of a proposed or existing casino hotel or
39 related facility. The foregoing obligation shall apply regardless of
40 whether the casino applicant or licensee is a party to the agreement.
41 Any such agreement may be reviewed by the division on the basis
42 of the reasonableness of its terms, including the terms of
43 compensation, and of the qualifications of the owners, officers,
44 employees, and directors of any enterprise involved in the
45 agreement, which qualifications shall be reviewed according to the
46 standards enumerated in section 86 of P.L.1977, c.110 (C.5:12-86).
47 If the division disapproves such an agreement or the owners,

1 officers, employees, or directors of any enterprise involved therein,
2 the division may require its termination.

3 Every agreement required to be maintained, and every related
4 agreement the performance of which is dependent upon the
5 performance of any such agreement, shall be deemed to include a
6 provision to the effect that, if the commission shall require
7 termination of an agreement pursuant to its authority under
8 P.L.1977, c.110 (C.5:12-1 et seq.), such termination shall occur
9 without liability on the part of the casino applicant or licensee or
10 any qualified party to the agreement or any related agreement.
11 Failure expressly to include such a provision in the agreement shall
12 not constitute a defense in any action brought to terminate the
13 agreement. If the agreement is not maintained or presented to the
14 commission in accordance with division regulations, or the
15 disapproved agreement is not terminated, the division may pursue
16 any remedy or combination of remedies provided in this act.

17 For the purposes of this subsection, "casino applicant" includes
18 any person required to hold a casino license pursuant to section 82
19 of P.L.1977, c.110 (C.5:12-82) who has applied to the division for a
20 casino license or any approval required under P.L.1977, c.110
21 (C.5:12-1 et seq.).

22 c. Nothing in this act shall be deemed to permit the transfer of
23 any license, or any interest in any license, or any certificate of
24 compliance or any commitment or reservation.

25 (cf: P.L.2011, c.19, s.73)

26

27 8. Section 55 of P.L.1977, c.110 (C.5:12-55) is amended to
28 read as follows:

29 55. Division of gaming enforcement. There is hereby established
30 in the Department of Law and Public Safety the Division of Gaming
31 Enforcement. The division shall be under the immediate supervision
32 of a director who shall also be sworn as an Assistant Attorney
33 General and who shall administer the work of the division under the
34 direction and supervision of the Attorney General. The director
35 shall be appointed by the Governor, with the advice and consent of
36 the Senate, and shall serve during the term of office of the
37 Governor, except that the first director shall be appointed for a term
38 of 2 years. The director may be removed from office by the
39 Attorney General for cause upon notice and opportunity to be heard.

40 The director and any employee or agent of the division shall be
41 subject to the duty to appear and testify and to removal from his
42 office, position or employment in accordance with the provisions of
43 P.L.1970, c.72 (C.2A:81-17.2a et seq.). The Attorney General shall
44 be responsible for the exercise of the duties and powers assigned to
45 the division.

46 The division shall be located in Atlantic City, except that the
47 division may maintain a secondary satellite office in Trenton, which

1 shall not be the primary office, if deemed necessary for the effective
2 performance of its duties and responsibilities.

3 If, as a result of the transfer of duties and responsibilities from
4 the Casino Control Commission to the division in accordance with
5 P.L.2011, c.19 (C.5:12-6.1 et al.), the division needs to employ an
6 individual to fill a position, former employees of the commission
7 who performed the duties of the position to be filled shall be given
8 a one-time right of first refusal offer of employment with the
9 division, and such employees may be removed by the division for
10 cause or if deemed unqualified to hold the position, notwithstanding
11 any other provision of law to the contrary. An individual formerly
12 employed by the commission who becomes employed by the
13 division shall retain as an employee of the division the seniority,
14 and all rights related to seniority, that the employee had with the
15 commission as of the last day of employment with the commission.
16 (cf: P.L.2011, c.19, s.124)

17

18 9. This act shall take effect immediately.

19

20

21

STATEMENT

22

23 This bill makes various changes to the law governing casino
24 gaming in this State.

25 The bill:

26 authorizes the division to allow electronic versions of authorized
27 games to be played on mobile gaming devices within an approved
28 hotel facility, including any area within the property boundaries of
29 the casino hotel such as the pool and outdoor recreation areas;
30 provided the player has established an account with the casino
31 licensee, the wager is placed by and paid to the patron in person
32 within the approved hotel facility, the mobile gaming device is
33 inoperable outside the approved hotel facility, the division
34 authorizes the device for mobile gaming, and ensures that gaming
35 will not extend outside of the casino hotel's property boundaries;

36 amends the definition of "gross revenue" to specify that the cash
37 equivalent value of any merchandise or thing of value included in a
38 jackpot or payout will be included in the total of all sums paid out
39 as winnings to patrons for purposes of determining gross revenue,
40 and that such cash equivalent value must be equal to the amount
41 actually paid by the casino licensee for the merchandise or thing of
42 value;

43 amends the definition of "corporate officer" to include chief
44 compliance officer;

45 clarifies in one section of the law that it is the Division of
46 Gaming Enforcement, not the Casino Control Commission, that will
47 decide which persons are to be qualified in conjunction with a
48 casino license or casino license applicant;

- 1 removes the requirement for the commission's prior approval of
- 2 a non-publicly traded corporation's transfers of securities, shares,
- 3 and other interests in connection with that corporation's application
- 4 for a casino license, but clarifies that the commission receives
- 5 notice of such transfers and may disapprove within five business
- 6 days from receiving the notice, or the transfers become effective at
- 7 the end of that period;
- 8 removes the prohibition against a casino key employee licensee
- 9 wagering in any casino outside of the State, and removes a
- 10 reference to any person who is required to hold a casino key
- 11 employee license as a condition of employment or qualification;
- 12 permits a casino licensee to accept a check, from a person to take
- 13 part in gaming or simulcast wagering as a player, issued by any
- 14 entity, not just a check issued by an affiliate casino licensee;
- 15 restores language deleted by P.L.2011, c.19 so that a casino
- 16 licensee may compensate a junket enterprise or representative based
- 17 upon the actual casino gaming or simulcast wagering activities of a
- 18 patron procured or referred by the junket enterprise or
- 19 representative;
- 20 permits participation agreements between casino licensees and
- 21 casino service industry enterprise licensees, or applicants for such
- 22 licenses, which involve the purchase or lease of slot machines, to
- 23 provide for payments of an interest, percentage, or share of the
- 24 proceeds from the operation of the slot machines to the casino
- 25 service industry enterprise licensees or applicants, subject to the
- 26 approval of the Division of Gaming Enforcement; and
- 27 provides that a former employee of the Casino Control
- 28 Commission who has been hired by the Division of Gaming
- 29 Enforcement will retain all seniority and rights attendant thereto.

ASSEMBLY REGULATORY OVERSIGHT AND GAMING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2575

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 5, 2012

The Assembly Regulatory Oversight and Gaming Committee reports favorably and with committee amendments Assembly Bill No. 2575.

This bill makes various changes to the law governing casino gaming in this State.

As amended by the committee, the bill:

authorizes the division to allow electronic versions of authorized games to be played on mobile gaming devices within an approved hotel facility, including any area within the property boundaries of the casino hotel such as the pool and outdoor recreation areas; provided the player has established an account with the casino licensee, the wager is placed by and paid to the patron in person within the approved hotel facility, the mobile gaming device is inoperable outside the approved hotel facility, the division authorizes the device for mobile gaming, and ensures that gaming will not extend outside of the casino hotel's property boundaries;

amends the definition of "gross revenue" to specify that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout will be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue, and that such cash equivalent value must be equal to the amount actually paid by the casino licensee for the merchandise or thing of value;

amends the definition of "corporate officer" to include chief compliance officer;

clarifies in one section of the law that it is the Division of Gaming Enforcement, not the Casino Control Commission, that will decide which persons are to be qualified in conjunction with a casino license or casino license applicant;

removes the requirement for the commission's prior approval of a non-publicly traded corporation's transfers of securities, shares, and other interests in connection with that corporation's application for a casino license, but clarifies that the commission receives notice of such transfers and may disapprove within five business days from

receiving the notice, or the transfers become effective at the end of that period;

removes the prohibition against a casino key employee licensee wagering in any casino outside of the State, and removes a reference to any person who is required to hold a casino key employee license as a condition of employment or qualification;

permits a casino licensee to accept a check, from a person to take part in gaming or simulcast wagering as a player, issued by any entity, not just a check issued by an affiliate casino licensee;

restores language deleted by P.L.2011, c.19 so that a casino licensee may compensate a junket enterprise or representative based upon the actual casino gaming or simulcast wagering activities of a patron procured or referred by the junket enterprise or representative; and

provides that a former employee of the Casino Control Commission who has been hired by the Division of Gaming Enforcement will retain all seniority and rights attendant thereto.

COMMITTEE AMENDMENTS:

The committee amended the bill to delete language that would have permitted participation agreements between casino licensees and casino service industry enterprise licensees, or applicants for such licenses, for the purchase or lease of slot machines and the payments of an interest, percentage, or share of the proceeds from the operation of the slot machines to the casino service industry enterprise licensees or applicants, subject to the approval of the Division of Gaming Enforcement.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2575

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 21, 2012

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2575 (1R), with committee amendments.

Assembly Bill No. 2575 (1R), as amended, makes various changes to the law governing casino gaming in this State.

This bill:

authorizes the division to allow electronic versions of authorized games to be played on mobile gaming devices within an approved hotel facility, including any area within the property boundaries of the casino hotel, such as the pool and outdoor recreation areas, but excluding parking garages or parking areas of a casino hotel facility; provided the player has established an account with the casino licensee, the wager is placed by and paid to the patron in person within the approved hotel facility, the mobile gaming device is inoperable outside the approved hotel facility, the division authorizes the device for mobile gaming, and ensures that gaming will not extend outside of the casino hotel's property boundaries;

provides that the division may establish more stringent standards for the licensing and conduct of mobile gaming;

amends the definition of "gross revenue" to specify that the cash equivalent value of any merchandise or thing of value included in a jackpot or payout will be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue, and that such cash equivalent value must be equal to the amount actually paid by the casino licensee for the merchandise or thing of value;

amends the definition of "corporate officer" to include chief compliance officer;

defines "independent software contractor" as a person who is not an employee of a casino service industry enterprise and who, pursuant to an agreement with the casino service industry enterprise, develops, designs, programs, produces, composes, or manufactures any software, source language, executable code, or content which a casino service industry enterprise acquires control over or ownership of and assumes legal responsibility for the gaming device in which the software or code is used;

excludes junket enterprises, junket representatives, and independent software contractors from the definition of casino service industry enterprises required to be licensed to conduct business with casino licensees, but includes them as enterprises required to be registered with the division and licensed if so determined by the division;

allows participation agreements between casino licensees and casino service industry enterprises for the lease of mobile gaming devices, which provide for the payment to the casino service industry enterprise of an interest, percentage, or share of the proceeds from the operation of those mobile gaming devices;

clarifies in one section of the law that it is the Division of Gaming Enforcement, not the Casino Control Commission, that will decide which persons are to be qualified in conjunction with a casino license or casino license applicant;

removes the requirement for the commission's prior approval of a non-publicly traded corporation's transfers of securities, shares, and other interests in connection with that corporation's application for a casino license, but clarifies that the commission receives notice of such transfers and may disapprove within five business days from receiving the notice, or the transfers become effective at the end of that period;

removes the prohibition against a casino key employee licensee wagering in any casino outside of the State, and removes a reference to any person who is required to hold a casino key employee license as a condition of employment or qualification;

permits a casino licensee to accept a check from a person to take part in gaming or simulcast wagering as a player, issued by any entity, not just a check issued by an affiliate casino licensee;

restores language deleted by P.L.2011, c.19 so that a casino licensee may compensate a junket enterprise or representative based upon the actual casino gaming or simulcast wagering activities of a patron procured or referred by the junket enterprise or representative; and

provides that a former employee of the Casino Control Commission who has been hired by the Division of Gaming Enforcement will retain all seniority and rights attendant thereto.

FISCAL IMPACT:

The principal fiscal impact of the bill is the change to the definition of "gross revenue" to specify that the cash equivalent value of items included in a jackpot or payout will be included in the total of all sums paid out as winnings for purposes of determining gross revenue. This increase in the measure of payouts will decrease the measure of gross revenue, which will reduce the casino gross revenue tax deposited to the Casino Revenue Fund and reduce the Casino Reinvestment

Development Authority obligations of casinos. Data are not currently available to estimate the amount of these reductions.

COMMITTEE AMENDMENTS:

The committee amendments:

(1) exclude junket enterprises, junket representatives, and independent software contractors from the definition of casino service industry enterprises required to be licensed to conduct business with casino licensees, but include them as enterprises required to be registered with the division and licensed if so determined by the division;

(2) add the definition of “independent software contractor;”

(3) allow participation agreements between casino licensees and casino service industry enterprises for the lease of mobile gaming devices, which provide for the payment to the casino service industry enterprise of an interest, percentage, or share of the proceeds from the operation of those mobile gaming devices;

(4) clarify language concerning mobile gaming devices, to correctly state that the in-person wagers are paid by the patron to the casino and the in-person winnings are paid to the patron by the casino;

(5) forbid the use of mobile gaming devices in parking garages or parking areas of a casino hotel facility; and

(6) authorize the division to establish any additional or more stringent licensing and other regulatory requirements necessary for the proper implementation and conduct of mobile gaming as provided by the bill.

STATEMENT TO
[Second Reprint]
ASSEMBLY, No. 2575

with Assembly Floor Amendments
(Proposed by Assemblyman BURZICHELLI)

ADOPTED: MAY 24, 2012

These Assembly amendments:

(1) delete a provision that would have allowed for a written agreement for the lease of mobile gaming devices between a casino licensee and a casino service industry enterprise to provide for the payment to the casino service industry enterprise of an interest, percentage, or share of the proceeds from the operation of those mobile gaming devices;

(2) omit any changes to the definition of “gross revenue” from the bill; and

(3) provide that a collection agency, working under the supervision of an attorney-at-law representing a casino licensee, may be retained to collect a debt or bring action for such collection.

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 2575

STATE OF NEW JERSEY 215th LEGISLATURE

DATED: JUNE 5, 2012

SUMMARY

- Synopsis:** Makes various changes regarding the regulation of casino gaming
- Type of Impact:** Revenue Increase: Casino Revenue Fund.
- Agencies Affected:** Department of Law and Public Safety, Division of Gaming Enforcement; Department of the Treasury, Casino Control Commission.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
State Revenue	Indeterminate – See comments below.		

- Among the various changes made by this bill to the regulation of casino gaming, this bill authorizes the Division of Gaming Enforcement in the Department of Law and Public Safety to allow electronic versions of authorized games to be played on mobile gaming devices under certain circumstances.
- The Office of Legislative Services (OLS) cannot reliably estimate the increase in State revenue that could result from mobile gaming on authorized casino games offered by Atlantic City Casinos because no data exists for New Jersey.
- Gaming using mobile devices in New Jersey would provide a new method of wagering on authorized casino games in Atlantic City. No current data exists for actual mobile gaming to provide the necessary economic, demographic, and consumer behavior information needed to make an estimate for the demand for mobile gaming in New Jersey.

BILL DESCRIPTION

Assembly Bill No. 2575 (3R) of 2012, among the various changes made by this bill to the regulation of casino gaming, authorizes the Division of Gaming and Enforcement in the

Department of Law and Public Safety to allow electronic versions of authorized games to be played on mobile gaming devices provided the player has established an account with the casino licensee, in person wagers are paid by the patron to the casino and the in-person winnings are paid to the patron by the casino, the mobile gaming device is inoperable outside the approved hotel facility, and the division authorizes the device for mobile gaming. Mobile gaming devices may be used by patrons in any area located within the property boundaries of the casino hotel facility, including the swimming pool area and an outdoor recreation area, provided that the division ascertains and ensures, pursuant to rules and regulations to be issued by it to implement mobile gaming, that mobile gaming does not extend outside of the property boundaries of the casino hotel facility. The bill specifically forbids the use of mobile gaming devices in parking garages or parking areas of a casino hotel facility.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS cannot reliably estimate the increase in State revenue that could result from mobile gaming on authorized casino games offered by Atlantic City Casinos because no data exists for New Jersey. Gaming using mobile devices in New Jersey would provide a new method of wagering on authorized casino games in Atlantic City. No data exists for actual mobile gaming to provide the necessary economic, demographic, and consumer behavior information needed to make an estimate for the demand for mobile gaming in New Jersey.

It should be noted that mobile gaming has been approved by the Nevada Gaming Control Board (NGCB). However, according to information provided by the NGCB, mobile gaming technology has not reached its critical mass since its approval in 2009. Since 2009, total tax revenues for mobile gaming have been immaterial, for example only \$84,000 in FY 2011.

The OLS notes that the gaming structure in New Jersey differs from the gaming structure in Nevada and the Nevada experience may or may not be indicative of mobile gaming behavior in New Jersey.

Section: State Government

Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst

Approved: David J. Rosen
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

STATEMENT TO
[Third Reprint]
ASSEMBLY, No. 2575

with Assembly Floor Amendments
(Proposed by Assemblyman BURZICHELLI)

ADOPTED: JUNE 21, 2012

These Assembly amendments:

(1) include within the definition of “casino service industry enterprise” any vendor providing to casino licensees or applicants goods and services ancillary to gaming activity, including, without limitation, junket enterprises and junket representatives, holders of casino hotel alcoholic beverage control licenses, lessors of casino property not required to hold a casino license, and licensors of authorized games;

(2) clarify that “independent software contractor” means a person or entity not employed directly by a casino service industry enterprise;

(3) provide that, if approved by the Division of Gaming Enforcement, an applicant for a casino service industry enterprise license seeking to offer goods or services which directly relate to casino or gaming activity may offer such goods or services prior to obtaining that license, for such periods as the division may establish by regulation, instead of seeking the division’s approval for each business transaction;

(4) provide that vendors that offer goods and services to casino licensees or applicants ancillary to gaming, including, without limitation, junket enterprises and junket representatives, and any person employed by a junket enterprise or junket representative in a managerial or supervisory position, non-casino applicants or licensees required to hold a casino hotel alcoholic beverage license, lessors of casino property not required to hold a casino license, and licensors of authorized games, must be licensed as ancillary casino service industry enterprises;

(5) provide that an ancillary casino service industry enterprise required to be licensed, as well as its owners, management and supervisory personnel, and employees if such employees have responsibility for services to a casino applicant or licensee, must establish their good character, honesty and integrity by clear and convincing evidence and must provide such financial information as may be required by the division; and that any enterprise required to be licensed as an ancillary casino service industry enterprise must be permitted to transact business with a casino licensee upon filing of the appropriate vendor registration form and application for such licensure;

(6) provide that the division may require individual vendors who are required to register to instead be licensed as either a casino service industry enterprise or an ancillary casino service industry enterprise, and that the division may also require any enterprise licensed as or required to be licensed as an ancillary casino service industry enterprise to instead apply for a casino service industry enterprise license;

(7) provide that the division may order that an independent software contractor not otherwise required to be registered be either registered as a vendor, or be licensed as either a casino service industry enterprise or an ancillary casino service industry enterprise;

(8) empower the division to revoke, suspend, limit, or otherwise restrict the license, registration or qualification status of any entity, including any finding of qualification as may be required as a condition of licensure, or the registration of any vendor, upon a finding that the licensee, registrant or qualifier is disqualified on the basis of the criteria set forth under current law, subject to a prior hearing which must be a limited proceeding at which the division must have the affirmative obligation to demonstrate that there is a reasonable possibility that the licensee, registrant or qualifier is disqualified on the basis of that criteria;

(9) remove language that would have allowed a collection agency, working under the supervision of an attorney-at-law representing a casino licensee, to be retained to collect a debt or bring action for such collection;

(10) retain a requirement under current law for a junket representative employed by a casino licensee, or by an applicant for a casino licensee or an affiliate, to be licensed as a casino key employee;

(11) provide that junket enterprises, and junket representatives not employed by a casino licensee or by an applicant for a casino license or by a junket enterprise, must be licensed as an ancillary casino service industry enterprises, unless otherwise directed by the division, provided that any such junket enterprise or junket representative who is disqualified would not be entitled to establish rehabilitation from such disqualification;

(12) provide that any non-supervisory employee of a junket enterprise or junket representative licensed as an ancillary casino service industry enterprise must be registered with the division;

(13) provide that, upon petition by the holder of a casino license, an applicant for a casino key employee license intending to be employed as a junket representative may be issued a temporary license by the division;

(14) limit the retention of seniority and seniority rights of former Casino Control Commission employees now working for the division to employees who were transferred from employment with the commission to employment with the division, and provide that such seniority and seniority rights will not be retained by employees who were removed from employment with the commission due to layoff procedures or who resigned from a position with the commission prior to being hired by the division;

(15) provide that, notwithstanding the provisions of any other law to the contrary, the Casino Reinvestment Development Authority must devote all available assets and revenues of the authority to the purposes of the tourism district and community development in Atlantic City, unless otherwise provided by contract entered into prior to the effective date of P.L.2011, c.18 (C.5:12-218 et al.), instead of unless otherwise provided by law;

(16) authorize the division, by regulation, to permit the linking of slot machines of one or more casino licensees and slot machines located in casinos licensed by another state of the United States; providing further that wagering and account information for a multi-state slot system must be transmitted by the operator of such multi-state slot system to either a restricted area on the premises of a casino hotel or to a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a casino hotel but within the territorial limits of Atlantic County, New Jersey, and from there to slot machines of New Jersey casino licensees, with all locations subject to approval by the division;

(17) permit participation agreements for revenue sharing between casino licensees and casino service industry enterprises that operate multi-state slot machine systems; and

(18) allow the use of mobile gaming devices at casinos and racetracks that operate sports pools to enable players to place wagers on sports or athletic events.